BROADREACH®
PUBLIC RELATIONS

MARKETING FOR THE FUTURE

NORTHERN NEW ENGLAND SCHOOL OF BANKING

OCTOBER 23, 2018

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Today's Session

- Understand the role of marketing in your bank's growth
- Understand the challenges your Marketing Department faces daily
- Learn about critical trends in the marketing landscape
- Break down key elements of a marketing budget and strategy

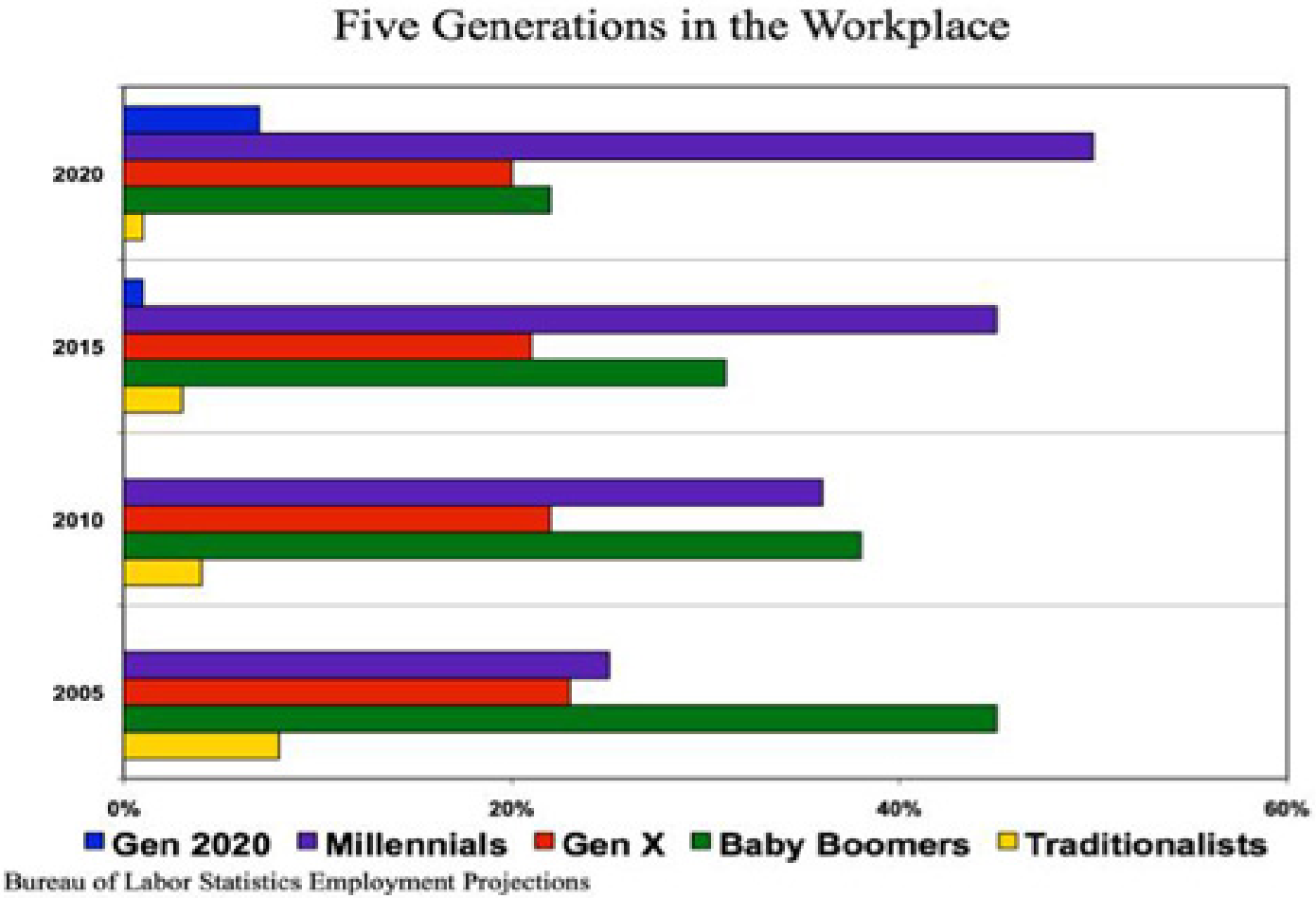
“Bank Marketers”
What do you *think* they do?

The Environment

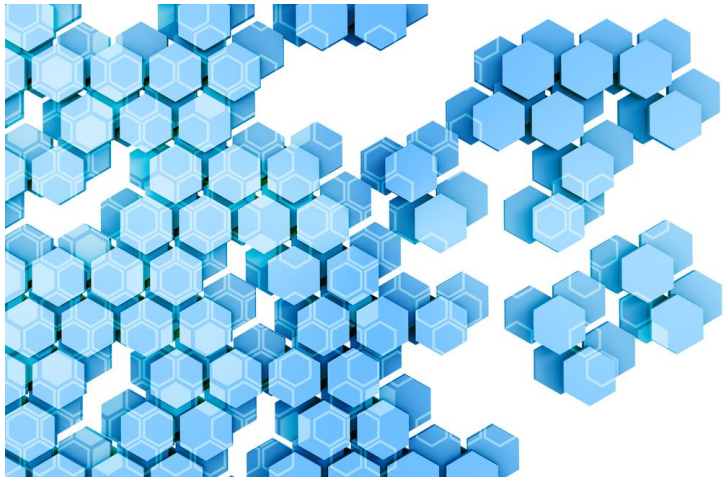
Change continues to define the banking industry

