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If Advertising Agency Is Afterthought, Bank May Soon Be a Memory

By JOHN A. LAURINO

In the Wild West, putting a brand on something was as simple as strapping it down and searing it with your logo.

Nowadays, It's not that easy to brand a bank. But it is just as crucial to business. And it's a job that can easily get away from you if you don't have a lot of competent help and all the right tools at your disposal.

Usually, bankers don't spend much time thinking about the nitty-gritty of branding. After all, that's an advertising agency's job. Unfortunately, bankers don't spend much time thinking about which advertising agencies they use, either, and that is a very serious problem.

In an era when large regional banks are growing into mega-institutions that all look the same in the marketplace, the only thing to set one apart from another is the sense people have of it — what we call a brand.

Since it is advertising that makes a brand, the choice of an ad agency has become as strategic a decision as what lines of business to enter, how much technology to install, or with whom to merge. In addition to the need to stand out in the crowd, the spectacular cost of advertising at a major super-regional institution — which can reach $40 million to $50 million a year — makes it crucial.

In the past, senior management rarely spent the time and effort required to make the agency choice a strategic one. Although that might seem curious, it's even more curious considering that the same real estate or technology expenditure of

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$200 million over four or five years would require months, if not years, of senior level committee meetings and decision-making.

But when it comes to advertising, everyone has just wanted to get going — and if the agency didn't produce as desired, they just got someone else in a year or two.

Today, such an absence of strategy is tantamount to committing marketing suicide. With each campaign giving the institution its own spin, there would be nothing enduring about such marketing.

The opportunity cost of such a mistake could be enormous in this age of homogenization. Successful banks must become brands that capture and keep the consumers' attention.

Imagine if the major airlines failed to brand themselves and just ran disjointed advertising that told people "We fly to Sydney," or "We have nice flight attendants," and "We're always on time." If none of these ads reinforced each other and none looked different from advertising run by the next major airline, what reason would there be to choose one over another?

This "brand imperative" is likely to be the factor that finally causes bank marketing to become a core competency equal to lending. In the process, advertising will have to become accountable to marketing strategies that are driven by business objectives. Moreover, the "brand imperative" underlies the urgency for radical review in the way advertising agencies are chosen.

Because the stakes are so high, the process for deciding whom to use must be as carefully planned out and executed as any other high-level business strategy.

The most important step in choosing an advertising agency is knowing what you want to be. Then, the key to success is finding an agency that can turn your strategic imperatives into a brilliant creative execution. In the past, many banks did this backward. They compiled a list of recommended advertising agencies, called them in, and asked them which way they thought the bank should go.

In an era when the bank is the brand, abdicating power in that way is doomed to create a failure. The bank must be responsible for the positioning — by first having an internal sense of direction and consensus — and the agency must be responsible only for the creative execution.

The choice of a positioning — call it a strategy or a vision if you like — is the most important step. It requires an analysis of what the bank is to stand for in the marketplace and must meet five criteria: It must be ownable, flexible, investable, extendable, and likable.

Most importantly, it must work across the entire brand. That means it must provide an umbrella for all of the bank's messages across all communications media.

No longer can image advertising look different than retail product advertising or business banking advertising. Each communication must reinforce the others, execution after execution, year after year. Without this kind of synchronicity, no bank can expect people to pay attention to what it has to say.

Creating a brand is the only way for a bank to set itself apart.

At this point in selecting an agency, some banks find it expedient to involve outside experts familiar with both the creation of viable positionings and the selection of advertising agencies in order to streamline the process of reaching consensus on positioning and marketing strategy.

Often an objective outsider can guide the process through senior management approvals more easily than an employee.

Once senior management has signed off on the marketing strategy to be presented to the agencies, the first phase of the agency selection process is over. The key to a successful final stage is the organization of a selection committee consisting of a representative sample of decision-makers from every level of the organization that will deal daily with the agency — from regional CEOs to local advertising and marketing executives.

The organization of a selection committee has a two-fold goal. First, it slows the process of choosing an agency, which should never be a snap 30-day decision based on house rules or a subjective decision left to one or two individuals.

The selection committee provides a forum for a well-orchestrated “group think” that gets everyone on board. That is critical if the agency chosen is to do its best work. Otherwise, 50% of the agency’s future energy will go into internal sales and not be spent on creating world-class advertising.

The second role of the selection committee is to formulate a set of agency screening criteria. These should include agency size and resources, past and current clients, experience in promoting services versus products, and financial services in particular, the people available, their personalities, and the quality of their work.

The assignment to selected agencies — for which you will want to pay them — is to make a one-hour presentation detailing their creative interpretation of a briefing given by your committee — without creative materials.

They must interpret the positioning without relying on creative devices, which prevents them from using gimmicks, and focuses the selection committee on what they stand for and how they think. If the agency doesn’t understand the bank and its strategy, then all the clever tricks in the world won’t rescue the bank’s message.

The final step will demonstrate whether the remaining agencies are capable of executing their thinking creatively. At this stage, the finalists are pitting against each other. They get the same assignment to do a one-hour interpretation of the earlier briefing, but this time with creative devices — only up to the stage of comprehensives, however.

This saves money and shows you how the agency presents material at the comprehensive stage, which is where much of the future agency-bank interaction will occur. For this, each finalist should also be paid.

Although the process may seem arduous up front, good planning lets you hit the ground running, since — if the process is done correctly — the first campaign will already be complete through the comprehensive stage.

Moreover, the bank will believe it picked the best resource available to it and the agency will believe it won the account fair and square. It’s a win-win situation.

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Mr. Laurino is managing director of Westport Consulting Group in Connecticut, which specializes in product and business development for the financial services industry.

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