

# *Grab a Shovel:*



Bank Branding and Marketing  
during the Reconstruction Period.

FABRIZIO/FORTUNA



- A marketing communications firm dedicated exclusively to the financial services sector – we do banking 60 hours a week – just like you do
- A unique combination of skills
  - **Lou Fabrizio** – over 20 years working inside the banking business
  - **Michael Fortuna** – 30 years of advertising agency ownership and management – created work for the largest banks in the Northeast
    - “Something Better” for BayBank
    - Creative Director on Shawmut and Fleet Bank
    - Founding Partner of Arnold Fortuna Lane (now Arnold Worldwide)
- What we do is dependent on client needs
  - Brand positioning/repositioning/polishing
  - Project-specific challenges
  - Market/customer research
  - Media planning/placement
  - Whatever keeps you up at night

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# 2008. America, the breakable.



- The steep decline of the housing market (begins summer '07)
  - The nosedive of Wall Street
  - Bear Stearns
  - Fannie and Freddie
  - Lehman Brothers
  - AIG
  - Large banks – WAMU, Countrywide, Wachovia
- TARP
- The devastation of the market and 401K
- The credit crisis/freeze
- Rising unemployment
- Nationwide foreclosures
- Breakdown of the auto industry

# The Great Wound:

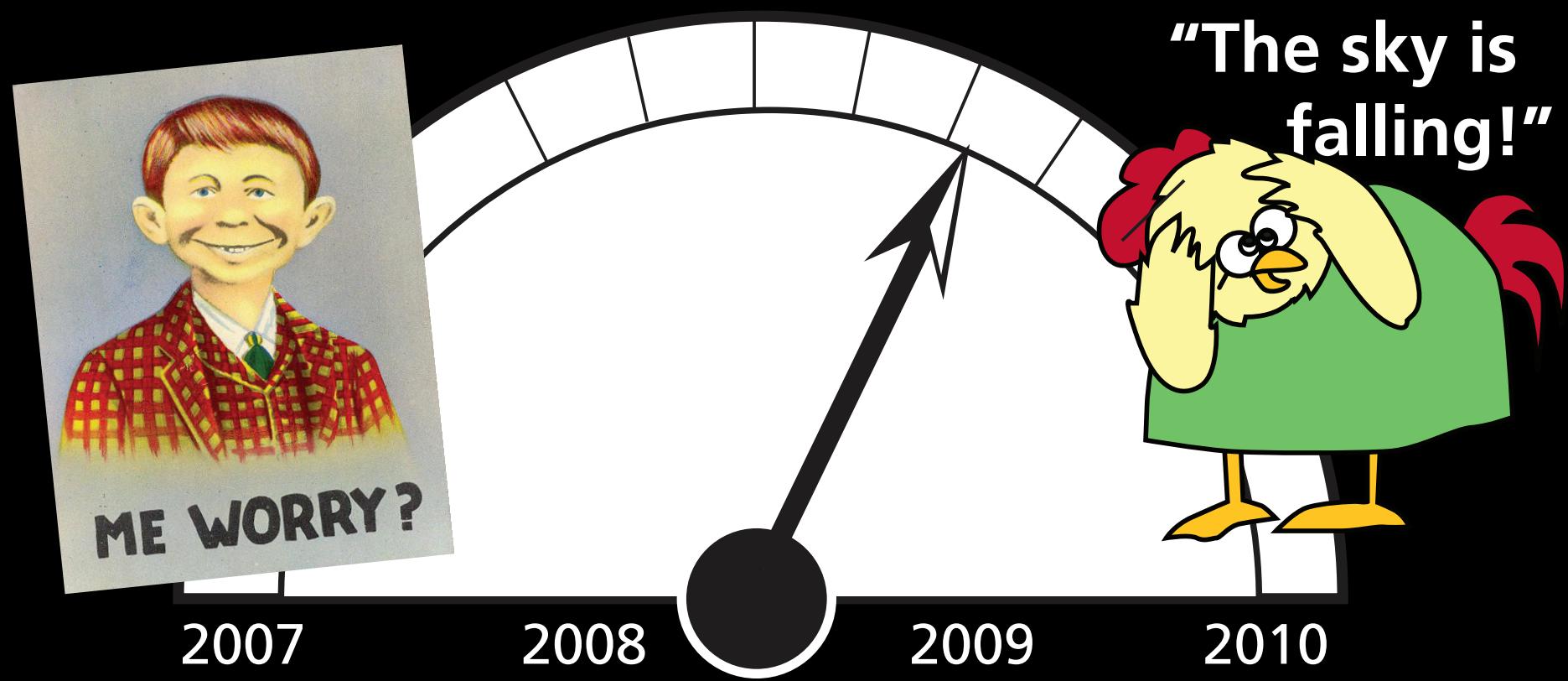
## The collapse of the American Dream as we know it.

