Winning the Deposits Arms Race

Derek Elmerick, VP/Managing Director
Deluxe

FINANCIAL BRAND FORUM

Deluxe Data-driven Marketing is a full-service data, analytics and marketing agency with deep expertise across verticals.

Our mission is to invigorate our clients' marketing initiatives by delivering distinctive solutions that produce exceptional ROI.

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Agenda

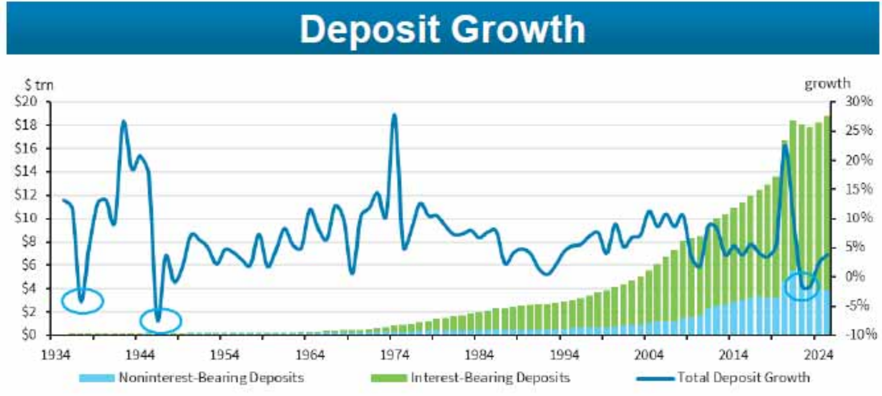
- Where Banking in Headed
- How Marketing is Changing
- Why Deposits Are the Battleground
- How Winners Will Emerge

Banks that win deposits will not be those paying the highest rates – but those identifying the right customers at the right moment.

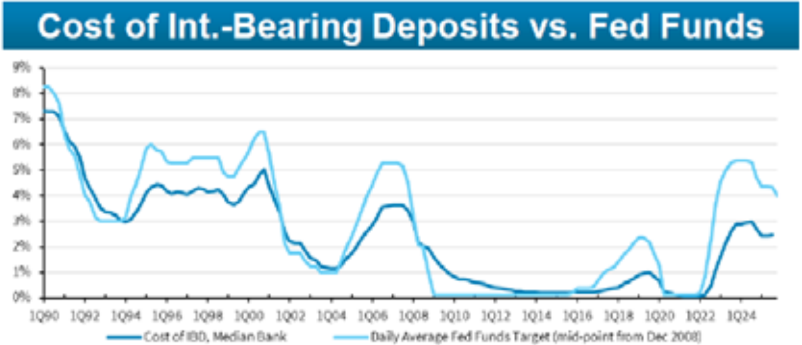
State of Banking 2026

- » **Earnings per share (EPS) growth, from improved loan, deposit trends**
- » **Better loan growth**
  - Pick-up in C&I lending, resilient consumer growth
  - Mortgage improves modestly YoY (purchase and refi)
- » **Deposit growth and deposit costs lower overall**
  - Deposit growth continues; mix of deposits remains important
  - Rates paid decrease across the board
- » **Bank executives more bullish on organic (and inorganic) growth**

Deposit growth continues; mix important

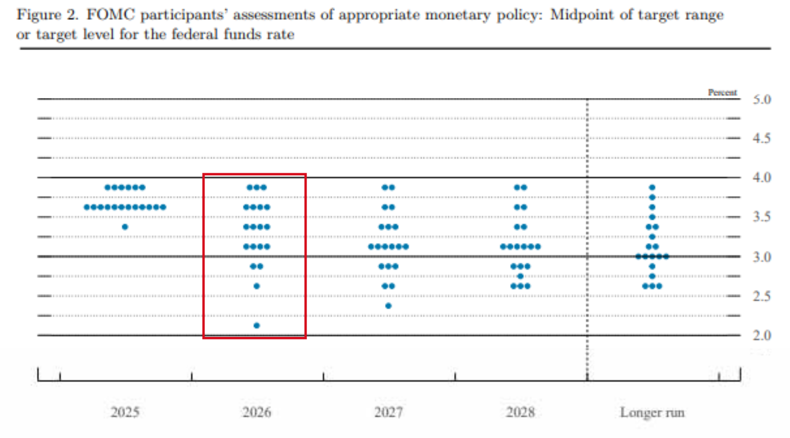


Deposit Costs have Peaked



Source: Barclays Research, Company Reports, S&P Global Market Intelligence, Federal Reserve, and Bloomberg

