How to

Be Your Bank's Marketing Hero

A FINANCIAL PUBLISHING SERVICES WHITE PAPER

Introduction

Do you feel like Marketing is the least appreciated department in your bank?

You may be right.

Executive management sometimes sees Marketing as more of a cost center than a revenue generator. Management also would like to see more clear-cut evidence of ROI from marketing spending.

Meanwhile, relationship managers are unsure of Marketing's value in generating leads and other sales support efforts.

At the same time, corporate clients are looking to your bank to provide thought leadership that can help them to make better quality business decisions.

This white paper examines the needs and expectations of each of these factions — corporate clients, senior management and Sales, providing insights into how you can be a hero to each target audience.

Meeting the Demands of Today's Corporate Clients

WHY CORPORATE CLIENTS ARE LARGELY DISSATISFIED

Today's corporate bank clients are largely dissatisfied with the services their financial institutions provide.

Only one in five corporate financial professionals, responding to a CFO/SAP survey, indicated a high level of satisfaction with their bank. Such dissatisfaction remains prevalent despite the fact that bank marketers are vigilantly nurturing business client relationships and adding value to attract new customers.

Meanwhile, corporate treasurers are being called on to better manage their operations across increasingly complex networks of business lines, facility locations and bank accounts. Survey respondents indicate their banks are not effectively supporting them in their efforts to fulfill these expanded roles. In fact, more than half of financial managers surveyed describe the quality of communications from their banks as both "inadequate" and "too infrequent." Now that the economy is recovering, corporate financial pros cite cash management as a primary challenge, one where they need more guidance. Those same executives say their banks are failing to deliver such guidance.

Many corporate treasurers are also dissatisfied with what they see as their bankers not understanding their business in general. In addition, they are frustrated by their banks' inability to provide the kind of support companies need to stay competitive in their respective industries. As a result, corporate treasurers often don't trust the advice their bankers do provide. See *The gap between banking service and satisfaction* for a more detailed report on corporate financial pros' dissatisfaction with their banking relationships.

These growing expectations and ongoing needs generally are not being met by their current financial institutions. As a result, corporate finance execs say they are more inclined than ever to move their business banking to another financial institution. And the financial impact of losing just one major market corporate client is staggering. According to a Treasury Strategies Inc. benchmarking study, the loss of a single corporate client having annual revenues of $1 billion or more can cost a bank more than $500,000 in net profit that could have been earned during an average (eight-year) relationship.

HOW TO WIN THEIR LOYALTY

The good news is that if a bank can address these concerns and retain just 16 of these otherwise lost relationships, it can increase its net profit by more than $8 million over the lifetime of those relationships. In fact, if your bank can reduce corporate client defections by just 5%, you can improve your bank's net profits by as much as 80%, Fredrick Reichheld reports in his book, *The Loyalty Effect, the Hidden Force Behind Growth, Profits and Lasting Value*.

So what can you, as a bank marketer, do to retain these valuable clients? Fortunately recent surveys provide some answers.

For instance, both the CFO/SAP survey and report referenced earlier, and a second survey, *What Corporate Treasuries Want from Their Bank*, cited the need for banks to provide more strategic insights to corporate clients. This includes providing risk management expertise, deeper analysis and objective advice on business solutions best suited to address the corporation's long-term goals and challenges. And, as we also referenced earlier, this need is particularly acute in corporate cash management. Corporate treasurers want to be kept apprised of regulatory issues that affect their industry, and to be made aware of new technologies that might deliver greater efficiency within their organization.

In another survey, CFOs reported that corporate financial pros want:

- Concise, transparent and fact-based business intelligence.

- Benchmarks as to how their company's financials compare to peers. They want these comparisons reported in terms of key performance indicators (KPIs) and capability/maturity comparisons.

- Cost/benefit analysis for every proposed strategy or service. They also want to know the total cost of ownership and receive the information they need to conduct a risk evaluation when considering a vendor's solution.

