# MABUS

BANK MARKETING QUARTERLY | Q2 2019

MABUS AGENCY'S QUARTERLY COLLECTION OF INDUSTRY-LEADING INSIGHTS.

## Featured Articles

A LETTER FROM JOSH

# Banks have to evolve the way they look at marketing.

We spend a lot of time speculating about the future of banking—which new technologies and innovative product offerings will flip the whole industry on its head. I've got some good news (or maybe bad news, depending on your mindset): the future of banking is you—it's the choices you make now, and they don't even have to be that groundbreaking.

With that in mind, my team has been thinking about the simplest, most impactful opportunities we see for banks. Our goal is to help keep you informed by providing insights and pointing out blind spots. This publication is a collection of some of our best work from the past quarter.

We think the insights in this document will give you more than a few things to consider when it comes time to make tough decisions at your bank. Here are a few things you don't want to miss:

On page four you'll find a list of 10 things I see bank leaders unconsciously doing that ultimately hold back their institution. These aren't malicious practices but the kind of "go along to get along" attitudes that end up holding banks back. Are you perpetuating the status quo in a way that keeps your bank from best serving its clients?

The area I see as the "biggest bang for the buck" improvement for community banks is in digital/mobile banking (p. 08). The financial industry has coined "digital" as its newest buzzword. They say, "digital is the future," but I'm here to tell you digital is the present—and it's much more than just a buzzword. A number of national banks see more digital transactions than in branch, and that trend will continue to expand. It's time we provide our clients with a seamless digital banking experience.

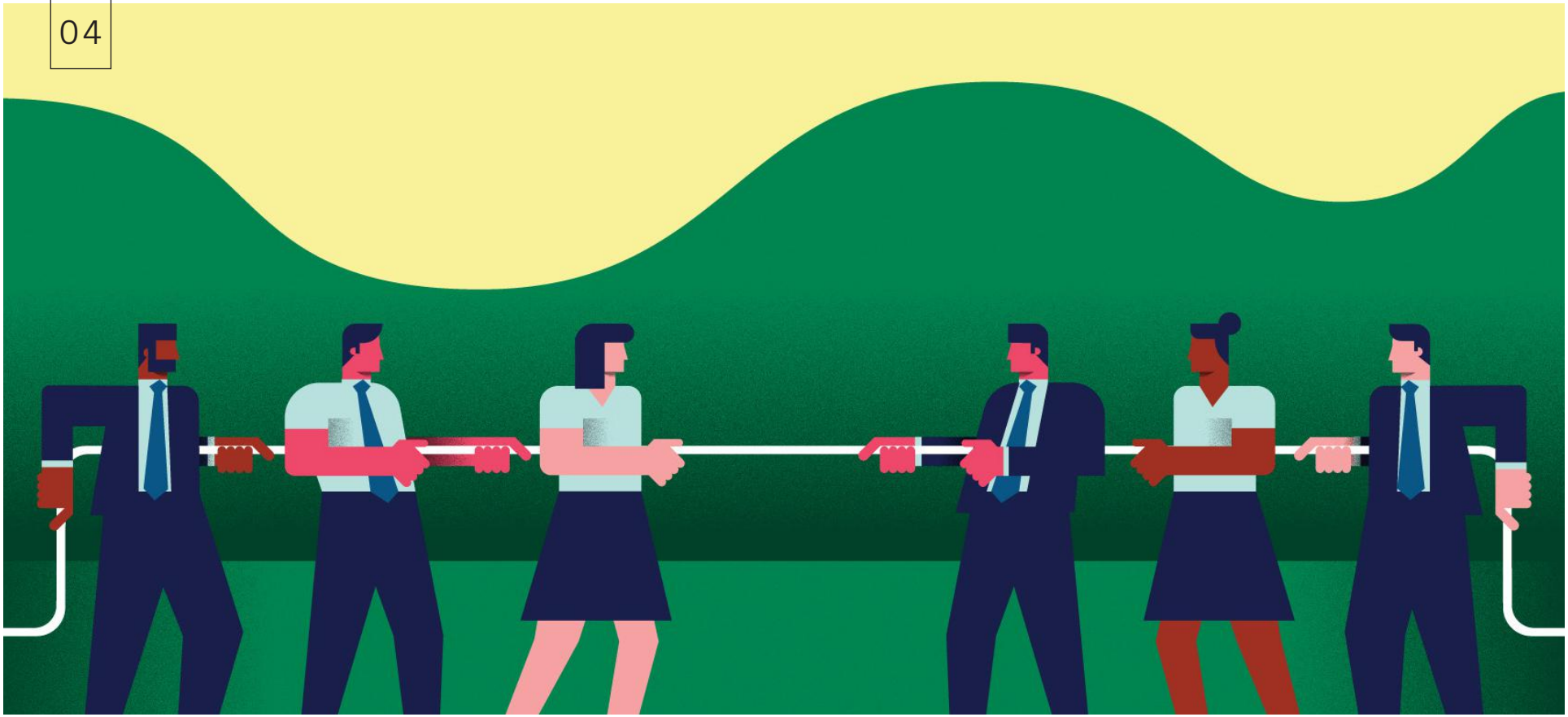
Hunter Young, our chief strategy officer conducted a thorough study of what's broken in the average bank's data-gathering efforts (p. 10). The good news is, most banks are simply making the usage of data more difficult than it has to be. And on the same front, Dave Pond, our director of content strategy, wrote about a data-driven campaign that was so simple we never had to think outside the box—and it drove lots of deposits (p. 18).

I know that even the smallest community banks have access to the tools they need to provide their clients with valuable banking experiences. And, I know the current trends in bank marketing and digital banking services are leveling the playing field for community banks. We have a lot of work to do as an industry, but in the end, you can increase the value you offer and grow your customer base.

If this seems overwhelming, you're not alone. Keep reading. We strive to provide clarity around complex topics within the realm of bank marketing—because we know strong banks build strong communities.

**JOSH MABUS**
PRESIDENT, CHIEF CREATIVE OFFICER

Founder and President of Mabus Agency, co-host of the Marketing Money podcast, and innovative force in the banking world, Josh Mabus is excited to share his knowledge, energy, and insights.



# 10 Reasons Your Community Bank Isn't Outmarketing Your Competition

**JOSH MABUS** | PRESIDENT, CHIEF CREATIVE OFFICER

### YOUR COMMUNITY BANK IS ESSENTIAL.

You likely serve a group of clients that's overlooked by larger banks. You're part of a complex and stressful ecosystem. The balance is hard to strike—you must adopt the right resources to serve your clients without losing the human touch that separates you from other banks.

The days when "community bank" was synonymous with "small bank" are long gone. Consolidation and other outside threats loom. You must learn to create healthy growth without losing your bank's identity.

On the merger and acquisition side, it's an insanely complicated and trying process (especially your first time around). Simply put, it's eat or be eaten.

So let's concentrate on organic growth—marketing your bank to more clients within your footprint while slowly expanding those geographic boundaries. How do you strike a healthy balance of loan growth while controlling funding of deposits to maintain the yield that delivers profits to your institution?

*THE SECRET TO MARKETING IS SIMPLE: TELL MORE PEOPLE BETTER.*

Good news—this doesn't require a huge budget. It does require commitment, some experience, and at least a little expertise.

You can expand over time, but every minute you wait to start, you lose ground. Maybe you've started, but you're stuck. You're not beating the competition, and you don't know where to go.

We see many, many ways in which banks are wasting money, time, and human capital. If you feel you're squandering opportunities, you might be guilty of one (or more) of these 10 cardinal sins:

## 1. You truly don't see the value of marketing.

The success of most community banks has been based on shoe leather and handshakes. Personal relationships are directly proportional to asset growth. But what happens when that stalls—when the big bank de-novos into your community, cuts loan rates, and boosts deposit interest? When you've pressed the flesh for your whole career (and it's worked really, really well), it's hard to see the value in increasing an expense line item.

I understand. You may not be adversarial to marketing. You simply don't understand it.

Too many banks approach marketing by just checking the box. An admin person gets a "promotion" and a "budget," then is expected to perform. Perhaps you send them to some training. However, the expense line item bugs you and you'd really like to see some ROI.

### *THE FIX:*

Commit, but start slow. Understand that, in the beginning, a marketing department doesn't run a P&L—it's an expense. Allocate a budget you're willing to spend. Set goals and determine a path toward accomplishing those goals. If you and your staff genuinely have no idea where to begin, hire some help. Yes, it's self-serving for an agency to make this recommendation; but it's just true.

## 2. You don't know how to do it.

It's hard to admit, but ignorance is the number-one reason for failures within bank marketing. It's tough to get traction if you and your staff don't know what you're doing. Moreover, you'll only make it worse because you will damage the belief in marketing as a valid activity.

If you fall into this category, I won't beat you up.

### *THE FIX:*

It's simple (and a bit self-serving): find outside help. It doesn't have to be Mabus Agency (but we are the best option). The money spent with a qualified agency can help you experience early wins that return revenue to the bank, fund future activities, and increase confidence in your efforts.

## 3. You convince yourself you don't have the budget to compete.

Inaction is second to ignorance in creating failure within financial marketing.

Don't psych yourself out. Being the underdog might be a better position than you think. In his book, "David and Goliath," Malcolm Gladwell makes the point about the eponymous story, that David likely had an advantage over his larger opponent. Gladwell posits that David's youth, stealth, and accuracy from practice with a sling made him the perfect enemy of the larger, slower-moving giant. Because David was not seen as a threat, he was able to get into position and fire while Goliath scoffed. (I highly recommend this book.)

David won because of his size. Not despite it.

Our work with banks proves that "bigger" doesn't always mean "winner."

