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- Bank XYZ Media Discussion: Stimulating New Checking Accounts

## Purpose of Presentation

- Provide media strategies for an advertising campaign intended to generate new checking account customers.
- Give *Bank XYZ* marketing executives an example of Absolute Media's strategic media capabilities.

Through this presentation, demonstrate:

- 1) insightful marketing and media approaches**
- 2) why Absolute Media should be *Bank XYZ's* strategic and executional media partner for this campaign**

All information in this recommendation has been generated independently of *Bank XYZ*. We recognize that in some cases *Bank XYZ's* proprietary research may contain conflicting information from what is presented here.

## Presentation Deliverables

- Recommend a target audience and provide rationale
- Understand the geographic opportunities and challenges faced by *Bank XYZ*
- Comment on ROP newspaper advertising
- Recommend a list of media forms that will be effective in generating new checking account customers for *Bank XYZ*
- Present a prototypical media plan

Much of the content in this presentation has implications beyond advertising and media and should influence:

- *Bank XYZ's* future events/promotions
- Direct Mail
- Location of future branches
- Public Relations

## Target Audience Exploration

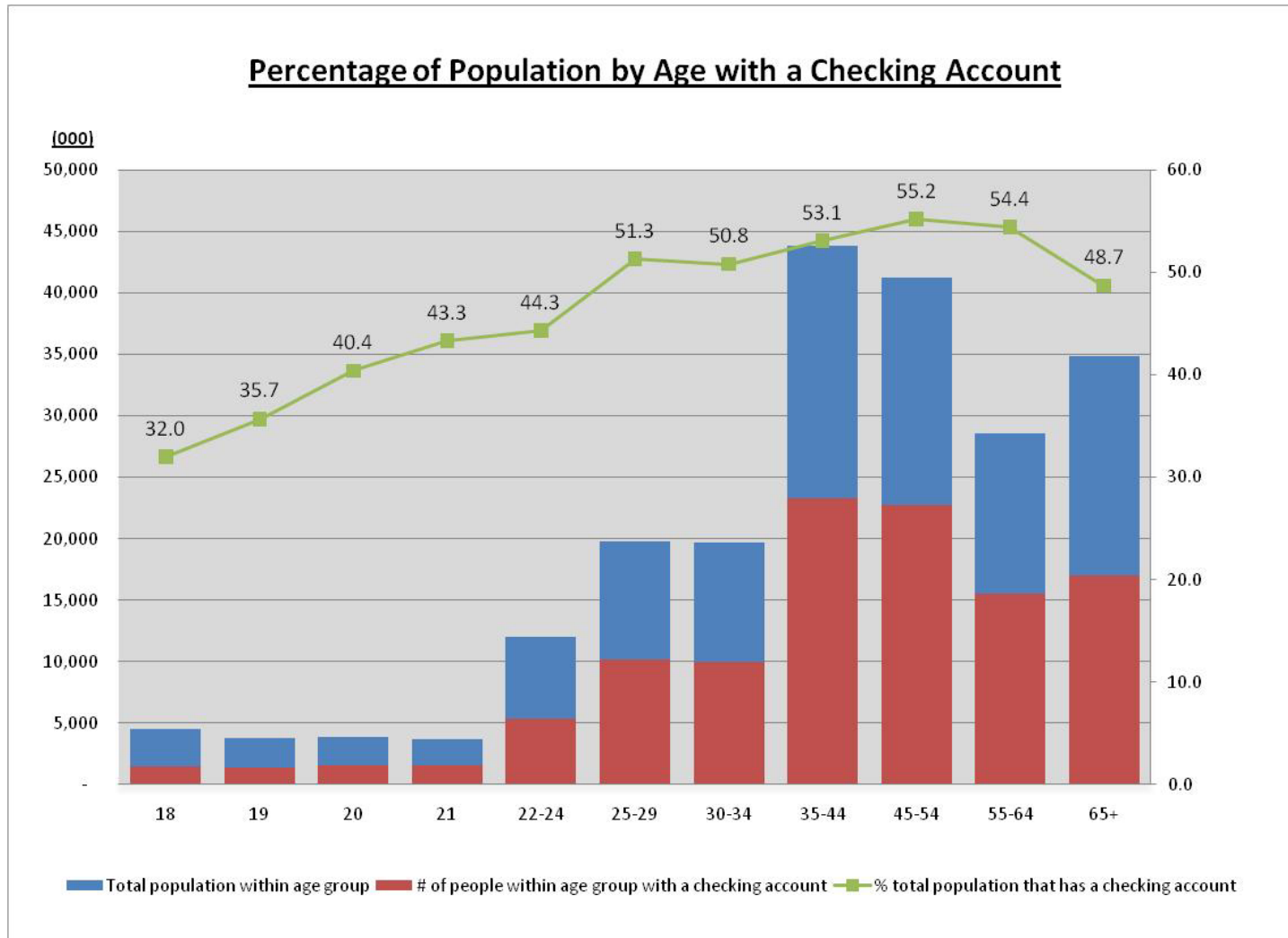
According to MRI (the national syndicated research company) consumers have acquired these banking services **over the past twelve months** by age group:

