



Western Independent Bankers

Improving Your Marketing ROI

September 12, 2003

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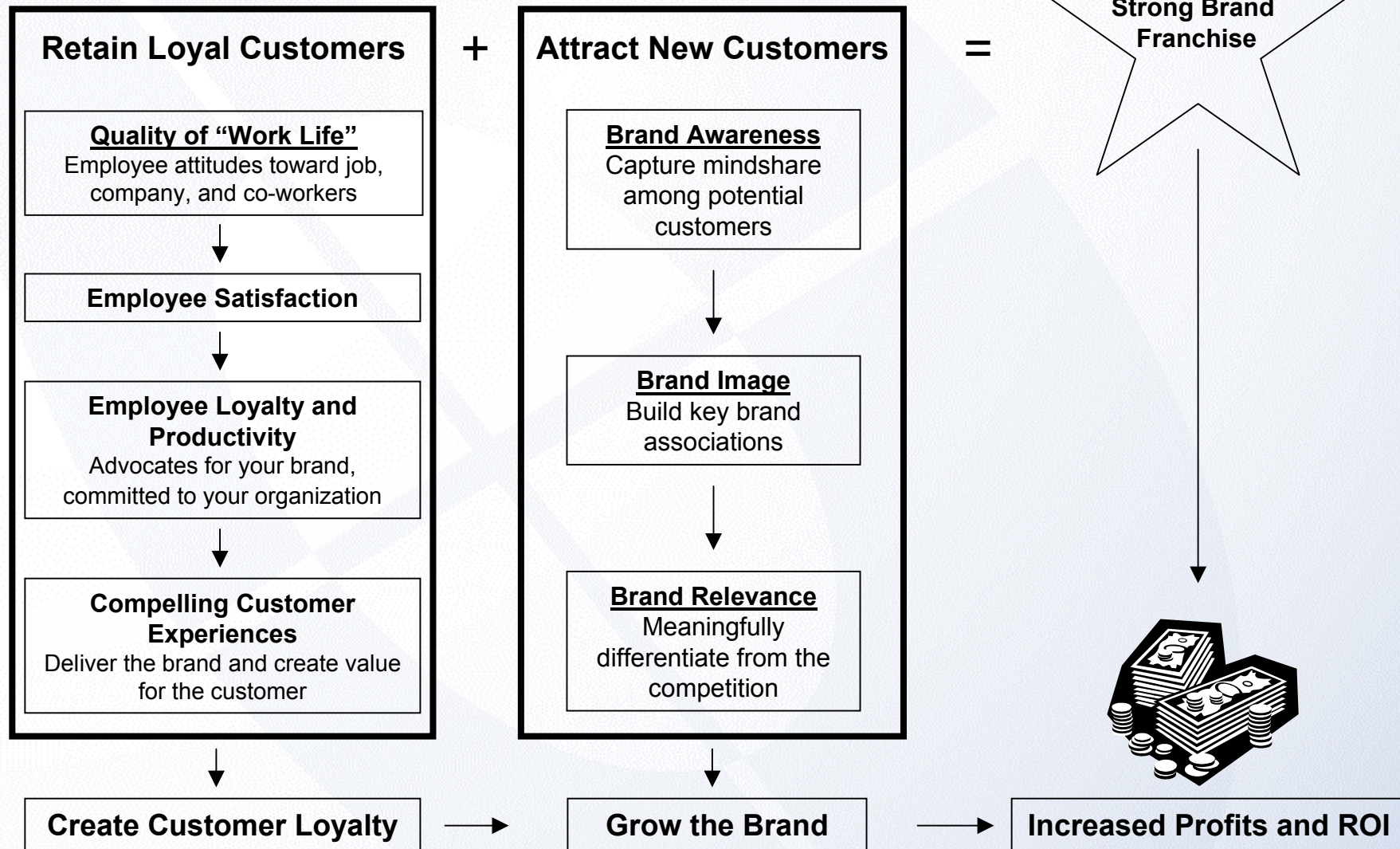
Improving Your Marketing ROI

Overview

- A framework for building a brand-driven business
- Retaining Your Loyal Customers – an inside out approach to brand development and delivery
- Attracting New Customers – Understanding and developing your brand.
- Getting Started – immediate action steps and longer-term considerations for your journey



Building a Brand-Driven Business





Building a Brand-Driven Business

Retain Your Loyal Customers

- ❖ Developing and nurturing customer loyalty is a process that is deeply rooted in your company culture and cascades outward to the point of customer contact.
 - ✓ A recent study by The Gallup Organization found that “if your employees were ‘fully engaged’ your customers would be 70% more loyal, your turnover would drop by 70%, and your profits would jump by 40%.”
 - ✓ A high quality of work-life drives employee satisfaction
 - Culture, Ideology, work relationships, tools/resources, empowerment and support all contribute to varying degrees
 - ✓ Satisfied employees are much more loyal and productive.
 - Lower turnover, willing to recommend, will work harder.