## And the unprecedented decline in consumer confidence.



- The worst economy since the Great Depression
- Unthinkable loss of home and hearth within the hardcore middle/upper middle class
- “Things will never be the same.”
- A long-term loss with long-lasting effects on the consumer psyche

# Our Mood and Mindset Meter:



Irrational Exuberance

Unambiguous Dread

# Category response to the destruction that has taken place.



## Federal Government

- Bank bailout
- Auto bailout
- Stimulus Package
- Tax credits – housing

# Category response to the destruction that has taken place.



## American Media

They will hold their microphones in front of the economic crash for as long as they can profit from it

- From insightful to just incite
- Negative focus on banking industry
- Sound byte solutions for consumers

# Category response to the destruction that has taken place.

## American Business



- Individual company efforts to address the economy – especially retail
- As expected, no common campaign
- The Walmartization of America – being cheap is being prudent
- McDonald's “dollar menu” drives earnings
- Starbucks adopts “value menu”

# Category response to the destruction that has taken place.



## American Banks

- Flurry of “safety and stability” ads
- No category-wide promotion
- Guilty by association
- A “wait and see” marketing stance – no single bank jumping on the problem in a meaningful way

# Category response to the destruction that has taken place.

## American Consumers: digging themselves out big time



- No choice but to respond
- Setting and living within a budget
- Spending less and doing it more wisely
- The savings rate turns positive
- Hard cash is the new plastic
- Accepting less in life, but seeking greater control
- Digging out with a vengeance
  - No one is going to help – who bails me out?
    - Remember Rick Santelli's tirade on CNBC?
  - Anger and mistrust of the banking business in general
  - Anger at credit card companies for taking advantage of them

# Two proactive initiatives on the right road.

“Talk to Chuck”  
Charles Schwab



The courage to playback the anger  
inside today's consumer.

Citizens Bank



HomeBuyer Savings  
save \$100 per month/  
get \$1000 toward new home

CollegeSaver  
save \$25 per month/  
get \$1000 when child turns 18

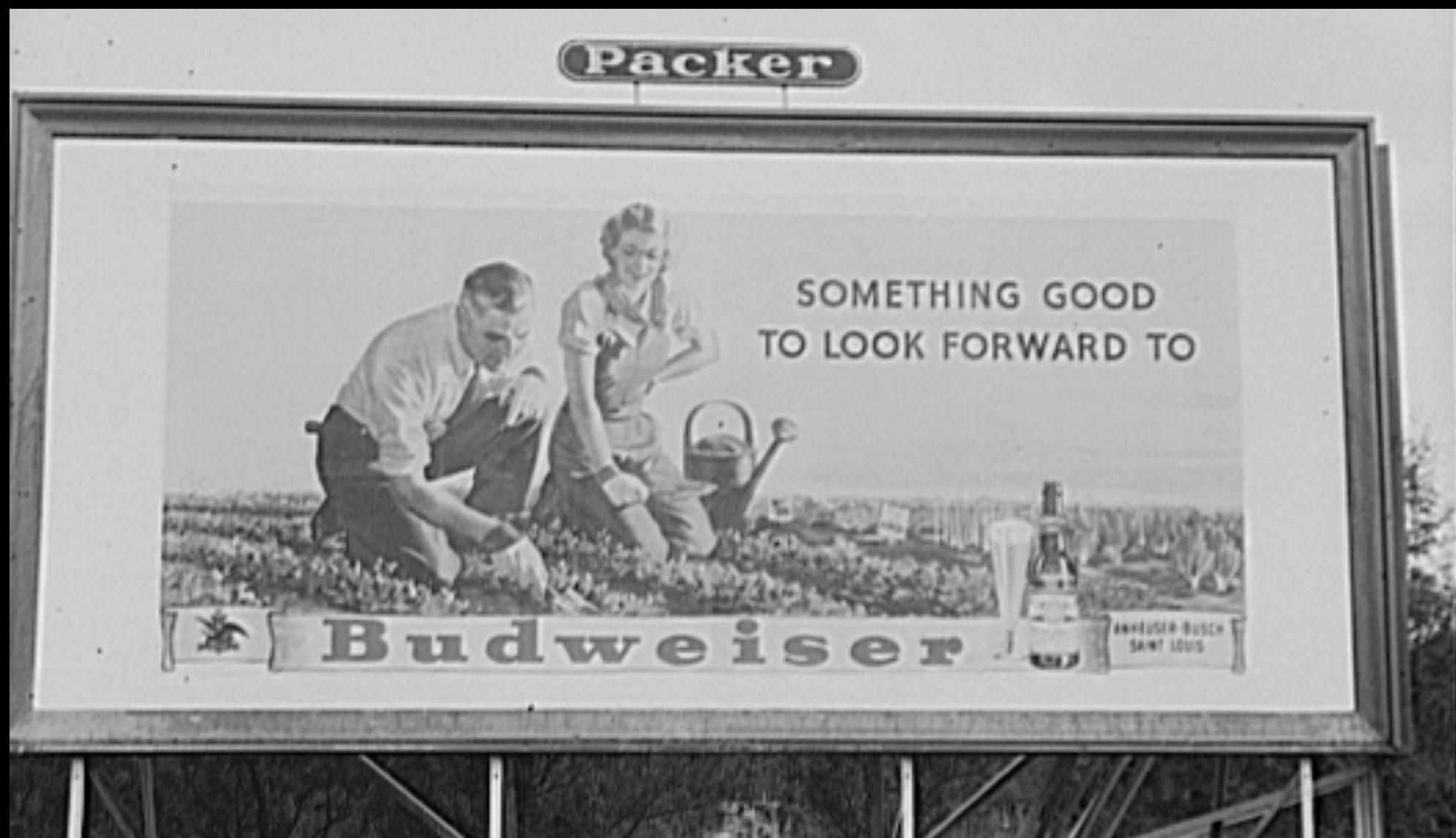
Two new programs that go straight to the  
heart of two major consumer issues made  
more difficult by the current economy.

