How Banks Are Regaining Trust As the Financial Sector Readjusts
## CONTENTS

<table>
<thead>
<tr>
<th>Page</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Introduction</td>
</tr>
<tr>
<td>4</td>
<td>Key Findings</td>
</tr>
<tr>
<td>8</td>
<td>Detailed Findings</td>
</tr>
<tr>
<td>16</td>
<td>Qualitative Interviews</td>
</tr>
<tr>
<td>25</td>
<td>Expert Perspective</td>
</tr>
<tr>
<td>27</td>
<td>About the CMO Council</td>
</tr>
<tr>
<td>27</td>
<td>About True North Custom Media</td>
</tr>
</tbody>
</table>
Introduction

As the global financial crisis and US credit rating downgrade take grip, banks of all sizes are challenged to leverage and activate custom media channels to reassure, engage, inform, advise, and notify customers, stakeholders, and investors. Quick response to ever-changing conditions and market gyrations requires nimble content provisioning and adept use of digital media channels for rapid versioning, content personalization, and customization relative to audience types and levels of sophistication.

This may be less daunting for those banks with custom media properties, content-rich websites, and established customer linkages and connections through social media, online communities, and email communications systems. However, many may have to scramble to develop timely, relevant, and information-rich content that addresses new issues, complexities, concerns, and complications in banking relationships among large enterprise, SMB, and consumer customers. Others will be struggling to create and deliver critical content in new formats, eMedia types, and delivery channels, such as mobile, web, and point-of-service signage systems. These embrace e-magazines, mobile messaging, email, web postings, podcasts, mobile video, IP-TV programming, webinars, on-demand webcasts, and HumanKiosks at branch office locations.

The immediate need for communications to help rebuild consumer confidence is both critical and evident in the reactions consumers are having to this instability.

“Banks can make customers feel more valued and better appreciated by improving their communications.” — Xerox

“With the temperatures rising, so too are customers’ communication demands from their service providers—including their banks.” —BankingInnovation.net

“Gallup analysis of confidence in institutions reveals a crisis in the U.S. banking industry. In October 2010, the number of Americans expressing a ‘great deal’ or ‘quite a lot’ of confidence in banks fell to an all-time low of 18 percent—lower than its level at the height of the global financial collapse.” —GALLUP Management Journal

How well are banks delivering positive impressions during market recessions? To what degree are they reassuring customers and managing messages, conversations, and communications around economic trials and business performance tribulations? The Chief Marketing Officer (CMO) Council, which has more than 6,000 global members controlling some $300 billion in aggregated annual marketing spend, initiated a study to find out by tapping its extensive membership base in financial services. Quantitative and qualitative research was conducted during the fourth quarter of 2011 from August to September.

Survey participants included some 120 marketers who were polled using an online surveying methodology. They represented a cross-section of banks in North America with revenues ranging from less than $500 million to $120 billion and primarily included titles such as Vice President of Marketing, Executive Vice President of Marketing, CMO, and Head of Marketing. Participants were from local, regional, national, and global banks.

Additionally, six senior bank marketers contributed in-depth perspectives, which are summarized in the accompanying report pages. They include executives from AIG Bank, First Tennessee Bank, Middleburg Bank, MidSouth Bank, and UnionBank.
Key Findings

When the financial crisis took grip in 2008, banks were affected in an unprecedented way. As customer concerns and questions began to escalate, confidence and trust in financial institutions began to waver as well. Security of investments was suddenly put into question, and senior-level bank marketers were charged to respond by finding ways to communicate with their customers in a way that alleviated concerns and helped to restore confidence amidst an uncontrollable situation—all while remaining profitable.

The media seemed ruthless at times, citing the "irresponsible corporate management" as the cause behind the crisis, yet many banks remained conservative in their business practices. Likewise, the degree to which banks' reputations were impacted varied; while some community banks may have experienced minimal effects, other national or global institutions felt the need to rebrand, reprice, or completely change the structure of their marketing programs.

Regardless of the level of impact, the need to send a message of stability and confidence to consumers has arguably never been more pressing, but utilizing the proper medium to deliver that message is equally critical. Banks of all sizes are challenged to leverage and activate media channels to more directly reassure, engage, inform, advise, and notify a growing and complex audience across multiple stakeholders.

The CMO Council's “What’s Critical in the Global Banking Vertical” report highlighted the necessity of communicating with consumers, as banking customers are looking to their financial institutions to provide informative tools to help them better manage their finances. While only 13 percent of the bank marketers surveyed consider it a priority to provide relevant, educational content to consumers, 65 percent of consumers surveyed recall receiving information about products or services from their banks, and more than half of those responded to the promotional materials they received. Overall, the report found that banking consumers are highly loyal and open to learning how their banks can help them achieve their financial goals—but it’s up to the bank to take the next step.

In exploring how banks are delivering meaningful content to consumers in the formats they prefer, as well as incorporating appropriate measures to identify and address customer concerns, the goal of “Positive Impressions During Market Depressions” is to help bank marketers understand—and ultimately deliver—what consumers need and expect. More than 120 bank marketers have been surveyed about the most significant obstacles posed by the financial crisis and how they are overcoming them to achieve greater customer satisfaction.