<b>Bank Product</b>	<b>Index</b>					
	<b>18-24</b>	<b>25-34</b>	<b>35-44</b>	<b>45-54</b>	<b>55-64</b>	<b>65+</b>
<b><i>Interest checking account</i></b>	144 <sup>1</sup>	115	106	101	81	35
<b><i>Non-interest checking account</i></b>	199	138	95	90	52	34
Money market account	70	103	95	102	137	95
Savings account	173	138	104	80	74	39
Auto loan	75	114	132	126	98	35
Personal education loan	286	117	91	99	28	3
Home mortgage loan	57	153	119	134	93	16
Home equity line of credit	24	98	142	152	110	40

<sup>1</sup> To be read: Adults within the ages of 18-24 are 44% more likely to have opened an interest bearing checking account in the last 12 months than all adults 18+.

## Target Audience Exploration (continued)

Here is the national age breakdown of people that have an interest or non-interest checking account:

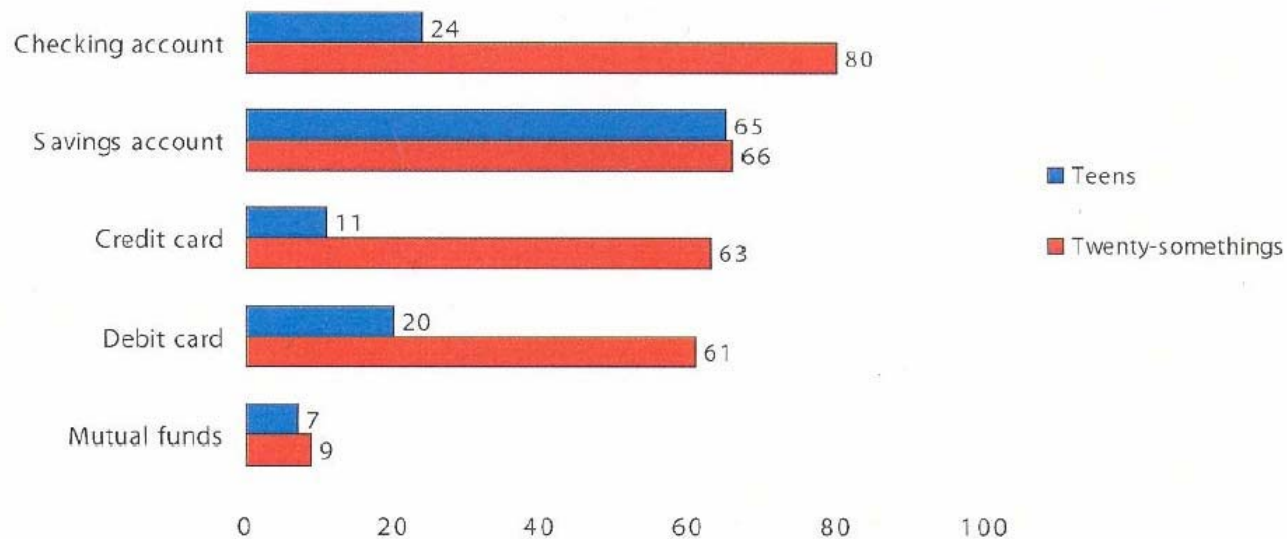


## Target Audience Exploration (continued)

We checked the MRI data against Teen Research Unlimited information. According to TRU:

