



PARTNER PERSPECTIVES

Featuring Neal Reynolds
President, BankMarketingCenter.com

Jack Henry Banking's Question: In the current economic environment, many banks are strategically focused on cutting costs, and their marketing budgets are suffering as a result. How can banks develop effective marketing plans that can reel in revenue without "breaking the bank"?

Neal's perspective:

New banking regulations, reduced loan volume, and intense competition are causing banks all over the country to search for ways to cut overhead. Community and mid-tier banks are challenged with how to cut expenses and remain profitable without losing that "hometown personal service" that has been their mantra for many years. To respond to this challenge, many banks will have to do something they've never done before – they're going to have to aggressively market, advertise, and sell their products and services. They'll have to concentrate on growing their revenue instead of just cutting expenses. But before calling the local newspaper and running an ad promoting "local decision making" or "free checking," banks need to think strategically about the products and services they want to promote, who they want to target, and which customers are the most profitable. Here are some tips and ideas for banks as they develop their marketing initiatives:

Know what makes you unique.

What is it about your bank that makes you stand out? Do you have multiple branches, making you more accessible? Do you offer mobile banking, which could be attractive to younger customers? Maybe you offer remote deposit capture, which appeals to retailers, churches, and apartment managers. Identify what makes you unique and differentiates you from the competition.

Know what products and services you are offering and the benefits of each.

Which products are more profitable or easier to sell? Which ones have the greatest potential to increase business and profits in the future?

Identify who you want to target and why.

Who is your ideal target customer? Are you after small businesses, large businesses, high net-worth individuals, or do you want to be a one-stop shop for everyone? The “why” is just as important as the “who.” Ask yourself: do you really want to target the family of four that keeps a \$43.50 balance in a checking account each month or the doctor’s office that keeps \$25,000? Develop a list of what businesses you want to target, complete with their addresses, phone numbers, and e-mail addresses.

Understand your competition.

Do you really know who your competition is? Once you know who you are competing with, find out what these other banks are offering. They might be advertising a 1 percent CD but adding an extra 50 basis points when the customer walks in. Do they offer free ATM usage? One way to find out is to use a “mystery shopper.” Local college students are great resources for this. You can find out a lot of information for a very reasonable cost.

Get a sales plan and monitor sales activities.

That’s right, a sales plan! Who is going to leave your building tomorrow and visit a retailer that offers your remote capture services? If your sales team has never made sales calls, they will need training. Also, have a process in place to monitor sales activities. Know who your sales team has called and who they have visited. Did they leave a message or speak to someone? Did they email them or call them?

Create a referral program.

Put together a referral program for all bank employees and make it fun. When a customer comes into the bank to open a new checking account, for example, reward employees for cross-selling additional products and services. Each Friday, you can list the winners and give away cash.

Pull existing marketing materials and see if they need updating.

When was the last time you updated your marketing collateral? It’s important to keep your materials fresh and up to date, and evaluate new ways of marketing that you may not have thought of. Companies like Bank Marketing Center offer affordable tools to help you design any marketing piece your bank needs. You can even personalize marketing materials with names, logos or photos – all within seconds. Also, make sure your website is up to date and easy for customers to use.

Turn your TVs into bulletin boards.

Stop promoting CNN or Fox on your widescreen TVs in your branches. Companies like WifiSignage.com offer a very affordable solution that can turn your TVs into “community event calendars.” You can produce your own messages and ads and have them playing on your TVs in seconds for less than what you’re currently paying for cable.

Make it easy for customers to do business with you.

Develop a “switch kit” or offer a “switch coach” to help customers easily move their accounts to your bank. Many individuals and small businesses would rather pay higher bank fees to your competitor rather than go through the trouble of switching to your bank – especially if they are already using “sticky” products such as online bill pay and remote deposit capture. Make this process easy for them.

Bank Marketing Center is a cost-effective, user-friendly solution for creating ads and marketing materials. This Web-based platform fully automates the creation of print ads, direct mail and email campaigns, statement stuffers, product- and service-specific brochures, posters, flyers, newsletters, and more. Banks can customize each piece with their logos, slogans, text, photos, branch locations, and rates – all in minutes and in a point-and-click environment. This service provides an administrative queue for marketing, compliance, and bank management approvals; the ability to print each piece instantly or email them to *jhaDirect* for printing, mailing, and warehousing; complete inventory management; and ongoing access to all bank-specific marketing materials for updating. Bank Marketing Center also provides the ability to target materials to defined markets, maintain a database of preferred publications, and submit ads electronically to those publications. The asset-based cost for this service is a fraction of what banks would pay agencies to produce comparable marketing materials and campaigns.

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