This report identifies the key challenges marketers face, how they are addressing customer concerns, ways they have altered their means of content delivery, and how they are tracking its effectiveness to restore customer confidence, build trust, and maintain loyalty.

Pressure Under Fire

Bank marketers indicate the current financial market is making it increasingly difficult to communicate with consumers and restore confidence. In fact, 87 percent of senior-level bank marketers who were surveyed felt that the current market turmoil has made it moderately or extremely challenging to communicate with consumers in a meaningful and reassuring way. Among the greatest pressures being faced are increased regulatory and legal scrutiny (57 percent), skepticism and decreased public trust (47 percent), and greater need for customer communication and contact (39 percent).

Alex Calicchia, Executive Vice President and Chief Marketing Officer for MidSouth Bank, explains their CEO took a very proactive approach to address consumer concerns and change perceptions. “Our clients needed help making sense of [the financial downturn] in terms of how it affected them and how to make...
sense of the situation. Our CEO actually visited each of our markets within a two-month period and held town hall meetings where people could ask questions and gain our perspective. He let them know that we are all in this situation together because our customers’ success drives our success. He provided a very transparent sense of the bank and what we were doing, and it served us really well.”

This example underscores the fact that within challenging times lies a golden opportunity. Those surveyed acknowledged the need to communicate with customers, and customers are open to these communications from their banks. In fact, marketers indicated that customers are actively requesting contextual and reassuring information through their account relationship managers (54 percent), call centers (52 percent), and their local bank branches (48 percent), as well as through websites (29 percent) and email (22 percent).

While not all banks were significantly affected by the financial downturn, the need to communicate with consumers is still present. Dave Dean, Senior Vice President of Corporate Marketing for Union Bank, explains that its status as a conservative lender helped the bank avoid a great deal of the turmoil that the majority of banks are facing. Despite its positive reputation, though, he explains that the bank still makes it a priority to engage consumers with content. “While many banks have found themselves searching for ways to rebuild consumer trust, we have continued to focus on the pillars of strength and stability for which Union Bank is known. It has been a matter of reminding customers of what makes us stand apart and why we haven’t been affected,” he says.

Still, with 89 percent of survey respondents rating customer anxiety levels from moderate to very high—based on direct customer feedback (54 percent), call center interactions (53 percent), and account closures or withdrawals (44 percent), among other reasons—many bank marketers (45 percent) have taken the critical step of establishing formal strategies and contingency programs to address customer concerns during times of market turmoil. Furthermore, 32 percent of respondents indicated they are allocating additional resources in this area.

Keeping Pace in the Digital Space

When asked how they are delivering branded marketing content to key customers, prospects, and partner audiences, respondents noted a wide range of communication platforms—most notably websites (76 percent), social media network pages and postings (47 percent), online or mobile video segments (41 percent), and print magazines (39 percent). While these numbers indicate that print is still a viable part of the overall marketing mix, online content is gaining a larger presence, with 82 percent of respondents indicating they plan to increase the adoption and use of new channels of digital content delivery, community, conversation, and interaction.

This is largely due to factors such as lower production costs (59 percent), quicker turnaround (56 percent), better measurement and tracking (53 percent), and the adaptive and versatile nature of digital (50 percent). However, many bank marketers still feel inadequately equipped to properly utilize these channels. In fact, only 19 percent of those surveyed feel their banks are properly structured and equipped to leverage the depth, timeliness, reach, richness, and interactive nature of digital channels of customer engagement.

As these technological advancements have propelled marketers into the expanding realm of digital consumer engagement, utilizing the latest trends has been paramount to many marketers in order to keep consumers engaged through the newest outlets. However, the real challenge lies in keeping the bank’s communications consistent; otherwise, marketers risk compromising their overall message just by trying to keep up.

The key to maintaining relevance for consumers through any channel of communication is to listen. “We want to listen to our customers to learn how we can be competitive in this area,” Calicchia says. “It is important to remember not to abandon your brand when you incorporate digital communications. It can be
easy to get lost in the high-tech realm and the desire to convey something that looks sleek, but you have to stay true to your brand, mission, and core values so that your content resonates with consumers.”

**Gauging Consumer Engagement**

In addition to keeping track of the latest trends in content delivery, bank marketers are basing their digital marketing approaches on a number of factors, such as internal research and fact-finding (59 percent), growth of social networking (50 percent), industry report and analyst studies (49 percent), and business and consumer engagement, among many others. And while the most effective channels of consumer engagement may vary from one market to the next, the numbers nonetheless indicate a marked shift toward digital communications.

Robert Miller, Executive Vice President and Chief Marketing Officer of Middleburg Bank, explains that the bank uses direct-mail pieces to communicate one-on-one with consumers, but they have begun incorporating more digital pieces into the mix. “We began embracing online communications a couple of years ago, and we distribute a monthly e-newsletter that features personal finance and lifestyle articles, as well as small business-related content. We are also considering the possibility of creating a separate small business e-newsletter in the future,” he says.