- 76%<sup>2</sup> of teens do not have a checking account
- only 20% of twenty-somethings do not have a checking account

### Banking & Investing Resources (%)



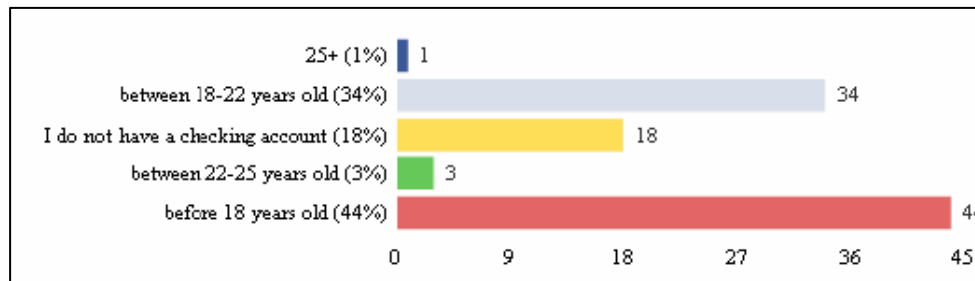
Source: The TRU Study: 2008

<sup>2</sup> Source: The TRU Study: 2008

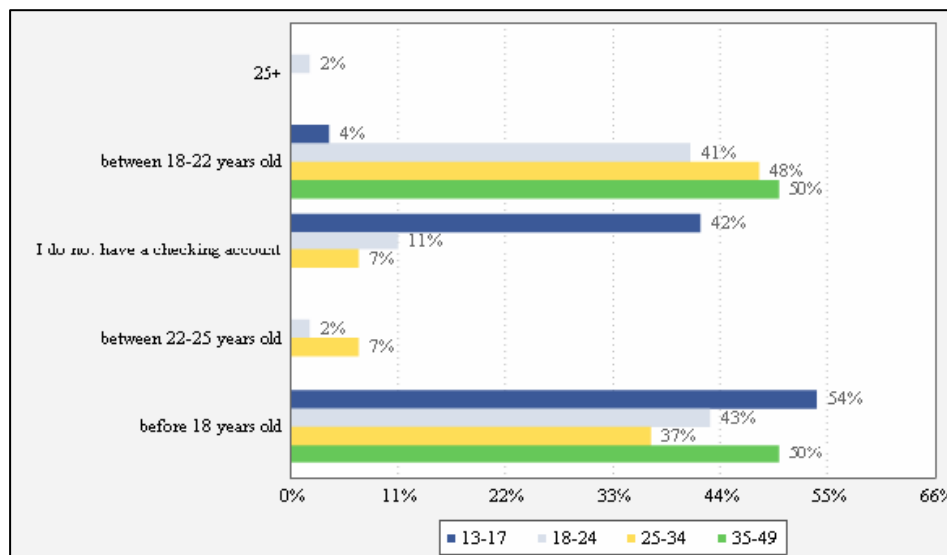
## Target Audience Exploration (continued)

AMI conducted a survey on Facebook.com asking respondents their age when they got their first checking account. Among 100 respondents in the New York area:

- 44% of respondents had set up a checking account by age 18 or younger
- 34% set up a checking account between the ages of 18-22
- 18% of respondents did not have a checking account



Of the respondents that did not have a checking account, most were between the ages of 13 and 17.