Rates Likely Lower, but Not by Much



Source: Federal Reserve, December 10, 2025

The State of Marketing 2026

75%
of senior marketers expect marketing budgets to grow in 2026

84%
of senior marketers reported stronger marketing performance in 2025

US Advertising and Marketing Spending ($BB, 2022–2026P)

COMPEREMEDIA

Base: 484 senior marketers across the US, Canada, and the UK—paired with StackAdapt's platform data from a global sample of 6,000+ advertisers
Source: StackAdapt's The State of Programmatic Advertising in 2026; Winterberry's Outlook for Advertising, Marketing and Data 2026; Comperemedia

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Deposit Competition is Intensifying

Key trends for 2026:

» Competition for checking households increasing

» Deposit mix becoming more important than volume

» M&A creating customer disruption opportunities

» Consumer mobility beginning to recover

Chase Goal: 15% U.S. Retail Deposit Share

Chase has publicly stated a desire to capture 15% retail deposit share, with an expected increase in 2026 marketing spend by 10%+.

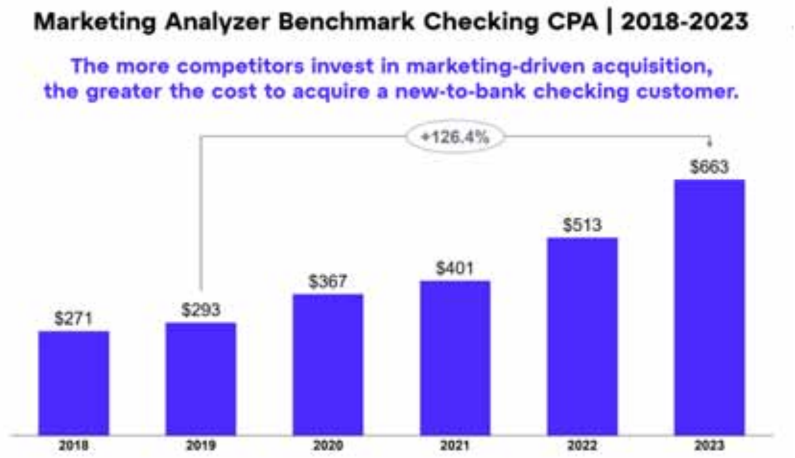
Incentive Escalation

Across the industry, competitive intensity and the push for checking growth has accelerated. This has driven increasing CPAs across institutions.

Checking CPA

The cost to acquire new-to-bank customers has increased significantly since 2018 and continues to rise as competition for deposits intensifies.

Gross CPA



The Marketer’s Dilemma | Challenges

Winning as a marketer is difficult:

» Flat marketing budgets

» Competing channel demands

» Aggressive, well-funded competitors

» Management and business line skepticism

» Marketing initiatives that do not align with the goal of maximizing shareholder value

» Agency models that reward volume and spend

Marketing executives can address these challenges by providing executive leadership with fact-based insights and credible results that drive value and are in synch with strategic priorities.

Marketing Channel Complexity

PODCASTS IN-STORE SEO COMMUNITY

SIGNAGE BILLBOARDS COIs TV WEB

SMS EVENTS FACEBOOK PHONE BANNER

MAGAZINES PRINT SNAPCHAT INSTAGRAM

TRADESHOWS WEBINARS EMAIL GUIDES

LINKEDIN RADIO BRAND ONE-TO-ONE

LOYALTY APPS INFLUENCERS RETARGETING

TIKTOK SPONSORSHIPS FACEBOOK

X DIRECT MAIL OUTDOOR AFFILIATES

SEARCH VIDEO DISPLAY CONTENT

There are too many channels to optimize effectively.

