

1. Marketing at Zions Bancorporation

Similar to the AMA's definition of marketing, "We haven't forgotten who keeps us in business", is the advertising slogan used by Zions Bank. That slogan, geared toward fostering awareness that customer service is the key to customer loyalty is the paramount theme threaded throughout the company's operations & policy manuals, as well as the weekly e-mails, monthly company magazine, credos and lists of management goals, distributed enterprise-wide.

For example, toward helping its employees understand the basics of its marketing strategy, one of the guiding principles posted on the Zions web site (2007) states:

"Our goal is to create value – value for our clients; value for the communities we serve; value for our employees; and, preeminently, value for our shareholders. We will demonstrate by our product offerings, policies, procedures, pricing, and service that we have not forgotten who keeps us in business."

What does Zions really mean by "value?" Zions stresses their belief that ultimately they will be more successful if they communicate a meaningful difference about their business products and services to their customers. They attempt to do so by answering

5 key questions

- What is unique about our company and its products/services?
- Who is our target customer?
- Who are our competitors?
- What positioning message do we want to communicate to our target customers?
- What is our distribution strategy?

Building Customer Awareness

Zions makes it a priority to provide as much information as possible to its user base before and after the launch of a new product or solution. A pre-launch splash, utilizing a variety of marketing vehicles including home page banners and email messaging, mailings, flyers, in-branch posters, media blitzes, and personal contacts are initiated prior to roll-out in order to build customer awareness and to set expectations.

Customer Roll-out

For any new product or service, Zions Bank develops a comprehensive and aggressive roll-out plan to ensure the greatest acceptance among its existing and potential banking users. A pilot program is conducted among employees prior to the public launch to garner feedback, to address any system issues prior to a full-scale customer roll-out, and to help determine the actual roll-out plan.

2. A Product Marketed by Zions Bancorporation - Mortgage Lending

Of the dozens of products and services offered by Zions Bancorporation and its affiliated regional banks, one of the most important for both its retail customers as well as its shareholders in mortgage lending.

a. Profile of Primary Mortgage Market

In an increasingly competitive marketplace, in which many banking services have become undifferentiated commodities, Zions and its affiliated banks throughout the Western US are refining their target market profiles through use of predictive analytics: e.g., probing & sifting their own customer files or a combination of inside and outside information such as local real estate data and customer-behavior profiles, looking for patterns that help predict customer needs and to anticipate customers' financial profiles. Custom segments and models are then created from data supplied by the warehouse to predict a customer's next most likely product. The bank can

then send a customized offer via direct mail, e-mail, phone solicitation or some combination of media.

Zions is currently in the midst of a pilot program in which the bank has used predictive software to analyze one-quarter of its customers to forecast which bank product — be it a mortgage, home-equity loan, CD or estate planning services — they are most likely to need next. During the pilot program, customers who were targeted using predictive analytics were significantly more likely to respond to specific offers than non-modeled customers, and the number of new accounts that resulted from the pilot is encouraging enough for Zions to continue and expand the program to the remaining portion of its customer base.

b. Marketing

- i. **Price** - The rate and terms of mortgage loans are relative to numerous individual factors, including credit risk, down payment and income-to-debt ratios, as well as current interest rates (either prime or LIBOR) On June 7, 2007, the rates charged by Zions for those with credit scores above 680 were as follows:

Program	Rate	APR
30 year fixed	6.625%	6.820%
15 year fixed	6.250%	6.543%
30 year 5/5 ARM	6.625%	10.168%
30 year 7/1 ARM	6.625%	7.454%
30 year 1 yr ARM	6.625%	7.706%

ii. **Products** - Zions' mortgage products include conventional rate, adjustable rate, balloon and government loans, as well as re-financing, equity lines and reverse mortgages.

iii. **Promotions:** ([click here to view Zions 2007 marketing calendar.](#))

Zions uses the following marketing channels to promote its mortgage loan products:

- Direct Mail
- Magazine, newspaper advertising
- Electronic Media (Television, Radio, Online)
- List ad's, Playbills
- Festivals
- In-branch merchandising - Listed below are some of the approved

marketing pieces:

- Flyers
- Brochures
 - Owning a Home of Your Own
 - Making a Complete Loan Application
 - Menu of Mortgage Programs
 - HomeXPress
 - Would You Like a Zions Bank Credit Card to go with that Mortgage?
 - Home Affordability Guide
- Miscellaneous
 - "Thank You For Applying" Letter
 - Glossary of Terms
 - Mortgage Program Matrix
 - Money Solutions/Soluciones Monetarias
 - Economic Events Calendar
 - AdvantagePLUS Credit Approval Certificate
 - ZMC Cards
 - FHA 203k Guide

- English/Spanish versions of the “Guide to Settlement Costs” and “Consumer Handbook on Adjustable Rate Mortgages” booklets.
- Cassette Tape “5 Steps to Successful Home Financing”
- Marketing Booth
- Candles

iv. **Placement (Channels & Distribution)** - Mortgage loans are offered both at the branch level and may also be applied for via the Internet.