### *THE FIX:*

Concentrate your limited resources on your most significant opportunity. Everyone has less of a budget than they want or need. You must get used to concentration—and exercise the ability to say no to compelling opportunities that might seem like a decent fit. You must reject activities that spread your resources too thin.

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## 4. You don't want to poke the bear.

First-time marketers often worry about the consequences of their efforts:

"If I start marketing, will others just spend more money?"

"Will it escalate out of control?"

"Maybe the competition will drop/increase their rate."

If you're trying to fly under your competition's radar, you're probably flying under your potential clients' radar, too.

This type of mentality is like punting on first down (we're not even fans of punting on fourth down). You're just saying, "If we don't play the game, we can't lose."

Hopefully, it's apparent that this is not a winning strategy.

***THE FIX:***

You don't have to get in your competitors' faces to advertise. Tell your story. Again, the trick is doing better today than you did yesterday. You don't have to compare yourself to the competition, but if you have something that sets you apart, you can (and should) brag on that item.

Regardless, you can't live your marketing life in contrast with another financial institution. You must understand your competitive environment, then execute your own plan.

## 5. You're too busy copying them.

They put an ad in the newspaper. Why aren't we in the newspaper?!

They sponsored a community event. Why weren't we the sponsor?!

They put their bankers in an ad. Why didn't we?!

If you're chasing your competition like this, you'll never catch up. Bankers just like you, all over the country, face undue stress related to tactics like these. I believe this tendency is derivative of that same competitive letdown you feel when "they beat us for that loan." It feels like a loss.

Marketing like your competition only depletes valuable energy and leads to homogenized advertising environments that are less effective for all financial institutions.

***THE FIX:***

Zig when they zag. When your newspaper rep calls and says, "...but every other bank will be in this publication...," I want you to grit your teeth and say, "NO." It will be tough in the beginning, but you must understand that it does you no good to be diluted amongst every other bank. You have to convince your bankers that you're not missing out by being the only bank missing from a Chamber of Commerce welcome bag containing seven other banks' promotional items. But it's not about sitting on the sideline. Your competition is zagging. What are you doing to zig? Own a premium ad position in a key publication (that's not littered with banks). Commit to a strong billboard message. Show up where you can stand out, and own that platform.

This is a real-world example. A Chamber representative brought this welcome bag to a branch opening. What good does this do any of these banks?

## 6. You're buying what THEY'RE selling.

I had an epiphany while attending a recent bank marketing event.

I walked through the tradeshow floor and surveyed the vendors.

Represented were a couple of sales tools (CRMs), personal financial management systems, and lots of digital signage vendors. All of these represented activities that start after a potential client engages with your institution.

Where was all the stuff that attracts a new client? Nonexistent. Absent. There were no digital media representatives. No traditional media. Only a bit of social media.

The problem is that we assume what we're being shown is what's important, and it's what we should be considering.

If you engaged every vendor at the event, you'd still be missing a valuable component: how to attract new clients.

***THE FIX:***

Make sure you utilize techniques designed to attract new clients. Yes, it's important to nurture clients and deepen relationships. However, you first have to make certain

new clients are coming in. The great news for you? If your competition hasn't adopted this philosophy, you might be the only one marketing in your trade area.

## 7. You admire them too much.

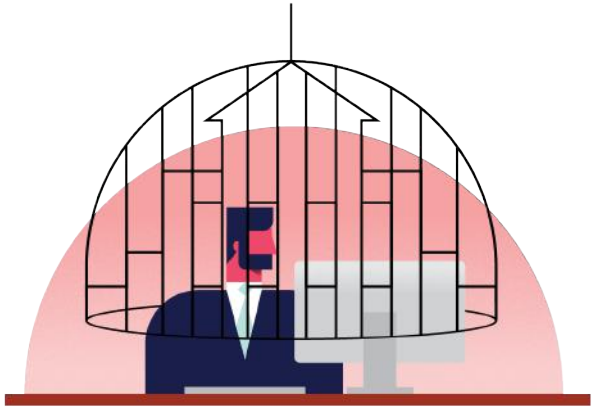
The relationships amongst bankers drive me a bit nuts sometimes. Bankers will compete like bitter enemies over a single loan or client relationship. However, when it comes time to market against the bank down the street, a banker will say, "I'm just not going to do that to him/her."

It's like a strange code of honor—one I don't understand.

This attitude is shrinking, but it's still around. I'm all for friendly competition, but competition is the keyword. Make certain you're competitive.

### *THE FIX:*

Play golf at the annual event with your competitors, but maintain a healthy marketing plan. You don't have to denigrate your competitors to market, but you have to gain awareness amongst your potential clients.



## 8. You're in the industry trap.

Bank-specific vendors do a great job scaring you to death about compliance and security. Then they turn around and charge you based on those fears.

Security and compliance are vitally important, but sometimes, the focus on financial-specific solutions obscures other solutions outside the "built-for-banks" marketplace.

There is a limited pool of bank vendors, so we all wind up using the same tools. Community banks are dependent on outside companies to develop software and solutions. The biggest pain point is when your institution outgrows its current solution, but you're stuck in a contract.

### *THE FIX:*

Vet thoroughly. When adopting a new software or solution, we suggest bringing in at least one potential solution from outside the financial world. Even if an outside-the-industry solution doesn't fit, it might enlighten you to functionality you wouldn't have known existed.

## 9. You think bankers are more important than brand.

Want to close the browser? Hang in here with me, because you need to read this more than anyone else. Bankers are infinitely valuable to the banking process. Absolutely. However, when stepping into the world of advertising, putting bankers in an ad is less important than building a brand.

I've seen banks spend thousands of dollars building the "brand" of an individual banker. Then that banker (along with his/her portfolio) was lifted out. The new bank didn't have to pay to build that banker's following—just a salary it was willing to pay anyway.

Also, bankers seem to think that consumers like to see bankers in ads. A consumer might value a personal relationship with his/her banker. However, a client appreciates a strong institution more than a relationship with a single banker. If you don't believe that, you probably haven't worked in one of those strong institutions.

### *THE FIX:*

When you pay to build your brand, that investment persists beyond bankers who come and go. You build a foundation that communicates strength to a brand-centric culture. You can attract more bankers in the future. In short, you win.

## 10. That's just not what community banks do!

Hahahahahahaha.

### *THE FIX:*

Either shut the doors or sell. Otherwise, we'll meet when one of your competitors hires us; and you don't want that.

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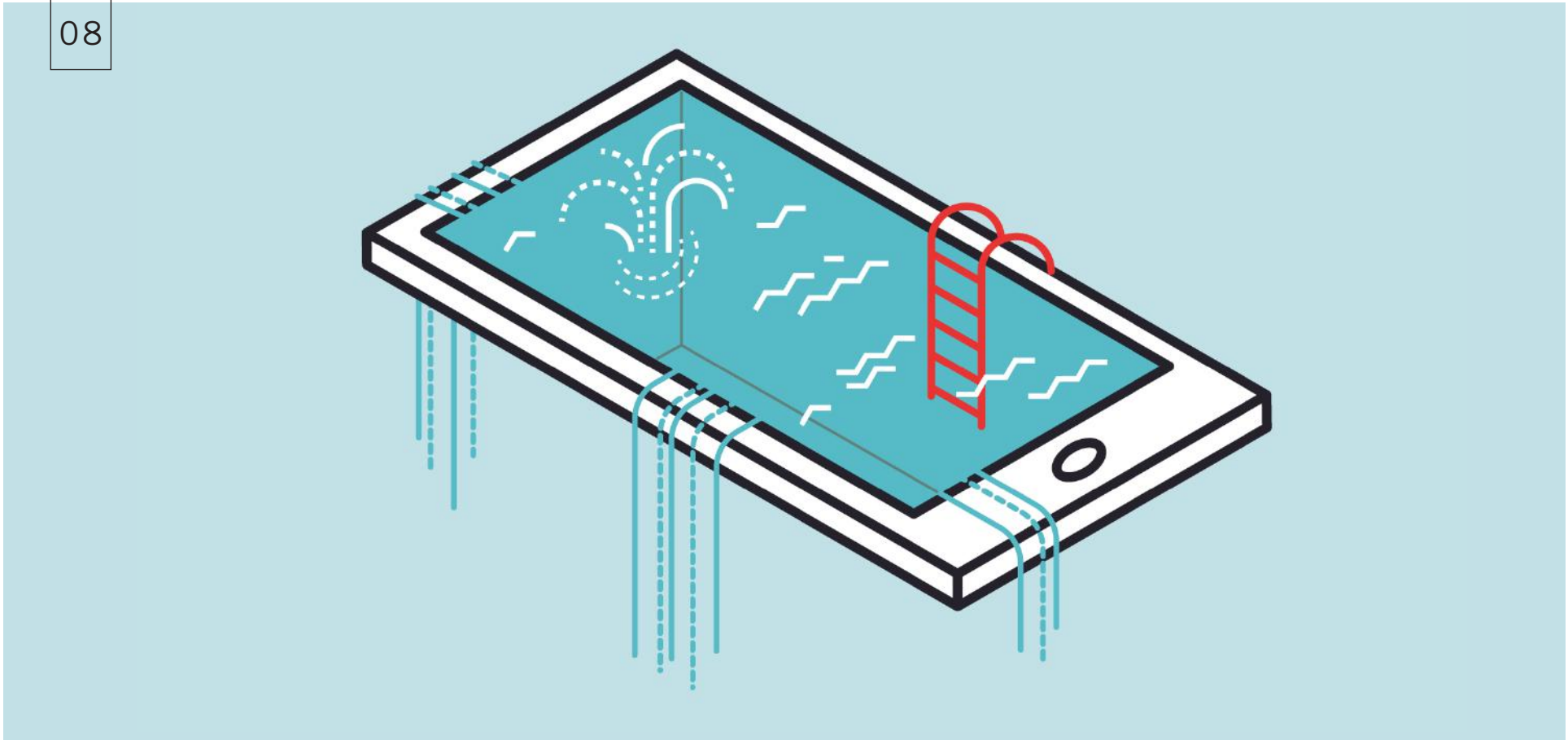


# Dive into the Digital Banking Deep End—Mobile Deposits Surpass In-Person

**JOSH MABUS** | PRESIDENT, CHIEF CREATIVE OFFICER

Digital isn't the future. Digital is here. In fact, it's been the paradigm for at least a few years. We just may be slow to catch up.