- ❖ A deeply-rooted process that cascades outward (cont'd)
 - ✓ Loyal employees understand and embrace your brand and deliver compelling experiences to your customers.
 - A source of sustainable competitive advantage
 - The “**hard**” costs of turnover (hiring, training) vs. the “**hidden**” costs - declining customer satisfaction.
 - ✓ Satisfied customers are much more likely to be loyal customers.
 - Resistance to competitive offers
 - Higher “share of wallet”
 - Depth of relationship (more products/services)
 - Recommendations
 - ✓ Loyal customers drive growth and profits for your organization.
 - “A 5% increase in customer loyalty can produce profit increases from 25% to 85%” – Reichheld and Sasser, “Zero-Defections: Quality Comes to Services” HBR 10/90



Retaining Current Customers

Internal Audit

- ❖ Employees need direction and support in order to serve your customers.
 - ✓ Are your vision, culture, and work environment capturing their hearts and minds?
- ❖ *Quick and Easy* steps you can take to find out
 - ✓ **Ask!** Conversations, meetings, round-table discussions with employees to get a sense for what's working and not working in your organization.
 - Simply asking will reinforce your brand and build goodwill.
 - Responses may not be representative of you entire organization, but you may uncover some breakthrough insights.
 - Areas to explore:
 - The company vision and values.
 - Manager and co-worker relationships
 - Culture
 - Communication
 - Training and growth opportunities
 - Benefits and compensation
 - Rewards and recognition
 - Understanding of your brand

❖ *Best Approach you can take to find out*

- ✓ **Measure.** Conduct employee satisfaction surveys to measure current performance, determine key drivers and satisfaction, and identify biggest opportunities for improvement.
 - Several different types of methodologies can be used.
 - Self-administered surveys can be returned in sealed envelopes
 - Email/web-based surveys using a secure server
 - Interactive voice response (IVR)
 - Conduct with sufficient frequency and consistency to establish trends.
 - Centralize the administration and analysis of the surveys
 - Annual surveys are sufficient for most organizations
 - Consider using an independent third party to conduct the research
 - Can assist with the design of the research
 - Can share experience and offer normative comparisons.
 - Can offer objectivity in analysis and interpretation
 - Can also add credibility among your employees



Retaining Current Customers

Customer Audit

- ❖ Products, services, and experiences add value only to the degree to which they meet and exceed customers' expectations.
 - ✓ Are your employees delivering the desired brand experience to your customers?
 - ✓ Are your products and services meeting the needs of your customers at least as well as competitive offerings?
- ❖ *Quick and Easy* steps you can take to find out
 - ✓ **Listen!** There are many listening posts within your organization... all offer insights into the customer experience – satisfaction levels, pain points, and opportunities for improvement.
 - **Observe** your customers as they interact with your brand touch points. Ask for feedback on your products, services, staff, environment, etc.



Retaining Current Customers

Customer Audit

- ✓ Listening posts (cont'd)
 - **Talk** with customer-facing employees individually or in groups. Because of their regular direct contact with your customers, they can provide insights on many levels:
 - Customer satisfaction levels and root causes
 - Suggestions for new product or service ideas or enhancements
 - Likely success of new products/services or policy changes being considered
 - Early frontline feedback on new products/services or policy changes once implemented
 - **Review** incoming communications to your organization from customers. Look for recurring issues or themes.
 - Phone center call logs and customer complain letters often hold valuable insights on customer concerns and pain points.
 - They also represent key opportunities to build your brand with your customers.