To validate the effectiveness of their approaches, banks are monitoring and tracking performance of content delivery through measures and metrics systems, including but not limited to customer acquisition (66 percent), reaction and response levels (62 percent), and loyalty and retention rates (55 percent). The importance of formal tracking measures cannot be understated, especially with the implementation of constantly evolving platforms like social media. Consumers are constantly seeking the “next big thing” in content delivery and messaging, and it is the job of marketers to continually reevaluate what consumers are responding to and how they can integrate those media and their message in a way that resonates with consumers—and data plays a key role in this process.

While marketing may have once been considered an art rather than a science, numbers are now critical in determining the effectiveness of marketing approaches, including content delivery. Dan Marks, Chief Marketing Officer for First Tennessee Bank, says that data about consumer response plays a large part in helping him refine the bank’s communication efforts. “When a new channel is implemented, we test the response to determine how the new format is helping the bank perform against our set goals for new sales and retention. [This helps us] learn more about what our customers want [so we can] work to engage them through their preferred media channels,” he says.

As banks continue to be attacked in the media—from new fees to executive compensation making headlines—it has become more important than ever to get the right message to consumers through the medium they prefer. And although digital content avenues continue to gain more traction, bank marketers agree that traditional channels—including print and direct-mail pieces—still have an important presence in their marketing programs.

One senior-level bank marketer states, “While we value the efficiency of online marketing tools, print will always have a place in our communications because people will always want to read something. It may be a smaller part of the overall mix, but I don’t see a danger in print going away completely.”

Another marketer describes the bank’s efforts to transition through a cross-platform approach by incorporating both print and digital media through direct mail. He explains they are “currently exploring the use of QR codes in direct mail [but are] not sure of the positive impact of including [them. We are] currently testing before rolling out this initiative company-wide.”

For smaller banks whose budgets may not accommodate analytics and outside research, internal findings can also be helpful in communicating the information consumers want. The Senior Vice President of
Experiential Marketing for one bank says, “We believe in the value of research, and our efforts reflect what the numbers tell us. But we also draw on our own research and experience. For example, we listen to what consumers say through social media and look for key areas where we think it is important to interact with them, so customer insights play a big role in how we choose to communicate with them.”

Whether banks are striving to improve their perceptions in the eyes of consumers or feel that they have made it through the financial crisis relatively unscathed, one fact remains constant—consumers want information from their banks. Marketers must turn to more flexible, immediate, and dynamic content delivery resources to meet the demands of customers who are in the throes of anxiety and fear during market depressions.

Quick response to ever-changing conditions and market gyrations requires nimble content provisioning relative to audience types and levels of sophistication. And as banks respond, it is important to incorporate a blend of content delivery methods in order to reach consumers in an engaging, effective way. As consumers receive materials that help them make smarter financial decisions, trust in and loyalty to their banks will follow.
Detailed Findings

Q1. To what degree is the current financial market turmoil challenging your ability to communicate in a meaningful and reassuring way with your bank’s customers?

- 55% Moderately challenging
- 32% Extremely challenging
- 12% Not challenging at all
- 1% Don’t know
Q2. What marketing-related complications and pressures have you experienced due to the gyrations and variations in financial markets?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Issue</th>
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<tbody>
<tr>
<td>57%</td>
<td>Greater regulatory and legal scrutiny and attention</td>
</tr>
<tr>
<td>43%</td>
<td>Less public trust and more skepticism</td>
</tr>
<tr>
<td>39%</td>
<td>Greater need for customer communication and contact</td>
</tr>
<tr>
<td>36%</td>
<td>More cautious, risk-averse, or disaffected customers</td>
</tr>
<tr>
<td>34%</td>
<td>Cutbacks in marketing programs and spend</td>
</tr>
<tr>
<td>32%</td>
<td>More complex forecasting and planning</td>
</tr>
<tr>
<td>25%</td>
<td>Employee morale and motivation problems</td>
</tr>
<tr>
<td>22%</td>
<td>Downbeat and questioning media environment</td>
</tr>
<tr>
<td>22%</td>
<td>Less interest and response to new products and promotions</td>
</tr>
<tr>
<td>19%</td>
<td>Management sensitivity to all communications content</td>
</tr>
<tr>
<td>14%</td>
<td>Customer withdrawals and portfolio shifts</td>
</tr>
<tr>
<td>13%</td>
<td>Added branch office distractions and localized demands</td>
</tr>
<tr>
<td>12%</td>
<td>Negative tonality and sentiment of online conversations</td>
</tr>
<tr>
<td>12%</td>
<td>Issue management and containment distractions</td>
</tr>
<tr>
<td>5%</td>
<td>Other</td>
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Q3. How do you rate the level of customer anxiety and concern at the present time?

- **Growing anxiety**: 41%
- **Moderate levels of concern**: 41%
- **Very high**: 7%
- **General apathy and disinterest**: 6%
- **Pretty much the same as normal**: 3%
- **Not sure**: 1%

Q4. How are you tracking, analyzing, and quantifying this?