3. Role of the Enterprise Data Warehouse (EDW) in Marketing Mortgage Products

Data provided by the EDW primarily assists analysts with pricing models, in that statistical data supplied by the warehouse helps determine appropriate lending rates and risks, the cost of funds, market trends and competitive pricing. Coupled with that is the provisioning of data for use in conducting demographic analysis, Asset Quality, Credit Rating & Revenue Growth relative to peer institutions.

With regard to the EDW’s role in customer profiling and predictive analysis, as described in paragraph 2a, above, the warehouse will collect, integrate, cleanse and enrich customer data contained in the lending and deposit computer systems. This data includes accounts, customers, prospects, households, transaction activity, channel usage, service events, officers, branches, customer contribution, geocoding, demographics and firmographics. This data is then provisioned to an individual data mart, called the Marketing Customer Information File (MCIF), which is currently in the architecture stage of development.

Reference:

Zions web site (2007). Retrieved 5 June 2007 from http://www.zionsbank.sbresources.com/SBR_template.cfm?DocNumber=P03_1072.htm

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Zions 2007 Marketing Calendar - as of 8 February 2007 (Budgetary figures deleted)

Week Beginning Monday	June	July	August	September	October	November	December
	4 11 18 25	2 9 16 23 30	6 13 20 27	3 10 17 24	1 8 15 22 29	5 12 19 26	3 10 17 24
DIRECT MAIL - "UMBRELLA"							
Consumer Deposits							
Consumer Lending - HECL							
Small Business							
BRANCH MERCHANDISING							
PRIMARY							
Consumer Lending - Debt Consolidation							
Consumer Lending - Spring Home Loan Sale							
Free Checking / Student							
Consumer Lending - Fall Home Loan Sale							
Kidsgreen / Teengreen							
SECONDARY							
IRA							
Zions Cash Rewards / Bankcard							
Internet / Online Bill Pay							
Small Business / Business Bankcard							
Zions Direct*							
* TBD (out of Zions Direct budget)							
PRODUCT ADVERTISING							
NOTE: THIS advertising will include a mix of radio, newspaper, outdoor and/or direct, based upon							
Consumer Lending - Debt Consolidation							
Consumer Lending - Spring Home Loan Sale							
Small Business Loans							
Free Checking / Student							
Consumer Lending - Fall Home Loan Sale							
Kidsgreen / Teengreen							
Zions Cash Rewards / Bankcard							
Zions Direct*							
International Conference							
Unsecured Loans							
Medical Marketing							
One-Time Close							
Insurance							
* TBD (out of Zions Direct budget)							
TELEVISION							
Annual Branding TV Production							
KJZZ							
KJZZ - Utah Jazz							
KSL / KUTV "Annual" Spot Buy							
ONLINE							
KSL.com							
Sponsorship of Financial Section							
Fixed text on KSL Home Page							
Sponsorship of Stock Watch							
E-mail Advertising (Z-Mail)							
Direct Mail							
In-active Bill Pay Users							
IMMA/DMMA							
Online Statements							
Retail Keyword Buys							
IMMA / DMMA Product							
Bill Pay / Internet Banking							
"OTHER" DIRECT MAIL							
Bankcard (TBD)							
Treasury Management							
HECL Activation							
IRA							
New Mover							
COMMUNITY MAGAZINE ADS							
Jan/Feb - list ads							
Mar/Apr - list ads							
May/June - list ads							
July/Aug - list ads							
Sep/Oct - list ads							
Nov/Dec - list ads							
SPONSORSHIPS / PLAYBILLS (ad insertions)							
America's Freedom Festival							
Broadway in Boise							
Broadway in Utah							
BYU							
Hale Centre Theatre - WVC							
Pioneer Theatre Company							
Sandy City Amphitheater							
Utah Jazz - Gametime							
Utah Symphony / Opera							
Utah Festival Opera							
Utah Musical Theatre							
Grand Theatre							
Tuacahn							
Utah Shakesperean Festival							
STATEMENT STUFFERS							
STATEMENT MESSAGING							
"OTHER"							
Zions Bank Idaho							
Merchandising Pilot							
Bankcard							
Treasury Management - Other							
Hispanic							
(separate calendar to be developed)							