

MARKETING: Is your bank just another beer?

What about your brand would make folks switch?

Which beer would you prefer? Can't figure a preference from what you see here, can you? Does your bank's branding stand out any better than this? Author Tom Dougherty presents a way to break out of the pack of sameness for bank brands that can steal market share.

By Tom Dougherty, president and CEO, Stealing Share

Over the past few years, it's been easy to beat up on banks. There's even been people marching against them as banks, especially investment banks, have been fingered for everything that is wrong with society today from greed to a lack of moral fiber. It's a wonder that financial companies haven't been blamed for the obesity epidemic and attention deficit disorder.

If you feel like your bank been tarred by that brush, you can change all that--by taking a harder look at branding.

But let's take a step back, first. A recent example shows why outdated branding and misguided branding can cost you an opportunity.

An opportunity unexploited

Resultant Research, the research arm of Stealing Share, found that 59.8% of Americans were furiously angry at the banking industry as a whole right at the time of the economic crisis four years ago. They blamed banks for everything that went wrong.

At that moment, credit unions had an opportunity to sweep in.

Yet the credit unions did not take advantage of that opening, because they did not change their messaging, especially in terms of tone. Some did talk about being an “anti-bank,” but that had little resonance in the market because, research showed, audiences often felt credit unions were unimportant. Credit unions lacked a uniform and consistent “credit union” message. When they did address opportunities, the message was soft.

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Credit unions missed their best chance.

Back then, there were clues that bank customers weren’t going to leave. More than 60% surveyed said they felt their money was safe at their bank even while they were angry at it. That’s because banks still felt important to these consumers, and, as for switching to another institution, there was a general feeling that it would not be different over there anyway. So why leave? Safety was never an issue.

Today, each bank--big or small--has an opportunity to truly steal share instead of just holding onto what it has. It takes boldness, and it means making hard decisions about your brand--what you stand for and who the customer is when they use your brand.

Your opportunity exists because the market is filled with similar messaging, identical models, and indistinguishable emotional tones.

The bank that breaks the mold and that stands out by being meaningful will win. It seems easy to understand why every bank should rebrand to be different and better, but it is a task that is easier said than done.

Banking versus ... beer?

Recently, Stealing Share conducted an extensive study of banks' marketing and branding--and found that, from the point of view of the customer, there was no difference between the brands and what they promise.

Like many industries (airlines and beer come immediately to mind), banks basically follow the leader. Bank of America's theme line of "Bank of Opportunity" speaks to the promise of a bright future if you (the customer) are willing to take it. Woven into that theme are the product benefits of convenience, expertise, online accessibility, cash-back rewards, etc.

This is actually a strong position for a market leader because, although defensive in nature, it protects its top ranking. Bank of America is promoting the category benefits of being a bank, which is especially effective when the competition simply copies it.

That's because, when the messages in a stagnant category are so similar, the market leader remains the default choice. Audiences believe you can't lose going with the leader when all things are equal.

Take beer, for example. Despite the many beers available (including domestic, craft and imports), Budweiser dominates the market with nearly 50% market share (when you combine Bud and Bud Light).

That's because the rest of the market, especially Coors and Miller, apes Budweiser in terms of message and tone. You could watch just about any beer commercial and see the "dumb guy" routine in which guys drink a beer, are embarrassed by some dumb act in front of a hot girl, and the "right" beer fixes it. And you would guess the spot was a Budweiser ad, whether it was or not.

Banks face a similar issue. It is tough to be different because banks share a model. That is, in reality, most banks are basically the same. You have ATMs. You have online and mobile banking. You have experts. You have cash-back rewards. You have convenient locations.

Beer is beer. Banks are banks.

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Look at Wells Fargo. Its “Together We’ll Go Far” is not that far from “Bank of Opportunity.” It’s only different because it’s clever. Double meaning always is. But such tactics make the promise less believable and more of an inside joke. Aside from the tongue-in-cheek reference, Wells Fargo’s message is still about a “bright future.” In light of that, why would a Bank of America customer switch to Wells Fargo?

There are other examples, but you get the point. In a mature product category in which the messages, tones, and operations blur in the minds of target audiences, it’s no wonder that less than half of those most likely to switch primary financial institutions actually do.

Ten ways to weigh your branding effectiveness

There are basically two steps in building an emotional, meaningful, and coveted brand. There is the rebranding process itself, which must be based on specific market research in which actionable strategies and tactics (both external and internal) flow from a single-minded position.

First, though, you must audit your own brand so you know where the weaknesses lie. Here's 10 ways to measure its effectiveness in stealing market share:

1. Thrust. Ask "Why should I care?" from the perspective of the end user. This is where you must objectively measure whether your brand truly differs from and surpasses the competition. The positioning must demonstrate an active competitive advantage.

2. Gravity. You must pique the interest and receptiveness of your target audience, and your positioning must have a powerful relevance to that audience.

Sometimes, what we think is important to those we are trying to reach simply isn't. We become legends in our own minds.