Management Skepticism

"[Other C-suite executives] **never see marketing as a serious topic.**"

— Financial services CMO interviewed by McKinsey & Company

45% of CFOs surveyed said the reason marketing proposals have been declined or not fully funded in the past is **because they didn't demonstrate a clear line to value.**

— McKinsey & Company, "Marketing's moment is now"

"**Marketing isn't brought to the table** as frequently with the C-suite as other parts of organization."

— Financial services CMO interviewed by McKinsey & Company

Failing to tightly link marketing spend to revenue creation breeds skepticism

Focus on Channels with Proven Results

Direct Mail Still Dominates

Direct mail is the leading acquisition channel in financial services, used more than any other medium to drive banking growth at top institutions.

It stands out because consumers engage with and trust it, marketers can measure and optimize its performance, and it delivers results at a scale unmatched by other channels.

DIRECT MAIL DRIVES MEASURABLE GROWTH

$1B in spend (2024) and **2.3B+** pieces mailed annually for consumer checking.

» **Channel dominance**
Direct mail is the **largest channel** for checking acquisition across top institutions and accounts for **69% of marketing budgets**.

» **Consumer impact**
72% of consumers regularly read mail ads; **58% trust it more** than digital advertising.

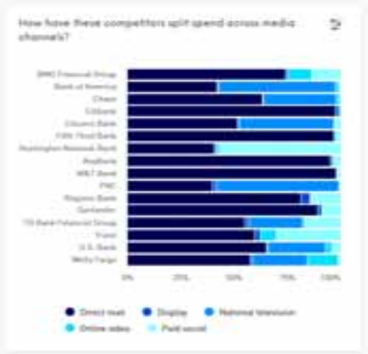
» **Performance**
Marketers report it **delivers the highest ROI** and enhances digital engagement.

Source: Mintel Omni (Jan 2024-Dec 2024); Winterberry Group Outlook for Advertising, Marketing and Data 2025.

Industry Checking Channel Mix

Financial institutions are investing in direct mail to drive in-branch experiences to combat against account quality concerns. 69% of checking marketing budgets is spent on direct mail.

	NATIONAL TV	PAID SOCIAL	DISPLAY	DIRECT MAIL	ONLINE VIDEO
Bank of America	55%	1%	1%	42%	2%
BMO Financial Group	0%	13%	1%	74%	11%
Chase	34%	0%	0%	64%	2%
Citibank	0%	0%	1%	98%	1%
Citizens Bank	45%	3%	0%	52%	0%
Fifth Third Bank	0%	2%	0%	97%	1%
Huntington National Bank	0%	56%	1%	41%	2%
KeyBank	0%	3%	1%	95%	0%
M&T Bank	0%	2%	0%	98%	0%
PNC	57%	1%	2%	40%	0%
Regions Bank	1%	13%	4%	82%	1%
Santander	0%	9%	2%	90%	0%
TD Bank	25%	17%	2%	55%	1%
Truist	0%	30%	3%	60%	7%
U.S. Bank	27%	4%	1%	65%	3%
Wells Fargo	26%	1%	1%	58%	15%
Average	**17%**	**10%**	**1%**	**69%**	**3%**



CEO Perspective

Tim Spence, CEO of Fifth Third, recently spoke about the importance of direct mail to the bank's growth strategy. The following is an excerpt from Fifth Third's Q4 and FY2025 earnings transcript from Jan 20, 2026.

Tim Spence
Chairman, CEO, and President, Fifth Third

[…] branch distribution is an important part of the strategy at Fifth Third, obviously, but it's one of three legs of the stool. The other two being the disruptive product offerings that we have and **the direct marketing, because mail continues to play a prominent role in what we do.** But we're going to drop a million pieces of mail within the first two weeks of legal day one to support consumer deposit marketing across Comerica's western markets.

It'll be the first million of what'll probably be 13 or 14 million pieces of mail that will go out over the course of the year. That'll be the first consumer deposit marketing campaign that the Comerica branches have seen in more than a decade, okay?