The Environment

Demographic Factors



The Environment



<u>Technological Factors</u>

- Data breaches
- FinTech – Blockchain
- Artificial Intelligence
- P2P lending
- P2P payments
- Mobile everything

The Environment

<u>Economic Factors</u>

- Rising interest rates
- Volatile stock & bond markets
- Non-bank competition
- Mergers & acquisitions
- Credit unions

The Environment

WELLS FARGO

Political Factors

- Scandals
- Political upheaval
- Regulatory upheaval

Forbes

Trump Administration Requests $0 In Funding For Consumer Protection Agency

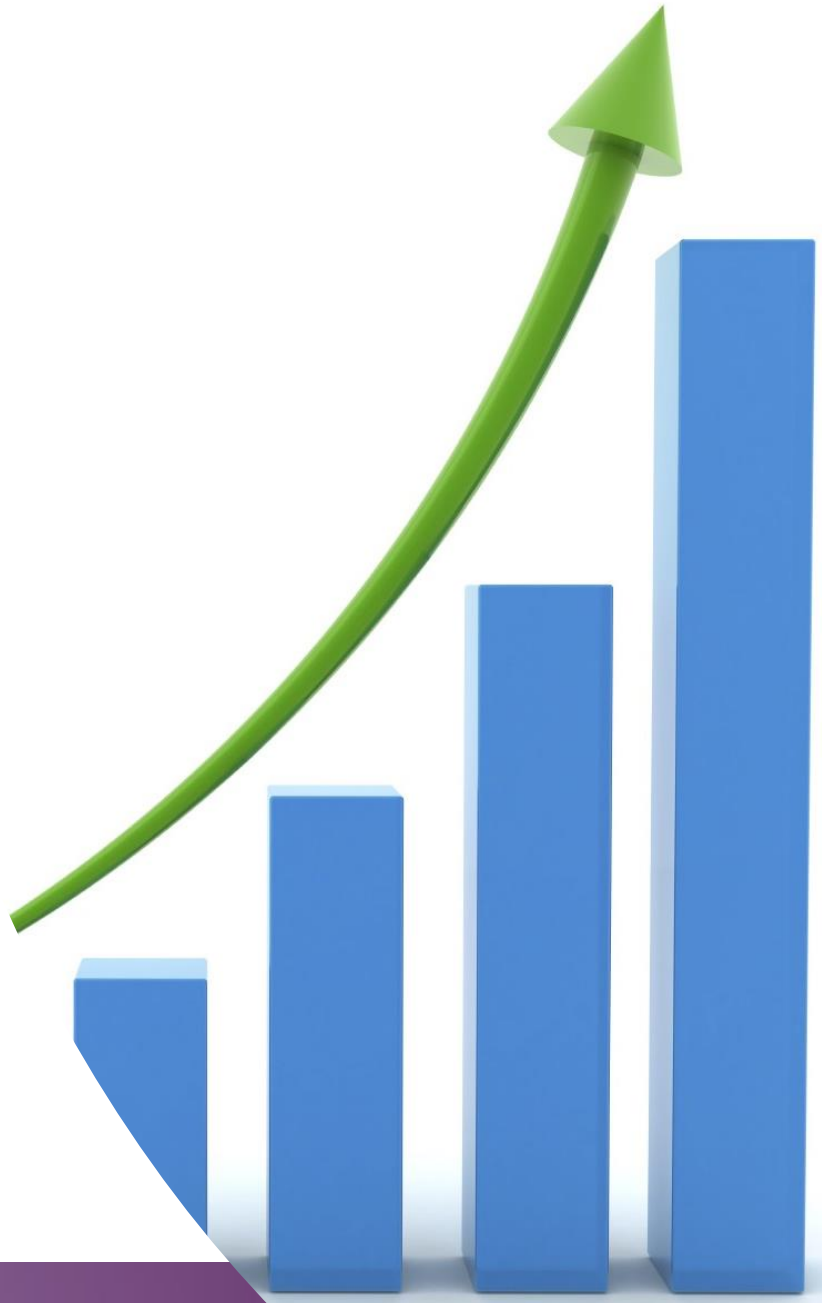
Just Trying to Grow

Internal

- Sales
- New Products
- Expansion

External

- Mergers
- Acquisitions
- Partnerships



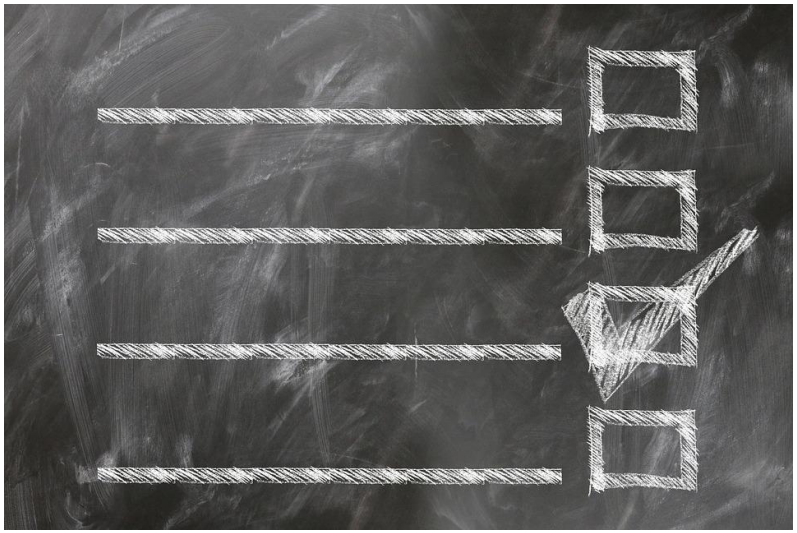
“Bank Marketers”
How do they *decide* what to do?

