

SAMPLE MARKETING PLAN DIRECT DEPOSIT AND DIRECT PAYMENT MONTH

Marketing plans are relatively standard documents that should contain minimum elements as outlined here. For illustrative purposes, a few general examples are included below.

[Name of Your Organization]

BACKGROUND

[EXAMPLE] The ACH Network is the simple, safe, smart, and green choice for financial institutions, companies of all sizes, government, and consumers. While millions are already experiencing the benefits of Direct Deposit and Direct Payment, many more have yet to realize how turning off the paper and switching to ACH electronic payments will save time and money, reduce clutter, increase savings, and benefit the environment we all share.

SITUATION ANALYSIS

Despite intense economic pressures, Direct Deposit and Direct Payment continue to grow, which speaks to the fundamental value that financial institutions, businesses of all sizes, governments, and consumers recognize in the ACH Network. Direct Deposit remains the most widely used type of ACH payment, with more than 18 billion ACH payments made in 2007, a 12.6 percent increase over 2006. In 2008, Direct Payments increased by 3.6 percent to 3.4 billion payments over 2007, according to statistics compiled by NACHA.

According to a May 2008 study conducted by the Consumer Federation of America:

- 85% of those surveyed said they have access to Direct Deposit
- Of those with access to Direct Deposit, 78% use it
- 76% of employees that don't have access to Direct Deposit say they would use it if they had the option
- 23% of all employees use split Direct Deposit – the option to split pay between checking and savings accounts
- Of employees that have access to Direct Deposit AND use it, 59% have the option to split Direct Deposit. 39% of this group use split Direct Deposit.

While most large companies (500+) offer Direct Deposit to their employees, many small- and medium-sized businesses fail to recognize that offering the service can save them significant time and money. Businesses with fewer than 100 employees can save \$7000 per year by offering Direct Deposit to employees, according to study results released by NACHA. The cost savings per employee is approximately \$3.00 per paycheck.

All market segments have expressed increased interest in sustainability efforts, and Direct Deposit and Direct Payments are inherently "green." A survey of 500 business executives, conducted by Grant Thornton, LLP, revealed that 77 percent of executives expect corporate responsibility initiatives to have a major impact on their business strategies over the next several years. In addition, 75 percent said they believed that corporate responsibility programs could enhance profitability. Consumers likewise have embraced the concept that individual action can collectively lead to significant environmental benefits. In fact, a recent Forrester Research consumer survey found that 48 percent of those polled stated that they stopped receiving paper statements because "it's better for the environment to go paperless."

To a financial institution, the ACH payment is a low-cost, low-dollar payment utility with a predictable net margin required to stay competitive and grow business relationships. There is recognized business and consumer account “stickiness” associated with account holders who receive or send ACH payments that provide additional value to financial institution. Following is the published net benefit per transaction for financial institutions from NACHA.

- The total income of a Direct Deposit to a RDFI is \$1.00, and the total income of a Direct Deposit to an ODFI is \$0 .022. Comparing total income over expense for a check deposit and a Direct Deposit, the Direct Deposit represents an estimated net benefit of \$1.022 to the financial institution industry.¹
- The total net income of a Direct Payment to a RDFI is \$0.2893, and the total net income of a Direct Payment to an ODFI is \$0.022. Comparing total income over expense for a check payment and a Direct Payment, the Direct Payment represents an estimated net benefit of \$0.3113 to the financial institution industry.²

To a business, the ACH payment is a cost savings and/or cost offset on a number of levels. Direct costs such as postage (increased 10 percent in the past 3 years); fewer customer service calls, creates and increases traffic on Web sites; “self-serve” customer (decreases churn and increases spend); more likely to be an e-bill user; decreased errors and returns; helps keep cash flow predictable; and aligns with corporate sustainability strategy.

To the consumer, the ACH payment saves them time and money, reduces clutter, increases savings, and benefits the environment. Consumers also believe that managing their finances online helps them feel “more in control,” according to a study, “Coping During The Crisis,” commissioned by CheckFree and conducted by Forrester Consulting in October 2008.

Further, the Direct Deposit/Direct Payment Post Advertising Awareness study conducted by NACHA’s Marketing Management Group found that the attribute most recalled by consumers for both Direct Deposit and Direct Payment is “...simplifies life, leaving time for relaxation and enjoyment.” The attribute is ranked among the top three in terms of consumer agreement and is mentioned fourth as the message they remember from advertising. Other advertising messages recalled most often are simplicity, bills get paid automatically, and free checking or other incentives for use of Direct Deposit and Direct Payment.

VISION STATEMENT

[Example] To increase the use of Direct Deposit and Direct Payment across all market segments, particularly among consumers and small- and medium-sized businesses, such that they are highly likely to make ACH their payment method of choice.

TARGET AUDIENCE

The target audience is [INSERT YOUR AUDIENCE]

GOAL

The primary goal of this marketing plan is to [INSERT YOUR GOAL].

STRATEGY

¹ According to banking industry data compiled by NACHA and BITS, 2004

² According to banking industry data compiled by NACHA and BITS, 2004

[Example] Build awareness among consumers and small- and medium- sized businesses about the benefits of Direct Deposit and Direct Payment.

TACTICAL PROGRAMS AND SUPPORTING ELEMENTS

The tactical programs and outline of elements that follow will support the strategic focus of this plan [LIST COMPONENTS OF THE PLAN].

[EXAMPLE] Direct Deposit and Direct Payment Month – May 2009

Direct Deposit and Direct Payment Month – A month dedicated to the two electronic payment products most familiar to consumers is an excellent marketing cornerstone that financial institutions, companies, and Payment Associations can “rally around” to reach out to their respective audiences.

[EXAMPLE] General Communications

A range of ongoing communication elements will round out this marketing effort:

- Involve appropriate areas of the financial institution in planning and executing
- Update websites appropriately
- Consider “pro-active” media/public relations effort
- Maintain and strengthen media relations

MEASUREMENT

The success of this plan can be measured by [provide methods you will use].

[EXAMPLE] An increase in ACH volume.

[EXAMPLE] Standard media measurements, reach and frequency, and GRPs.

- Reach: The number of people within the target audience that will hear the message.
- Frequency: The total number of times a person is exposed to the message over a period of time.
- Gross Rating Points (GRPs): One (1) GRP = 1% of target audience.

BUDGET

[Insert your proposed or approved budget.]

TIMELINE

Following is a projected timeline for the execution of this plan in 2009. It should be noted that the outline serves as a general guideline. [Insert timeline.]