



Lockheed Federal Credit Union Soars to New Heights with HomeValueBot

Lockheed Federal Credit Union earns a 550% Return on Investment, plus \$2.5 million in home equity lines opened in only 45 days using HomeValueBot.

Objectives

- Achieve high ROI returns
- Increase home equity loan volume
- Limited time to create a home equity campaign
- Energize members with a new home equity program

Results

- Achieved a 550% ROI for the campaign
- Generated over \$2.5 million in equity lines and \$1.3 million in activations
- Reached an exceptional 52% immediate activation level
- Increased active home equity loan volume in only 45 days
- Generated more than 4,000 unique website visits by members

Company Background

Lockheed Federal Credit Union (LFCU), headquartered in Burbank, CA, has been serving its members for over 60 years. With over \$1.8 billion in assets, LFCU is one of the top 30 credit unions in the country with additional locations in Maryland, Virginia and New Hampshire. One of the challenges faced by LFCU was that although they offered a superior home equity loan, members weren't aware of, or considering, the broad benefits the loan could offer. Kristy Washburn, e-Marketing Specialist at LFCU recalls, "Our members think of us as the place for their checking and savings accounts. The challenge was to make them aware of our home equity lines of credit and our very competitive rates. We were looking for something different for a marketing program."

Andrea Carpenter, the First Vice-President of Marketing at LFCU, received a postcard mailing from ClickRSVP introducing the HomeValueBotSM solution. Carpenter remembers, "What interested us about HomeValueBot is that the solution is member-interactive. We tested it and found that HomeValueBot provides an accurate home value estimate. We also liked the fact that this is a totally new concept that we hoped would energize our members."

The Challenges

The marketing group at LFCU knew that it offered one of the best home equity products in the marketplace and wanted to increase sales. Home equity loans have many options beyond the obvious, such as being used for debt consolidation or auto refinancing. In order to increase loan volumes, the marketing group needed a program that would get their members' attention, in order to inform and engage them to apply for a loan.

Another challenge the marketing group faced was trying to design a successful campaign with limited resources and budgets. Marketing sought a solution that was easy to implement and yet did not strain marketing, branch or processing resources.

Lastly, a strong business case was needed by management to justify the campaign. LFCU was looking for a fast ROI on a home equity program.

The Solution

LFCU chose ClickRSVP's HomeValueBot as the central theme for its 2003 summer home equity campaign, targeted to members and website visitors. HomeValueBot is a hosted, co-branded web service that allows visitors to easily receive an instant home value estimate, courtesy of LFCU. Visitors who used the service were able to click on links to get rate and program information, as well as apply online.



By providing this information to its members at no charge, LFCU created a campaign environment that gave them the following benefits:

- Members received a valuable service from LFCU
- Visitors using the service were able to gather important purchase information (estimated home value) without leaving the LFCU Web environment
- Visitors were able to seamlessly navigate back to LFCU's loan information and action pages, therefore improving online lending effectiveness
- LFCU was able to use the co-branded HomeValueBot web environment to effectively promote its products and services
- LFCU needed no additional financial incentives (rate reductions, promotional items, etc.) to generate an effective response

The Implementation Process

When faced with an implementation, marketers often conjure up images of long meetings, large planning documents, a team of project managers and possibly an occasional sleepless night. Financial institution marketers in particular have seen it all when it comes to technology implementations.

Well, the good news for LFCU was that the implementation for HomeValueBot was less than two months and only required one marketing resource and input from four other groups.

Resources Needed	Task
e-Marketing Specialist	Oversaw the entire project and posting to the website
Home Equity Product Manager	Managed the content and home equity rate pricing
Lending	Evaluated the home value results for quality control
Compliance	Reviewed the web page content, disclaimers, data privacy and security

Washburn recalls, "ClickRSVP offers a web-based form that we filled out with all of our unique content requirements for the web page. We then provided them with an HTML template from our website and then ClickRSVP was off and running. We could have done the implementation in one month, but we made some changes along the way."

The Results

LFCU created a home equity campaign centered on HomeValueBot in the form of a home page posting and a series of e-mail campaigns.