Community Bank N.A.

Product

The Strategy

You decide…



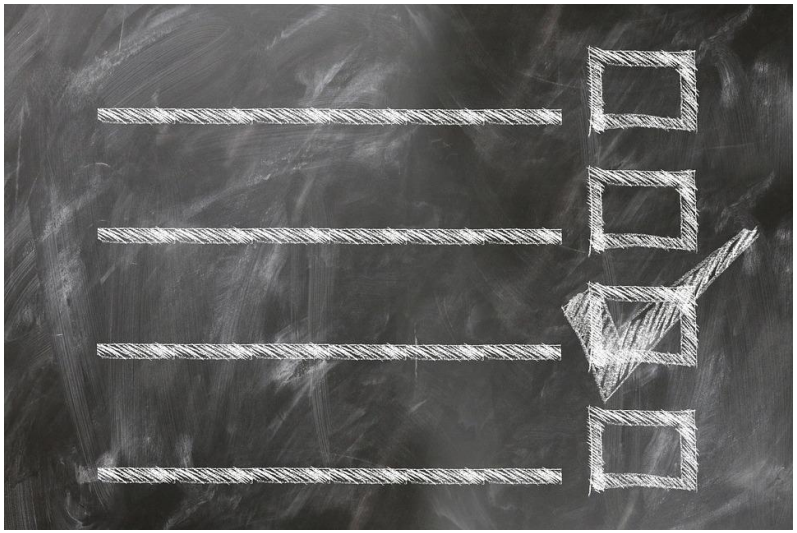
1. What are they selling?
2. Who is the target market?
3. What are the channels?
4. What's the brand message?
5. Is it relevant today?
6. How is it being measured?

Gorham SAVINGS BANK

Market Segment

The Strategy

You decide…



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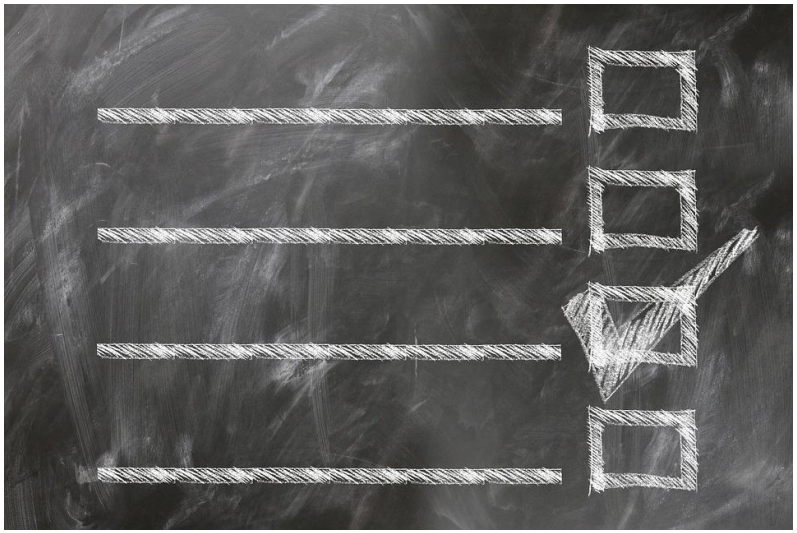
SACO & BIDDEFORD SAVINGS INSTITUTION

Cause

The Strategy

You decide…



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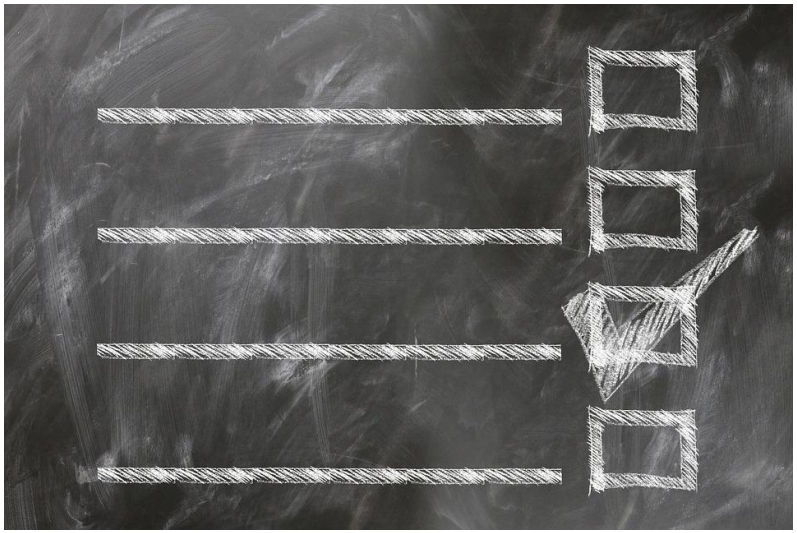
Bank of New Hampshire
New Hampshire's local bank