- **Customer feedback and listening systems**: 54%
- **Call center inquiries and interactions**: 53%
- **Customer relationship manager input**: 44%
- **Account closures or withdrawals**: 44%
- **Formal surveys and polls of customers**: 41%
- **Social media analytics and conversation monitoring**: 39%
- **Branch office perspectives and soundings**: 39%
- **Account activity and funds transfer**: 39%
- **Website posting, blogging, and tweeting**: 29%
- **Inbound email volume and content**: 20%
- **Other**: 12%
Q5. Do you have formal strategies and contingency programs for handling customer concerns and increased information demands during times of market turmoil and uncertainty?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Putting this in place</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>45%</td>
<td>28%</td>
<td>21%</td>
<td>6%</td>
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</table>

Q6. Given the unprecedented nature of the current financial turbulence, are you allocating additional resources and capabilities in this area?

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<thead>
<tr>
<th></th>
<th>No</th>
<th>Yes</th>
<th>Expect we will</th>
<th>Not sure</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>33%</td>
<td>32%</td>
<td>20%</td>
<td>10%</td>
<td>5%</td>
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</table>

Q7. Through which channels are you receiving the most requests from bank customers for contextual information and reassurance?

<table>
<thead>
<tr>
<th>Channel</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account relationship managers</td>
<td>54%</td>
</tr>
<tr>
<td>Call centers</td>
<td>52%</td>
</tr>
<tr>
<td>Branch office visits</td>
<td>48%</td>
</tr>
<tr>
<td>Websites</td>
<td>29%</td>
</tr>
<tr>
<td>Email</td>
<td>22%</td>
</tr>
<tr>
<td>Letters</td>
<td>8%</td>
</tr>
<tr>
<td>Mobile messaging</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>13%</td>
</tr>
</tbody>
</table>
Q8. Do you feel you are properly structured and equipped to leverage the depth, timeliness, reach, richness, and interactive nature of digital channels of customer engagement?

- Adding capability: 44%
- No: 34%
- Yes: 19%
- Don't know: 3%

Q9. How are you currently delivering branded marketing content to your key customer, prospect, and partner audiences?

- Internet websites: 76%
- Social media network pages and postings: 47%
- Online or mobile video segments: 41%
- Print magazines: 39%
- Online communities and affinity groups: 31%
- Digital signage systems and point-of-service: 29%
- Digital media formatting (mobile, tablets, eReaders, etc.): 25%
- eMagazines (dynamic publishing systems): 24%
- DVD products: 15%
- Infomercials: 7%
- IP-TV programs: 4%
- Other: 14%
**Q10.** Are you planning to increase the adoption and use of new channels of digital content delivery, community, conversation, and interaction?

- **Yes**: 82%
- **Don’t know**: 13%
- **No**: 5%

**Q11.** Where and why is this proving effective and beneficial to the bank?

- **Lower production costs**: 59%
- **Quicker turnaround**: 56%
- **Better measurement and tracking**: 53%
- **Adaptive and versatile**: 50%
- **More engaging and compelling content**: 48%
- **Can be localized, versioned, and personalized**: 46%
- **Greater reach, response, and return**: 45%
- **More effective use of marketing assets**: 42%
- **Preferred and desired by the customer**: 35%
- **Higher pass-along and share rates**: 20%
- **Environmentally sustainable and responsible**: 13%
- **Other**: 6%
Q12. What factors or sources helped you determine what new formats and media types would be embraced and valued by customers?

59% Internal research and fact-finding
50% Growth of social networking
49% Business and customer engagement
34% Website analysis and registrations
31% Market forecasts and predictions
23% Consultant research and input
23% Shift to mobilization of content
17% eMedia product uptake and popularity
10% Other

Q13. Is the use of social networks and digital media channels raising any regulatory issues, scrutiny, privacy, or legal liability concerns inside or outside the bank?

63% Yes
22% No
16% Not sure
Q14. What measures and metrics do you use to track and rate the performance of branded marketing content?

<table>
<thead>
<tr>
<th>Metric</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Customer acquisition</td>
<td>66%</td>
</tr>
<tr>
<td>Reaction and response levels</td>
<td>62%</td>
</tr>
<tr>
<td>Loyalty and retention rates</td>
<td>55%</td>
</tr>
<tr>
<td>Circulation and readership</td>
<td>42%</td>
</tr>
<tr>
<td>Branch and field force feedback</td>
<td>41%</td>
</tr>
<tr>
<td>Lead flow and commerce</td>
<td>35%</td>
</tr>
<tr>
<td>Level of participation and conversation</td>
<td>31%</td>
</tr>
<tr>
<td>Recall and reference to content elements</td>
<td>27%</td>
</tr>
<tr>
<td>Registrations and subscriptions</td>
<td>26%</td>
</tr>
<tr>
<td>Level of buzz, likes, and viewings</td>
<td>26%</td>
</tr>
<tr>
<td>Receptivity and interest in new products</td>
<td>25%</td>
</tr>
<tr>
<td>Other</td>
<td>9%</td>
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Delivering Positive Impressions During Market Depressions

Anonymous
Senior Vice President, Experiential Marketing
Anonymous national bank

The Senior Vice President of Experiential Marketing at one renowned US bank has found that marketing to customers in the midst of economic turmoil requires a layered approach that draws on data to effectively communicate the information consumers need.

