

Marketing planning: *Work from your defensible attributes*

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MARKETMOTION™

Banking has a powerful tool for guiding operations once the institution has melded the reporting systems so product and market information is accessible for comparison to customer characteristics.

There are volumes of secondary research sources available that allow banks of any size, in just about any market, to gauge what they learn about themselves to other market criteria.

Secondary data is information that already exists and has been compiled from a source (or sources) other than through your own proprietary efforts. Secondary data is an excellent way to make comparisons for what you already know about your customer groups, as well as being useful in generating questions for management about how a program might be received and what the potential gains are as different product offering scenarios are considered. It is a relatively inexpensive method for exploring customer patterns revealed from internal findings with what is occurring competitively outside the bank.

However, in going through this process of "what if" it is important to realize that customer-driven market management (CDMM) doesn't necessarily mean the customer is always right. It shouldn't be confused with "customer service" which is a philosophy and manner in which customers are treated. This is a critical distinction even though making every effort to accommodate the customer will always be a wise service practice.

CDMM is a process where product and market managers have the opportunity to go through the tedious work of *assessing* and *matching* products and services to *acceptable* and *preferred margins* in the context of strengths, weaknesses, opportunities and threats from the most relevant benchmark—the customer. That may be a mouthful, but these are the keys to learning what *defensible attributes* exist in order for the organization to build a sustainable set of "linkage" with "core" customer groups.

Attributes can be products, services, operational characteristics, geography, proprietary systems or

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whatever gives the institution an ongoing, differential advantage over competitors. What is significant about clarifying the most compelling attribute is that it lends focus and priority to all aspects of guiding the business effort. Today, defensible attributes are often limited to the development of (conceptual) brands as they describe or relate to the bank's scope or philosophy because many managers subscribe to the opinion that banking has already reached parity.

It is our opinion that this is a premature prognosis on the banking category and in some cases a lazy (and expensive) substitute for strong market management. Nevertheless, as many organizations choose a primarily branded approach it is imperative that the

most of us have available in 1995, it is important that every effort is made to simplify the complication of matching products and services with demand.

Which brings us back to our original premise. Banks that begin their evaluation process with customer groups which generate preferred tiers of margin are starting the process from their vantage point of strength. They give themselves a simple look at product movement in terms of customer groups and in terms of what is happening around them competitively so they can adjust to meet demand within their own set of resources.

If the bank gets as good at organizing and communicating specific product offerings to target groups as they are at collecting the infor-

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message matches up with consistent delivery. Otherwise, the brand (and the bank's message, which ranges from paid promotion to the teller's demeanor) will be viewed as a gimmick, or worse as an empty promise, while customer experiences disconnect with expectations.

The difficulty for most service businesses, like banks, is the additional challenge that exists to *quantify* the intangible revenue areas of service and assign costs to those areas. Management frequently gets bogged down in trying to generate what are called "full cost recovery" models. Such models help management work backwards into budgets and pricing that demonstrates what it will take for the business to operate at a specified profit level. This cost approach is common in manufacturing because typically it is easier to quantify manufacturing hard costs than it is to simplify the allocation of multiple layers of labor costs in services.

Given the tools (and the time)

then the bank has a *product-specific mill* that begins to build from its strengths.

With the rapid development of online communication, secondary information is becoming increasingly easier to obtain right from a manager's desktop. Even if your organization is still at the point where you need to use hard copy sources, that is better than not using the information at all.

The single biggest difference between the good marketers and the great ones in the years to come will be their ability to assimilate mounds of information into an organized format that is easily interpreted and specific enough to be actionable for the people who need to make decisions.

It would be possible to do an entire feature on the range of secondary sources that are useful to each of your product areas, from retail and commercial DDAs, loans and investments. For now, one of the most reliable sources for getting started with retail or consumer pro-

filings is published by *American Demographics*. Each year this publication has an issue with a section dedicated to the "Best 100 Sources for Marketing Information."

For comparative and solicitation purposes of commercial business, *Dunn & Bradstreet Information Services* combined with *U.S. County Business Patterns* for your competitive domain will begin to show what sort of concentration exists for similar businesses you are already working with. You can learn specifically what industries are dominant in an area by Standard Industrial Classifications, what size they are by dollars and employees and what they contribute in both payroll dollars and employment figures.

There will also never be a replacement for the manager who gets into the field to actually *observe* and *participate* at the customer level to see firsthand what has been implemented and how it is working. The smartest, most successful leaders we know of are visible in the field and this applies to all categories of business. As a manager, you might be surprised how much you learn about the cultural strengths and weaknesses of your business by touring the field, unannounced and in plain clothes. This is what your customer sees and feels.

Many consultants today are using the terms *core competencies* within the processes of "reengineering," which is a useful and relevant process. But why create a new set of terminology when what we are really suggesting is to evaluate the business objectively, avoid top-end shortcut analysis, use common sense and take good notes?

It seems like we all learned this at a different point in our lives, but it is all much easier said than done. Attributes or core competencies, call them what you like — what matters is that the results of monitoring the business from the specific viewpoints of demand allows management to be flexible where it counts, which is where "core" customer preferences match up in relationship to the bank's ability to fulfill services. Start matching up so you know what to defend and what to push forward on.

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