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# Bank Marketing

September 2009

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**Recession Marketing:**  
**Acting as a Financial Lifeguard**

Social Media

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# Be a Financial Lifeguard

Consumers are full of resentment and mistrust as hard times force them to retrench financially. The successful banks in this altered landscape are likely to be those that are safe, local and project an image as a trusted protector of the customer's endangered wealth.

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by Lou Fabrizio and Michael Fortuna

**T**he global financial crisis has created a shift from excess and recklessness to retrenchment and responsibility.

On the consumer level, there is resentment towards those companies that through greed and irresponsibility devastated the retirement funds, prosperity and net worth of the average worker.

At the time these words were written, there were glimmers of hope that the recession might be easing. If that is the case, consumers will begin accelerating the process of rebuilding—revitalizing their general savings, education and retirement funds; their trust in the system; and their sense of control over their own lives.

While consumers obviously are continuing to buy financial products and services, their bias is toward *not purchasing anything that they do not need*. This creates a particularly large challenge for bank marketers, especially those whose product or service does not make the consumer's short list. In that case,

**This period will be an  
opportunity for local  
financial institutions to  
fully express their inherent  
value to customers.**

no amount of marketing will likely lead to success. It is already expected that advertising expenditures in many discretionary consumer categories will be down in 2009. For those marketers who *do* make the short list, the competition will be fierce. Only those with the most relevant marketing messages will break through to the skittish, prudent consumer.

While many financial institutions were a faucet for the free-flowing money of the past two decades, their success to a great degree was based on general market conditions and not on individual brand marketing efforts. In the minds of most consumers, banks were not very important. Every institution had money to lend, easy credit and reasonably attractive rates. If one bank or financial institution didn't come through, there was another one down the street. In that respect, banking was more about bulk than brand. Under current market conditions, that scenario has been reversed.

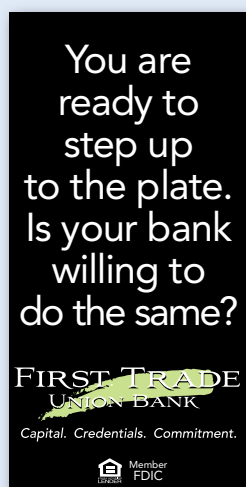
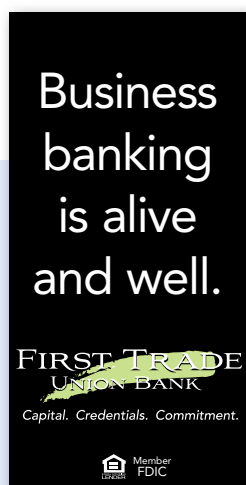
Money is now "number 1" on the consumer's short list. And as Eddie Sutton, the famous bank robber, said when asked why he robbed banks—

"Because that's where the money is"—the selection of a financial institution suddenly takes on a new and important meaning.

### **How do you make the cut?**

As already pointed out, competition among those marketers on the consumer's list will be fierce. However, based on what has happened, the position of the largest institutions has been weakened and that puts them far down on the list. The image of defunct/troubled financial institutions such as Countrywide, Wachovia, Washington Mutual, and Citigroup is a negative one. *Combined with the natural retrenchment of the consumer and his desire for familiarity, safety and control, local financial institutions stand to make great strides this year and beyond.*

Among local institutions, those that will succeed will be the ones with the most sterling reputations and that fit into the consumer's shrinking circle of trust—institutions that not only have the



Examples of online ads used in the First Trade Union Bank marketing campaign. The ads assure small businesses that the bank has money to lend and is willing to lend it.

## **First Trade Union Bank: Seizing the Opportunity When the Recession Hit**

**I**n September 2008, First Trade Union Bank (assets: \$753 million), Boston, was about to launch a major rebranding campaign. This timing coincided with the Wall Street financial meltdown, altering the business landscape. Credit quickly froze. Many banks simply stopped lending. First Trade faced a couple of questions: Should it go forward with the rebranding campaign? Should it continue to lend money?