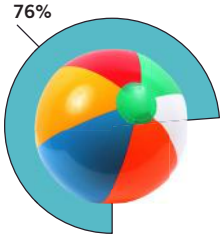
I think we all know the digital realm can't be ignored, but it's hard to approach when you don't understand it. That's why many banks tiptoe around the edge. And it's time to dive in.

A couple of giants (Bank of America and Chase) have proven that consumers prefer the digital world for their banking. And why not? A consumer can essentially carry a bank in their phone in their pocket.

We're about to use two big banks as examples. You're a community bank, we get why you might not see the correlation. Sure, it's hard to compare trillions of dollars in assets to community (or even regional) banks.

But the size of Bank of America and Chase indicate that they have an incredible mix of customers. One might go as far as saying it's a cross section of the entire country—a statistically valid representation of consumer behavior across America.

I'm the one who might say that. And it's true.




*CHECK DEPOSITS WERE MADE THROUGH MOBILE PLATFORMS OR VIA ATM.*

BANK OF AMERICA'S 2018 Q2 EARNINGS CALL

## Two Big Signs

In the second quarter of 2018, Bank of America announced the number of deposits made through its mobile app exceeded those that occurred in person for the first time in company history.

If you think that's impressive, let's rewind back to 2015. That's when JP Morgan/Chase made a similar announcement.

Meanwhile, banks across the country are investigating/testing/just-trying-to-wrap-their-arms-around the concept of interacting with clients in the digital realm.

That's when the real questions emerge:

- **How do we advertise to clients digitally?**
- **So we drop them straight into the website?**
- **Can we give them a comparison page?**
- **Does our account application/signup work on mobile? On desktop? At all?**
- **Can our clients fund an account without coming into the branch?**
- **We're landlocked in a deposit-poor environment—can we start a virtual bank?**

These are questions your bank must answer. Soon.

The hard data is in. We know just how much of an impact digital banking technology is making. Let's look to Bank of America's 2018 Q2 earnings call for some added context:

- **76 percent of check deposits were made through mobile platforms or via ATM.**
- **The company reached 35.7 million in active digital banking users (of about 50 million total clients). That's a little over 71 percent.**
- **Online auto loan sales exceeded those made in person in just one year since the program's rollout.**
- **Over the past 10 years, Bank of America shrank from 6,131 physical branches to 4,411** (CNN Money).

Milestones like these are the ultimate writing on the wall: If you are in the business of banking, then you are now in the business of digital banking.

Your clients are migrating to digital services—or they want to. And if they can't make that migration at your bank, they very well may emigrate to another institution.

I know these big, definitive numbers can feel scary and intimidating, but I don't see them that way.

Digital banking tools have been proven successful time and time again, and they may be the closest thing to a surefire win for your bank. You might be saying, "Well Josh, our bank already has an app. So, we're good, right?"

Maybe. But probably not. I see banks lagging behind in one key area: attracting new clients.

## Put What You Have to Work

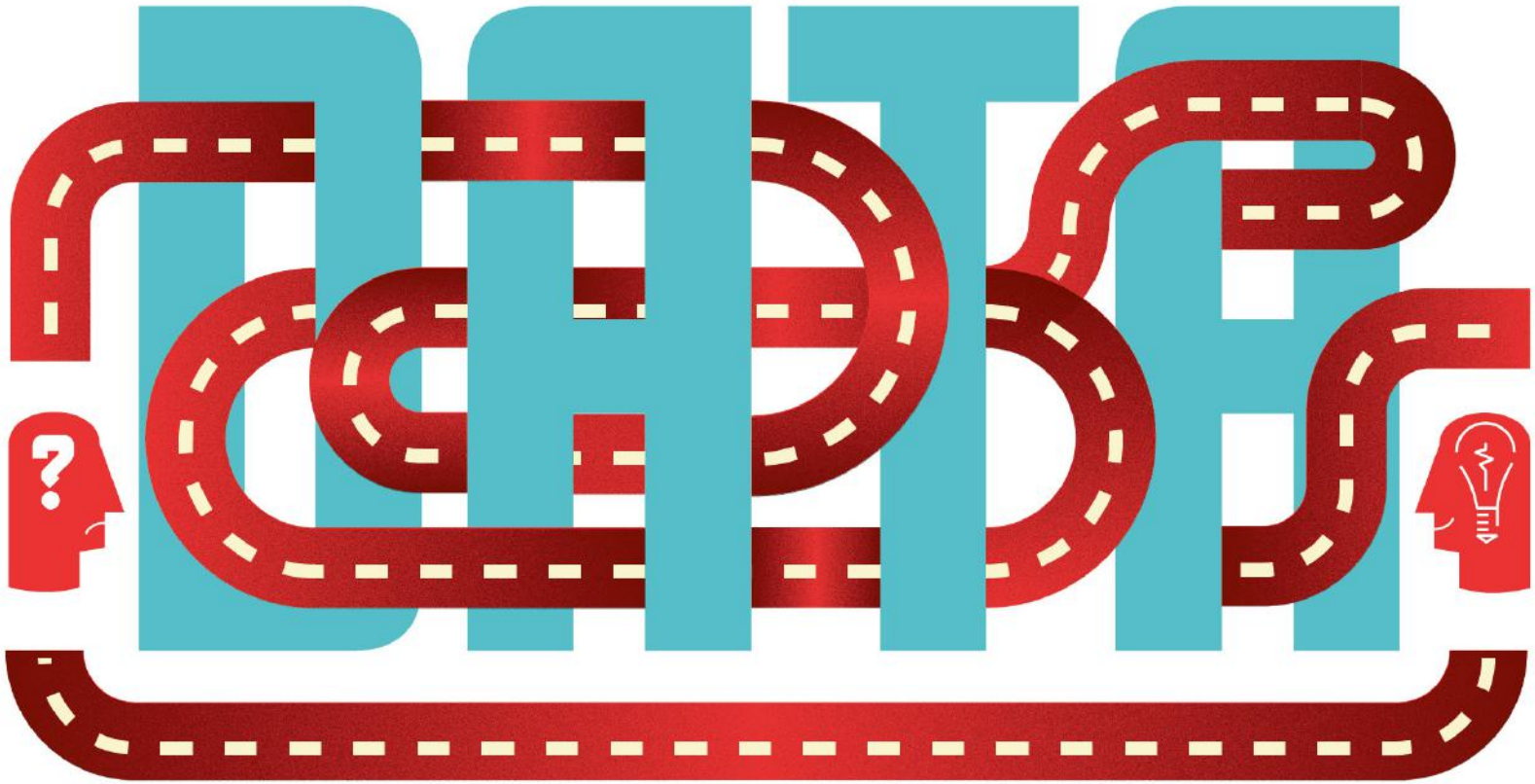
The only way to be successful in the digital sphere is to actively attract clients to a comprehensive digital experience that successfully onboards them, and then nurtures them throughout the entirety of their banking relationship. Simply put, there's a difference between having an app and having a marketing campaign that attracts people to your bank. Too many institutions check the proverbial "I have an app" box and forget that the app is a product.

In today's brand-centric culture, people are buying product and they're buying experience. And too few institutions have a brand-centric advertising strategy to draw new clients in.

These numbers aren't telling us that BofA or Chase have a better app than you. They're just doing a better job of attracting new clients and onboarding them.

Your bank likely has digital capabilities, but are you attracting clients to use them—present tense? This is happening now.

It's time to stop kicking water at the edge of the pool and dive in.



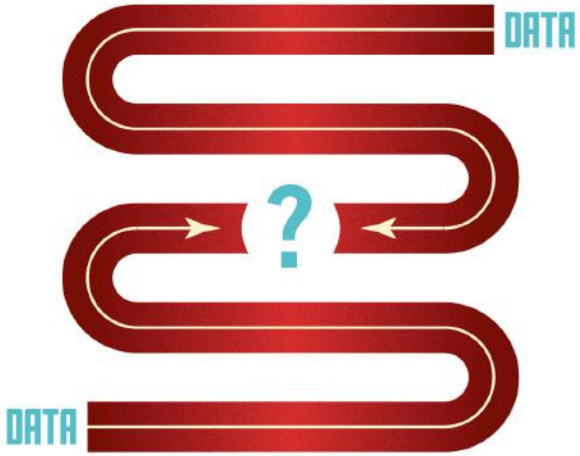
# Why Data Intelligence Is Broken In The Financial Industry

**HUNTER YOUNG** | CHIEF STRATEGY OFFICER

I feel the need to voice this concern about the financial industry. Maybe I shouldn't—I actually think it's a recipe for success and I certainly don't want to give the competition too much fuel.

But, I genuinely feel you'll read this, be inspired, and take no action.

You'll agree, but you won't change. You'll like what I have to say, but not take on the fearless attitude required to cut through varying degrees of bureaucracy, organizational politics, and technological sludge. Forgive my cynicism, but remember, I've worked in the banking industry for some time now.