Image

The Strategy

You decide…



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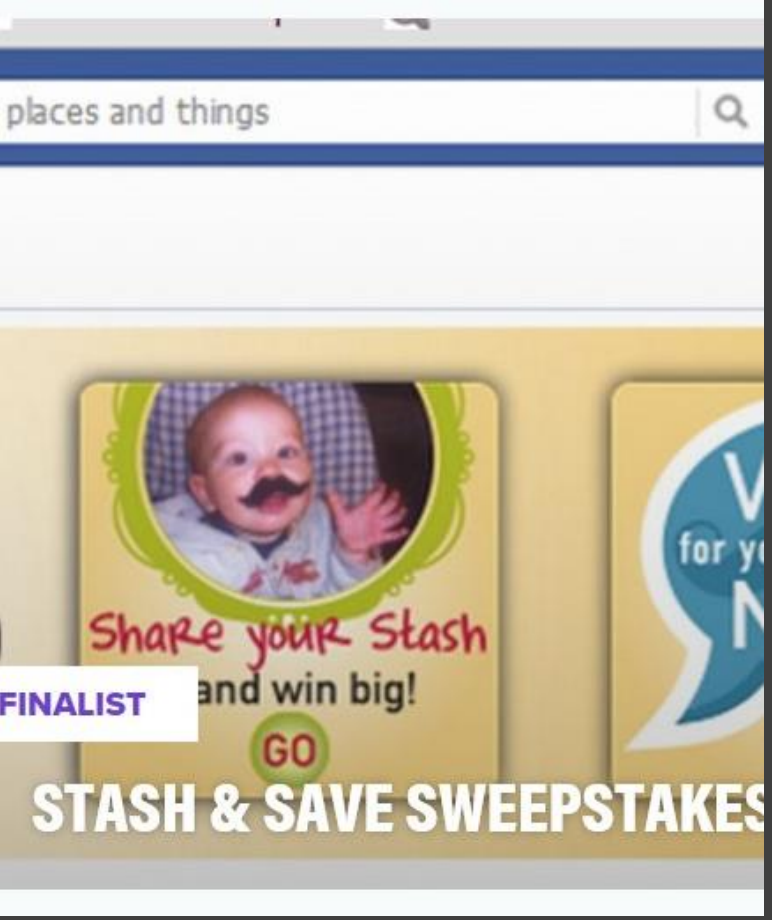
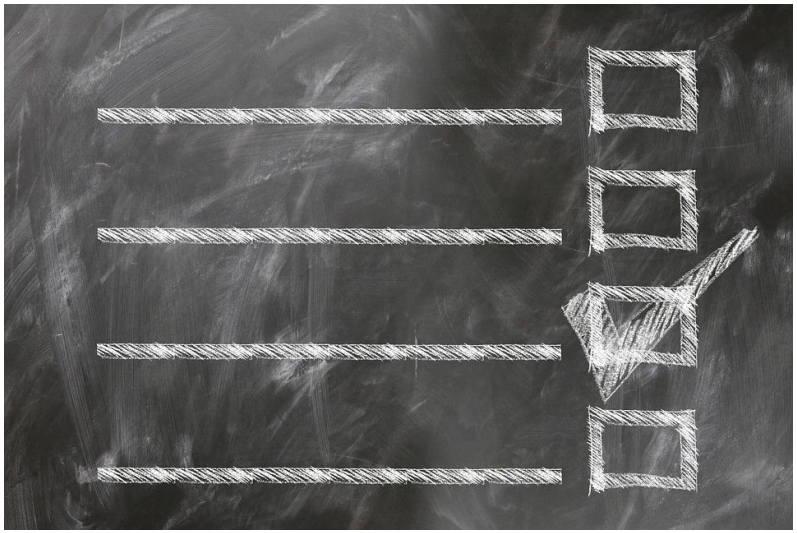


Social Engagement & Live Events

The Strategy

You decide…



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The Bank Brand

Facilitates Growth

- More than new accounts and sales
- Supports bank reputation
- Helps retain existing customers
- Positions the institution to acquire top talent
- Demonstrates stability to staff, partners, customers and community

