

# Zecco Trading Case Study

Online Investing Site Generates 14% Lift in New Account Acquisition with StrongMail Influencer



*"I've been extremely impressed with StrongMail Influencer's ability to motivate Zecco customers to refer their friends, which has resulted in thousands of new accounts."*

Gabriel Dalporto  
Chief Marketing Officer  
Zecco Holdings



**Zecco Holdings, Inc.**  
Burlingame, California

**Zecco Trading, Inc.**  
Pasadena, California  
www.zecco.com

**Industry**  
Financial Services

**Trading Customers**  
170,000

#### Return on Investment

- > 14% lift in overall new account acquisition
- > 184% lift over previous referral campaign
- > 1 new trading account for every 2.2 referrers
- > Lowest CPA channel
- > Reduced call center volume

#### Key Benefits

- > Motivate and facilitate sharing
- > Increase new account acquisition
- > Real-time visibility into campaign performance
- > Identify key influencers
- > Expand reach

**Products & Services**  
StrongMail® Influencer™

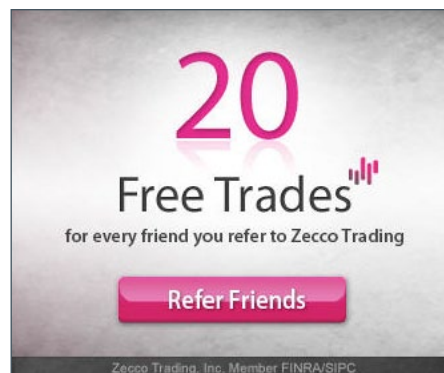
Founded in 2006, Zecco Holdings, Inc. is a popular online investing site widely known for providing free and low-cost stock trading\* through its subsidiary Zecco Trading. Zecco's revolutionary pricing, reputation and innovative financial community provides a refreshing alternative to traditional brokers like E\*TRADE, Charles Schwab, and TD Ameritrade. As a result, Zecco Trading has attracted more than 170,000 trading customers since its launch.

In addition to stock and options trades, Zecco's customers benefit from powerful analysis tools, great customer service and access to ZeccoShare, its ground-breaking online financial community for sharing investing ideas with other traders.

In order to capitalize on its passionate customer base, Zecco created a referral campaign in 2007 that would motivate ZeccoShare members to refer their friends via email. In exchange, referrers received a pre-determined incentive each time a friend signed up for an account. While the referral campaign was successful in generating new accounts, its potential was limited by a lack of integration with social networks and insufficient feedback to its customers on the success of their referrals in generating awards.

#### Upgrading an Existing Referral Program

In order to simplify the sharing process, better motivate their customers and streamline management of the program, Zecco decided to upgrade its existing referral campaign with the help of StrongMail Influencer.



Visitors to ZeccoShare were given a clear incentive to refer their friends.

StrongMail Influencer enables marketers to extend the reach of their existing online and email marketing campaigns into Facebook, Twitter, MySpace, blogs, newsletters and other social channels. Unlike typical social sharing solutions, StrongMail Influencer creates an interactive experience that motivates consumers to share offers and information with their networks. In addition to making sharing easy, it facilitates on-going sharing activity with regular updates on the results of their activity and progress towards offer goals. Zecco even printed new employee business cards with custom links to track face-to-face referrals.

“Word-of-mouth referrals are a large and important source of growth in our business,” said Gabriel Dalporto, Chief Marketing Officer of Zecco Holdings. “StrongMail Influencer provides our customers an easy, engaging and interactive way to earn rewards by sharing our offers with their friends and colleagues.”

### Motivating Customers to Share with a Compelling Offer

StrongMail worked with Zecco to create a viral referral campaign that motivates website visitors to refer their friends by offering them one of two different incentives – \$75 cash or 20 free trades – through its Zecco Friends Program\*\*. The offer is communicated through a rich media, expanding banner ad placed on the main page of its ZeccoShare community: [www.zecco.com/zeccoshare](http://www.zecco.com/zeccoshare). StrongMail Influencer supports A/B testing by rotating through the current incentives. Test results are clearly displayed in an intuitive reporting interface.

Additional ads throughout the website direct visitors to a landing page containing the StrongMail Influencer ad. One of the best-performing placements is on the last page of the trading account sign-up process. New customers are immediately presented with an offer that will deposit cash into their opened account if they become influencers for the brand.