## The Current State of Data in Financial Institutions

There are good conversations taking place between financial marketing teams, IT departments, and bank C-suite execs across the country, conversations about the "multi-channel" retail world in which we live, the need to improve the "branch experience," and preparing companies to "go mobile." These discussions center around implementing new customer-facing technologies, evolving the role of a branch banker, and exploring back office automation tools that signal the greatest leap in financial experience since the arrival of online banking in the mid-90s.

Yet, good conversations on how to better use data remain elusive. Banks have pursued "better reporting" since computers replaced paper ledgers decades ago, and reporting is better, too. It just hasn't evolved. We still rely on classic metrics about our customers to determine their value and potential. Reports like "Top 25 clients by deposit dollars" or "Customers who have online banking" continue to define the furthest reaches of accessible customer intelligence at small- and mid-sized banks.

There has been little buy-in for new metrics from those at the top of financial companies, and plenty of pushback on just how much data and customer intelligence can actually inform marketing, selling, and service decisions.

The current modus operandi? In most banks with less than $10 billion in assets, data is delivered as:

- **PowerPoint presentations, PDFs, or Excel worksheets from a vendor you hired**
- **MCIF export files**
- **IT reports**
- **An analyst's combination of three to four spreadsheets**

This information often satisfies a single reporting need by answering isolated questions like these:

- **How did we do on deposit growth in this market over the past six months?**
- **What does loan growth look like in Region X?**
- **How many CDs are 45 days from maturity?**

Then, there are the occasional deep-dives, which include questions like these:

- **How many active mobile banking users do we have?**
- **How many of our customers bank elsewhere?**
- **Who are our most profitable customers? (Cue the cringing.)**
- **How many products do we sell in the first 90 days of a new relationship?**

These are the questions that, frankly, lead to a type of reporting that's often misguided and simply incorrect thanks to disparate systems, incomplete vendor service, and poor aggregation practices.

## Don't Agree? Try This Experiment.

Determine one report you need, like a three- or six-month trend report. Next, request this report from your IT department or from the technology or product vendor where your data is housed. Then, if possible, request the same data from another source within the bank. Also, have a vendor use the same data to pull down the numbers for you. Try to get the info yourself if possible.

Compare notes. On the standard reports (DDA growth, loan growth, CD maturities), everything might be close. If it's not, you have much more work ahead of you. On a deep-dive report, I imagine you're going to see some variation—maybe a lot of variation.

## How Can Financial Institutions Improve Their Data Intelligence?

You could write a book on this. Quite a few people have already, but your ability to make improvements boils down to two fundamentals: data integrity and distribution.

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## How To Repair Data Integrity

Data integrity starts with proper aggregation, and proper aggregation starts with strategic mapping. You may have 25+ potential data feeds (vendor applications, core database, website, marketing tools, CRM, etc.) with 20,000+ measurable items across those feeds. You're not going to get it all right at first ingestion, nor should you try to wrap your arms around everything on the first day.

**HERE'S HOW TO GET YOUR FEET WET:**

1. Start by (literally) drawing all your systems out on paper or on a whiteboard.
2. Identify the top three assets in each system you believe will address your goals (e.g. increased products/household, increased credit card engagement, bill pay adoption).
3. Identify the "glue" asset, or assets, between key systems. Customer numbers, Social Security or ITIN numbers, card numbers, IP addresses, and email addresses are common glues.
4. Identify the data or file language produced from each system (C, Java, image, text, SQL, etc.).
5. Determine if data is convertible to a standard. If not, write clear rules for how the non-standard data will be connected back to the record.
6. Ingest a few elements at a time and test the "full view" of the customer record.
7. Show a full warehouse record for one customer and then check it against the individual data sources to measure quality.

That's seven steps. Sounds pretty easy, right? You'll encounter a lot of incompatibility and system limitations along the way, but the best advice for data integrity is to record everything—every rule, every qualifier, assumption, and missing piece. Keep it all clearly defined against the database solution you use.

## Distribute Data and Intelligence Wisely

Banking (like many other industries) has long struggled to find the best way to share good information with their frontline employees and decision makers. There are endless reporting solutions with fancy dashboards and automated or customizable reports. Many offer employees a better view of their customers and prospects than they would otherwise have. However, some key underlying activities can make or break your data distribution strategy as well as the resulting adoption of these types of solutions within your company.

## Passive vs. Active Distribution

When do you push information and when do you let users discover it? Think about the timing of each report relative to your employees' schedules. Is a morning email about prospects the best idea because you've trained employees to follow up with prospects during the first 15 minutes of the day? Or is it the worst time for a prospect report because your branch employees are busy returning emails and voicemails, all while scurrying around to get their branches open on time? Ask your employees about timing.

## Making It Actionable

You hear this often, but data is only as good as it is actionable. But, for some reason, we fail to provide clear actions within the context of the available data. Since five employees could look at the same data set differently, how do you help guide each of their perspectives? Every report should contain at least three to five scenario-based examples of what to do. Scripts and ancillary training materials help as well.

## Onboarding and Training

Training applies to every new process and tool at your company. But, within the financial industry, training on customer analysis can feel like the most unnatural educational topic on an agenda.

Make sure you can track employee engagement with your data reporting tools. You'll have superusers, monthly users, and inactive users. Many of the inactive users need help understanding the value of the report and how to use it, while monthly users might only engage with reports actively pushed their way. Superusers can be your evangelists and assist your Training department. Understand who falls into which group, then target your training accordingly.

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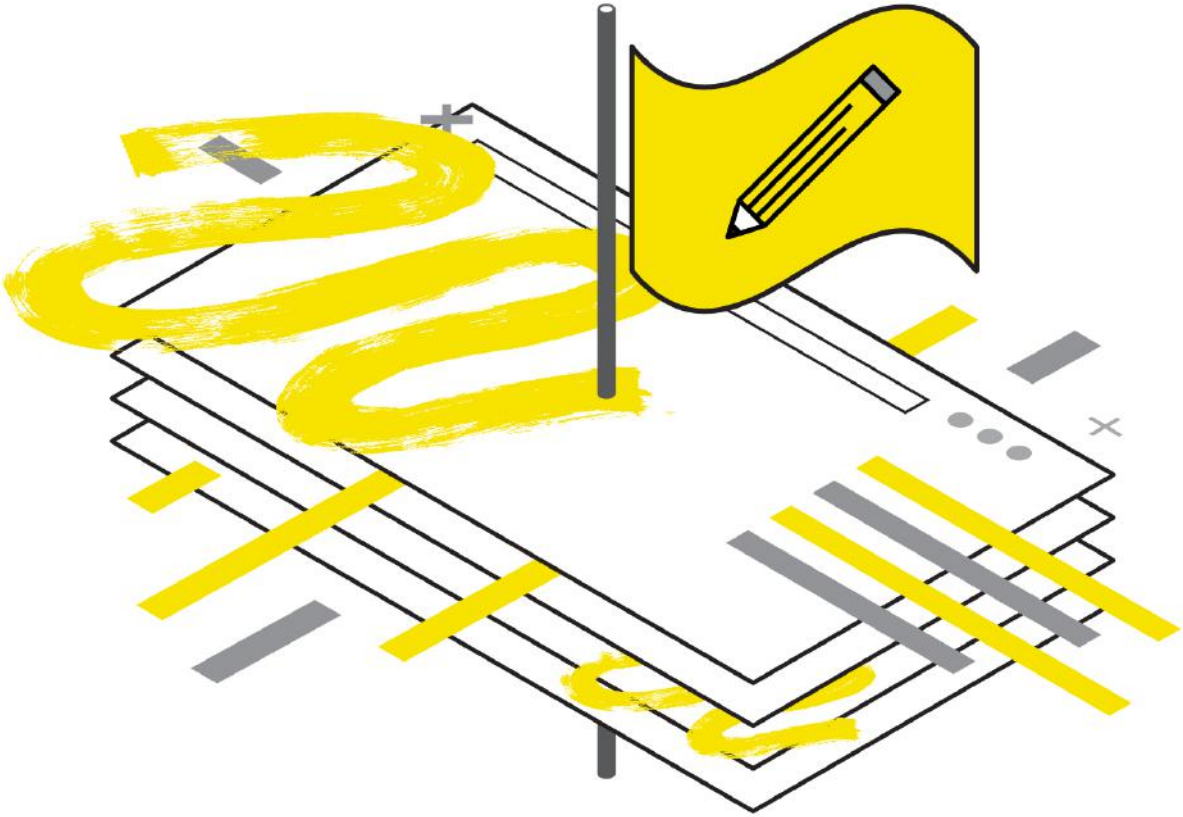
# How to Keep the Content Flowing When the Ideas Aren't

**JB CLARK** | DIRECTOR OF BRAND NARRATIVE



## Content Creation Is a Struggle

I'm guessing you found this post because you Googled something like "How to create content for banks," probably because you're a content creator like me, and probably because you're looking for a boost to reach that next cutting-edge idea. You've been staring down the business end of a word processor to no avail. Just that nagging cursor and a deadline that's either around the corner or just went by.

You're not alone. Even the greatest storytellers and most engaging brands struggle to produce meaningful, valuable content.

Higher-ups hear the word "content" at a conference and expect the marketing department to publish three pieces of "original content" each week. We respond to those expectations with arbitrary deadlines. We forget to set an intention. We forget why we're writing in the first place. We forget our names. We turn to Facebook for a reminder and get sucked into meaningless top 10 lists produced by other banks. It's the circle of life.

## Why are we writing?

- To boost SEO?
- To fill our web page?
- To have something to share on social media?
- Those don't seem like inspiring goals. They definitely don't give us new ideas of what to write about.

## Set Your Intention

You need to have a driving goal to inform your content strategy. Posting blindly to your blog or social media platforms is a sure-fire way to leave your readers uninterested and guarantee your own burnout.