The Bank Brand

Determines Shape & Extent of Engagement

Passbooks as children

Checking Accounts as teens

Auto Loans as young adults

Mortgages as adults

Wealth management services as retirees

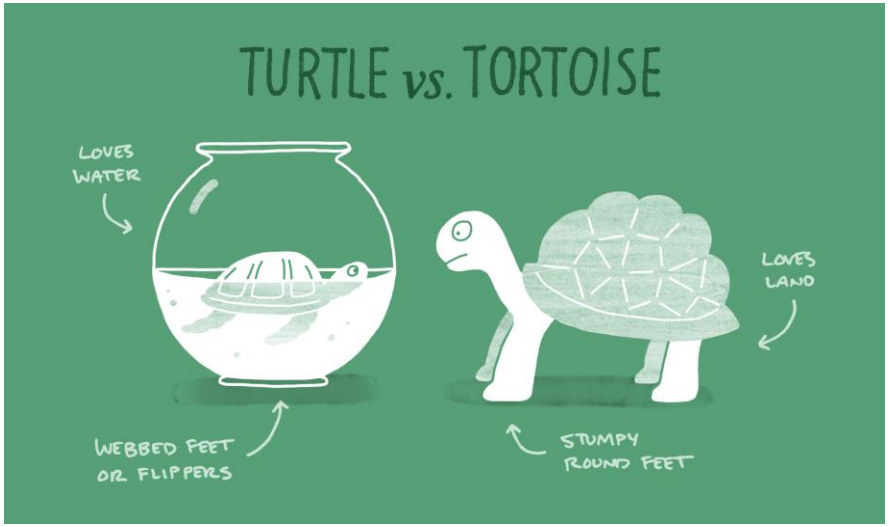
The Bank Brand

Attracts Attention

- Attract and retain talent
- Support the development of bank executives and leaders
- Catch the eye of investors and strategic partners
- Not to mention customers…

The Bank Brand

Marketing vs. PR – What's the difference?



Both support growth, in different ways…

- Marketing directly drives revenue
- PR indirectly drives revenue by building credibility, raising awareness, and preserving gains made

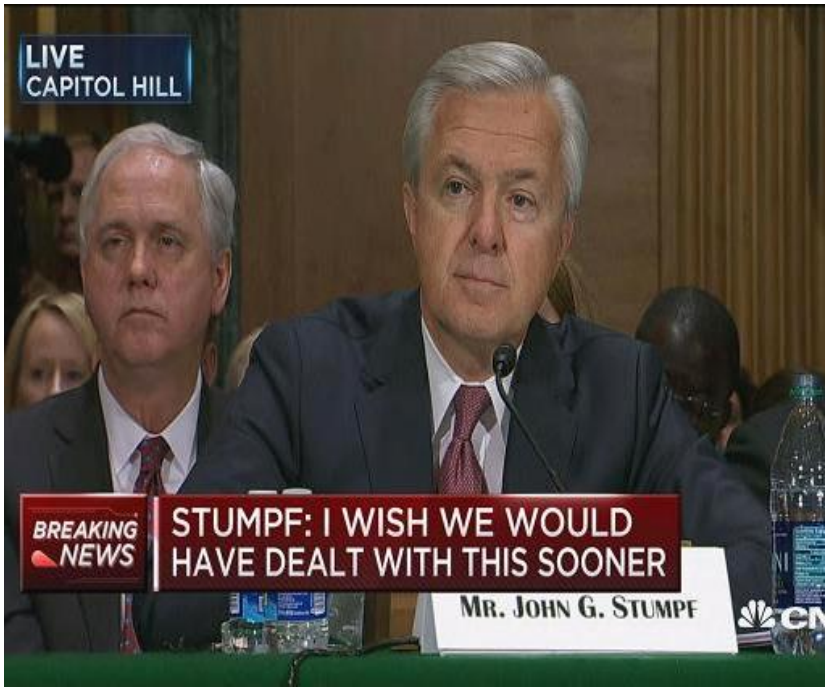
The Bank Brand

"Filling the Well"

- Important to "fill the well" with positive press over time
- Build goodwill based on mission, vision and values
- Easier to "go back to the well" in times of crisis

The Bank Brand

How Important is Reputation?



- One of the most trusted financial brands
- How long will its reputation carry?
- Led to fleeing customers, allies and partners
- Immediate departure of CEO
- Ongoing investigation

The Bank Brand

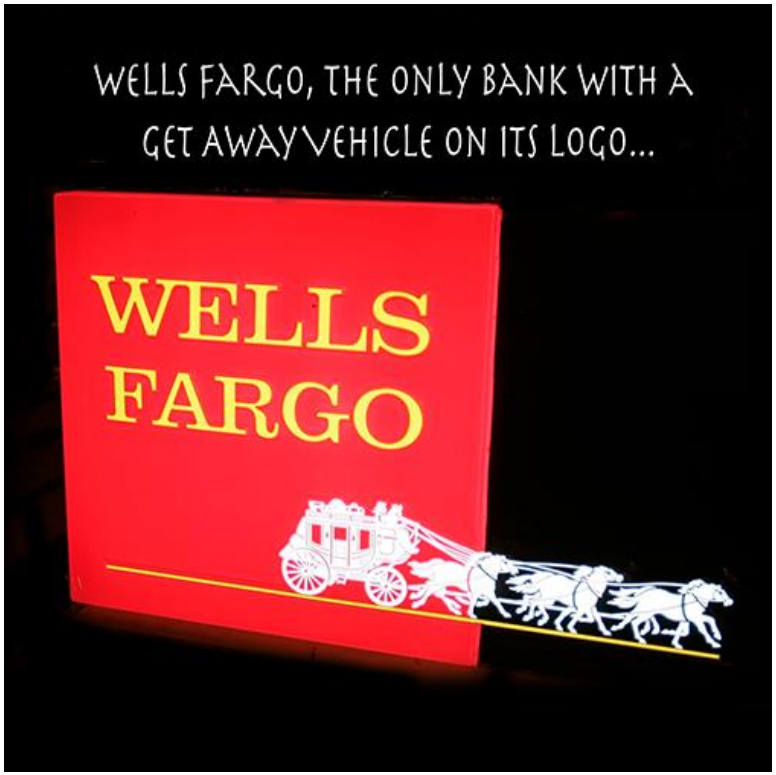
How Important is Reputation?