Mike Mayo
Bank Analyst, Wells Fargo Securities

Okay. And then I'm just maybe your middle name is Tim Digital Spence. Tim, I think of you as the digital banker, but I hear you talk about 13 million pieces of mail. I mean, that sounds very last century of you. You got billboards too, and it sounds very old school. So, does that still work? It's just kind of intriguing.

Tim Spence
Chairman, CEO, and President, Fifth Third

There may be a billboard or two out there. Mike, **the benefit of direct mail is that you can literally pick down to the individual household** who receives the offer and who doesn't, right?

Whereas in a digital environment, you have a lot more data on folks, but you are still, at the end of the day, optimizing around the segments of the population and to some extent some path dependency around traffic. […]

Mail still works. It works in credit cards. It works in checking. It's the reason that you see the J.P. Morgans of the world continuing to use it in addition to folks like Fifth Third.

Chase Case Study

No institution shows the impact of direct mail more clearly than Chase. By making mail the centerpiece of its acquisition strategy, Chase has built scale, precision, and market dominance that competitors struggle to match.

Scale leader
Chase is the largest financial mailer, sending 30–50x more mail than regional peers.

Acquisition engine
Direct mail is Chase's primary channel for checking and business growth, with sequenced monthly campaigns across checking, savings, and Private Client.

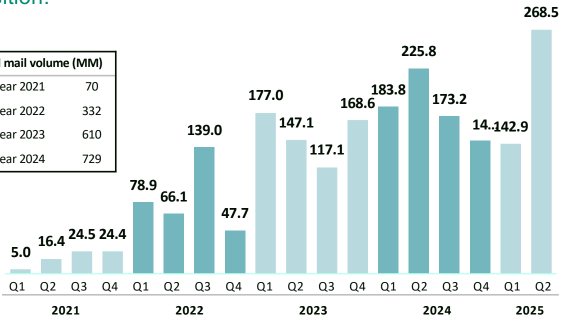
Strategic alignment
Mail supports Chase's branch expansion into affluent markets, fueling Private Client and mass affluent growth.

Chase mails billions of pieces annually because it works—driving checking acquisition, deepening affluent relationships, and reinforcing its market share leadership

Chase Consumer Checking Mail Volume

After a period of reduced spend in 2021, Chase aggressively reinvested in mail as a primary driver of consumer checking acquisition.

Annual mail volume (MM)	
Full year 2021	70
Full year 2022	332
Full year 2023	610
Full year 2024	729



Source: Competiscan (Chase data), sourced July 31, 2025.

Chase Is The Largest Mailer Across FIs

» Chase consistently utilizes mail as the key conversion channel in its consumer checking and small business acquisition programs, maximizing production by marketing to NPV $0.

Sophisticated analytics are used to holistically assess ROI across the full relationship, vs. more siloed optimization within LOB, as is often seen in the industry.

Viewing checking as the “gateway product,” frequent cross-sell is deployed to improve retention and relationship depth. Significant value is placed on “longer tail” cross-sell and attributed to marketing acquisition efforts in NPV calculations.

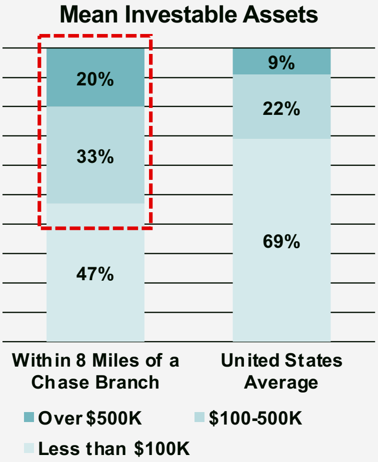
Given the low interest expense and the high cross-sell potential, there is a greater tolerance for near-zero returns on marketing investments in consumer checking and small business acquisition.

Source: Deluxe Analytics, expert interviews.

Chase Branch Strategy and Targeting

Chase is investing heavily to expand and diversify its branch presence to capture market share across the full spectrum of consumers:

- Branches have strategically been placed in relatively more affluent areas, helping to accelerate mass affluent acquisition and grow the Chase Private Client portfolio.
- While there have been branch closures across the industry over the last decade, Chase is investing heavily in its branch network with plans to open over 500 new branches by 2027.
- The bank's branch strategy helps power a checking acquisition program with deep penetration across all key segments, including mass market, emerging mass affluent and mass affluent / high net worth.