## What do you want to achieve with your content?

- Make your clients happier?
- Encourage community involvement?
- Increase financial literacy?
- Promote deposit growth?
- Attract a certain type of business owner?

A little bit of everything?

Once you've set a few intentions for your content, you can think of each intention as a bucket and begin filling it with ideas.

Now you just have to start creating it. Or do you?

## Content Isn't Created

We struggle the most when we're trying to create something from nothing.

Calling ourselves content creators is setting unrealistic expectations. We are, at our best, content curators.

No one is asking you to go full DaVinci Code—tying archaeology, religion, art, history and Crusades-era politics into a riveting narrative. They've got Dan Brown and other authors like him for that. They're coming to you, likely, because they're a client of your bank, or because they are looking for more information about how to improve themselves and the financial well-being of their clients. You don't have to create something from scratch, you just have to find the things your clients are looking for and make it available to them.

This may mean gathering facts about personal credit scores or walking entrepreneurs through the process of getting a new business loan.

It may mean providing existing clients with light-hearted breaks from their day by sharing something funny or promoting your employees' community involvement efforts.

It definitely means sharing the success stories of the people and businesses your bank works with on a daily basis.

Look around you for the stories that already exist, and curate them through your website.

## Teach Your Clients

One of the biggest blank spots in financial content is simply explaining banking products—helping consumers connect the dots. We know so much about banking that we forget to tell others who don't share our banking-is-our-universe perspectives.

Planting your flag as a financial expert is a great place to start.

Every week, it seems a new study or survey comes out proving again how frustrated Americans are when it comes to finances.

For example, a recent National Endowment for Financial Education survey showed only 24 percent of millennials demonstrated a basic understanding of how to manage their money. Another SunTrust Bank survey of people in relationships revealed money is the leading cause of relationship stress.

As banks, our job is to help educate our clients on the ins and outs of finances. After all, we're the ones employing the majority of financial experts.

Your job, as a content curator, is to identify the areas where your clients are struggling and seek out the experts in each area. Have them produce how-to pieces, or simply interview them and do the writing yourself.

Helping your clients grow their understanding of finances is not just a gesture of noble intention—it generates goodwill from potential clients and can be a boon to your website's SEO efforts.

## Enlist Outside Help

You don't need to go it alone.

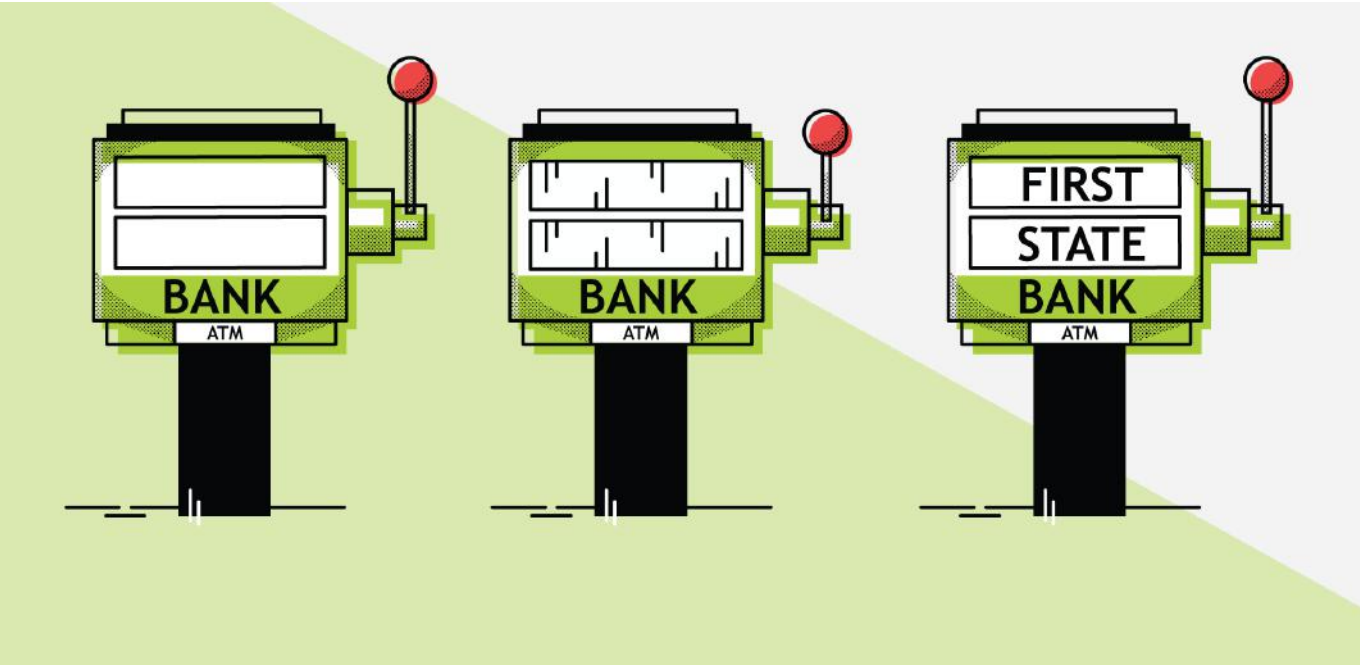
Find the people in your bank who know the most about the topics you want to cover, and enlist their help. No one wants to write a weekly column for your bank's website, but if every expert writes something about their field once each year, you'll have generated a year's worth of rich, engaging content that meets the needs of your clients.

Since your in-office colleagues tend to know their clients and communities better than anyone else, they'll know the success stories, too. Don't think of yourself as a writer stranded on an island. Think of yourself as a museum curator, looking for the best stories to share with the public.

Finally, be sure to look outside your company for partners in the community.

# What's In a Bank Brand Name Today? Not Much.

**HUNTER YOUNG** | CHIEF STRATEGY OFFICER




> Which bank do you work for?
> **First National.**
>
> Is that the blue First National on Main Street or the First National on 2nd Street?
> **Neither. I'm at First National and Trust across from the blue First National on Main Street.**
>
> Oh, the light green one.
> **Yes, that First National. But it's not really light green. The sign is just old and faded.**

If you work at a community bank, you may have had conversations similar to the one above. It's an all too common and confusing dance to direct people to your bank branches with a name like First National. You are not alone. There are roughly 6,000 active banks in the U.S. today, and most still retain names from an era before deregulation, fast-paced M&A, and growing footprints.

A few nights ago, while I was spreadsheeting and daydreaming, I wondered what the most frequently used words in U.S. bank names are.

An hour later, I had my answer, thanks to a word-frequency spreadsheet that featured all 5,989 bank names separated into individual words. (It was just a standard Wednesday night for me.)

The results validated my hypothesis: Bank names need help.

## Bank Names by the Numbers

A few facts to consider:

Collectively, U.S. banks use a total of 18,551 core words (see definition in methodology) in their names.

Once you remove cities and towns, bank names are actually limited to 900 core words. That's about 0.5% of the 171,476 active words in the English language, so there are other options, to say the least (Oxford Dictionaries).

Bank brand names have an average of 3.1 core words (e.g., First State Bank, First National Bank, First Bank of Omaha).

Sixty-two percent of banks share a common word in their name.

Nearly two out of three banks use one of these top five words in their name (excluding "bank"):

| Term | # OF BANKS | % TOTAL BANKS |
|---|---|---|
| STATE | 1056 | 17.63% |
| FIRST | 912 | 15.23% |
| NATIONAL | 702 | 11.72% |
| TRUST | 586 | 9.78% |
| SAVINGS | 566 | 9.45% |

*

The following terms (excluding the word "bank") round out the top 20. Words included this group appear in nearly half of U.S. bank names:

| Term | # OF BANKS | % TOTAL BANKS |
|---|---|---|
| COMPANY | 377 | 6% |
| COMMUNITY | 350 | 6% |
| FARMERS | 229 | 4% |
| CITIZENS | 214 | 4% |
| FEDERAL | 204 | 3% |
| COUNTY | 177 | 3% |
| LOAN | 139 | 2% |
| PEOPLES | 130 | 2% |
| ASSOCIATION | 125 | 2% |
| SECURITY | 108 | 2% |
| AMERICAN | 101 | 2% |
| MERCHANTS | 101 | 2% |
| VALLEY | 101 | 2% |
| CITY | 81 | 1% |
| UNITED | 64 | 1% |

*

## Types of Bank Names

Bank names tend to fall into five large categories (with a few outliers), and sometimes, these categories are combined, creating interesting portmanteaus:

Location and Direction: Maybe you are a South State Bank going north or a Northwest Bank going south; your directional name can be incredibly limiting to growth. Because of this, many banks in hot M&A markets have converted to acronyms to save money and retain some brand equity along the way.

The "First": Banks were apparently the original conquistadors because no industry has more "firsts." Nearly one in six banks has a "first" in its name, making Fifth Third look like a numerical branding whale in a sea of sameness.

Bank and Save Here, Trust Us: The days of differentiating a bank by revealing its key services in the name are gone. No longer is a bank just a loan and savings or a savings and trust; each one is a full-service financial organization. Still, many banks retain these old, limiting monikers today.

The Patriot and the People: In the early days, you could plant your "national" or "federal" flag in town and be proud of what it represented. Today, your brand might be lost online—and maybe even in your own footprint—in a sea of patriotic bank names (National, United, Citizens, Peoples, Union, Federal, American).

The Symbol: A much smaller group nationally, these banks have names that stick out around town and online. Their symbols range from patriotic eagles to sturdy oak trees, which helps them cut through some of the noise.

Your bank doesn't fit into one of these categories? Congratulations, you stand out from 99% of banks doing business today!