# The opportunity for banks today: Grab a shovel and help the American Consumer dig out of the financial rubble that they are in.

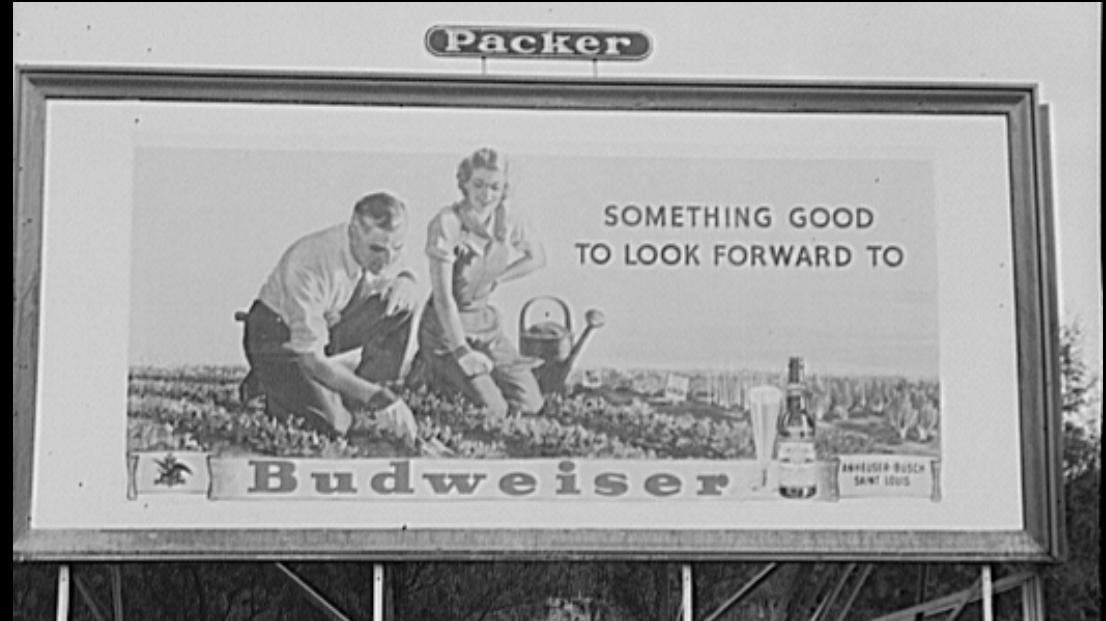


- Banks have been accused of being part of the problem – get credit for being part of the solution
- No single bank has truly taken ownership of a leadership position – it's there for those who want to seize it
- Use this as an opportunity to reinvent yourselves as you help consumers do the same

Where to begin:  
Align your brand and brand message  
with present consumer needs.



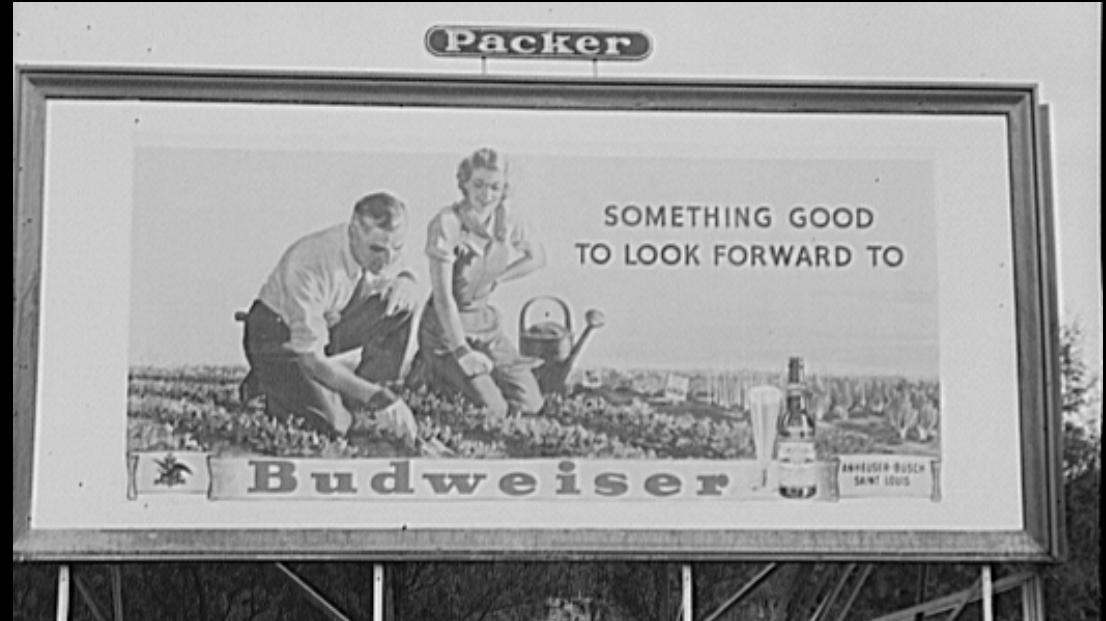
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## Cultural Context: The ever-changing world in which your product lives.