To understand the bank's decision, you have to step back a few months. In early 2008, Michael Butler, formerly an executive at KeyCorp., was named president and CEO of First Trade. In assessing the bank's situation, Butler saw the opportunity to expand business banking—in addition to serving its existing union and government customers. Butler wanted to reposition the bank to more accurately reflect its strengths and core clientele—as well as to present itself as a well-capitalized, experienced and aggressive small-business bank. To achieve these goals, First Trade invested in human capital, bringing in top talent to

solidify and strengthen its institutional and business banking divisions. The bank also made a commitment to improving its technological capabilities, understanding that technology was an essential ingredient for success.

First Trade's senior management team realized that they needed a marketing plan to execute this new strategic vision. They embarked on a search and hired an outside marketing communications firm.

Together with the marketing firm, they went to work, and at the end of August 2008 the First Trade team agreed on a new brand identity and logo, grounded in the theme of "Capital. Credentials. Commitment." The plan was to begin the rebranding and aggressive marketing efforts in mid-to-late September. It was these plans that was placed in jeopardy as a result of the financial crisis on Wall Street.

First Trade could have followed the numerous other financial institutions that simply closed the door on lending. But Butler saw this was an opportunity to take a leadership posi-



best, most innovative programs, but who also communicate them through effective brand advertising and marketing. Unlike the two previous decades, advertising about banking will now be an important read for the struggling consumer. The skew will be toward "local."

### Forming a brand message in context to current conditions

What is the attitude of today's consumer? Consumers are angry at everybody and anybody. And while your institution may not have played a role in the financial meltdown, that doesn't necessarily remove you from blame, at least in the perception of consumers. Therefore, it's important to ground your brand work in the good resume of your past performance and dedication to the local market.

A fiscal pullback on the part of the consumer is evident. The year ahead promises even greater retrenchment. With that in mind, it is imperative that you address this issue in everything you

do—that you provide consumers with products, services and counsel that, to the best of your ability, help them deal with the stringent nature of the times—that you help them begin to rebuild their financial lives—that you do so in an uplifting way that will raise their morale at the same time.

Finally, in the area of responsibility, you have an opportunity to both reiterate your own, and acknowledge that of the consumer. By doing so, you put yourself in partnership with the consumer—promising to take their needs seriously—to help them live up to their new goals.

### Formulating a strategy, internal and external

In the more secure times of the past, formulating a marketing/brand strategy was accomplished easily. However, the present economic conditions have cre-



## Money is now 'number 1' on the consumer's short list.

tion within the industry, and the bank proceeded to move forward.

The branding campaign consisted of Web and print advertisements in select business publications throughout New England and New York; personalized direct mail pieces to business customers and prospects; and an outdoor component that included a billboard on the Massachusetts Turnpike and taxi top signs around Boston. The advertisements spoke to the intangible qualities that help separate businesses—and banks—from the competition. In conjunction with the marketing campaign, the bank launched its new Web site and online banking customer portal, *ftub.com*, at the end of June 2009, essentially completing the "rebranding

What separates you from the competition is the intangibles.



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You're not as big. Your prices are higher. And your margins are lower. Yet you succeed because you bring invaluable intangibles to your business.

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We are a bank dedicated to serving small businesses just like your own. Not only do we have the capital you need, but we bring our own set of intangibles - experienced, dedicated business bankers and a true personal and corporate commitment to serve you better.

If part of each and every day is spent finding ways to make your business more competitive, then consider working with a bank that shares that vision and has ways to help you achieve it.

First Trade. Let us put our intangibles to work for you. Call Cheryl Glantz, Senior Vice President - New England, at 617-482-4000.

**FIRST TRADE  
UNION BANK**

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phase" of its marketing efforts.

Although the campaign was launched in the latter half of 2008, it helped First Trade to experience record growth. The Bank saw a 17.2 percent increase in net income, a 25.7 percent increase in total loans and a 23.1 percent increase in total deposits over the previous year. The bank says it expects steady profitable growth for the balance of 2009 and beyond.