CONTINUED →

*AS OF DATE OF ORIGINAL PUBLICATION, 12/06/2019

## Does Your Bank Name Matter?

The question of what physical branding does for you is an open-ended one. Bank brands are not built overnight, and changing your name will not redefine who you are. Nor will it change why your customers like banking with your local organization—customers often come for the convenience and stay because of the people.

In an experience economy, customer loyalty is still affected by bad customer service. That service experience has just shifted from the branch to digital and other non-branch channels. So, if people only care about your logo on their phone and their ability to get someone on the phone if they encounter an issue, does your brand name even matter? I'd argue that it matters now more than ever before. Here's why:

### SEARCH

Most potential new customers search online first. If your bank isn't easily discovered in a search, you lose prospects every day.

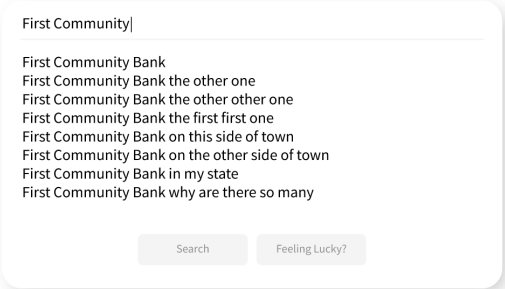
Google has improved its algorithms over the years, and now it now uses frequency of visits, social cues, and your location to help make local searches more relevant. What it can't do, however, is present your company in a meaningful way when prospects are searching for "local banks."

Initial decision-making in search is fast. A Federal First Bank and a First Federal Bank located in the same market are basically one and the same to an inquiring prospect.

### WORD OF MOUTH

Word of mouth, like many interactions, has shifted online as well. People forward emails, share social media status updates, and send review links to each other every day.

I have heard countless stories of banks whose customers send their friends and family to a different bank's website—but one with a similar name—because customers move too fast to pay attention to subtle differences in a brand name.




### MARKET COMPETITION CHANGES

M&A in banking will continue for the foreseeable future. Some experts believe just one-sixth of today's banks will be around in 15 years. Whether things are that drastic or not, mergers and acquisitions will continue to drive new competitors into previously foreign markets.

New market competition creates customer confusion and opportunity. No matter if you're the entering bank or the established one, during the first 18 months of market arrival, your name matters.

How are you converting or retaining customers who are not sure which bank is which?

### ANALYSIS METHODOLOGY

A quick note on how I calculated this bank name information:

My starting source was the usbanklocations.com banks by asset ranking webpage. It was last updated on September 30, 2016.

I omitted all prepositions, conjunctions, and definite articles like "the" to focus on the core words in a bank name. I also deleted any odd symbols (e.g., the asterisk in E*TRADE) and any legal identifiers (e.g., FSB, NA, Inc., etc.) from the organization name.

I split combined words to ensure they counted as individual parts of the name (e.g., MidSouth, BankFirst).

Once all names were parsed and combined words were split, I dropped them into a single Excel column and used a macro to build a pivot table to determine the frequency of words.

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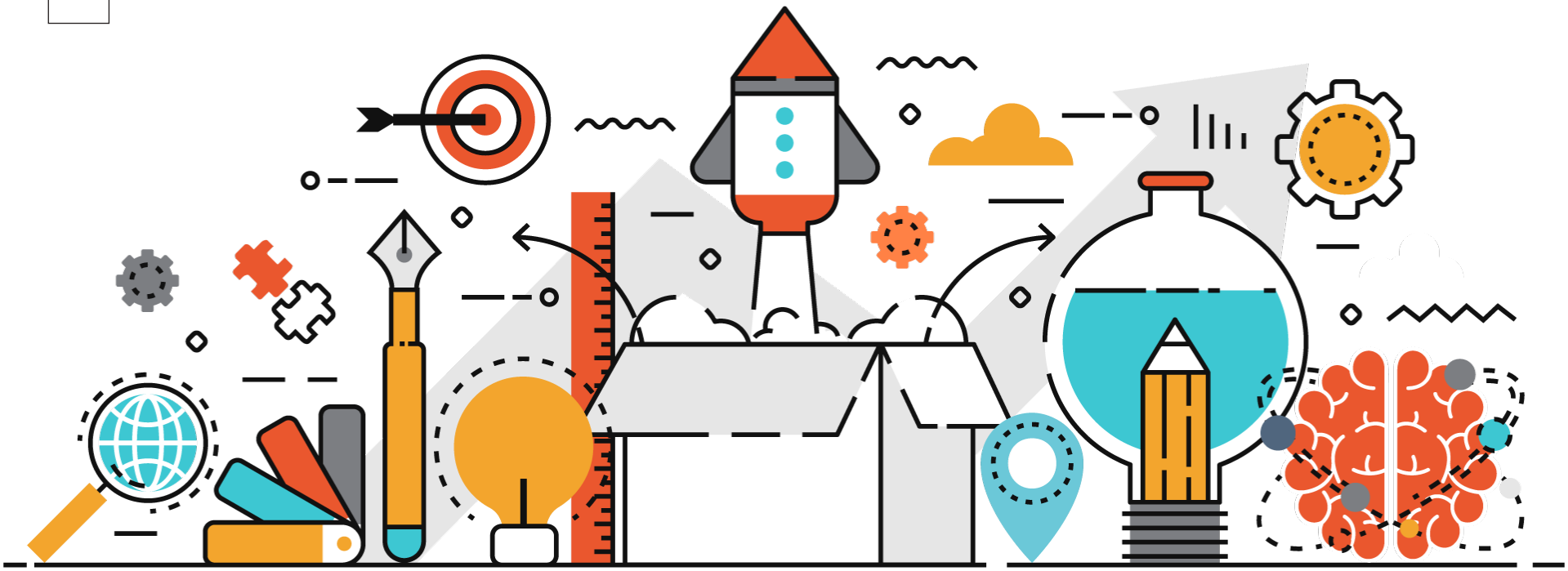

# How Thinking Inside the Box Increased Deposits

**DAVE POND** | DIRECTOR OF CONTENT STRATEGY

At Mabus Agency, we're constantly innovating. From late-night texts to in-the-moment hallway conversations and brainstorm sessions, we're always looking to find the next big "what if"—one of those questions that spurs creativity and that elusive "a-ha!" moment we all relish.

Early last year, we helped Renasant Bank come up with a plan to increase wallet share within its existing client base. We tore through all the latest buzz-worthy tech options that might help us drill down, and built social and psychographic profiles to help us zero in on the specific types of clients on which we needed to focus.

Then, we asked a question that brought everything back to the basics.

"What if we compare checking accounts to savings accounts, and see what happens?

Through careful data analysis, we were able to isolate a large group of active Renasant banking clients who had checking accounts, but didn't have savings accounts. From there, we used each of Renasant's marketing channels—email, social media, online, direct mail, and more—to target this newfound group of clients with advertising specifically related to Renasant savings accounts.

*"SOMETIMES, WE TRY TO MAKE THINGS TOO COMPLICATED, SO YOU HAVE TO PULL BACK AND LOOK AT THE FUNDAMENTALS. IN THIS CASE, IT WAS THE TWO DEPOSIT FUNDAMENTALS OF BANKING: CHECKING AND SAVING."*

**JOHN OXFORD**
SVP, DIRECTOR OF MARKETING AND PUBLIC RELATIONS, RENASANT BANK

The completed ads not only highlighted the benefits of having Renasant checking and savings accounts, but they also helped clients get started on personal savings plans.

Because a savings account is a primary product, we were able to test the performance of our ads across all platforms at the same time. Clients simply responded in one of two ways: by opening a savings account or by ignoring the messages they received. Every time an account was opened, it showed that the medium worked.

As we expected, mobile ads outperformed all other media, but every platform generated a significant return—in fact, Renasant set a company record for savings accounts opened in a single month. Clients opened savings accounts at a much higher rate than they had in previous years, significantly boosting Renasant's wallet share and delighting the bank's marketing leaders.

"This savings gap campaign showed us that, although it's easy to go after the shiny new thing, looking back at fundamentals can often get you a quality win," Oxford said.

At Mabus Agency, we push ourselves to try new things and stretch creatively and strategically but, sometimes, the most obvious opportunity for growth comes from a fresh look at what's already in place. So, before you rush to move outside the box and come up with creative solutions to questions that arise, be sure you've exhausted the box of all of its options—there just might be a great idea awaiting its chance to pay off in a big, big way.