Financial pros prefer receiving these crucial business communications in the form of newsletters, white papers and industry-related case studies.

As a bank marketer, you are the primary communications gatekeeper between your institution and its clients. Accordingly, you have a unique opportunity to deliver on each of these expressed needs and keep your clients from straying to the competition.

Being armed with this information will no doubt also go a long way in demonstrating to upper management the inextricable link between your client communications budget and the resulting ROI.

Demonstrating Value to Senior Management

THE CHALLENGE

Marketing has a branding problem with upper management. Too often the department is seen as more of a cost center than a profit center. According to a CEO report by the Fornaise Marketing Group, 8 of 10 CEOs view marketers as being disconnected from their companies' financial realities. As a result, the same proportion of CEOs claim they do not trust their firms' marketers and are not impressed by their work.

While marketers acknowledge the importance of connecting the dots between marketing spend and return, a survey of 243 chief marketing officers (CMOs) by Columbia Business School finds 57% don't consider ROI metrics when setting up their budgets. Some 68% of respondents said they base their budget decisions on historical spending levels, while 28% said they go with gut instinct. And 7% said most or all of their spending decisions aren't based on any metrics at all.

THE OPPORTUNITY

According to a recent article on CMO.com, one of the key roles of the CMO is to provide insights into customer preferences, use that market intelligence to "elevate the customer experience," and as a result optimize the opportunities for organic growth. And according to a survey cited in a recent blog by Marketo, a marketing software company, 7 out of 10 CEOs who give their CMOs an "A" do so because of the CMO's ability to grow market share, customer satisfaction and loyalty.

The opportunity to be a hero in the eyes of senior management lies in how well Marketing is able to correlate customer satisfaction and loyalty to increased sales and profitability — ROI. (See the March 2014 edition of ***Banking On Content*** to help you establish this correlation.) Being well versed in the ROI of client satisfaction and retention will also go a long way toward demonstrating to senior executives your "connection with the financial realities" of the bank.

Another way to give weight to the fiscal impact of your marketing plans is to involve both Finance and Sales in developing your marketing budget. Such a collaboration enables you to develop a marketing plan that highlights its impact on sales revenue. That way your CFO can more easily comprehend how your marketing plan can both increase sales and enable the Sales team to sell more efficiently (as noted in the article 5 Steps to Align the Offices of the CMO and CFO).

Senior management also expects Marketing and Sales to agree on key metrics such as the definition of a quality lead and the attributes of an ideal prospect. Mike Sullivan, CFO of eIQnetworks Inc., an information security solution provider, notes that CMOs sometimes design strategies to go after the wrong prospects because they have not established in advance well-defined prospect profiles. If you just measure the number of raw leads generated, you could say that a campaign that generates 200 leads constitutes success, Sullivan notes. But what if none of those leads fit your prospect profile?

"If you're going to look at the numbers and measure the results, you have to make sure that everyone understands what the numbers mean and what should define success," Sullivan says.

For more on this subject, see a Q&A with Sullivan conducted by ***ITSMA Marketing Strategist*** at http://www.itsma.com/ezine/what-cfos-expect-from-their-cmos.

Turning Relationship Managers into Marketing Advocates

FROM FRICTION TO COLLABORATION

Through communication and greater collaboration, bank marketers can play a starring role in salespeople achieving their goals.

Traditionally, Marketing and Sales haven't always exhibited the greatest teamwork. One problem has been a lack of transparency. The two groups don't always know what each other is doing, or understand the impact of those efforts.

The friction that sometimes exists is unfortunate, particularly when you consider that Marketing and Sales are actually working toward the same objective — sustainable profitability. In fact, the more the two departments disengage from each other, the less likely they are to achieve that goal.

According to a new report on sales enablement by ***Aberdeen Group***, companies that have a unified sales and marketing structure annually generate 20% more revenue than those who don't. When Sales and Marketing work together, firms also enjoy major improvements in key performance metrics (KPMs), such as shorter sales cycles, lower market-entry costs and lower cost per sale.