During a time that has necessitated providing a great deal of reassurance in the bank’s brand, he has found that concerns have shifted from uncertainties around banks in general to apprehension about individuals’ personal financial situations. As a result, many communications have evolved from a mass-messaging approach to one that involves more one-on-one interaction.

“Because people have become more concerned about their personal situations, we have begun to encourage them to talk to their financial advisors, call us, or stop by one of our branches to assess their status,” he says. “Customers can’t get the information they need about their own portfolios from mass-marketing communications because an across-the-board solution does not exist in this case. We have to tailor information to each customer’s situation.”

While this is the case regarding individuals’ uncertainties, the bank incorporates a layered approach to many communications. While some of the bank’s messaging is more broadcast, other communications are customized based on gender, the type of banking relationship, and even ethnicity.

“We work to segment our messaging based on the personal data we gather about our customer base, but customer privacy is always at the forefront of everything we do,” he says. “We draw from the information customers provide to us as well as customer research, credit bureaus, and our findings from tracking customers’ online behaviors to help ensure we get the right information to the right consumers based on their needs and banking relationships with us.”

The bank uses a variety of media to relay information to its customers and is becoming more focused on electronic content delivery—both in marketing and other areas of the business—but still views traditional marketing methods, including print, as important parts of the marketing mix.

“We have been using social media for six years now, so that isn’t really new to us, but the ways we’re using it are evolving,” he says. “We’ve begun recruiting through social media, and we’re using it to provide educational information to customers as well. At the same time, while we value the efficiency of online marketing tools, print will always have a place in our communications because people will always want to read something. It may be a smaller part of the overall mix, but I don’t see a danger in print going away completely.”

Moving forward, the bank plans to actively listen to customers when refining its process for determining how to communicate with consumers.

“We believe in the value of research, and our efforts reflect what the numbers tell us,” he says. “But we also draw on our own research and experience. For example, we listen to what consumers say through social media and look for key areas where we think it is important to interact with them, so customer insights play a big role in how we choose to communicate with them. And we will continue investing in tracking...
techniques to ensure we remain current with what consumers want, particularly in areas that can be more difficult to track, such as events and emerging technologies.”
Delivering Positive Impressions During Market Depressions

Alex Calicchia  
Executive Vice President, Chief Marketing Officer  
MidSouth Bank

MidSouth Bank is located in several communities across Texas and Louisiana. When the bank was faced with the need to reassure consumers about the viability of the bank in response to the financial downturn in 2008, Executive Vice President and CMO Alex Calicchia says they succeeded by taking a grassroots approach in addition to incorporating traditional marketing methods.

Calicchia says the bank’s customers displayed more concern about the implications of the financial crisis on their personal situations than the state of the bank. As a community business, MidSouth Bank decided to take a proactive approach by meeting with members of the community—both clients and non-clients—to discuss the matter and help restore confidence.

“Our clients needed help making sense of what happened in terms of how it affected them and how to make sense of the situation,” Calicchia says. “We took a very grassroots approach and met consumers on their level. Our CEO actually visited each of our markets within a two-month period and held town hall meetings where people could ask questions and gain our perspective. He let them know that we are all in this situation together because our customers’ success drives our success. He provided a very transparent sense of the bank and what we were doing, and it served us really well.”

Perhaps part of the reason this approach proved so effective was the level of direct communication with consumers. Calicchia says a mass-media approach would not have allowed consumers to get the same depth of information, and he acknowledges the importance of communicating all the bank’s messaging in a way that is relevant to audiences across two states.

“Communicating with consumers through the right medium requires proper segmentation, and while we don’t have a budget that allows us to allocate significant funds in this area, we have taken a qualitative approach by holding focus groups with customers and non-customers to learn how they want to interact and engage with a financial institution,” Calicchia says. “We have also utilized Claritas data to define our target audiences and provide segmentation analysis around our existing customer base.”

Using these findings, Calicchia explains the bank has been able to map out its customers’ “media diet,” or information about which individuals prefer digital and mass media approaches.

“The data is helping us in a couple of ways—first by showing us where we may need to allocate funding and also by helping us understand the kind of information consumers want,” he says. “At the end of the day, it is our job to provide digestible content in the format our customers prefer.”

With regard to the evolution of content delivery, Calicchia says the bank’s annual report information has always been delivered via print, but they are considering moving to a digital version in the future.

“I believe print can still be an important part of your marketing program, but it really depends on the specific type of content you’re delivering,” he says. “Even with print, we’ve begun to use a cross-platform approach. For example, in our annual report, we included a QR code that linked to additional content on the web. This gives the readers the opportunity to consume information on the go and at their convenience and to get additional details in a digital format.”
QR codes are among the latest digital trends MidSouth Bank is incorporating, but Calicchia says they are also in the process of building a social media strategy for the bank. While MidSouth Bank doesn’t yet have Facebook or Twitter pages, the bank is currently evaluating its niche within the social space to better understand consumers’ expectations about the type of content that should be delivered.