The Bank Brand

Marketing Departments Wear Many Hats

- Manager
- Strategist
- Data & Research Scientist
- Communicator
- Creative Director
- Curator

The Bank Brand

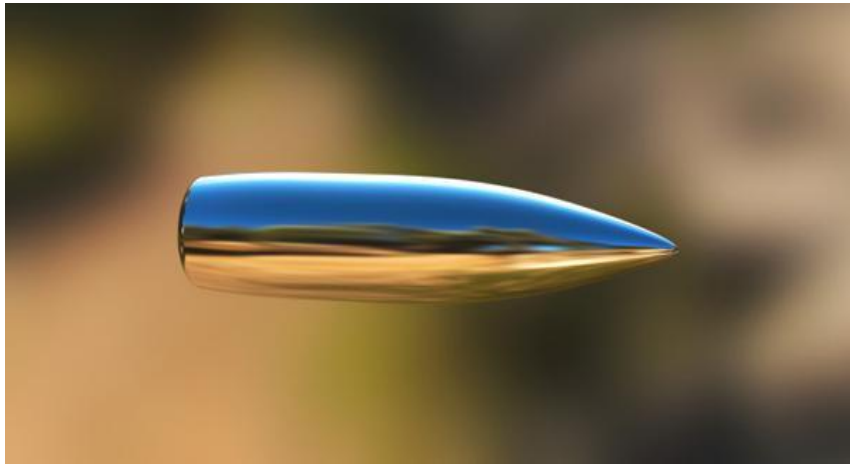


But at the end of the day…

… <u>everyone</u> is responsible for the bank's reputation!

“Bank Marketers...”
What is your bank’s *brand*?

The Strategy



- There is no “silver bullet”
- No single tactic will substitute for a long-term strategic communication discipline
- Time, budget, and environment all impact quality and what’s realistic

The Strategy

Follow the Money

An effective marketing strategy aligns with *how banks make money*:

- Attracting deposits
- Making loans
- Collecting interest & fees
- Selling financial services

The Strategy

Follow the Money

Successful growing banks generally budget on average of 0.073% of assets on marketing

Asset Tier	#	Median Bank Marketing Budget	Average Asset % Allocated to Marketing
Over $10 Billion	10	$13.6 million	0.075%
$1 Billion to $10 Billion	76	$1.28 million	0.072%
$500 Million to $1 Billion	64	$477,500	0.077%
$250 Million to $500 Million	106	$220,000	0.068%

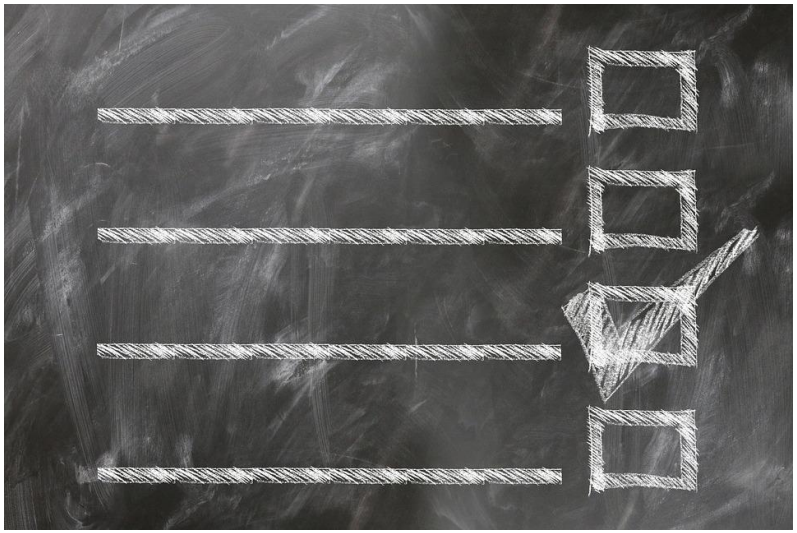
www.thefinancialbrand.com

The Strategy

	EXISTING MARKETS	NEW MARKETS
Existing Products	Market Penetration Strategy • Increase “Share of Wallet” • Acquire from Competitors • Convert Non-Users	Market Development Strategy • New Market Segment • New Distribution Channels • New Geographic Markets
New Products	Product Development Strategy • New Features • Different Quality Levels • New Products	Diversification Strategy • Organic Growth • Acquisition • Joint Venture / Partnership

The Strategy

Marketing activities should…



1. Be guided by measurable objectives
2. Be segmented by target market
3. Be fully integrated
4. Be aligned with brand promise and bank mission
5. Be responsive to disruption
6. Allocate resources to measurement

The Strategy

1. Be guided by measurable objectives

OBJECTIVES

- Grow customer base
- Increase share of wallet
- Increase sales of products
- Increase lines of revenue
- Increase awareness
- Build credibility in market
- Educate customer

OUTCOMES

Word-of-mouth

Relationships

# of Accounts

Dollars / Fees

Visibility

Reputation

Engagement

The Strategy

2. Be segmented by target market

BROAD MARKETS

- Demographics
- Psychographics
- Geographic
- Geodemographic
- Benefits
- Access