- 1997-2007 – the prevalent banking message was basically “you can have anything you want right now.”
- 2008-???? – The banking message should be “we have the strength to help you rebuild your life, your sense of security and your nest egg.”
- Have you already made an adjustment based on the changing times? Or is your thinking still in the previous decade?

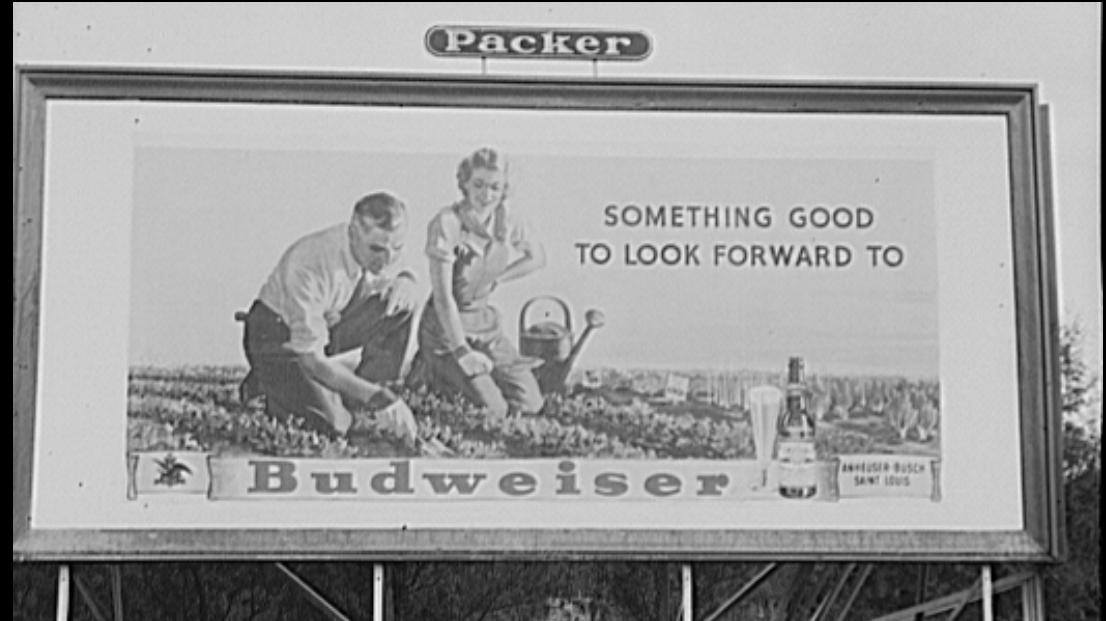
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## Revisit your mission statement:

- Hard question to ask: is it meaningless, boilerplate drivel?
- Is it something you have successfully supported in the past?  
Can you support it in the future?
- Build in the idea of adaptability – make your mission statement a “living document” – retaining core values but driven by changing consumer needs and your ability to respond to them.

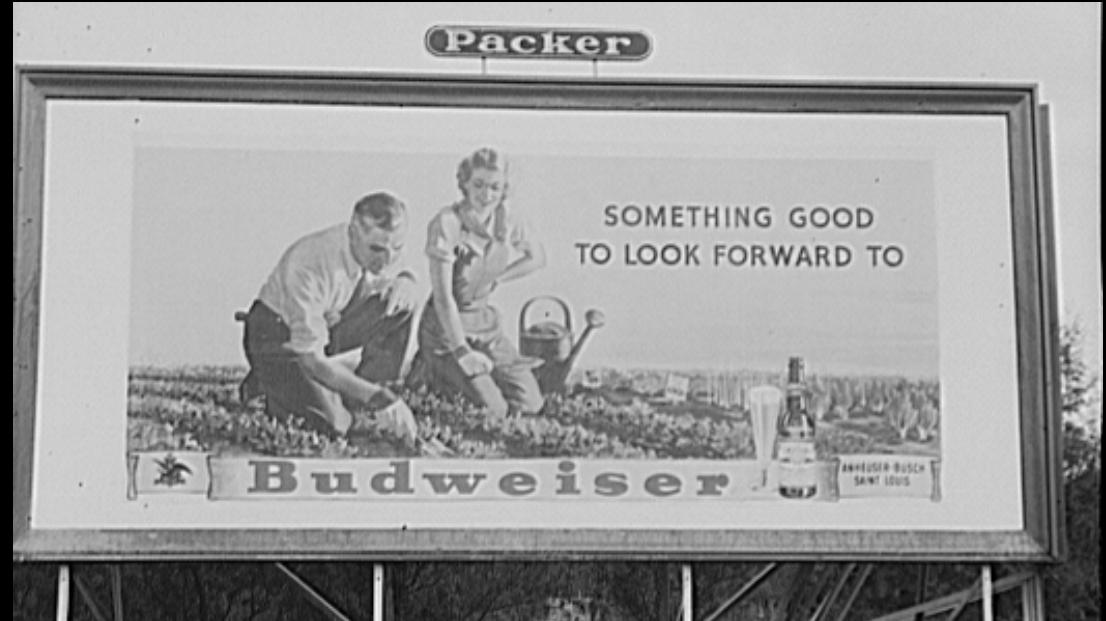
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Assess your perceived position in the market:

- Has the economic downturn increased or decreased your image against your competition?
- Have you suffered loan losses – have they been made public in the press?