“Social media is still somewhat misunderstood in financial services, so we want to listen to our customers to learn how we can be competitive in this area,” he says. “It is important to remember not to abandon your brand when you incorporate digital communications. It can be easy to get lost in the high-tech realm and the desire to convey something that looks sleek, but you have to stay true to your brand, mission, and core values so that your content resonates with consumers.”
As Union Bank’s Senior Vice President of Corporate Marketing, Dave Dean is challenged daily with targeting consumers to ensure they receive relevant information that is both valuable based on the type of banking relationship they have and delivered in the formats they prefer. Above all, he’s learned that building consumer confidence is most effectively achieved by communicating the history, stability, and strength of the bank.

While many financial institutions have been impacted by the economic downturn, Dean has found that Union Bank still stands strong. This accomplishment, he says, is due in large part to the strong practices the bank has always implemented.

“As an institution, we have not been drastically affected by economic instability,” he says. “We have always been a conservative lender and have not experienced portfolio issues, so while many banks have found themselves searching for ways to rebuild consumer trust, we have continued to focus on the pillars of strength and stability for which Union Bank is known. It has been a matter of reminding customers of what makes us stand apart and why we haven’t been affected.”

This reinforcement of the viability of Union Bank is communicated to consumers in a variety of ways, many of which involve a rather customary approach.

“We are very traditional in the way we deliver content to different customer segments,” Dean says. “We distribute a number of mailings, and we offer newsletters that are available online and delivered via email to target various customer segments. For example, we have newsletters geared toward the high end of our retail customer base and small businesses, and we offer webinars for our private banking customers.”

In addition to content that is distributed via mail and online, Dean says Union Bank also targets different customers by segmenting the bank’s website through four different homepages: Personal, Small Business, Commercial & Institutional, and The Private Bank. This enables consumers to navigate the site based on their personal needs and banking relationship.

In terms of delivering custom content to customers, Dean says these communications are reserved for wealth-level patrons and the high end of the consumer and small business markets within retail banking.

“We chose to target these consumers based on value and profitability; we knew it was important to retain and develop these segments, so we decided to focus our custom content efforts accordingly,” Dean says. “We extended this customization to the web as well, so once a customer logs into his or her account, additional features and functionality are available.”

Where content delivery is concerned, Dean has learned that less is more and, overall, it’s best to keep it simple.

“Customers enjoy being able to go to one place for the information they need, and more and more, they are going to the web,” he says. “We feel the website is the most important place to maintain up-to-date and accurate information, and we track the number of hits on our web pages. We find it’s a really straightforward way to determine which pages customers most frequently visit and how they navigate the site.”
Dan Marks  
Chief Marketing Officer  
First Tennessee Bank

According to Dan Marks, CMO at First Tennessee Bank, the bank places a large focus on customer service to keep banking relationships strong during times of financial crisis. This effort is largely supported by custom print and email communications, which comprise the largest percentage of the bank’s marketing spend.

Marks says the bank utilizes a host of mass marketing channels, and the choice of medium varies depending on the goals of the initiative.

“I doubt there are many media channels we don’t use, but we continually test different approaches and mixes to determine what medium is most effective for different types of communications,” he says. “As a bank, a large part of what we do involves directly interacting and communicating with consumers, so that is where our custom e-newsletters and publications fit into our strategy.”

These publications play a large role in making First Tennessee a trusted source of financial information for clients and prospective clients. This level of trust is especially critical when banks experience backlash about perception, but Marks says the bank has managed to maintain high advocacy levels by continually improving the customer experience, communicating clearly, and providing great service.

“Our customer service is what sets us apart in many ways,” Marks says. “We leverage the positive feedback we receive by using the voice of the consumer in our communications. For example, we are using testimonials and quotes in our publications, newsletters, and marketing collateral to reinforce the quality of the services we provide by allowing our customers to advocate for us.”

With regard to how the bank’s communications have changed as a result of the economic downturn, Marks says the bank is testing a variety of channels and has begun rethinking the way content is delivered to consumers.

“Our newsletters have migrated to an email format because we learned that many customers prefer electronic communications,” he says. “The publication we produce for our affluent business audience is delivered in both print and digital formats, and they work in coordination so that the print drives the reader to the Internet to view additional features. We’ve also created an iPad edition of the publication to reach a more contemporary audience.”

When determining how consumers will embrace new formats of content delivery, Marks says the bank incorporates primary research to learn what customers prefer.

“When a new channel is implemented, we test the response to determine how the new format is helping the bank perform against our set goals for new sales and retention,” he says. “We will continually work to refine our approach and incorporate secondary metrics as well, but the primary business metrics directly impact revenue, so we will continue to learn more about what our customers want and work to engage them through their preferred media channels.”
Robert Miller  
*Executive Vice President, Chief Marketing Officer*  
Middleburg Bank

As a community bank headquartered in the outskirts of Washington, D.C., Middleburg Bank has been in business for 87 years. According to EVP and CMO Robert Miller, the bank uses a broad approach to content delivery to ensure customers receive information that is important to them.

