

CD ACQUISITION CASE STUDY

\$1.5B MIDWEST CREDIT UNION

316%

RETURN ON INVESTMENT

BACKGROUND

\$1.5B Midwest credit union with a multiple county community charter. Potential membership of over one million households.

PREMISE

Low-income households do not have extra disposable income to invest in CDs or other deposit investment accounts. Focusing on higher-income households will provide better responses and deposit growth. Targeting these wealthy consumers with multiple messaging will increase new account growth. Marketing to these affluent neighborhoods (at the carrier route level) will reduce mailing costs to less than a third of the cost of first-class postage, helping reduce marketing costs and increase overall ROI.

STRATEGY

- Select high-income neighborhoods with more disposable income.
- Market households with proximity to branches to increase responses.
- Maximize postal discounts to reduce acquisition costs.
- Execute multiple touchpoints to increase overall deposits.
- Minimize production costs to maximize ROI.

IMPLEMENTATION

Using the CU's standard rates, 14,472 potential members and current members who reside in wealthy neighborhoods with a minimum of \$75,000 medium income were targeted. Stellar suppressed current members with CDs and/or money market accounts from the direct marketing campaign.

Multiple follow-up outbound calls helped increase results. Stellar's call center made outbound calls, as well as received inbound calls during and after regular business hours.

RESULTS

6 Week CD Member & Prospect Campaign

- Total Consumers Targeted: 14,472
- New Accounts Opened: 123
- Overall New Deposits Generated: \$5,418,245
- Spread Income: 250 Basis Points

ROI: 316%

ROI calculated using the cost of all marketing expenses plus a 1% cost of funds.