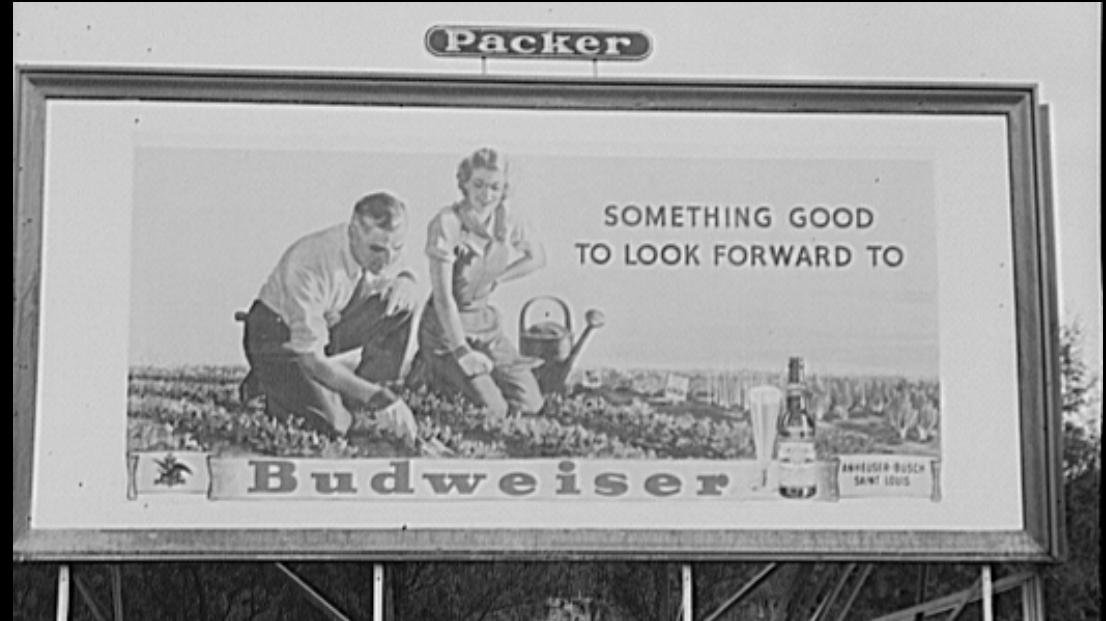
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## Execute a complete product review:

- Retail and commercial offerings
- Product makeup
- Product pricing
- Product relevance – how do they fit into present market needs?

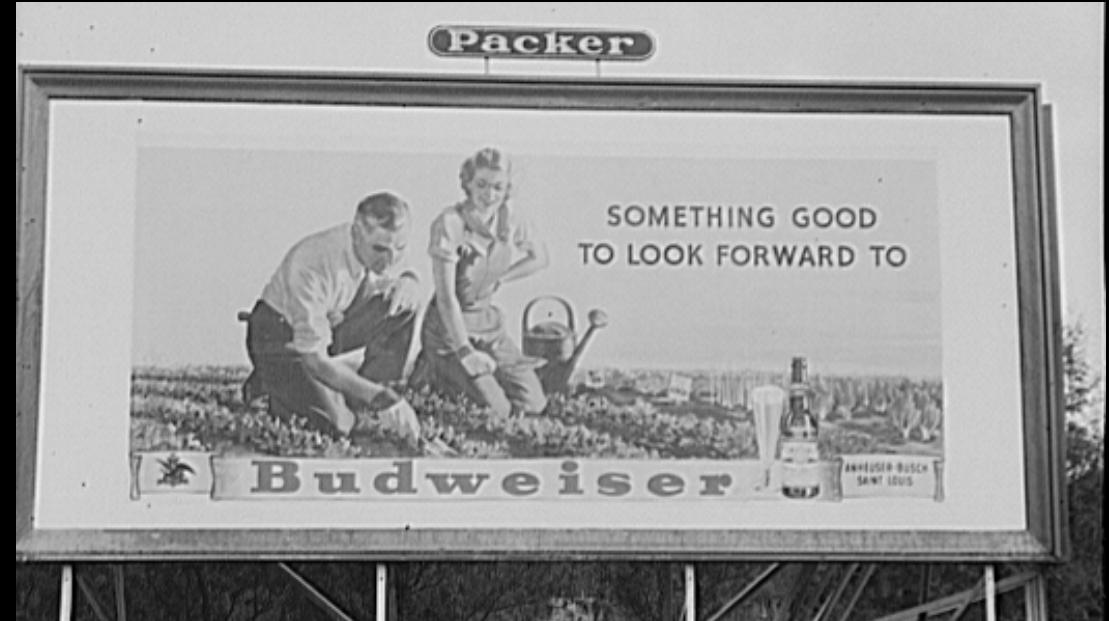
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## Assess your staff and staffing responsibilities:

- Understand that your employees, including CSRs, are under the same financial pressures as your customers – how are they responding?
- Is management's carrot on a stick a paycheck, pink slip or a promise of loyalty for employees' efforts?
- If you have been operating from a sales/sales point incentive strategy, how does this strategy support/get in the way of present customer needs?
- Are the sales goals you set prior to the recession still valid? Do you need to revise your goals based on the market?

