Innovative Practices for Reaching Immigrants

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Bank of Montreal / Harris Bank - Who we are

- **BMO**
  - Canada’s first bank, and one of the largest banks in North America with over C$260 billion in assets
  - A strong retail franchise, with over 1,100 branches across Canada

- **Harris Bank**
  - One of the largest community bank networks in Illinois with 160 locations
  - Nationally recognized provider of personal trust and private banking services
  - Over US$30 billion in assets, ranking #36 in the U.S.
Harris in the Hispanic Market

- First major Chicago bank to enter this market
- Since 1999 . . .
  - Established 24 bilingual branches
  - Introduced bilingual call center
  - Launched Spanish-language website
  - Created Spanish-language collateral
  - Initiated wide range of community outreach
  - Developed relevant product offerings
Sizing the Opportunity

Projected Growth of Hispanic Population as Percentage of Total Population

Chicago  USA


9%  13%  15%  17%  18%

16%  18%  20%  22%  25%
Cook County is the 3rd largest Hispanic County in the US, with over 1 million residents

Population projected to grow 61% by 2010

Since 1990, suburban population has grown 55% vs. 19% in the city

By 2005, suburbs and city will be at parity

69% of new residents (1990-2000) in the six county region were Hispanic
Strategy Components

- The most fundamental aspect of Harris’ initiative is expanded physical distribution
  - 24 designated ‘bilingual branches’
- A customer friendly mix of alternative channel and traditional branch banking alternatives helps to overcome a traditional fear of financial institutions
  - Bilingual Call Center, Website, ATMs
- Our goal is to make the entire buying process comfortable for Hispanics
  - Spanish language brochures/collateral materials, presented in a culturally sensitive way
  - Spanish language capability in all channels
- And our marketing programs support this in TV, radio and print
Challenges We Faced at Start-Up

- Lack of bilingual staff
- Lack of marketing materials in Spanish
- High turndown rates for loan and deposit products
- Poor wire transfer capability
- Limited knowledge of banking services in some segments of the Hispanic market
- Low recognition of the Harris Bank brand in the Hispanic market
Solutions

Services

- Bilingual branches
- Bilingual customer service call center
- Spanish language Website
- Bilingual Bankers in key areas
  - Retail
  - Mortgage
  - Small Business
  - Commercial

Marketing

- Image and product campaign launched on television and radio
Solutions (cont’d)

Products

- CD Secured Loan
- Specialized Wire Transfer Service
- Deposit and loan product enhancements
  - Acceptance of Matricula Consular and IFE Card
  - First Time Borrowers Program

Community Outreach

- Community partnerships
- Financial literacy programs
  - Seminars in Money management, Purchase your first home, Managing your checking account, Investments, etc.
What we learned: What works

- Financial education
- Need critical mass to be successful
- Access
  - Physical access critical to serve new immigrants
  - Inner-city and minority neighborhood branches
  - Convenient hours: open late/on weekends
- Marketing
  - Use wire transfer services to attract newly arrived
  - Partner with community groups for outreach
  - Reach out on the customers’ terms, i.e. culture and language
  - Build everything on personal relationships
What we learned: What doesn’t work

- Phone and on-line banking, particularly for new immigrants, is no substitute for neighborhood branches
- Simply sponsoring events vs. community partnerships that may include sponsoring events
- Short-term commitments
- Ignoring segment differences (i.e., un-established needs vs. newly established needs)
- Failing to distinguish between credible established potential partners and those seeking a “deep pocket”
Other Benefits

- Harris Express - offering basic financial services (Check cashing, Money orders, Wire transfers, Bill payments, etc.) to the those who cannot or do not wish to use a bank

- Special Markets Group - oversees the increase in the use of minority vendors and suppliers by the bank and works to position the Bank to pursue the diverse markets of Chicagoland

- Advanced Function ATM - offering basic financial services on an ATM

- Bank of Montreal has made significant inroads with the Asian population in Canada.
Key Ethnic Branches*

*as identified by Key Community Advocates
In Summary . . .

- Great market
- Understanding and commitment is key
- Continuously evolving . . .
Questions?