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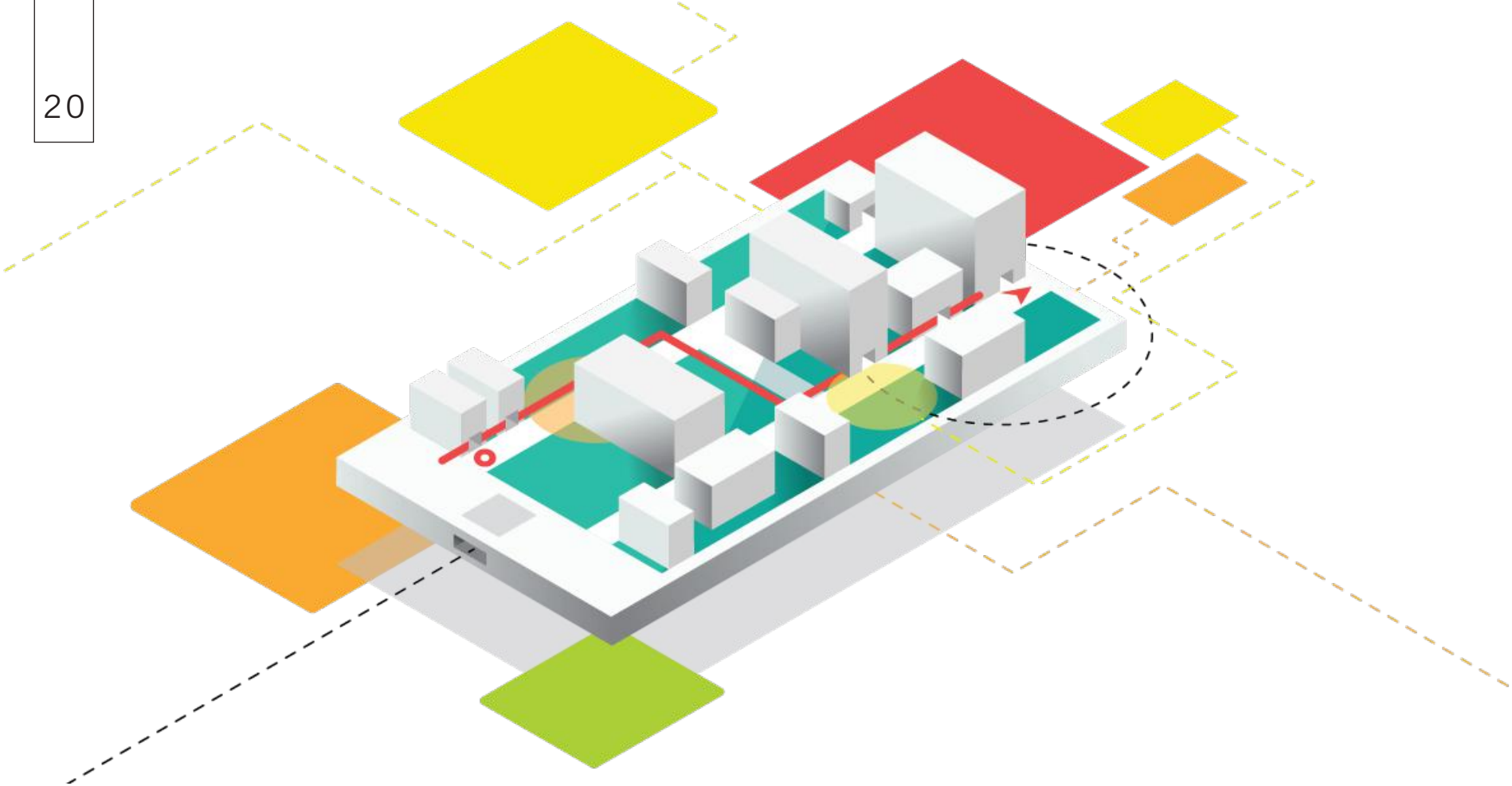

# 5 Lessons Learned in Bank Geotargeting

**HUNTER YOUNG** | CHIEF STRATEGY OFFICER

**These takeaways will make or break your bank's geotargeting investment.**

Geotargeting and geofencing are two of the trendiest advertising activities enabled by the mobile revolution. More than that, they're proving to be the next big thing on the advertising frontier. Understandably so—marketers move their dollars to where people spend most of their time. And today's U.S. consumers spend at least five hours of their day on their mobile devices.

But both these activities come with inherent flaws. And they require a new level of analytical and creative rigor not yet fully understood.

That said, we've seen a number of banks make substantial use of geolocation to improve customer targeting—and that has yielded a wealth of lessons learned. Here are a few of our biggest takeaways.

### 1. Advertise where people are sedentary, on their phone, AND often managing their money.

Banks have long looked at major retail areas as the prime real estate for financial decisions. However, a bank's physical presence at a mall doesn't necessarily mirror decision-making in a digital advertising medium. People shopping at malls are busy and although they may check their devices, they aren't making important banking decisions when buying a new pair of shoes or a cinnamon bun.

Don't waste your digital dollars where people are active or using their phones for more intentional reasons. A better use of your geotargeting investment could be placement around pickup lines at school or large office buildings full of daytime workers. These individuals are stationary and often browsing their phones more casually. This is an opportunity for you to generate meaningful interest.

### 2. It's not just about location, it's about timing, too.

Think about those carpool lines at the elementary school. Don't spend your money for a full day of advertising. Test time ranges between 7:30 and 8:30 a.m. and 3:00 and 4:00 p.m. Consider the day of the week or the time of year when targeting those employees in the office building. Fridays, plus the 15th and 30th of each month are common paydays—when money is top of mind—and a great time to start a conversation about banking.

### 3. It's not just about location and timing, it's also about creative and messaging.

To properly target by location and timing, your creative and messaging should align with your placement. For example, you could remind those office building employees on payday that they can put a little money from their paychecks into one of your high-yield savings accounts. This is a timely, meaningful message. Anything else would be "just another bank ad" and quickly dismissed.

Keep in mind that your landing pages from these ads should also align with the creative and messaging. Don't send these interested savers to your homepage. Send them to a page that shows how far a little saving can go. And allow them to take action there on the page to set up a consultation, send themselves a reminder, or open a new savings account on the spot.

### 4. "Geoconquesting" is a good idea, but not a silver bullet.

People go into banks most often for one of three reasons:

- To open an account
- To close an account
- To transact

All of these events represent an opportunity for you. But when geoconquesting—that is, a form of geotargeting that focuses on your competitors' locations—you should temper your expectations. By the time a consumer enters a branch, many of the choices that go into opening a new account have already been researched. And your offer may not be strong enough to pull someone away from a decision.

It may sound like a promising opportunity to target a customer who's in the act of closing an account. Keep in mind, though, these customers have often opened a new account at another bank many months before officially closing their old account. Again, your offer may not impact the decision.

Geoconquesting does offer a strong awareness opportunity, however.

Staying top-of-mind is difficult, and switching banks is rare. Meaningful, brand-boosting advertising will keep your bank fresh in a customer's mind when they have any issues with a competitor or they decide they want to look elsewhere for another financial solution. To help solidify your brand, weave your bank's story—and how you serve the greater community—into your more informational ads.

### 5. Reinforce sponsorships where you can.

Geotargeting local events where you have a presence can significantly enhance your success. If you're a branded sponsor of the Fifth Annual Local Art Crawl, overlay the area with ads and drive visitors to your booth. Use the event's topic to your benefit. If you have a presence at a business event, use the ads to highlight some of the other businesses you've helped. If it is a local arts fair, try raffling a local art piece at your booth and use the ads to promote it. Traffic will follow.

Don't let your advertising end when you pack up your booth. Retarget the customers who have clicked on the landing page you use for the event. This can help you deliver relevant advertising to your booth visitors for months to come, moving them from casually interested to new client.

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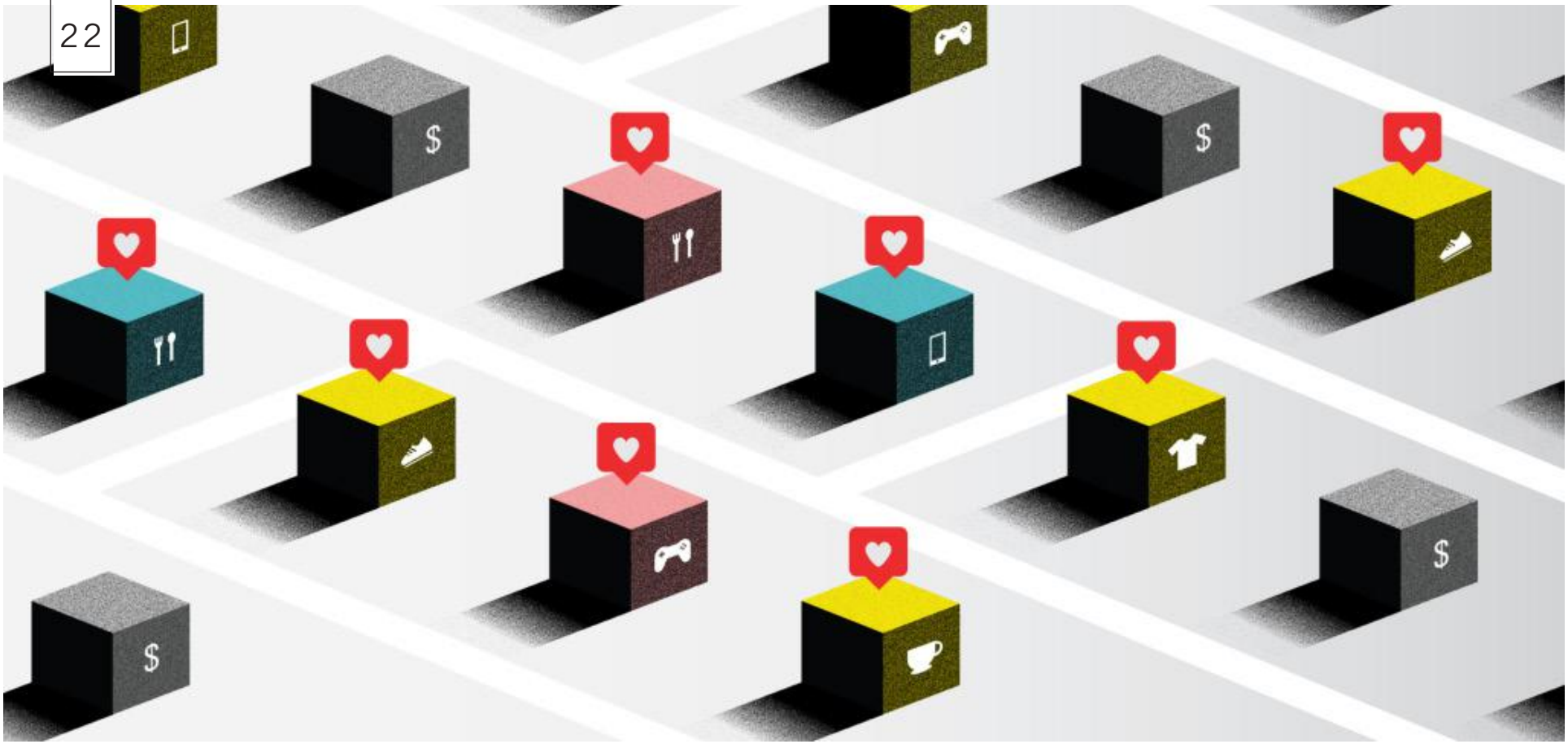


