

Successfully spreading the word about Directo a México

It is well known that cross-border payments made via the FedACH International® Mexico Service—Directo a México—are efficient and reliable ACH transactions. And, Directo a México is less costly for credit payments, such as payroll, pension, annuity, mortgage and closing costs, and remittance payments to individuals in Mexico. But, how can financial institutions communicate this to their customers who will benefit from this convenient and secure method to send payments from the U.S. to Mexico?

hear that Directo a México is linked not only to the Federal Reserve Banks, but also to their central banking counterpart, Banco de México.

THE National Bank's Directo a México marketing efforts are focused on eight of its 22 branches—particularly those in Moline, East Moline and Silvis, Illinois—that serve larger Latino populations. The bank has 14 bilingual staff members to answer questions in English or Spanish regarding Directo a México and other bank offerings, such as mortgage loans.

When THE National Bank enrolled in Directo a México, it received training and marketing materials from the Federal Reserve Banks. The template marketing brochures, posters, statement stuffers and Web site images are now customized with THE National Bank's logo.

THE National Bank displays the Directo a México logo in branch lobbies and on pamphlets. “The logo is especially helpful for people who move around,” DeDoncker noted. For example, someone who moved to East Moline, Illinois, from Chicago might already be familiar with the logo and service.

FDIC trend data indicate that over half of retail banking growth in the next decade will come from the Hispanic market, further driving the value of the Directo a México service for customers.¹ Armed with the Directo a México media kit, THE National Bank regularly advertises in the local Spanish language newspaper. But stepping into the local Latino community to meet people face-to-face has generated the most positive feedback in DeDoncker's view.

“We're at every festival—Day of the Dead, Cinco de Mayo, the Viva! Festival—you name it,” he said. The bank also supports local soccer teams and humanitarian efforts in the Latino community. By sponsoring community projects and distributing financial education information, THE National Bank is building trust, which “has to be earned,” DeDoncker explained. “We think it is much more effective to sponsor a community project than to buy a spot on the local cable channel,” DeDoncker said, indicating that the personal touch resonates deeply with the Latino community.

Two years after implementing the Directo a México program, THE National Bank continues to see a steady uptick in usage and plans to grow the service. DeDoncker views it as an important opportunity, offering something special not offered by many other financial institutions in the Quad Cities.

For more information, turn to your FedACH Sales Specialist or visit www.frbservices.org/Retail/intfedach.html.



“With the Directo a México logo's widespread use, it is similar to seeing the FDIC seal or Fair Housing logo; it has become a recognizable symbol that people can trust.”

John DeDoncker, President and Chief Executive Officer of THE National Bank

For answers, we turned to THE National Bank, a Directo a México participant and full-service financial institution with 22 branches in Iowa, Illinois and Minnesota. The bank is located in a geographical region better known as the Quad Cities: Moline and Rock Island, Illinois, and Davenport and Bettendorf, Iowa. Despite its distance from the southern border of the United States, the Quad Cities has a large Latino population. THE National Bank has seen steady growth in the use of the FedACH International Mexico Service since it began offering it in 2005.

John DeDoncker, president and chief executive officer of THE National Bank, is proud of his bank's targeted media and grassroots marketing efforts, which are making Directo a México a success. At a cost of \$5 per transaction, “It's a low-fee option—with an excellent exchange rate—for our customers to send money to Mexico,” DeDoncker explained. “We found that our average Directo a México transaction is about \$340. If our customers are saving \$10 to \$12 in relation to the cost of other payment options on every transmission, that's significant, especially on the receiving end when those dollars are converted to pesos.” Even more beneficial is having satisfied customers spread the word to bring in new customers.

In addition, “There's the security element,” he emphasized. It's reassuring for THE National Bank's customers to

¹ Source: Federal Deposit Insurance Corporation at www.fdic.gov/bank/analytical/regional/ro20044q/na/2004winter_05.html.