## Target Audience Exploration (continued)

Additionally, we believe there are a number of natural life stages when consumers need to set up new checking accounts:

- When moving to a new location (158 MRI index for new checking account at present address <1 year)
  - many medical people and academicians move to new jobs, in new locations, toward the end of July
- After getting married and setting up a joint household<sup>3</sup>

### Set Up A Checking Account in the Past 12 Months

	(000)	% Distribution	Index
Amount of Time Married: 0-1 Years	488	2.8	156
Amount of Time Married: 1 Years	325	1.8	147
Amount of Time Married: 2 Years	446	2.5	118
Amount of Time Married: 3-4 Years	815	4.6	126
Amount of Time Married: 5-9 Years	1,593	9.0	109
Amount of Time Married: 10-19 Years	2,385	13.5	99
Amount of Time Married: 20-24 Years	840	4.8	85
Amount of Time Married: 25+ Years	2,581	14.6	73

- During/after getting divorced
- Starting a small business

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<sup>3</sup> Source: 2007 MRI

## Target Audience Conclusions/Recommendations

Based on all the above, given a significant enough budget, AMI recommends two target audiences:

**Primary: Adults 18-34**

~60% of media budget allocation

Secondary: Adults 35-54 (including small business entrepreneurs)

~40% of media allocation

The creative message is critical:

- In the more narrowly focused media forms the message can specifically speak to each target audience
- In the more general media forms the creative message must appeal to all constituencies.

## Geographical Exploration

Bank XYZ New York branches are in these counties:

<u>County (area)</u>	<u># Branches</u>	<u>%</u>	<u>Deposits in '07</u>	<u>%</u>
Brooklyn (primarily west)	xx	14	\$xxx billion	12
Queens (primarily north)	xx	20	\$xxx billion	24
Nassau	xx	36	\$xxx billion	39
Suffolk (primarily west)	<u>xx</u>	<u>30</u>	<u>\$xxx billion</u>	<u>24</u>
	xx	100	\$xxx	100

- Branch proximity is an important determining factor to consumer selecting a bank.
- Competitors are ubiquitous. These four counties are saturated with branch locations of *Bank XYZ's* competitors, many of whom have many more locations than *Bank XYZ*.
- We suspect that *Bank XYZ* can attract potential checking account customers most easily if those consumers reside within a two-mile radius of a branch.
- Based on this geographical skew, the recommended media budget allocation, by county, is as follows:

Nassau:	40% of budget
Suffolk:	25% of budget
Queens:	25% of budget
Kings:	10% of budget



## Newspaper Discussion

Currently, the greatest share of *Bank XYZ's* advertising budget is spent in daily newspapers: Newsday, The New York Post, The Daily News and The New York Times.

Assuming *Bank XYZ* adopts the recommended Adult 18-34 target audience for its checking account advertising campaign, it must use additional media forms to generate high reach of the target audience. For example:

### Adults 18-34 Reach/Frequency by County<sup>5</sup>

	<u>Kings</u>	<u>Queens</u>	<u>Nassau/Suffolk</u>
5 ROP insertions in Newsday (daily):	4.6/2.4	13.4/2.6	40.5/3.4
5 ROP insertions in NY Post (daily)	22.9/3.1	20.8/3.6	14.8/3.1
5 ROP insertions in the Daily News	<u>33.9/3.0</u>	<u>32.0/2.7</u>	<u>10.2/3.6</u>
Combined Schedule:	51.1/3.6	55.7/3.6	55.2/4.4
Number of 18-34's <b>NOT</b> Reached by this newspaper schedule:	320,000	201,000	252,000