TARGETED MARKETS

- Millennials
- LOHAS
- Seacoast N.H.
- D + P + Geo = GDG
- Convenience
- Mobile

The Strategy

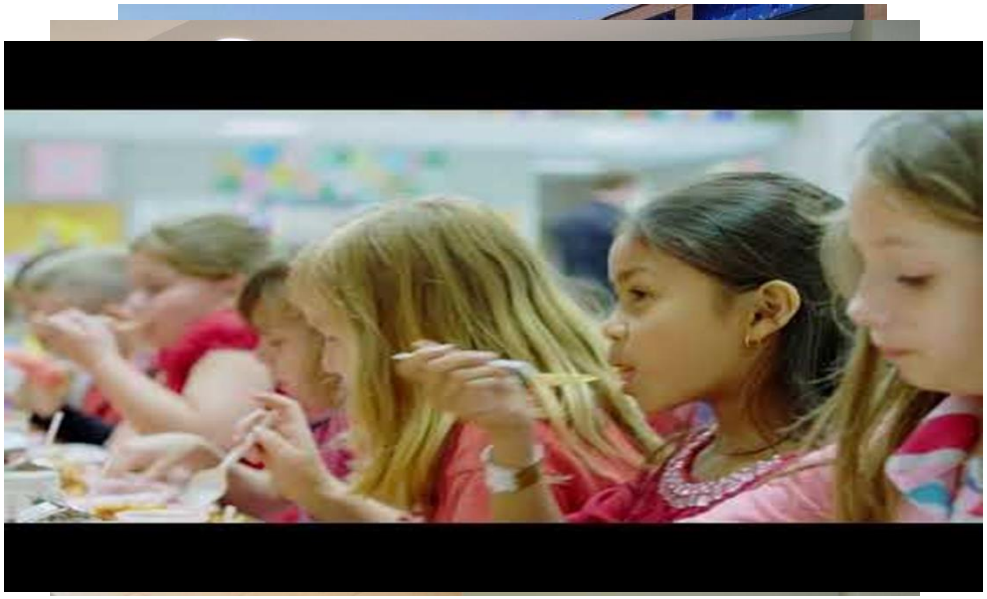
3. Be fully integrated

Channel	Reach	Frequency	Impact	Cost
Television	↑	↑	↓	$$$$
Radio	↑	↑	↓	$$
Print	↑	↑	↑	$$$
Public Relations/Visibility	↑	↓	↑	$
Online Marketing	↓	↑	↑	$
Events / Sponsorships	↓	↓	↑	$$
Email	↓	↑	↑	$
Social Media	↓	↑	↑	$
Sponsored Content	↑	↑	↑	$$

- No one channel is the solution on its own
- Customers are seeking a seamless experience across platforms
- Each channel has a different way to reinforce brand values

The Strategy

4. Be aligned with brand promise and bank mission

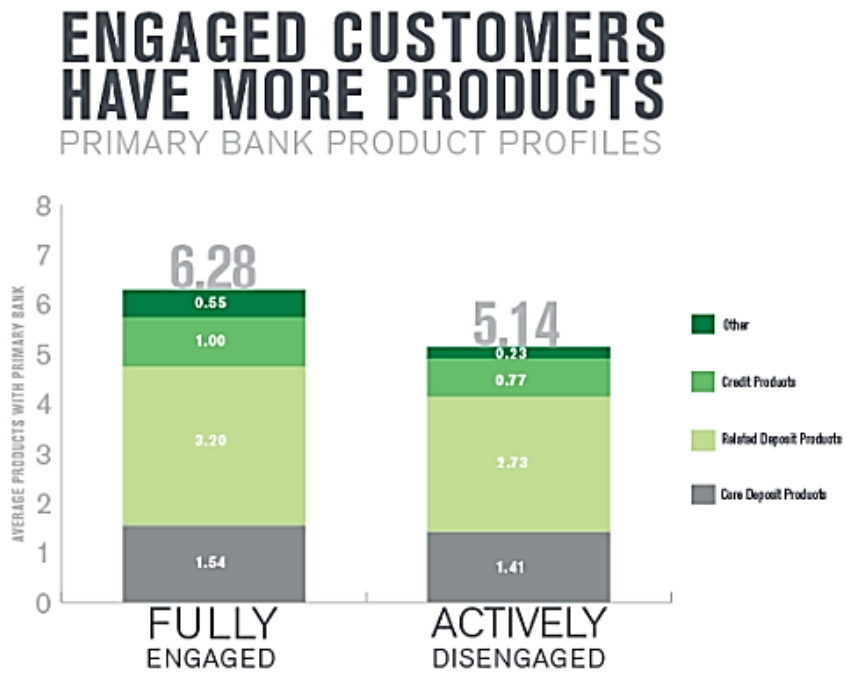


<u>Everything Old is New Again</u>

- Rethink brick-and-mortar
- Rethink access
- Rethink giving

The Strategy

4. Be aligned with brand promise and bank mission



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<u>Maximize What You Already Have</u>

- Customers (Word-of-Mouth)
  - Fully-engaged customers bring $402 in additional revenue per year (Gallup 2014)
  - Referrals, not advertising, gets customers in the door
- Social Media
  - Customers quickly tune out content that talks AT them
  - Be consistent, relatable, and <u>genuine</u>
- Incentives
  - Give customers what they actually want, not what *you think* they want

The Strategy

4. Be aligned with brand promise and bank mission

<u>Be Real</u>

- Every strategy is subject to change in a moment of opportunity – or crisis
- Curate an organic brand voice that can react to opportunities on the fly
- Being ready and nimble in responding can yield impressive engagement results

The Strategy

5. Be responsive to disruption

The Strategy

6. Allocate resources to measurement

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Both marketing and non-marketing executives agree: measuring and proving results is their **Number One** challenge.