Source: Comperemedia, Competiscan, Forbes, Deluxe Analytics.

The Winning Deposit Strategy

- Multi-channel Marketing
- Better Data
- High-value Targeting
- Trigger Monitoring
- Offer Elasticity

Multi-channel marketing

Case study: Large financial institution boosts checking acquisition response rates after adding channels to their direct marketing campaign.

Key success accelerants:

- Added email and digital ads as second and sometimes third touchpoints
- Used statistically significant campaign cells to test each combination individually.
- **Email:** Used A/B subject line testing and developed unique creative and CTAs
- **Digital:** Used geo-fencing to drive prospects to desired links

Program Results

Adding email lifted checking-specific response rates by 29% on average and increased average checking balances by 25% over direct mail alone.

Financial institutions that integrated online advertising into a targeted direct mail campaign saw an average response rate lift of 41%.

Performance Highlights From One Client:

75% Direct Mail + email

67% Direct Mail + email + Digital

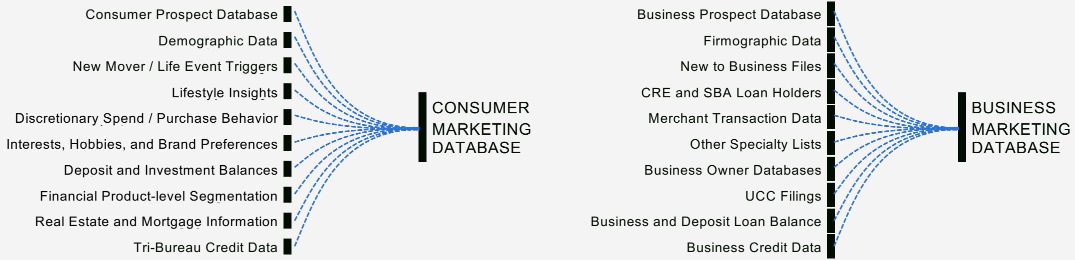
42% Direct Mail + Digital

Data Advantage

Winning banks don't rely on one dataset – they integrate many.

Banks that consistently win deposit growth rely on a comprehensive view of consumer and business financial behavior. Leading institutions increasingly combine multiple national data sources to build a unified dataset

By integrating these data sources into a single marketing intelligence layer, banks gain a 360-degree view of marketable consumers and businesses in the US.



Attracting High Value Relationships

Mass affluent / affluent households make up a large portion of "high value" consumers at most banks.

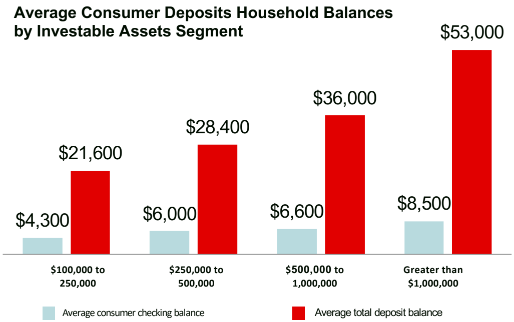
- To reach these households, a premium checking cell should be included as part of a larger mass market checking program.
- The revenue these households generate is primarily derived from high-balance checking and money market accounts and large mortgage and home equity accounts
- The most effective marketing solutions for this segment:
  - Are targeted at the household level using asset overlays and segment / product-specific response models
  - Leverage creative formats, imagery, messaging and production materials with proven success among mass affluent / affluent populations
  - Offer incentives with behavioral hurdles sensitive to the financial situations of mass affluent / affluent households

Affluent Customer Value Case Study:

Consumer Deposits Balances by Investable Assets Segment

» Deluxe managed multiple direct mail marketing consumer checking campaigns for a regional bank. We observed over 12 million touchpoints over the campaigns.

» Average balances of responding households mailed in these campaigns show a clear relationship between balance and investable assets. Both consumer checking and total deposit balances increase with higher investable assets.