A sample print ad from a branding campaign initiated by First Trade Union Bank (assets: \$590 million), Boston, during last autumn's Wall Street financial meltdown. The ad positions the bank as dedicated to serving small-businesses—and touts the fact that it has money to lend.

There is SBA money available  
for small business.



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And it's available at First Trade.

Thanks to the SBA and First Trade, small business has a place to turn in these difficult times. Whatever your present business needs, we can put together a loan program that can address them.

To find out more, call Anina Butler, Vice President/SBA Lending Division, at 1-800-242-0272, extension 7320, or email her at [abutler@ftub.com](mailto:abutler@ftub.com).

**FIRST TRADE  
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14 Jefferson Park Road  
Warwick, RI 02886  
[www.ftub.com](http://www.ftub.com)



This outdoor ad promotes that First Trade Union Bank was making new loans for small businesses despite the economic turnaround.



In this print ad, First Trade Union Bank promotes the fact that it has SBA money to lend for small businesses, despite hard economic times.

**It's important to ground  
your brand work in the  
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to the local market.**

ated, at times, an atmosphere close to panic. It is difficult to go through a day without hearing some bad economic news. While you cannot control the entire environment, you do have some control—both internal and external. It's important that you take steps to maintain that control. Here are a few:

- **Bring management together to discuss and define the challenges and opportunities.** Create a platform from which all departments will operate, and demand buy-in, commitment and action from all managers.
- **Communicate with employees.** The word "unemployment" looms over the head and in the heart of every employee. While that may be unavoidable, it is important that you do your best to put employees in the most positive frame of mind. Help employees understand the opportunities that exist for the financial institution that takes up a consumer-sensitive, leadership role in these difficult times. With banking high on the consumer's short list, employees can feel that their own position is enhanced, and that they have the power to help where so many in other industries do not. If they can bring that attitude to bear in the workplace, you will be rewarded with a renewed and higher level of customer service and satisfaction.

- **Polish up core products.** Take a hard look at your core banking products and make sure that they are as good as they can be. How "free" is your free checking account? How market-competitive are your savings accounts and CDs? How functional and easy-to-use is your Web site? While these may sound like minor issues, they are not. They are the consumer's most basic needs and how you address them is critical.
- **Create new products and promotions that specifically address the current situation.** The creation of new banking products is not an easy task and can often take months to bring to market. That being said, there is an opportunity *now* to investigate ways that can help the consumer deal with the present crunch. Following is a short list of product/promotional ideas that may be worthy of closer examination.
  - *Budget seminars.* How to make and stick with a weekly budget.
  - *Credit management seminars.* Keeping good credit in bad times.
  - *Rebuilding your retirement seminars.* Helping consumers to find a way to begin to rebuild what they have lost.
  - *Buying and selling a house seminars.* Tips for wise and prudent buyers and sellers.
  - *Market-sensitive premium incentives.* Forget the iPods, offer discounts on food and





clothing through local stores.

- *Antirecession savings accounts.* A high-interest savings account to help rebuild the nest egg.
- *A portfolio of life insurance products.* Annuities for education and retirement.
- *A line of gift money holders and greeting cards.* Use for people wanting to give cash or savings bonds as gifts—have a display rack in each branch—promoting them.
- *A one-year CD that can be given as a gift.* It should come with an appropriate greeting card—birthday, new baby, get well and so forth.
- *Unusual CD products.* Such as the CD that is funded over time while still providing a good rate of return.
- *New types of recession-sensitive mortgages.* Such as a mortgage that never goes “upside down.” A 30-year mortgage like this adjusts payments based on the home’s market value.
- A market-value adjusted mortgage. A 30-year mortgage that offers the opportunity to adjust payments based on market value—so homeowners never go upside down.