When the financial state of the country took a turn for the worse in 2008, Miller says the bank didn’t notice a great deal of customer anxiety about the bank. However, he says the bank felt it was important to reach out to clients about the stability of the business to preemptively address any potential concerns that may have arisen.

“Investments and retirement accounts certainly caused some level of anxiety, but our investment managers worked with customers to help them understand the long-term view of the market; anytime it goes up, it will come back down again,” Miller says.

To provide consumers with the information they need, Miller says the bank divides them into two categories: clients and prospects. These groups are then segmented into retail and commercial customers. Since each of these groups has different needs and expectations, the bank tailors its message and level of information accordingly. Most of the communications distributed by the bank are deployed via mass media, although they also incorporate direct mail and digital content into the marketing mix.

“Primarily with clients, we use direct mail and email to communicate one-on-one, and we use digital signage in our branches to promote specific products and services. We also use mass media and direct mail for prospect acquisition as well as online channels, such as SEM and banner ads,” he says. “We began embracing online communication a couple of years ago, and we distribute a monthly e-newsletter that features personal finance and lifestyle articles, as well as small business-related content. We are also considering the possibility of creating a separate small business e-newsletter in the future.”

The bank also launched a Facebook site earlier this year in an effort to create an online dialogue with both clients and prospects.

A mainstay of the bank’s direct-mail effort to clients is aimed at customer appreciation. Miller says the bank has received excellent feedback from these mailings.

“We send anniversary mailings to clients in the month in which they opened their accounts to thank them for their business and to prompt their feedback about ways we can improve their banking experience,” Miller says. “We receive a 10- to 12-percent response rate on those in any given month, so it’s a very effective tool for enhancing our services. Another benefit is that customers will often provide the name of a staff member who went above and beyond to provide great service, so it gives us the opportunity to reward our employees as well.”

This feedback is valuable to Middleburg Bank because as a smaller institution, budgets do not always enable them to spend extra dollars on tracking and research.

“Much of our information is provided through secondary sources, so that data factors into many of our marketing decisions,” he says. “Our agency is tasked with helping us remain abreast of changes in the media world and how people are consuming data. As print is consumed less, we are challenged with looking into new ways to deliver content in the formats consumers prefer. We are exploring the possibility of adding video to our website to help clients and prospects find the products they are seeking.”
Delivering Positive Impressions During Market Depressions

Rich Smith
Senior Vice President and Chief Marketing Officer
AIG Bank

When the financial crisis began in 2008, AIG was among the most strongly impacted financial institutions in the nation. Faced with the decision to rebrand AIG Bank, Senior Vice President and CMO Rich Smith explains that the bank chose to change its business model and is now rebuilding through a much more consumer-centric approach.

Smith relates the economic downturn to an existential crisis in terms of the need to redefine itself in the eyes of consumers.

“Prior to September of 2008, we didn’t do much direct consumer marketing; most of our products were distributed by other units of AIG that had customer relationships,” Smith says. “We were faced with the need to change our business model overnight in order to survive. While many units chose to move away from the AIG brand, we chose to stick with it. In hindsight, it proved to be the right choice for us, but it wasn’t a certainty at the time.”

Although the bank itself did not face the same challenges as the parent company, it was nonetheless faced with the need to recover from its association with the same brand and other AIG units.

“While the crisis originated from a branch of the business that was unrelated to the bank itself, we were painted with the same brush,” Smith explains. “The consumer doesn’t separate the brand through its different business components, so we became very attentive to what consumers were saying and began to simplify our products. We only want to offer consumer products that are easy to understand, and we want to be convenient and easy to do business with. We have also placed a much greater emphasis on customer service and strive to respond quickly to inquiries, ensure customers get materials when they expect them, and keep expenses down in order to maintain attractive pricing for consumers.

When communicating with customers, Smith explains the media mix is quite broad, but the bank avoids sending a great deal of direct mail and allows no marketing of third party products to adhere to the value proposition, which is designed, in part, to ensure customers don’t become inundated with content.

“Print can still be a great tool depending on your business model and the types of customers you want to reach,” he explains. “We are not a traditional bank in the way we’ve redesigned our business; we’re much more of an online player, so print is not as relevant to our marketing mix. However, if you are in a sector in which you need to conduct data-driven targeting of your customers and prospects with scale, direct mail is still an important medium.”

AIG Bank conducts very few offline marketing initiatives, as most communications are sent online, and their purpose is to drive account growth and retention. To monitor their effectiveness, Smith says much of AIG Bank’s data tracking is done online through web analytics tools or through customer service areas using CRM tools, depending on the type of campaign.

