

Right People, Information Are Keys To Effective Marketing

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The first feature (In the July 1996 *Kansas Banker*) discussed getting operations organized internally to understand which of the bank's product areas match-up best with "core" customers. The second feature described several ways the information that is gathered internally can be compared to external sources of information in order to understand what is occurring in the bank's competitive area. Collecting, monitoring, and adapting both forms of information become ongoing efforts once organized because over time the information becomes the bank's baseline for knowing how it is doing competitively.

Knowing that the business has been competitive and turned a profit is quite different from knowing the business made good margins and those gains were specifically due to product areas A, B, and C. It is even better when you know that you can expect product areas A and C to continue growing because your information that tracks demand has helped you understand why product area B has run its course. Or, maybe it helps you understand that product area B can be reintroduced after a few changes are made about how the product works or how the product is presented to the customer. Regardless of what happens in product areas B and C, you also know Competitor #1 and #2 have done a poor job in product area A, and if you continue servicing this area consistently then it can be a strong contributor again this year. Bank marketers

can make these decisions if company leadership has made the commitment to help operations "know" these distinctions exist. The way bank leadership lets operations know these capabilities are a priority is the same way any emphasis in business gets attention. It becomes an acknowledged priority by budgeting to fund its development, allocating the time to do it, and exercising the patience to see through getting the people and the systems in place.

Afford the Right People

Market management is like every other leadership role. Dynamic personalities and promises for what could occur will only energize and motivate the effort to a point. For actionable, market-driven operations to exist, there has to be substance to how products, pricing, promotion, competitors, and the delivery of services are tracked and evaluated. In today's marketplace this requires talented people who understand and enjoy managing the details of the process, but people who are also comfortable dealing with frequent change. Opportunities always have a window of time before they close. Sometimes it is six months; sometimes it is years. Nevertheless, you need people who are on the edge of their seat managing one opportunity while they are seeking out your next two or three possibilities. People in sales and operations learn to appreciate the guidance of the marketing manager if it is discovered early that the way people are attempting to sell or service some-

thing is actually working. Everyone likes to know that what they are doing is contributing. On the other hand, it gives management new tools to understand sooner than later if something is not working so it can be adapted or abandoned if necessary. Marketers have been among the first professional disciplines to begin harnessing how technology can help keep information organized in order to keep the business focused on what contributes to growth. For market managers to provide ongoing insights, the tracking systems need to be made part of operations. Once an organization has gone to the effort to identify what the institution does well from the customer's viewpoint, it is absolutely critical that this strength is supported in a coordinated manner by the systems that will allow the bank to improve and defend its stake in their respective area of competency.

Marketing Budget Provides Guidance for Operations Emphasis

Marketing budgets coordinated with information system development and training provides the fiscal substance for the operations and marketing staff to relate the improvements to their working relationships. Marketing managers know what kind of information needs to be captured, and the information technology (IT) talent knows better than anyone else what is involved to integrate and connect operations. However, everyone has been involved with time consuming and expensive projects where the

resulting benefit was never quite clear because the real work was done behind the scenes. Budget against a timeline, and make the merging of operations and marketing information a process that is accompanied by phases of announcements [as phases are completed] so all departments are aware of its ultimate use and advantages.

Commit the Investment of Time

The biggest factor aside from the capital expenditure of what is physically installed is represented in people's time for tasks that range from testing, installation, service, and training. Technology becomes less expensive daily, but in service businesses it is common for people's time [or payroll] to represent three-fourths of the company's overhead. Use these assets, but respect people's time at all levels. It is going to take the involvement of everyone who has contact with customers to see to it that the work process is gathering the right information and in a way that is natural and as comfortable for the customer as is possible. Customers in larger markets are experiencing more activity with electronic banking every month, but banking in smaller communities still has to be attentive to the physical facilities. This is not to say that smaller communities are less sophisticated, but rather, one of the reasons families and corporations are continuing to move outside of major markets are due to the lifestyle decisions of many Americans. Tellers and new account service representatives have an extremely relevant point-of-view for certain services, and consulting with them at an early stage where it is determined "how" to capture information will save time and money later. In smaller institutions, your new account representative may also be

one of the key people up-front that customers get to know for retail and commercial services. The sales and customer insights this person can provide in helping to design a system for obtaining customer information that matches the bank's strengths is priceless. Consider the benefits of developing a system with the input of the bank's sales team, as well as developing methods for capturing the primary types of information that the sales team uses [or needs]. This places the emphasis on time spent with the customer as opposed to retrieving additional, but unnecessary information. Projects that include the IT and training requirements into the marketing budget provide a truer forecast of what can be anticipated in terms of cost and outcome. Budgeting time along with hard cost also serves as an excellent reminder about the significance of being able to match customer information to product and service movement.

There is wide agreement that the role of banking can become broader in the years ahead which is going to force organizations to become better at administering [and monitoring] service. However, this becomes an expensive proposition for operations to prepare for unless the needs and preferences of customer segments are already understood in the context of products and services. Operations that can deal with narrower fields of customer similarities allows the bank organization to bundle or unbundle products into segment, specific offerings. If this product-specific set of information does not exist for the bank in its traditional line of business, then how does it adapt to become a delivery channel in the augmented form of banking?

Demand-Driven Operations Provide Customer & Product Signals

The questions become, "do we budget to move our supply of funds, do we budget to identify and solicit demand, or both?" It is increasingly common that budgets cannot accommodate the choice of "both." The category is still consolidating and legislative activity to absorb other types of financial institutions into the traditional banking framework is again being discussed in Washington. All of which once again requires management to make philosophical decisions about how to budget for the future in situations that are not perfect world scenarios. As a banking leader, you want to know what are the core categories and how much is known about the customers that contribute to core products? Do you have the marketing and operational infrastructure to add consumer services? In an increasingly customer-driven environment which approach suits the resources and strengths of the organization best?

A company can be very confident about its products, the way they are priced, and the way they are promoted, but if this is not reinforced in the day-to-day "delivery" of service then the company has a "disconnect" in what customers experience. Day-to-day operations either confirm or disprove what customers are otherwise thinking. Setting the budget priorities to keep track of what's moving and what's not may be the first signal you get before it's too late to either take advantage of it or fix it.

*Sample budget template with a checklist of cost considerations are available on disk from MarketMotion™. You can reach MarketMotion™ by calling 214 / 321-MRKT or by requesting it online: mktmotion@aol.com