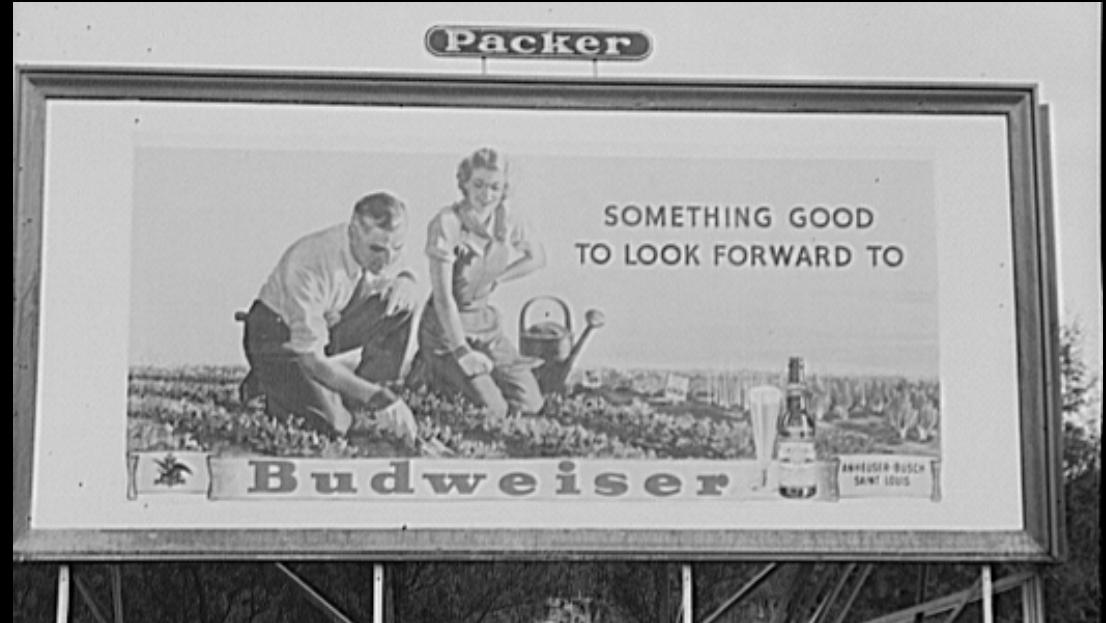
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## Blunt review of your brand communications:

- Understand the perceptual breadth of brand communications.
  - Physical branch presentation
  - Employee/CSR demeanor
  - Website POV/ease of use/level of customer-friendliness
  - Public relations
  - Community involvement
  - Advertising
  - Social Networking

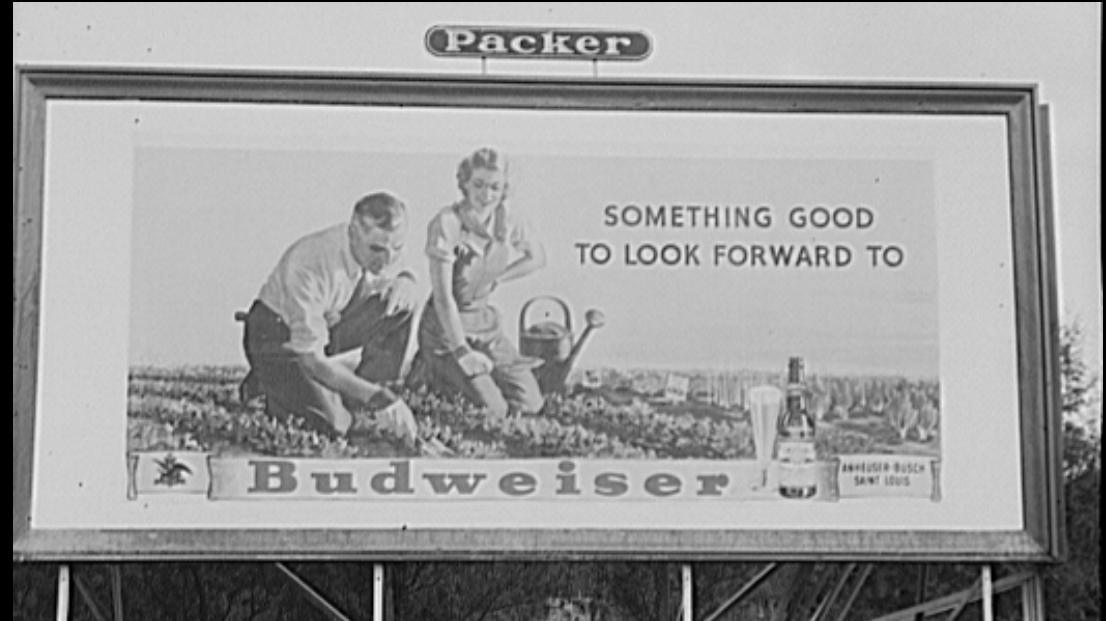
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## Blunt review of your brand communications:

- Brand communications should be an expression of who you are, and how you represent a solution to the prospect
  - Make your advertising messages meaningful in light of present economy
  - Make your messages be about the prospect, not about you
  - Dress appropriately – visually present your brand in a way that is professional, respectful and appealing to the skittish prospect
  - Make the tone match the times – not deadly serious, but not flippant, arrogant, insensitive or silly
  - Words have power – choose them carefully!

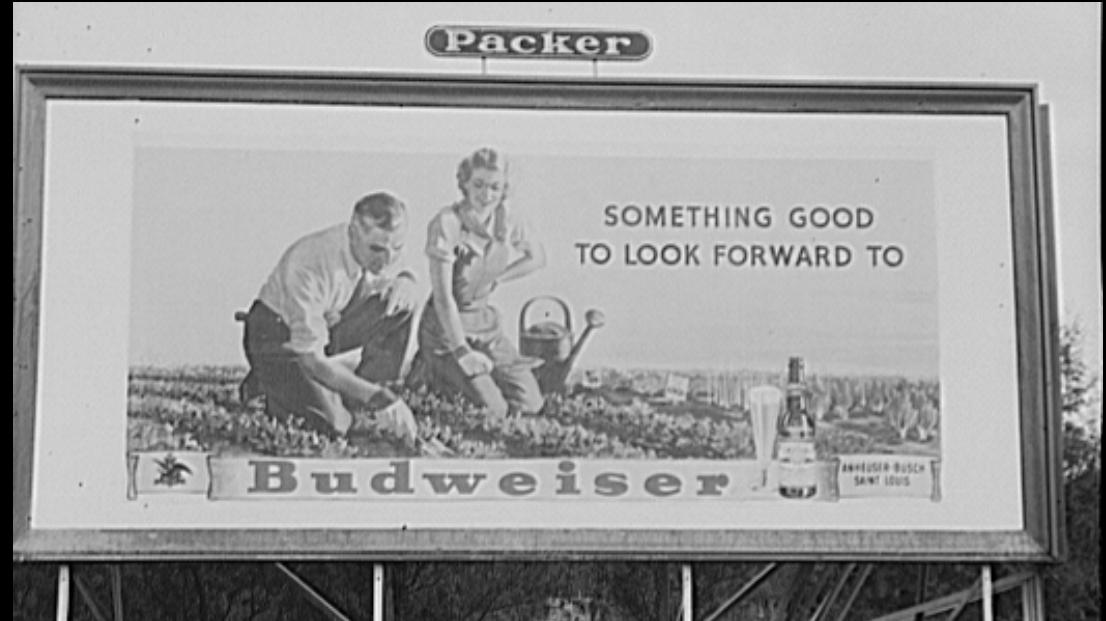
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## Blunt review of your brand communications:

- Brand communications and media choices – a moving target
  - Paid media choices are now almost limitless today – you can't be everywhere
  - Be realistic about size and location of your prospect pool
  - Understand the natural retrenchment of today's consumer – what we call, “keep your friends close, and your funds closer.”  
How does that retrenchment help in your media selection?
  - If you are a “community” bank, are you visible first in your local community – local papers, local Internet sites, local events, public relations opportunities

Where to begin:  
Align your brand and brand message  
with present consumer needs.



## Blunt review of your brand communications:

- Brand communications and media choices – a moving target
  - Social Networking – in its infancy
  - Understand the production costs/requirements of the different forms of media – the cost to do it right
    - Television production - \$\$\$
    - Radio production - \$\$
    - Print production - \$
  - Keep blazing the path of online banking
    - Encourage present customers to use it
    - Invest in technology as it becomes available
    - Make it an important aspect of your overall service component
  - Think of media as an ongoing conversation with your customers and prospects – it's not just a radio spot or print ad – it's something you do in one form or another, everyday

Thought starters –  
budgets, basis points and banking regulations  
aside, be open to new and untried ideas.



Thought starters – budgets, basis points and banking regulations aside, be open to new and untried ideas.



## Newly assigned/reassigned personnel

- Product Relevance Manager – someone to police the consumer relevance of any/all products – works with product development team
- Personal Budget Manager – an expert in helping people design and live within a budget - one person to cover all branches
- Community Banking Manager – a person assigned to work with the local government where the branch is located – every town is suffering a shortfall – maybe there are things you can cover – or help them find ways to cover costs

Thought starters – budgets, basis points and banking regulations aside, be open to new and untried ideas.



## New/Improved products

- Free Checking with Credit Check – a fully free checking account that comes with a year's subscription to Equifax or other credit score company
- Around Town Checking – a fully free checking account that comes with a substantial amount of coupon savings good at stores within the community
- The Perfect Passbook Account – offer a good old-fashioned passbook savings account with a decent rate. Idea is that sometimes the best ideas are the most simple ones – passbook savings represent the tried and true ways people used to save – a method still valid today

Thought starters – budgets, basis points and banking regulations aside, be open to new and untried ideas.