❖ *Best Approach* you can take to find out

- ✓ **Measure.** Conduct customer satisfaction surveys to measure current performance, determine key drivers of satisfaction, and identify biggest opportunities for improvement.
 - Several different types of methodologies can be used.
 - Telephone surveys
 - Mail surveys
 - Email/web-based surveys
 - Interactive voice response (IVR)
 - Survey a random sample of your customer base to get an accurate picture of your performance.
 - Over-sample key segments (e.g. business customers, ethnic groups, etc.) as appropriate.
 - Additional groups you may want to survey
 - Recent transactors – most accurate picture of current service levels,
 - New customers – sources of awareness, reasons for selecting your brand, initial experience
 - Defectors – root causes, pain points, reasons for selecting competitor
 - Specific service users/product holders



Retain Loyal Customers

Customer Audit

- ✓ Customer satisfaction surveys (cont'd).
 - When conducted regularly, customer satisfaction data can yield insights into the short and long-term health of your brand.
 - **Long-term trends.** Comparisons of current performance vs. baseline for insights into net effects of brand building efforts since the inception of your tracking efforts.
 - **Short-term trends.** Comparison of current performance vs. recent years gives insights into brand momentum. Identifies market opportunities and competitive threats. Often the best predictor of future direction
 - **Increases/decreases vs. last period.** Comparisons for current performance vs. prior period can help you assess how the execution of brand and advertising strategy has impacted key metrics. Helps to link actions with results.
 - Larger Sample Sizes are more expensive, but allow for some segmentation of the key metrics to compare and contrast differences across markets, customer groups, etc.



Retain Loyal Customers

Action Steps

❖ What to do with the information

✓ **Share it!**

- With the entire organization to reinforce customer focus mindset
- With key managers to provide feedback on performance
- With product/service design staff to provide insights on new solutions

✓ **Discuss it!**

- What does this mean for our team/department?
- How can we use this learning to better serve our customers?

✓ **Activate it!**

- What can we fix immediately?
- Where do we need additional input?
 - Customer research
 - Cross-functional employee teams
- Test, Refine, and Roll out



Building a Brand-Driven Business

Attract New Customers



Attract New Customers

Overview

- ❖ You're confident that the appropriate brand experience is delivered by the customer-facing employees in your organization. Now what?
- ❖ In order to deliver the maximum ROI for your marketing dollar, you will need to ensure that:
 - ✓ Your brand has motivating value proposition that provides your target market with a **unique** reason to select it over competing brands.
 - ✓ Your external communications are relevant, engaging, and deliver key messages effectively to your target audience.
 - ✓ Your target market views your brand as you wish it to be perceived.



Attract New Customers

Brand Equity

- ❖ Know where you stand today before making significant investments in marketing communications.
 - ✓ **Brand Key Performance Indicators**
 - Brand Awareness – Do they know about your brand? What is your mindshare?
 - Perceived quality – How do they feel about your brand?
 - Brand Associations– What do they know about your brand?
 - Brand Personality – What associations are unique to your brand?
 - ✓ **How does that compare to your key competitors?**
 - ✓ **How do these measures look across key customer groups**
 - Target customer segments (key markets, individuals/businesses demographic groups)
 - Competitive customers
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Attract New Customers

Message Development

Motivator

Performance vs. Competitor

High

Your Brand Superior

Immediate positioning opportunities.

Leverage

Both Excel

Cost of Entry Attributes.

Maintain

Parity

Neither Excel

New Product Opportunity

Explore

Competitor Superior

Positioning vulnerability.

Address

Low

Potential Positioning Opportunities.

Enhance

No action

Monitor

No Action

Monitor

Potential positioning vulnerability.

Monitor



Attract New Customers

Communications Development

- ❖ If your spending is significant, make the smart investment in confirming that your communications are on target before producing them (or at least before sending them out.)
 - ✓ Are they engaging? Can they break through the clutter?
 - ✓ Are they clear and do they deliver key messages effectively?
 - ✓ Is the message relevant and motivating to the target audience?
- ❖ Steps you can take to find out
 - ✓ **Communication Checks** – A small-scale, exploratory approach
 - One on one interviews with 10-15 members of your target market.
 - Get reactions, probe for reasons.
 - Guides and informs (but doesn't replace) your judgment..
 - ✓ **Ad Testing** – Larger scale, confirmatory approach
 - Surveys among 100-300 members of your target market
 - Measure advertising key performance attributes and diagnostics



How to Improve Your Marketing ROI

- ❖ Make sure the internal conditions at your bank are conducive to the delivery of your desired brand experience.
 - ✓ High quality of work life
 - ✓ Clarity around organizational mission, vision, and values
 - ✓ Strong understanding of and commitment to your brand.
 - ❖ Make sure there are no omissions or misalignments in the delivery of your brand experience to current customers before investing in attracting new customers.
 - ❖ Confirm that external communications are relevant, motivating, and effectively deliver key messages before making significant investments in advertising.
 - ❖ Consistently monitor the image of your brand among the target market and compare to your desired brand identity.
 - ✓ Assess the impact of recent brand building initiatives
 - ✓ Set brand-building priorities for new campaigns.
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