Think back to the crisis period. Some banks promoted "safe," but audiences already considered their money safe, because of federal deposit insurance.

3. Definition. The positioning must be distinctive. It must mean something not already being claimed in the market. You can think about this in many ways, from the big to the small.

How about color palette? While it is only a visual representation of the brand (more on that later), map out as much real estate between yourself and your competitors so you can be a true choice.

Ever notice how blue dominates the color palette of many banks? Even Bank of America has been slowly evolving its main color from blue to red.

4. Density. You must decide who you are for and who you are not. If you try to be everything to everybody, you are for no one. Your positioning must be single-minded. It must have clarity and simplicity, and must illuminate the target's main precept. We'll get into precepts--belief systems that drive behavior--later, but the key here is "single-minded."

5. Synthesis. Your message must grab your target in the gut.

We all think we choose based on rational reasons. But that isn't the case.

The truth is we choose based on emotion, then backfill that decision with rational reasons. Product benefits are not emotional and it's the reason why Nike doesn't promote the particulars of its shoes. It reaches for the heart. You must fuse the positioning together in an emotional bond with your target audience.

6. Integrity. The positioning must be believable. If the message raises suspicion--even if it is true--it raises barriers. It is better to align yourself with an existing belief than try to change one.

7. Precision. The brand message must speak to those portions of your target audience who are best positioned to make a choice.

Talk directly to those most likely to switch.

Research has shown that most bank customers think about switching providers at some point, about every three to five years, regardless of demographics and income. Those are the ones you are trying to reach at that given moment.

8. Convergence. The positioning must convey the same message in all the ways the consumer touches the brand. Consistency in messaging is very important, but it should also translate into how you consistently fulfill that brand promise.

9. Momentum. Your bank's present positioning must build upon (but never mimic) the equity of past communications to leverage any positioning equity that's left over. Think about it in terms of meaning, not simple awareness.

Awareness is usually not a problem for banks. Lack of meaning is.

10. Acceleration. The positioning must keep pace with the changing markets by constantly evolving, making itself increasingly effective each day.

CEOs are most attuned to this because the best understand that, if you're not evolving, you're dying. The list of companies who have failed to change and, therefore, are failing or have failed is massive: Kodak, Blockbuster, Circuit City, on and on.

Get "brand" before your re-brand

At the heart of the matter is a fundamental and widespread misunderstanding of what "brand" is--and that misunderstanding is one of the reasons why there is so much opportunity for individual banks to steal market share by perfecting the art of brand.

Brand is not simply a logo or a brand theme line. Those are simply the visual representations of what your brand is. They are your corporate identity--not your brand.

Instead, brand is the definition of what your customer believes they are when they use your brand. It is all about them, not you.

Once you have that single-minded rebranding position, it guides everything you do. The brand is how you live it and is a measure of just how much your prospect believes it to be true.

For example, Apple's brand is "Think Different";

It is the written expression of what they do and who they are for. Apple customers are the ones who think big and scorn the status quo. That single position guides Apple on how it operates, from the design of products to what products it will develop next. It guides the internal operations of its stores. It even represented its late co-founder, Steve Jobs.

To find that single-minded, emotional position, you must understand precepts. Market research must investigate more than usage and attitude. It must also unveil the emotional drivers that guide those you are trying to reach within the context of banking. If you have that, you can predict behavior and change it (making audiences covet being a part of your brand).

On a simple level, you have to believe water quenches thirst in order to drink it when you're thirsty. The powerful value of precepts is that they get at the highest emotional intensity that exists in your audience, within context.

For example, in destination and tourism, most marketing shows sandy beaches, couples running at sunset, outdoor activities, and fine dining. Product benefits. It usually comes with a theme line of "Get away from it all" or "See our sights." Maybe that is the want or need fulfilled, but it's not the belief system.

Instead, the belief might be that "I believe when I travel I am a traveler, not a tourist." At that point, you

have something emotional that is different from the competition and gives a meaningful brand face to the target audience. "Everyone else is a tourist. I'm a traveler."

A call to banks: The opportunity is there for you to steal market share, but it only happens with being different and better. That means changing what your brand means and putting a stake in the ground. Stop believing that doing what you've always done will produce a different result. There's a better way to accomplish that.

Think different. Dare to be better.

More about Tom Dougherty

Author Tom Dougherty began his strategic marketing and branding career in Saudi Arabia working for the internationally acclaimed Saatchi & Saatchi agency, promoting U.S. brand consumer goods. After his time overseas, Dougherty returned to the U.S. where he worked for brand agencies in New York, Philadelphia, and Washington, DC. He has led efforts for brands such as Procter & Gamble, Kimberly Clark, Fairmont Hotels, Coldwell Banker, Homewood Suites (of Hilton), Tetley Tea, Lexus, Sovereign Bank, and McCormick.

You can explore a deeper treatment of some of these themes by Stealing Share at this page on the company's website.

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