

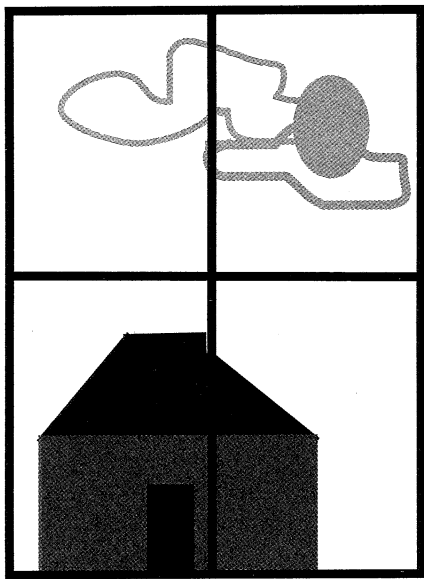
# Marketing planning

## Working inside to understand consumers

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Few financial institutions realize how much good marketing information exists within their own internal sets of data. Until recently, depository institutions have not been accustomed to capturing or organizing customer contact in ways that help them learn about the characteristic needs and opportunities of their client base. Today it can be one of the most valuable uses of time an operation can make because an abundance of depositories are still competing for an increasingly diverse population. The argument for not viewing the business from the customer's viewpoint used to be that the initial cost was too significant to implement. But now even the smallest of institutions can organize a system that provides many advantages for less than the first year's salary of two new tellers.

Both retail and commercial services continue to be transactionally based rather than working to package products and services in terms of what customer segments want and need. Consequently, when banking leaders ask marketing-related questions, they tend to not get consumer-oriented answers because they are organized to generate reports about assets and liabilities instead of characteristic customer descriptions by product line. Information needs to be retrievable in a way that volume can be translated into comparative data in customer terms. Without management asking for products to be matched with core customer characteristics there is no way to compare how demand patterns are forming. Financial marketers constantly need to know how much of the existing client base participates and with what products, the percentage of new market share that can be obtained in core areas and at what cost and what we are doing that is work-



ing to obtain "new" share with "core" products.

### First impressions set the tone

When a new customer opens a checking or savings account, the new account representative can get basic information at the application stage including birth date, gender, address and occupation. How many applica-

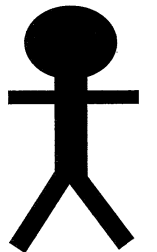
tion processes try to understand what customers do for fun or whether they have any special talents? How does this individual prefer to get their information, financial and otherwise? Do they read, listen to the radio, watch TV or surf on-line? Most application processes are not viewed as a "first impression contact" where the institution can immediately begin tailoring what type of relationship is conducted with the customer. The system needs to be updateable so tiered-pricing and tiered-relationships can be developed as the customer's participation with the institution grows. Once captured, at a minimum the information needs to be retrievable by the marketer(s) who want to analyze and speculate about what segments are most likely to be interested in specific product offerings (before tactical execution is recommended).

### Clarifying segment realities

If the operations vice president or marketing manager knows there are distinct differences about a target, then planning can be more specific around the characteristics of an audience and improve the opportunity for

successful execution.

Here's an example for an institution with locations in Tyler and Austin. In Tyler, the core population characteristics are considerably different than they are in Austin. The marketer trying to introduce and promote a new money-market account to senior adults age 55 and older must know the differences between the demographics of these two areas and how much potential there is to gain from each area. If the marketer already knows what volume can come from existing clients, then there is now a way to quantify what must come from new customers. With this quantifiable marker in place, the marketer can begin to consider options for stimulating the balance between existing and new customers. In Tyler, almost one-third of the population is age 55 or older, whereas, in Austin only 13 percent fit into this age group. Tyler's segment is in a more concentrated area than Austin's 13 percent, but Austin's larger population is appealing.



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ing, if it can be serviced. It will also cost more to compete in the larger market, and the marketer has already learned from existing customers that this audience wants to come into the bank to conduct its business, so the location must be accessible. The marketer has started to think through a process that allows an understanding for what trade-offs exist.

The marketer will make multiple considerations like this, but it is easy to see how with only a couple of pieces of applicable information in the decision-making process is enabled by the most relevant bench-

mark that exists—the customer.

Generating this data internally is the first step, and it requires a commitment of time and budget from management leadership to encourage its development. Operational formats might have to be adapted, and employees will need to understand the importance of treating the gathering of this information as a priority for developing customer relationships.

Nevertheless, as management deliberates the new calendar, it might be worth considering that the value of insights gained about customers are compounded by what is no longer squandered on guesswork. **TB**

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