# Why Banks Are Losing the Battle of the Brands

**HUNTER YOUNG** | CHIEF STRATEGY OFFICER

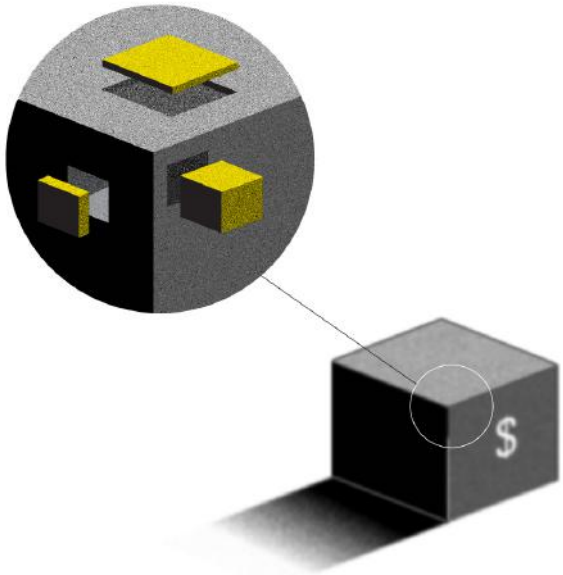
## Bank brands are the worst.

A few years ago, a group in the U.K. asked consumers what brands they'd like to sit next to at dinner. Facebook, Apple, Nike, and the other usual suspects popped up. But there were no bank brands at the table. More surprisingly, the same survey asked which brands respondents would argue with most at the dinner table. Microsoft grabbed first place—but still, no banks.

Responses to the second question say a lot more about the type of emotions bank brands cultivate within people. Any lingering negative sentiment from the Great Recession has long since dwindled away. Today, banks don't really stir up anything in today's consumers.

Couple this emotionless relationship with the rise of the "total experience economy," where technology and ease of use create today's best brands, and you'll find that banks have found a home in the brand gutter. Why do banks insist on sticking to a failing course? Why do banks fall back on the same old process when evaluating who they are, what they want to be, and how to explain that to the larger market?

In banking, we use words like service and friendly and caring and community and cutting edge and innovation and laa de frickin' da, but in reality, we just spent a few thousand dollars coming up with synonyms for customer service, solutions, and goals. Are we that vanilla, or are we just approaching the "exercise" the wrong way?




## The Branding "Exercise"

Over the years, I've been part of more than 20 brand exercises to help banks, entertainment companies, large pharmaceutical companies, and law firms define or rethink who they are. I've seen it from every perspective: as an agency, client, creative, and company. All suffer from their own inherent disconnects, but still, I've grown progressively cynical of the output from this "exercise" and now find the whole charade quite amusing. If you don't know, a typical (and yes, oversimplified) branding exercise goes something like this:

- Company hires Agency.
- Agency collects basic information about (e.g., has interns Google) Company and possibly sends a survey to Company employees.
- Agency and Company meet in a room and proceed to discuss the company using a few methods:

**Method 1:** "If You Were A [Object]..." This is a branding original from the earliest days of advertising, where office supplies, cars, and other inanimate objects are used to elicit descriptive words for how staff members think about their company. This usually results in a mix of "We're old, but changing" or "We have some old parts, but we're starting to make some upgrades," and other nebulous allusions.

**Method 2:** Draw. Literally ask people to draw your ideal customer, or color something based on what color your company would be. Eventually, it becomes "Doodle because you're no longer paying attention or you no longer care about this branding session."

**Method 3:** The Quadrant or Spectrum. This is a personal favorite of mine. Each person makes a mark on a number of scales (think Fun/Serious, Cutting Edge/Established, or Upscale/Accessible) to show where they think the company fits. Then, Agency determines the averages.

- Agency takes research and flip charts back to the office and plugs in popular words from the meeting before using online thesauruses to come up with new words.
- Two to three weeks later, Agency delivers a positioning statement and messaging document chock full of everyone's favorite buzzwords spread throughout. Something like...

We help people achieve more and become successful by giving them great advice and service, but still earn a reasonable profit because we believe in innovation and, also, you are not a number; you are a relationship and a client, and we love our communities and believe in hometown values, but we're not the cheapest, but we are the best.

And then the big reveal. A new tagline: Banking on You. And Us. Together. Forever. One You. One Us. One Why.

- Company feels good, and the new "Banking on You" campaign comes out. Everyone feels like they've finally created something special.

But they haven't. They've just created a campaign. And three to five years later, a new marketing person or executive will repeat the process with a new agency, because Company has "outgrown" the previous "brand."

## Exercising the Wrong Parts

If you do the same workout every day, you won't see your body change very much. Muscles get complacent, and the human body adapts to repetition. The same applies to branding. You can't change your makeup without giving your system a shock from time to time. You have to change the "weights" and the "routine."

## Adjusting the Brand "Weights"

Your bank brand gets weighed down by a number of internal and external drags. There will always be regulation

and compliance, but the larger weights tend to be consumer/market fragmentation, heritage or legacy, and misguided research.

Consumer (or market) fragmentation clouds the brand process for many banks. The moment your community bank leaves its original community and grows into a new town, or moves from a rural to more metropolitan location, your "ideals" are challenged. I've heard so many "things are different across the river" conversations in banking. Yes, towns are unique, but there are many brands that permeate towns of all sizes, so don't let fragmentation weigh down your thinking.

Heritage and legacy have long plagued companies. Need a case study? See Sears. Banks are often old, but more than likely, you're not who you were in 1924. It's OK to throw it back to the good ol' days—nostalgia is a powerful and wonderful sentiment—but it can't define who you are today. Don't discount an aspirational component to your new brand simply because the "older markets aren't going to like it."

Misguided research is the death knell of so many agencies. In the earliest conversations with clients, they're often getting piecemeal reports from various company sources. Then, the agency uses the information from those reports to develop broad generalizations about the types of customers the bank serves. All of these assumptions are made from just a few weeks' worth of data. If there are two things I know about banking, they are:

There's a ton of great data about the bank's customers available.

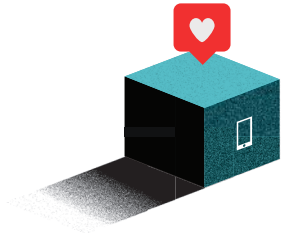
No one in the bank has the same information.

Don't get overly ambitious about something you see in the data unless you've verified it with three other sources.

## Changing the Brand "Routine"

Branding should focus a company; it should help set the foundation for every message, ad, technology decision, and customer experience that falls under it. This rarely happens in most industries, but even less so in banking.

Heritage, notoriety, and service are often go-to bank brand foundations. Legacy can only take bank brands so far today, and service is too watered down after years of empty promises and the rise of online accountability through reviews, ratings, and consumer forums. We live in a world where many top brands are much younger than their established rivals. Although being in the business for 100 years does mean something to consumers, it just doesn't mean as much as it once did.



When you want to rebrand or refresh your brand, take time before you reach out to a creative firm to talk through exactly what you hope to accomplish. A goal of cleaning up a logo and creating a consistent, multichannel look and feel is very different than "We've outgrown who we are and need to change the way we communicate to customers and the larger market." If the latter is most true for you, you don't need an agency to immediately come in and run the show. Take the time to bring your employees and customers together to discuss what your organization is, how it's changed, and what it needs to get better. And if this is truly a brand you want to live for many years to come, let a few creative companies take their best shot at it. Why limit yourself to one group?

## Brand or Deliver

Before you start any branding endeavor, make sure you're seeking the right output. I fluctuate on how important bank branding is on a year-to-year basis—not because it's not important to understand who you are and what sets you apart; I just don't think banks accomplish much when reviewing and/or updating their brands.

In a commodity business, where 90 percent of competitors have nearly the same product set and essentially the same message about superior customer service, will branding set you apart? It should, right?

That sounds like an opportunity to me. But, given that banks always seem to fall into the same routine, should they not shift their attention to simply out-executing the competition? Are the best brands today not the best customer experience companies that also filled a timely need in the market? Think Uber, Netflix, Amazon...do you know what any of these companies really standfor? Or do you just value the convenience and experience they provide that far outpaces any similar service?

This brings up the almighty question: Does traditional branding really help banks succeed? Yes, you need consistency in look, message, etc., but beyond brand consistency, should your branding strategy be more of a customer experience strategy? When will a bank come to the table and not only say, "We make banking easy," but actually devote multiple positions to ensure that every customer touchpoint is perfected? When will banking COOs, CTOs/CIOs, and CMOs work through a CCO (chief customer officer) who has to approve each change based on what it will do to the customer experience?

In other words, when will banks stop branding and start delivering?

**MORE THAN A DECADE AGO,** we took on our first bank marketing client. Before we realized it, we had helped the bank grow by nearly $10 billion in assets, move in to four new states, and open more than 125 new branches. We realized we were living, dreaming, and breathing banking—and we were having a blast. So we decided to only work with banks and the industries that support them going forward.

But not credit unions. *Never credit unions.*

Our goal is simple: to help banks outmarket their competition in a rapidly-changing landscape by discovering what makes them unique and telling that unique story to more people in a better way.

## Finally the bank marketing team your bank deserves.

MABUS

**We move banking forward.**

READY TO TALK?

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