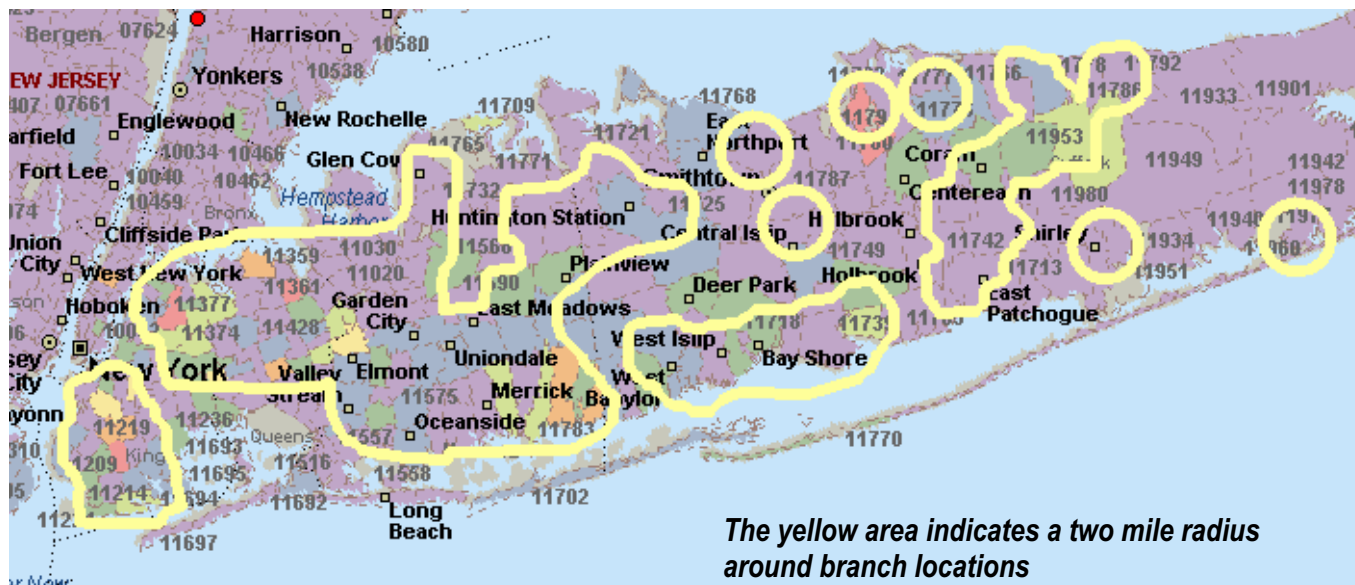
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<sup>5</sup>Source: 2007 Scarborough Research

## Newspaper Discussion (continued) – Drilling Down

In addition to the fact that newspapers, as a medium, have reach limitations, purchasing full-run ROP ads may be wasteful because circulation falls into many towns and villages where *Bank XYZ* does not have locations.

Based on AMI's research ~40% of Newsday's readership among Adults 18-34 in Nassau and Suffolk county occurs in areas more than two miles away from a branch.



What is the remedy?

- Single sheet inserts that are inserted into copies of Newsday (or any other paper) by **zip code**.
- Buying local dailies/weeklies that circulate in key towns/villages instead of throughout each county.

What Media Forms Do We Think Make Sense?

## Recommended Media Forms Reaching Primary Checking Target (Adults 18-34), 60% of Media Budget

### Media Form

### Key Benefits

Local cable television  
(:30's) on MTV, CC, ESPN,  
VH-1, etc.

- High concentration of target audience members
- Power of television
- Let's *Bank XYZ* stand out---not used by many competitors
- Only to be purchased in discrete geographical areas

Local college newspapers

- High target audience concentration
- Schedule in August/September/January when new students arrive
- Low out-of-pocket
- Can offer incentive in a closed target audience setting

