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Case Study

Large Regional Bank Utilizes Pre-Mover Signals to Protect and Retain Customers

Pre-Mover Defined:

A pre-mover is someone who listed their home for sale and will likely be in the market to buy a new home soon.

Most customers who pay off their mortgage do so within 1-4 months of listing. This leaves ample time for marketers to reach out and win the mortgage on the next home they purchase.

Business Challenge

A large regional bank sought to understand if a life event, like moving, could have an impact on their customer relationships and cross-selling opportunities. Concerned about its mortgage retention rates, the bank's team wanted to better understand the impact of the current housing market on its mortgage and home equity portfolios.

Deluxe Answers

Deluxe proprietary data shows that universally, households in the process of preparing to move are more likely to engage with and try new brands—and sometimes that comes at the cost of their existing providers. Through custom analytics and segmentation, Deluxe proved to its client the critical importance of targeting individuals at the **pre-mover stage** to optimize their marketing retention programs more effectively.

To do so, DLX took our customer's year-old customer file and matched it up against our proprietary premover database of the same vintage to **identify how many of the customers in that profiled month had signaled they were on the verge of moving.** We then selected those mover customers and **profiled their accounts at the bank one year later** to see how their relationship with the bank had evolved post move.

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The economic cost of not monitoring your customers on their premover journey.

1%

Bank customers who used them for their next mortgage.

54%

Mortgage portfolio lost by not monitoring customer life events.

Results

One year later, our analysis showed interesting results:

» Of the bank customers who currently didn't have a mortgage or home equity line of credit with the bank, less than 1% used the bank for their new mortgage. That's a huge, missed cross-sell opportunity.

» Of the bank customers who already had an existing mortgage or home equity line of credit prior to the move, and completed their move in the time frame analyzed, the bank only captured the next mortgage loan for 20% of their customers. That means that 80% of these customers went elsewhere for their new mortgage.

In total the bank lost out on potentially 54% of its current mortgage portfolio and even more in cross-sell potential by not actively monitoring its current customers' life events and reaching out to them in a timely manner to protect and retain their business.

The client was so impressed by the results that they launched new programs with Deluxe to target both mortgage and non-mortgage customers using a multi-channel approach that includes direct mail, email, and phone. They also layered on a direct mail only campaign to target in footprint prospects.

A customer is not static. Every day a percentage of customers are going through big and small life events that impact the financial decisions they make.

The Deluxe proprietary pre-mover data can provide financial institutions with the additional intelligence needed to both retain and cross-sell current clients to mitigate the risk of movers negatively impacting mortgage portfolios.

Want more movement?
Contact us today.

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