Consumers in Higher Investible Asset Band

- Average checking balances are almost twice as high.
- Average total deposits balances are 2.5 times as high.

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Life Event Trigger Marketing

Automated marketing initiated by an action taken by a customer or prospect:

- A market agnostic strategy offering reliable value for stable or volatile conditions.
- Quantifiable results, yielding metrics that can be tracked against KPIs and assess ROI.

Traditional triggering events

- Clicking on a link
- Opening an email
- Adding product to a digital cart

Life (behavioral) events

- Moving
- Getting married
- New baby

These context-related events can have a **massive impact** on purchasing behaviors.

Connecting with consumers and businesses at **precise moments** with products and services that meet real needs is critical.

Life Events Drive Switching

LIFESTYLE
- » Newly married
- » Newly engaged
- » Newly single
- » New parents
- » Expecting parents

HOUSEHOLD
- » New movers
- » Pre-movers
- » New homeowners
- » Household composition changes

ENTERPRISE
- » New home business
- » New business owners
- » Young professionals

According to Oliver Wyman, around **28% of consumers contemplate switching** primary banks each year, and **11% actually do.** Two-thirds of those that switch did so directly after experiencing a **major Life Event**.

2.5 Million Unique HHs

are experiencing one of these life stage transitions each week, on average, based on our research across multiple data providers.

Note: New Movers: 1,000,000+/week; All Other Life Events: 1,500,000+/week (Nationally).

Business Event Categories

First-time fillings and new-to-world businesses

Expanding businesses, such as new subsidiaries or new locations

Businesses actively seeking credit

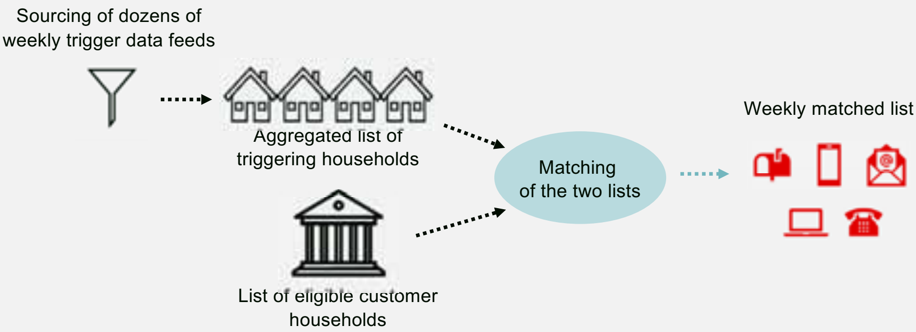
One Million+ Businesses

are experiencing one of these lifecycle event each month, on average, based on our research across multiple data providers.

Note: Including new & expanding businesses: 150,000+/week; businesses seeking credit: 100,000+/week (Nationally).
Source: Deluxe Analytics

Customer Monitoring

A suite of services that enables clients to connect with their customers as they experience milestone life events and capitalize on timely cross-sell opportunities.



Importance of Data Aggregation

- Higher weekly volumes and more callable leads
- Better execution cost efficiency:
  - More stable fixed costs
  - Lower print costs at higher volumes
- Higher account, balance, and revenue production
- Improved speed-to-market
- Relying on one database inevitably leaves gaps

4x more life events*

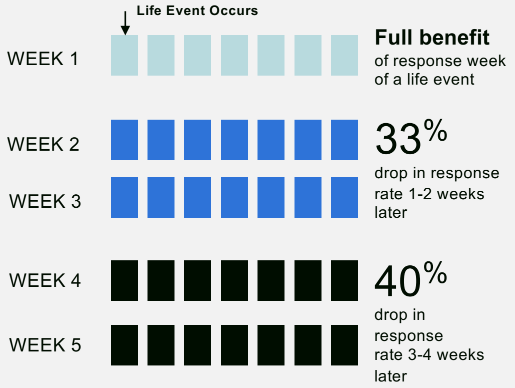
3x more new movers*

7x more pre movers*

* Compared to our largest profiled data provider

Importance of Timing

- When financial institutions get in front of a consumer or business during the week of their lifecycle event, the full benefit of responsiveness is available.
- However, response drops quickly in the weeks thereafter.