## New/Improved products

- Assurance Guarantee Car Loans – if the car companies can do it, why not banks? Offer a loan that covers out-of-work issues
- Assurance Guarantee Mortgages – same as above
- Build a portfolio of products utilizing present government guarantees funding or assistance – SBA, First Time Home Buyer, etc.
- Create a Saving Center in each branch – totally dedicated to savings products

Thought starters – budgets, basis points and banking regulations aside, be open to new and untried ideas.



## New/Improved products

- Offer a truly, low-cost credit card – the government is already pushing regulations – be part of the solution
- Align yourself/create promotional products to coincide with major buying periods – Christmas/holiday shopping, back-to-school and home heating season. Consumers need all the help they can get – provide some for them during those heavy-spending seasons
- Broken Nest Egg™ Account – savings account to help people begin to rebuild what they lost

Thought starters – budgets, basis points and banking regulations aside, be open to new and untried ideas.



## Service issues/ideas

- Cross solving vs. cross selling – shelve the idea of “selling” customers and focus on “solving” the problems they now face
- Back to Square One – consider doing away with sales incentive CSR programs and become dedicated to customer service again – use the initiative in your marketing communications to create a competitive advantage
- Use these difficult times as an opportunity to develop customer loyalty by helping to solve their problems – people never forget when someone helps them in time of need – create “I’ll never forget” service

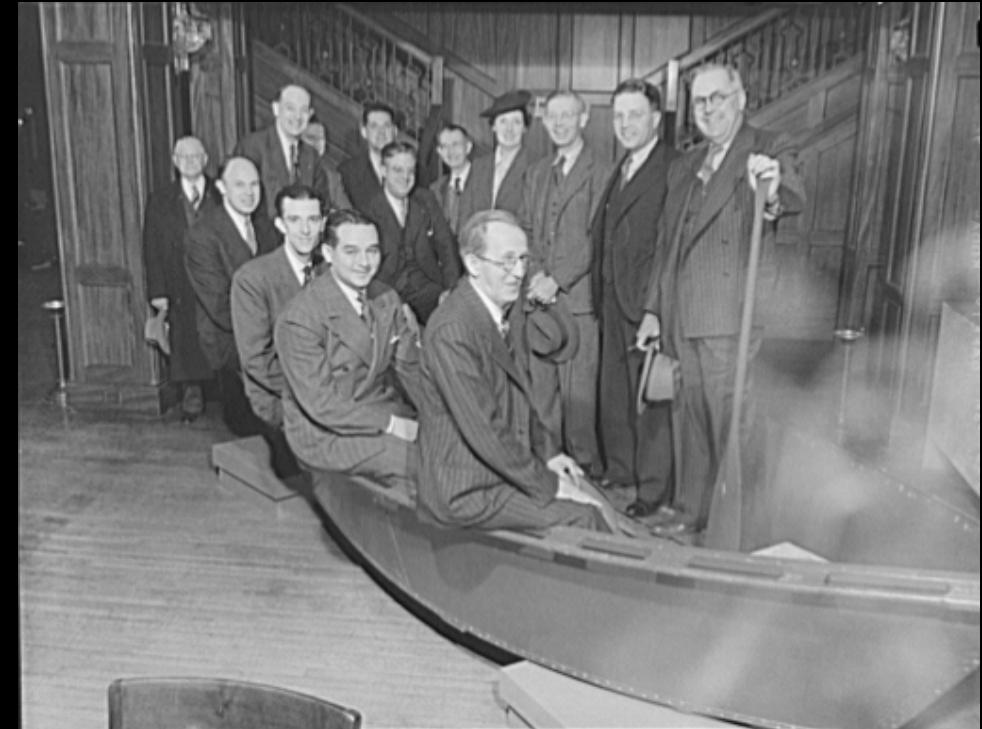
Thought starters – budgets, basis points and banking regulations aside, be open to new and untried ideas.



## Service issues/ideas

- Job Bank in a Bank – work with online career site – like monster.com – access through bank website
- Resume Service – offer to help compose/print resumes
- 2<sup>nd</sup> Job Banking Hours – extend hours of operation – be creative and sensitive to the market at hand

*“The solace in knowing that everyone  
is in the same boat should not replace  
the determination to paddle frantically  
with your own hands.”*



## You have an enormous opportunity today:

- To reconfigure your brand, using the current economy as a catalyst
- To use this economic period to reinvigorate your employees
- To dig deep into your closet of core values and make them as preeminent as they should be
- To be a place known for trustworthiness, security, service and a true understanding of customers' needs
- To seize a leadership role within the banking market you serve
- You have nothing to lose – and everything to gain

*“A good plan, violently executed now, is better than a perfect plan next week.”*

General George S. Patton, Jr.



Now is the time to re-shape your brand into a newly-energized, highly relevant possibility for all those consumers who are already in the process of rebuilding their own lives.



Now is the time to grab a shovel.  
And work right along with them.



Vintage photographs from The Library of Congress:  
*American Memory: America from the Great Depression to World War II*

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