• **Create new promotions/sponsorships that reconnect with the community.**

In financially troubled times such as these, people like to be close to home. Think of it as a geographic retrenchment as well as an opportunity for you to connect to people in some meaningful way. By promoting yourself within the community, you both demonstrate your commitment to it and take advantage of the natural tendencies of today’s nervous citizens. Here are a few ideas:

- *Make your branches feel like home and a source for free entertainment.* To the best of your ability and with a minimum of business interruption, use your branches as places to gather, visit and exhibit.
- *Saturday dog days.* Free hot dogs and soft drinks for all who drop by.
- *Coupon Wednesdays.* Work with local retailers and supermarkets and hand out money-saving coupons every Wednesday.
- *Share the bread.* Work with a local bakery and offer

fresh bread for sale one day a week—proceeds to go to local community food kitchen.

- *Food kitchen corner.* Put a bin in one corner of the branch for anyone wanting to drop off canned goods for local community food kitchen.
- *Second-hand Saturdays.* Yard sale in parking lot.
- *Barter board.* Put up a corkboard in branches where people can offer goods/services in exchange for other goods/services.
- *Community fundraiser of the*

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To learn more about First Trade's business services and our commitment to relationship management, call Brian Wyche, Vice President, at 617-439-3118 extension 205, or email him at [bwyche@ftub.com](mailto:bwyche@ftub.com).

**FIRST TRADE UNION BANK**  
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One Harbor Street, Boston  
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Member FDIC. \*Eligibility to be determined by First Trade Union Bank. Scanners must be returned if and when account is closed. Account fees and per item charges apply.

As part of its rebranding, First Trade Union Bank touted its business banking expertise. This print ad talks about its business products—a free scanner with remote deposit capture—and its trusted business advisers.

## Lou Fabrizio and Michael

**Fortuna** are the principals in Fabrizio/Fortuna Inc., a marketing communications firm that works exclusively for the financial services industry. The company is located in Watertown, Mass. Lou Fabrizio is a former executive bank marketer at financial institutions in the Northeast. Michael Fortuna was the founding partner of two Boston advertising agencies, and, at one time or another, has been the creative director behind the advertising for some of Boston's largest and best-known banks, including Shawmut Bank, BayBank and Fleet Financial. Telephone: (617) 393-0057.

month. Invite a different community fundraising event to set up a display in the branch.

- **Direct a portion of your marketing effort to local events and initiatives important to the community.** Permeate the local landscape with your brand—a demonstration of community commitment.
  - **Business brainstorm.** Sponsor and run a brainstorming session with the local Chamber of Commerce; invite a marketing/promotional expert to lead the event.
  - **Community job fair.** Sponsor and run a local job fair and invite companies, recruiters and resume writers to participate.
  - **Clean and green.** Sponsor a spring cleanup of local community—everyone who participates gets a T-shirt with your logo.
  - **Be the ball.** Take a leadership position in funding local high school sports—now more than ever, they need the money.
  - **Potluck dinner party.** Sponsor a communitywide potluck dinner—bring in local bands, comics and so forth. Proceeds to go to charities of choice.
- **Commit to a marketing/advertising budget and make it work for you.** If ever there was a time to demonstrate just how valuable you are to the com-

munity and its citizens, it is now. As people retrench, reassess and rebuild, you want to be there with top-of-mind awareness. And that means developing and running a strong, issue-sensitive campaign that promotes the quality of your organization, the prudence and appropriateness of your products, and the commitment you have to help customers get through these difficult times. In order of priorities, “money,” and “access to money,” will certainly be number 1 on the consumer's list this year. Make sure that out of all those with whom you compete, that you come out number 1 as well.

“If you can keep your head when all about you are losing theirs...” The writer/poet, Rudyard Kipling, obviously knew a few things about grace under pressure. And the opening lines from his famous poem, “If,” are undeniably appropriate in today's economy. This year as well as next year will be a challenge for every marketer. But in an odd and elegant way, this period will be an opportunity for local financial institutions to fully express their inherent value to customers. They can emphasize their identity as a familiar and friendly asset to the community. They can also provide customers with a sense of security, and an opportunity to survive, thrive and flourish.

With that in mind, keep your wits about you, and move forward with boldness and conviction. ■

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