College arena signs

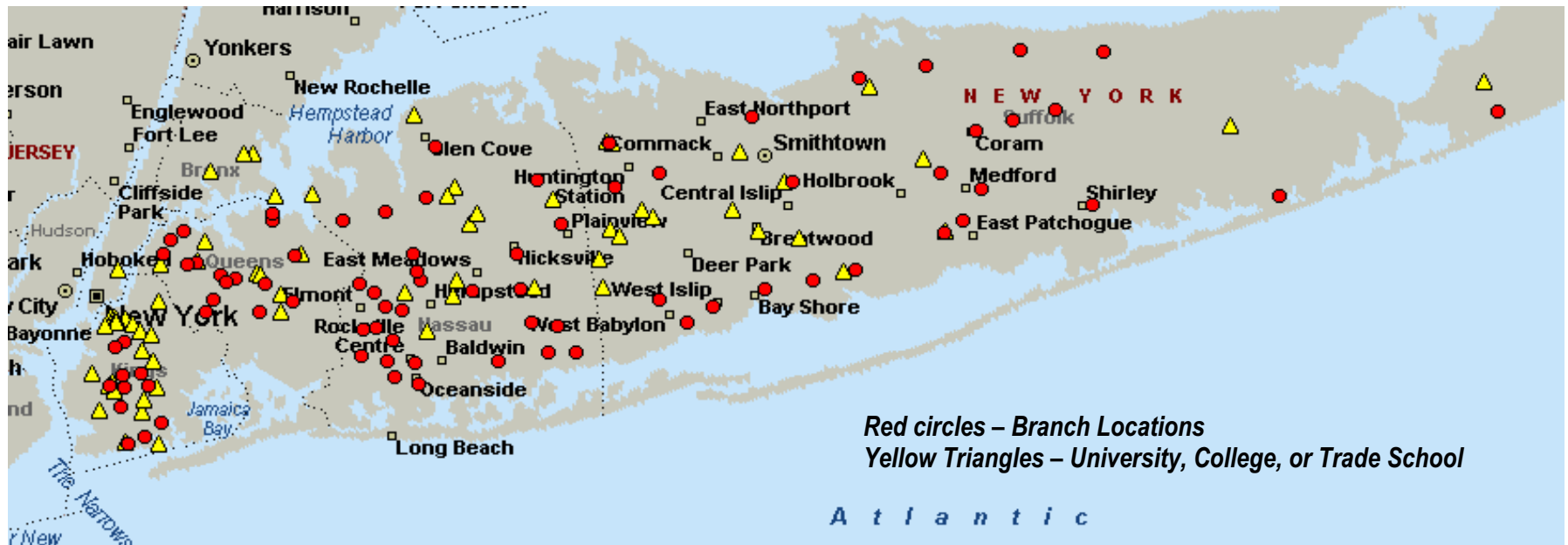
- Works over time to solidify the brand with the student body and college supporters
- Valuable entre onto key campuses

Aerial Advertising (weekend  
banner towing on beaches from  
Brooklyn to the Hamptons)

- Sets *Bank XYZ* apart from other banks
- Broad reach of younger adults of all ethnicities
- Provides valuable reminder advertising
- Reaches secondary target audience

All spending will be balanced by county.

## Proximity of Universities, Colleges, and Trade Schools to Bank XYZ's Federal Branches



## Recommended Media Forms Reaching Secondary Checking Target (Adults 35-54), 40% of Media Budget

### Media Form

### Key Benefits

ROP/inserts in daily/weekly newspapers

- Tight geographic targeting with little waste
- Impactful creative with opportunity for detailed copy/offer
- Ability to target niche audiences with specialized creative in their language (if necessary)
- Reaches the younger target audience as well
- Reaches business entrepreneurs
- Enhance imagery among current customers of all product lines

Local business publications (ROP)

- Reach local business owners/emerging businesses
- Low out-of-pocket cost

Suburban Radio (excludes New York stations) :60 live reads

- Enhances reach among consumers that do not read daily newspapers
- Ability to change copy quickly
- Portrays *Bank XYZ* as a local booster

All spending will be balanced by county.



## Next Steps

- *Bank XYZ* must decide the role, if any, that Absolute Media will play in its future.
- Assuming you want us to get involved in this project we must know the potential media budget.

This will enable us understand the amount of work involved and provide you with a realistic compensation proposal.

- Absolute Media prefers to handle all aspects of your account:
  - strategic planning
  - price negotiation and execution of all schedules...newspaper placement, radio/television negotiating and placement, etc.
  - payment of media invoices to all purchased vendors

We appreciate the opportunity to pitch your business and hope we have demonstrated why we are qualified to be on the team.

Thank you.