

# BANKING

## CASE STUDY

050711-024



Travel promotion generates  
**\$4.4 million** in new loans.

A vacation promotion helped a bank (\$350 million in assets) in Pennsylvania, along with its sister bank (same size bank), generate \$4.4 million in Home Equity loans. The *Vice President of Lending and Loan Officers* for the two banks stated that, “The vacation was offered as both an incentive for customers to apply for loans and as a sales incentive for employees.” Each bank has a consumer loan portfolio of \$80 million.

Loans closed during the promotion averaged \$26,000. Previously, the average home equity loan at the two banks was about \$13,000. The promotion has also generated a larger number of applications than previous promotional campaigns, and the denial percentage of loan applications were no higher than normal. In fact, the banks didn’t need to offer special rates to attract customers. Applications that were approved for either a home equity loan or a credit line of \$10,000 or more, received a 3-day/2-night stay in their choice of various cities.

The banks purchased additional vacation packages as an incentive for their employees. Each employee, at the branch that closed the largest loan volume for each bank, received a 3-day/2-night vacation package. Also receiving a 3-day/2-night package were the platform employee-tellers and CSRs from each bank with the highest cross-sales ratio. Additionally, the banks awarded 3-day/2-night vacation packages to the managers of the best-decorated branch of each bank.

“The branches were really excited about it. We’d never done anything like this before,” said the *Vice President of Lending and Loan Officers*. The banks were so pleased with the results, that the program will be offered again this spring. Officers from each bank agreed, “We cannot go out and generate that kind of business for the cost of the vacation package.” \*