The Strategy

6. Allocate resources to measurement

- Measure outcomes to demonstrate success
- Analyze growth to demonstrate impact
- Leverage both to secure additional resources
- Identify areas for improvement or abandonment

What's *your* strategy? Let's find out!

The Strategy

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Questions

Has *your view* of bank marketing changed?

Key Takeaways

1. No bank is immune from environmental impacts

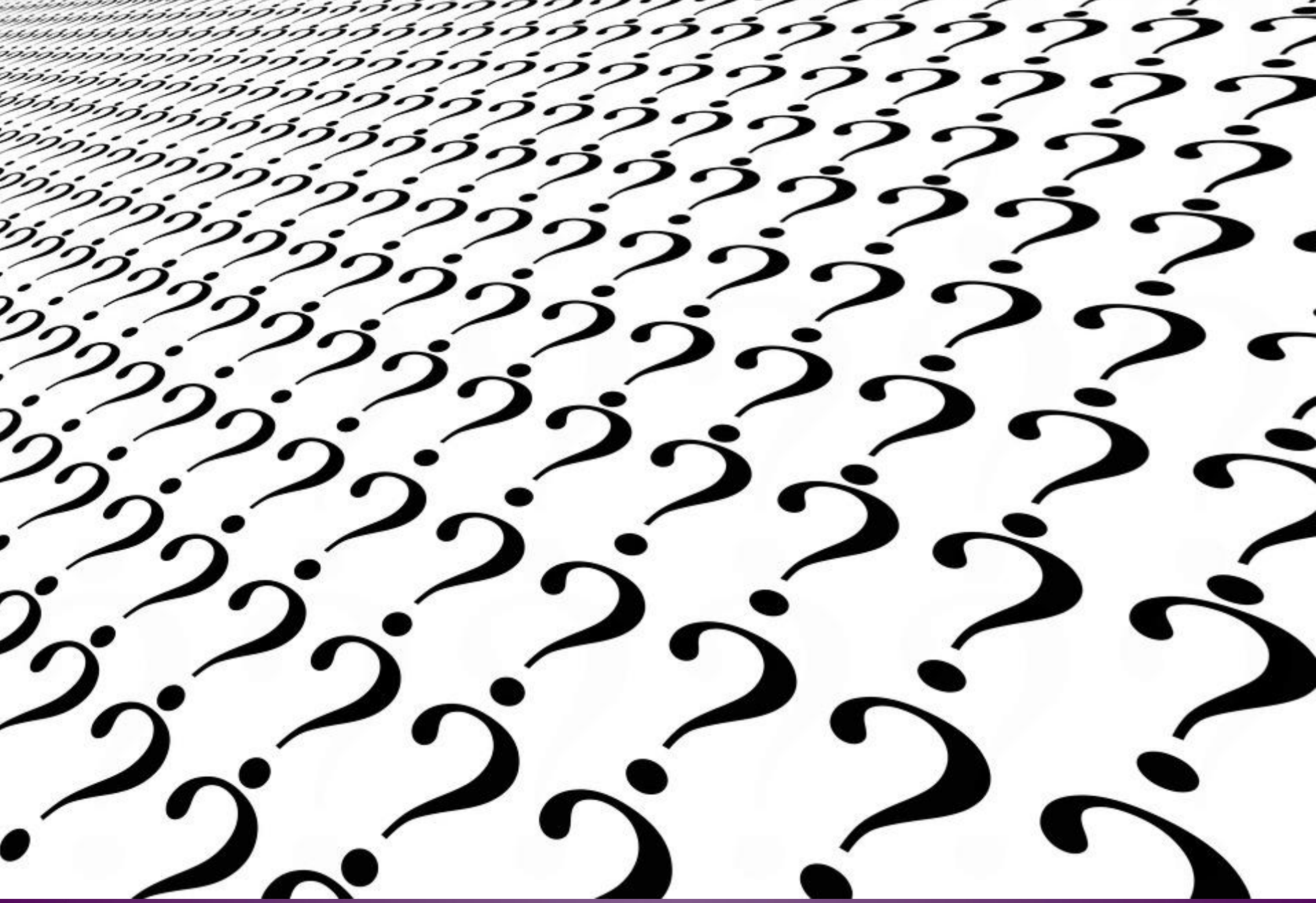
2. A strong marketing strategy begins with a strong brand

3. Everyone in the bank is responsible for brand and reputation management

4. Successful banks have an integrated strategy for growth

5. Effective marketing strategies are:
   a) Guided by measurable objectives
   b) Segmented by target market
   c) Fully integrated
   d) Aligned with brand promise and bank mission
   e) Responsive to disruption

6. Measurement is critical to demonstrate impact and secure additional resources



THANK YOU

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Let's Connect↓

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