The banner ad motivated nine percent of visitors to the page to share the offer with their friends, thereby becoming influencers for the Zecco brand. Using StrongMail Influencer to analyze sharing activity revealed that 85 percent of sharing was done via email with the remaining 15 percent achieved via direct integration with popular social networks like Twitter and Facebook. While more people shared more frequently via email, posting to social networks generated 2.5 times as many clicks.

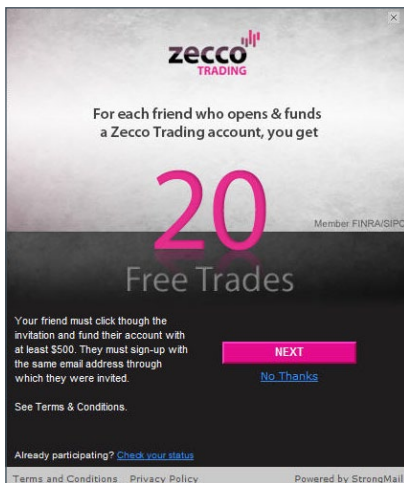
“Enabling our customers to share via social networks extended the reach of our programs,” said Matt Stewart, Marketing Associate at Zecco. “StrongMail enabled us to identify and test the most effective offer that would prompt our customers to share, and the results speak for themselves.”

### Sharing Activity Generates Thousands of New Accounts

The sharing activity enabled by StrongMail Influencer generated one new account for every 2.2 motivated inviters, resulting in thousands of new account applications. In fact, the week after the launch of the new campaign, Zecco more than doubled (107% increase) the amount of account applications from referrals compared to the previous week.

The campaign’s impressive performance led to a 14 percent lift in overall new accounts acquisition across all channels, firmly establishing the StrongMail Influencer referral campaign as Zecco’s lowest cost-per acquisition channel.

“I’ve been extremely impressed with StrongMail Influencer’s ability to motivate Zecco customers to refer their friends, which has resulted in thousands of new accounts,” said Dalporto.



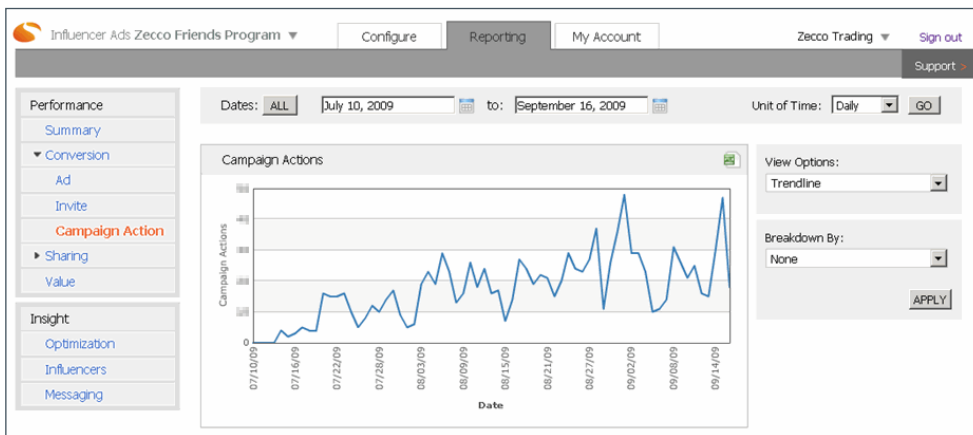
*Zecco motivated customers to share by testing three incentives.*

- > **14% lift in overall new account acquisition**
- > **1 new member for every 2.2 referrers**
- > **9% of those who viewed the referral campaign become influencers**
- > **12% conversion rate for those who clicked through from an invite**
- > **184% lift over previous referral campaign**

## Optimizing Results

After launching the campaign, Zecco used StrongMail Influencer's built-in reporting to analyze the best performing offer for their campaign. They quickly found that at 44% the combination "\$75 & 20 Free Trades" advertising creative had the highest sharing rate vs. 39% for the "\$75 Cash" creative and 35% for "20 Free Trades" creative. They also found that number of referrals per customer was higher with the combined offer. However, upon further analysis, they discovered that the "20 Free Trades" offer produced the highest conversion rate while the combination creative delivered the lowest conversion rate. (Regardless of the creative initially associated with them, Zecco offers referrers their choice reward once their referral is validated.)

