



# Marketing Goes High-Touch

## *ISOs and acquirers reap strong ROI from innovative campaigns*

By Lisa Dowling

Change is afoot among the Madison Avenue crowd. Marketing and advertising strategies are becoming more personalized and less product-oriented. Does that mean a kinder, gentler world of ISOs and acquirers? Not likely.

What it does mean, however, is that innovative marketing campaigns are making a big difference in the bottom line of many organizations. This high-touch approach is leading the pack of marketing strategies that are reaping newfound benefits for their participants.

“As a business continues to become more commoditized, you need to differentiate and provide a higher level of personal service,” says Marc Gardner, president and CEO of North American Bancard. The Michigan-based merchant acquirer boasts more than 75,000 merchants and is responding to the changing environment by promoting and showcasing service. “Whether it is single-call resolutions, rapid speed response by the right department, or prompt payment of commissions, it all comes down to performance—and that’s what we promote.”

### Personalize or Die

Gardner and his team “never advertise what we can’t deliver” and choose to emphasize the company’s services over its products. “We are constantly working toward improving our service levels through enhanced technology and tools that allow our merchants to have a better, interac-

tive customer experience,” he says.

That same personalized marketing strategy extends to sales agents as well. North American Bancard offers substantive marketing materials to all external sales representatives—free of charge.

“The comprehensive package includes personalized postcards, flyers, and tri-fold brochures to leave with a prospect,” he says. “We also have a large in-house marketing department that continually gener-

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North American Bancard

ates new and fresh marketing pieces. The marketplace among what the industry trades call ‘super ISOs’ has become more competitive, and the merchant-level salesperson is in far better position than ever before—so the cost of customer acquisition has increased.”

Gardner never has seen a higher cost of customer acquisition than what the industry is experiencing now. He founded North American Bancard in 1992 and is incredulous when he looks at what has

changed since then. Because of the current business climate, Gardner believes the biggest challenge facing ISOs who don’t market themselves effectively is summed up in one simple word—failure.

“If you don’t have a strong marketing plan with controllable cost of new merchant acquisition, you can end up with a marketing expense with no reasonable return on investment,” he explains. “The higher cost of customer acquisition is great for sellers because your underlying assets are higher, but if you are looking to grow your portfolio, it’s more expensive than ever before.”

### More Than Free Terminals

If an effective, high-touch marketing plan translates into a strong portfolio, then First American Payment Systems has one of the most formidable.

“The biggest part of our marketing edge is that we maintain our technology, products, and customer service,” says Kevin Jones, vice president of sales and marketing for First American Payment Systems. With 90,000 merchants, this Texas-based acquirer focuses not only on what it offers merchants, but also on how it’s offered.

“We blend traditional marketing methods with innovative ones: We utilize the Internet, e-mail statements, and a partner portal,” Jones explains. “We have developed a standard set of marketing products that our sales agents can customize and implement to achieve their goals. We capitalize on the partnerships we make and build personal relationships with those partners.”

This personalization of First American’s marketing strategy has translated to a specialized corporate marketing department to which all sales agents have access. They can request marketing items with personal information, custom graphics, and special mailing pieces—all free of charge. This high-touch marketing strategy gives agents an impressive edge in contracting merchants.

“We see most of our competitors utilizing the same marketing strategy, so we opt for different strategies that are more effective,” says Jones, who notes that an increasing number of competitors are changing their marketing strategies to tout the quality of their organizations over products or one-item differentiators—something his company has been doing for awhile. “We didn’t jump on the bandwagon of marketing free terminals and other similar programs,” he says. “Our differentiator is stability and service. Marketing is shifting to showcase those qualities, and it reminds us to stay consistent with our message.”

First American clearly advocates a more personal, high-touch marketing approach. Officials understand that effective marketing is as strong a sales tool as anything else they offer their agents and merchants.

“We approach our marketing strategy as part of the overall support package for our partners,” says Jones. “We set out as much as we can to support their goals,

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while maintaining the flexibility to handle any specific, personal marketing strategy that a sales agent may have. We’re in such a competitive landscape that any organiza-

tion that wants to grow needs to understand what differentiates its company and focus on that in all marketing plans. For those companies who are not doing that, it brings into question what they can actually offer.”

Is there a bigger price tag on these high-touch marketing campaigns? Perhaps for organizations that are not as adequately funded as others. But for First American, it’s a fundamental cost of doing business.

“Because we focus so much on more personal and internal marketing strategies through our portal, our partners as well as our growth goals always dictate what our budget is,” says Jones. “Over the next few years, we’re going to see marketing focus more on the pieces of a company that instill pride. We’ll see more personalization and attention to quality, and people are going to get past free-terminal campaigns.” **TT**

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