Working together begins with communication. Organizations whose Sales and Marketing teams met more than five times a year consistently outperformed those who didn't in achieving those KPMs, according to Aberdeen. The study involved 261 B2B companies, with 42% of those surveyed representing Sales and 35% Marketing.

While the onus is not necessarily on Marketing to initiate these conversations, it's probably a smart move, as these discussions can lead to Sales having a greater understanding of the role Marketing can play in helping reach sales goals.

In its report, Ending the War between Sales and Marketing, the ***Harvard Business Review*** says these face-to-face meetings are very effective at establishing common ground and ironing out differences. Coming to agreement on what constitutes a quality lead, for instance, can help close gaps between expectation and reality. Brainstorming sessions can tackle tough problems and fuel innovative solutions. And the anecdotal information that Sales hears in the field can inspire topics that Marketing can address in newsletters and other client communications.

CONNECTING LEAD NURTURING TO SALES

While salespeople can schedule a call and walk out with a closed deal, they're likely unaware of the important role Marketing may have played in getting them the opportunity in the first place. As we pointed out in How Business Intelligence Can Help Close the Deal with CFOs, your bank's prospects are soaking up content about the business solutions they're interested in well before Sales gets in the door. In fact, in their Grande Guide to Sales Enablement, ***SiriusDecisions*** estimates that the buyer's journey is 70% complete by the time that sales conversation happens.

Yet with so much information available to buyers through so many online channels, it's difficult for Sales to connect lead nurturing content to a closed sale. This can make content marketing seem like smoke and mirrors to a profession that lives and dies by numbers. But there are numbers, and Sales may be both pleased and surprised by them.

In All the Marketing Statistics You'll Need, a ***HubSpot*** checklist of statistics from some of the world's leading marketing experts, the impact of lead nurturing is apparent. For instance:

- Nurtured leads make purchases that are 47% larger than non-nurtured leads. (Source: ***The Annuitas Group***)

- 46% of marketers with mature lead management processes have Sales teams that follow up on more than 75% of Marketing-generated leads. (Source: ***Forrester Research***)

- 25% of marketers who adopt mature lead management processes report that Sales teams contact prospects within one day. Only 10% of marketers report the same follow-up time without mature lead management processes. (Source: ***Forrester Research***)

- Companies with mature lead generation and management practices have a 9.3% higher sales quota achievement rate. (Source: ***CSO Insights***)

- Nurtured leads produce, on average, a 20% increase in sales opportunities versus non-nurtured leads. (Source: ***Demand Gen Report***)

These numbers are impressive, but to reach them, Sales and Marketing must combine their efforts. The ***Harvard Business Review*** article noted earlier suggests that a unified database will enable both Sales and Marketing to identify all information a prospect views prior to a sales close. To create such a database, Sales and Marketing need to agree on what data they want to collect and why. A common dashboard for Sales and Marketing will allow both departments to quickly view needed metrics.

By collaborating to achieve mutual goals, the lines blur between departments, and Marketing is no longer seen as a cost center but rather as a viable member of the revenue team.

SUMMARY

More than half of today's corporate clients say the quality of current business communications from their banks are inadequate and infrequent, as they seek strategic guidance in an increasingly complex business environment. Corporate bank marketers who deliver on the call for quality business intelligence are positioned to win out over the competition and better insure loyalty.

Internally, Marketers who can work transparently in collaboration with Sales, and communicate with as well as demonstrate their fiscal value to upper management, will enjoy well deserved recognition for the critical role they play in the ongoing success of their bank.

ABOUT THE PUBLISHER

Financial Publishing Services is the industry leader in quality content development on behalf of corporate bank marketers.

Content development specializations include newsletters, white papers, conference presentations, case studies, video scripting, landing page development, and bylined article writing and placement services. FPS also provides planning and content development support for bank-sponsored client events.

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