After reviewing campaign performance over the initial seven-week period, Zecco determined that the "20 Free Trades" creative resulted in the highest number of approved and funded accounts. By optimizing the campaign with the most effective offer, campaign performance continued to improve with each passing week, resulting in 184% program growth at the end of the first 7 weeks, measured as an average of the 4-weeks prior to launch and the average of a 4 week span 6-10 weeks after launch. During the week of maximum performance, 32% of all new accounts were generated by StrongMail Influencer.



Worth of mouth new account acquisition grows 184%

## Improving the Sharing Experience Reduces Call Center Costs

As a robust and comprehensive social media marketing solution, StrongMail Influencer offered Zecco members improved self-service tools for checking their reward status, resulting in a reduction in call center volume versus their prior referral program.

If a customer does call Zecco, StrongMail Influencer's complete suite of research and reporting tools provides easy data access, which simplifies and improves the overall user experience for Zecco's customers.

"Instead of having customers call in to find out the status of their reward, StrongMail Influencer sent regular email alerts that informed them how many of their friends had responded to the offer – and that reduced call center volume," said Stewart at Zecco.

StrongMail Influencer leverages sophisticated fraud detecting technology to flag suspicious claim activity. The StrongMail Influencer gives Zecco the option of validating referrals. The built-in reward choice function sends an automated email to customers once their referral is validated.

*"The StrongMail Influencer provides our customers an easy, engaging and interactive way to earn rewards by sharing our offers with their friends and colleagues."*

Gabriel Dalporto  
Chief Marketing Officer  
Zecco Holdings

Sharing is enabled via direct integration with social networks.



## About StrongMail Systems, Inc.

StrongMail's online marketing solutions for email and social media enable businesses to reach, engage and influence their target audience using the most powerful channels available to marketers today.

StrongMail gives email marketers the control and support they need to improve campaign performance, boost deliverability and lower costs, while also leveraging the power of social media to extend the reach of their campaigns and brand to new audiences. Combining an easy-to-use email marketing application, high-performance delivery system, viral-marketing tool, social media integration, and a wide range of deliverability, strategic and supporting services, StrongMail makes it possible for companies with all levels of resources and expertise to take advantage of its proven solutions.

Headquartered in Redwood City, CA, StrongMail's clients include global leaders across virtually every industry.

To learn more about StrongMail, please visit [www.strongmail.com](http://www.strongmail.com).

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## Results Methodology

In the four weeks prior to launching StrongMail Influencer, The Zecco Friends Program generated an average of 8 percent of all new accounts. Immediately after launching the StrongMail Influencer, word-of-mouth acquisition began to grow. After averaging 26 percent week-to-week growth for seven weeks, the Zecco Friends Program reached 17 percent of all acquisition in the first week of September 2009.

Zecco generated a 14 percent lift in new account acquisition with StrongMail Influencer. The baseline was established by averaging acquisition from the Zecco Friends Program over the four weeks prior to launch, in order to establish a point of comparison against the baseline. They then took another four week average of referral acquisition beginning five weeks after program launch. The difference represented a 14 percent increase in overall baseline acquisition. Examining only accounts tracked to a specific marketing channel, the lift in new accounts attributable to StrongMail Influencer rises to 30 percent.

For more information on how StrongMail Influencer can improve your bottom-line, please contact us at [info@strongmail.com](mailto:info@strongmail.com) or **(800) 971-0380**.

## About Zecco Holdings, Inc.

Zecco Holdings ([www.zecco.com](http://www.zecco.com)) is a leading online investing website that offers access to free stock trading and low-cost options trading through its wholly owned subsidiary, Zecco Trading, Inc., member FINRA and SIPC.

\*Zecco Trading account users receive 10 free equity trades per month when they maintain a minimum net equity of \$25,000 or execute 25 total trades, \$4.50 per trade otherwise. Zecco Trading, Inc. provides self-directed investors with discount brokerage services, and does not make recommendations or offer investment, financial, legal or tax advice.

\*\* To learn more about the Zecco Friends Program visit <http://hello.zecco.com/raf/>