Phase #1 – Highlight HomeValueBot on LFCU's Home Page

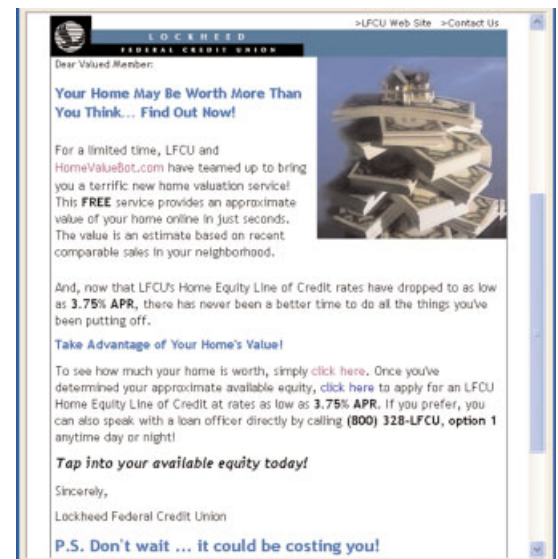
To begin the campaign, LFCU posted a link to HomeValueBot on its home page. The marketing team saw an immediate increase in the click-through rates and home equity applications.

Phase #2 – Summer E-mail Campaign - Lasted 45 Days

This second phase included a targeted e-mail campaign offering HomeValueBot evaluations and great low home equity line rates. LFCU sent the e-mail campaign to over 30,000 members in a wave of four e-mails. The philosophy was to divide the 30,000 members into four groups of 7,500 to insure that the home equity processing center would not be overwhelmed with loan volumes. LFCU needed to be sure they could handle the loan volumes and live up to their member service expectations.

E-mail Campaign Details

LFCU sent out the e-mail campaign message below, promoting its low home equity rates and the fast and easy service of HomeValueBot.



July E-mail Campaign

Here's how the e-mail campaign dropped over the month of July.

July						
S	M	T	W	T	F	S
		1	2	3	4	5
7	9	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

The Bottom Line

Here are the outstanding results LFCU achieved during this short, yet extremely successful campaign.

Campaign Results

28,436 E-mails Received
19,345 E-mails Opened
3,968 Clicking through to HomeValueBot
\$2,500,000 in Opened Credit Lines
\$1,300,000 in Initial Advances

E-Mail Campaign Statistics

- ✓ 68% of people who received the e-mail opened it
- ✓ 21% of those e-mails opened clicked through to HomeValueBot site

HomeValueBot Statistics

Part of the HomeValueBot program includes extensive reporting of site visits and visitor activity. Consistent with the concept that HomeValueBot helps retain web visitors, click analysis showed that 26% of users receiving home value estimates also clicked through one or more of the links leading back to the LFCU site.

ROI Results

One of the main goals of the LFCU home equity campaign was to achieve the highest ROI possible. Washburn recalls, "We expected the HomeValueBot campaign to be successful, but we did not predict achieving a 550% return on our investment. That 550% return is actually conservative because it only takes into account our investment in HomeValueBot and the initial revenue from the activated home equity lines. HomeValueBot really hit the mark for us."

Marketing ROI

\$2.5 Million in Opened Home Equity Lines
\$1.3 Million in Activated Lines
550% Minimum First Year ROI*
52% of the lines opened were immediately activated

*Assumes a 200bp spread and \$4000 for cost of promotion

Visitor "Engagement" Benefits

LFCU understands that competition moves fast when it comes to processing home equity applications. LFCU used HomeValueBot as a way to more fully engage its members into the loan process. By providing their loan prospects with a free home value estimate early in the buying cycle, LFCU was able to provide important "go-forward" information that kept the potential applicant involved, and reduce application fall-through.

Note: Although LFCU did not use HomeValueBot estimates in its underwriting process, many financial institutions find the values reliable enough for lending under certain underwriting parameters, such as low LTV, loan amount, etc. In fact, HomeValueBot now offers an insured value program through its affiliation with ILS/Fiserv.

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Why Choose ClickRSVP?

In this case study, the numbers, timeframe, and ease of implementation tell the success story of HomeValueBot. LFCU met all of its original goals of increasing loan volume, creating a program quickly, generating long-term interest in home equity loans among its members and achieving its ROI goals.

Washburn stated that she is happy with ClickRSVP and the HomeValueBot solution, "We were skeptical at first. Everyone at ClickRSVP has been so helpful and they kept saying they could do everything we asked. It really came down to the fact that ClickRSVP is really confident in the value of its product and its client support. In the end, the team at ClickRSVP delivered on everything we asked. We were thrilled."

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