“The website and other online components are used for communication, and this content is customized in terms of the product segment and, occasionally, the length of the customer’s relationship with the bank,” Smith says. “We also have begun to monitor and understand social media channels, but it is mainly used to evaluate the brand position at this point. As we move closer to the full recovery of the brand, it will make more sense for us to build customer engagement through social media channels.”
As time goes by, Smith says the bank is gradually restoring consumers’ faith in the brand by focusing on serving its existing customers, offering excellent pricing and features, and providing great customer service. “Every time we reach another milestone on a corporate level, we see the perception of our brand improve,” he says. “It is going to be a process, but as we continue to perform, our brand perception will improve as well.”
Expert Perspective

Leveraging Content to Inform Consumers
Custom Media Solutions Provide Unique Opportunities to Build Customer Loyalty

By Jason Skinner, Chief Marketing Officer, True North Custom Media

In light of the negative reputation banks are gaining as a result of the financial downturn, it is becoming more important than ever to restore consumers’ faith in their financial institutions. Further damaging the reputations of banks across the nation are the additional fees that many national banks have begun to implement—without any added value or service for consumers. From checking account maintenance costs to debit card usage fees, consumers are becoming increasingly frustrated with the perceived lack of value from their banks while being expected to pay for the same services they have always received at no charge. And they aren’t keeping their concerns silent, as protests and petitions are making it clear that consumers are unhappy and willing to take their business elsewhere.

The glimmer of hope among such notable consumer distrust is that banking customers are open to hearing from their banks about opportunities to improve their financial situations, which gives banks a great opportunity to respond to consumers in ways that can potentially improve their relationships with their banks. Regardless of the medium banks use to respond, it’s imperative that they do take action; otherwise, valuable consumers will likely begin the search for a bank that they feel better understands and meets their needs.

This point of contention may leave many marketers at a loss on where to begin and what type of information consumers want to receive. According to a previous CMO Council report, “What’s Critical in the Global Banking Vertical,” consumers are relying on banks to provide them information that will help them better manage their finances, including both informative materials and those that promote products or services that they may find beneficial. The report also reveals that very few banks are actually equipping consumers with this information, which means they are missing out on a very valuable opportunity to engage consumers and build their trust.

While production and execution of additional materials require bank marketers to rethink the allocation of their marketing spend, the study shows it may be worth the effort in order to retain loyal customers and potentially acquire new ones. While marketers tend to rely primarily on websites to inform consumers, many are finding that custom content in the form of e-newsletters, print publications, videos, mobile content, and other media is highly effective in attracting consumer attention and providing valuable information to assist them with daily financial matters.

The value of these communications is partly driven by the manner in which they can be customized; they can be generally targeted based on community, demographics, and consumers who may be most receptive to given products, or individually by full personalization of messaging. Using this type of content to engage specific consumers with content that is truly relevant to them may go a long way in regaining consumer confidence.

Furthermore, the Custom Content Council states that 68 percent of companies are moving from more traditional advertising and marketing formats to incorporate custom media, and their efforts appear to be paying off; 60 percent of consumers’ perceptions of a company have improved after reading a custom publication, and two-thirds say custom content has helped them make better purchasing decisions.
However, the missed opportunity lies in the fact that only 13 percent of marketers surveyed for “Delivering Positive Impressions During Market Depressions” considered it a priority to deliver relevant, educational content to consumers.

Responding to unsatisfied consumers—while it may require a degree of marketing spend—is essential to building positive relationships with them and establishing a level of trust. Regardless of the communication medium that is used, consumers want to hear from their banks, and responding to that desire could help mend a relationship that may be on the fence.

About the Author:

Jason Skinner is Chief Marketing Officer at True North Custom Media, one of America’s leading providers of marketing, strategy, and analytic solutions for financial institutions nationwide. Jason has 15 years of experience in custom media and marketing communications and is a member of the Custom Content Council, Magazine Publishers of America, and Society for Healthcare Strategy and Market Development. He formerly served in the corporate marketing department at HealthSouth Corporation and is a graduate of the University of Alabama.
About the CMO Council

The Chief Marketing Officer (CMO) Council is dedicated to high-level knowledge exchange, thought leadership, and personal relationship building among senior corporate marketing leaders and brand decision-makers across a wide range of global industries. The CMO Council’s 6,000 members control more than $300 billion in aggregated annual marketing expenditure and run complex, distributed marketing and sales operations worldwide. In total, the CMO Council and its strategic interest communities include more than 20,000 global executives in nearly 100 countries covering multiple industries, segments, and markets. Regional chapters and advisory boards are active in the Americas, Europe, Asia Pacific, the Middle East, and Africa. The CMO Council’s strategic interest groups include the Coalition to Leverage and Optimize Sales Effectiveness (CLOSE), LoyaltyLeaders.org, Marketing Supply Chain Institute, Customer Experience Board, Market Sense-Ability Center, Digital Marketing Performance Institute, GeoBranding Center, and the Forum to Advance the Mobile Experience (FAME). More information on the CMO Council is available at www.cmocouncil.org.

About True North Custom Media

True North Custom Media is a fully integrated media company, providing branded content programs across multiple marketing and communication platforms. From 100-percent custom publications and annual reports to dynamic websites, e-newsletters, video solutions, mobile applications, and other marketing and communication resources, we deliver relevant, engaging content that connects financial institutions to their clients, communities, and other target audiences. Learn more at www.truenorthcustom.com.