Source: Deluxe Analytics

Offer Elasticity Testing

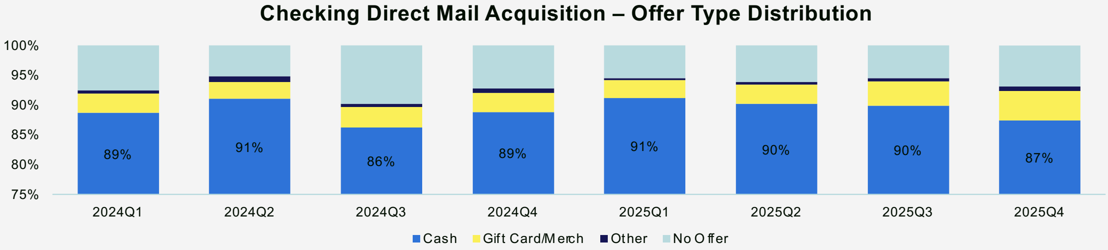
- **Objective:** Establish an offer elasticity curve and determine the optimal incentive amount to maximize both response propensity and campaign profitability in the form of lowest incremental cost per account.
- **Methodology:** Randomly assign prospects and non-checking customers in offer cells to receive the champion (e.g., $400) offer or challenger offer: $350 or $500 (illustrative).
- **Timing:** Conduct test in statistically significant offer cells during a marketing program.

All Cells

$350 Basic Checking	$400 Basic Checking	$500 Basic Checking
33% of selections	33% of selections	33% of selections

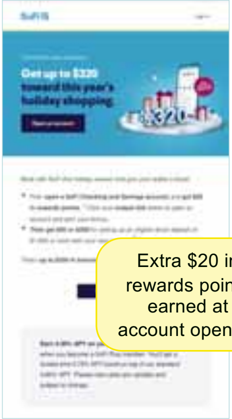
Offer Types

- Cash remains king and universally valued.
- Historically, **90% of direct mail checking acquisition** presented a cash-based offer.
- Gift card or free merchandise collectively were the second most frequently offered incentive.

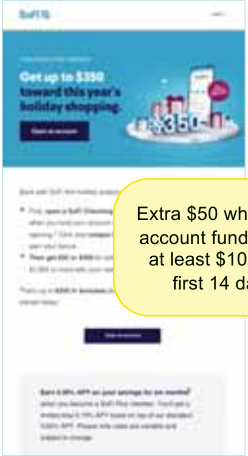


Source: Competiscan, Direct Mail Checking Primary Acquisition Observations: January 2024 to December 2025

SoFi: $300, $320 or $350



Extra $20 in rewards points earned at account opening



Extra $50 when fund account funded with at least $10 in the first 14 days

Source: Competiscan, November 2025 Emails

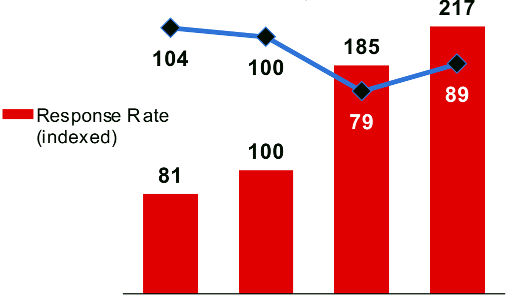
Elasticity Case Study

A top 10 bank wanted to understand response behaviors and return metrics across varying offer amounts.

- The $700 offer generated the most economically beneficial results, with the lowest CPA.
- The “jump” in response between the $600 and $700 offers was several times larger than the other two “jumps.” This was likely based on the $700 offer’s position in the competitive landscape compared to the $500/$600 offers.
- While the $700 offer was declared the winner based on ROI, the $800 offer generated the highest response rate at an attractive ROI.

Consumer Checking Production

All metrics net-of-control – Indexed to $600 offer



Offer:	$500	$600	$700	$800
Mail volume (indexed):	100	100	77	77
ROI (indexed):	94	100	152	123

Conclusion

Winning Banks do Three Things Better:

- Identify high-value households
- Engage at the right moment
- Optimize incentives