

Brand Engagement

The Holy Grail for Banks and
Credit Unions

March 30, 2011
Jeff Stephens
CEO



What is brand engagement?

What is brand engagement?

— [Creating something worth
caring deeply about

What is brand engagement?

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- [When people—customers, members and employees—meaningfully comprehend what your brand stands for, and it resonates sincerely with them
- [No more apathy
- [You're not a replaceable commodity to them
- [If your **brand** disappeared, they would feel a sense of loss

What is brand engagement?

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— [When what you stand for
really matters to them

Why is it hard for FI's?

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[The banking business used to be about banking...now it's about business

[Inability to see product/service/delivery as different from brand

[We tend to think it's just marketing

[Transformation is hard, and not "tried and true"

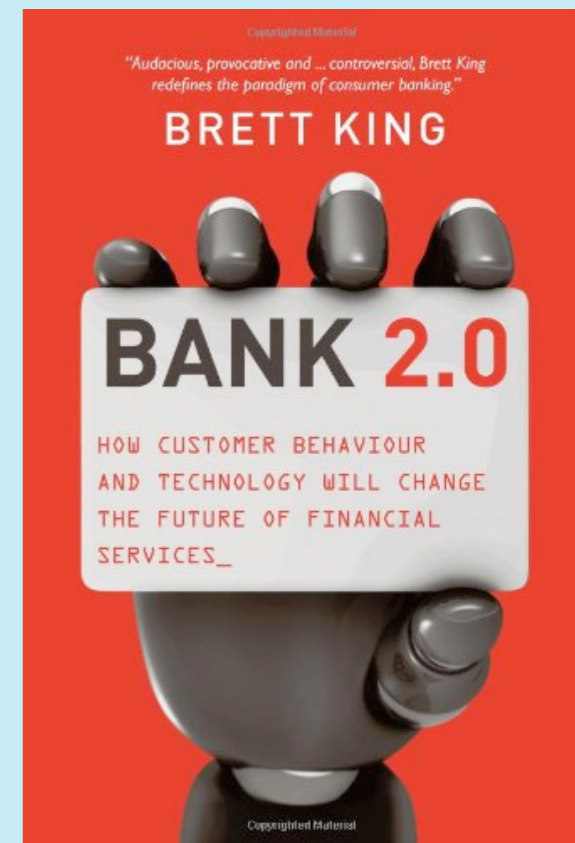
Why is it the holy grail?

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— [**Brand engagement is the key to breaking free from being a commodity**

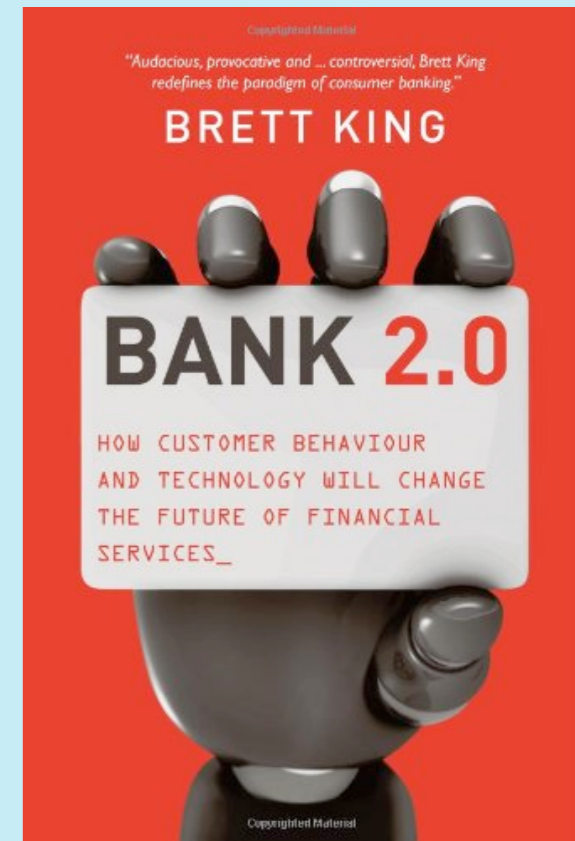
- **Interchangeable**
- **Lots of demand, but no differentiation**
- **No differences in perceived quality**
- **Price determined by market as a whole**

Brett King, Author BANK 2.0



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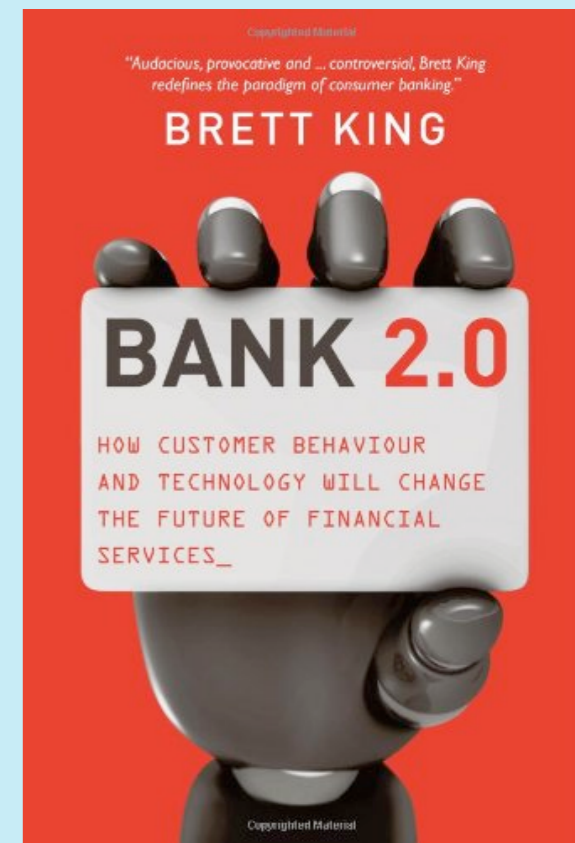
Q: Why is brand engagement important in a Bank 2.0 world?



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Q: Why is brand engagement important in a Bank 2.0 world?

A: “Your brand is now open to public debate, scrutiny and scoring. If you aren’t fully committed to engaging with customers to build **advocacy**, if you don’t have employees that are empowered to engage, and if you aren’t open and transparent—your reputation is at serious risk.”



Engagement-worthiness

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— [The current industry focus:

— The changing role of the branch

— New technology and channels (mobile, PFM)

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— [**First, you must have something worth engaging with**

Engagement → **Fit**

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— [Who is a good “fit” for your bank/credit union?

— Demographically

— Psycho-graphically

— [What % of your customers are a good fit?

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— [What % of your customers are a good fit?

— [Brand engagement increases that %

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- I bank here because I want to—not because it's the rational choice

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— 'I'm a ___ guy' means something

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— [Holy grail business level benefits:

— Lower attrition of good-fit customers/members

— Less price sensitivity: $>$ NIM

— Greater share of wallet, advocacy and WOM referrals

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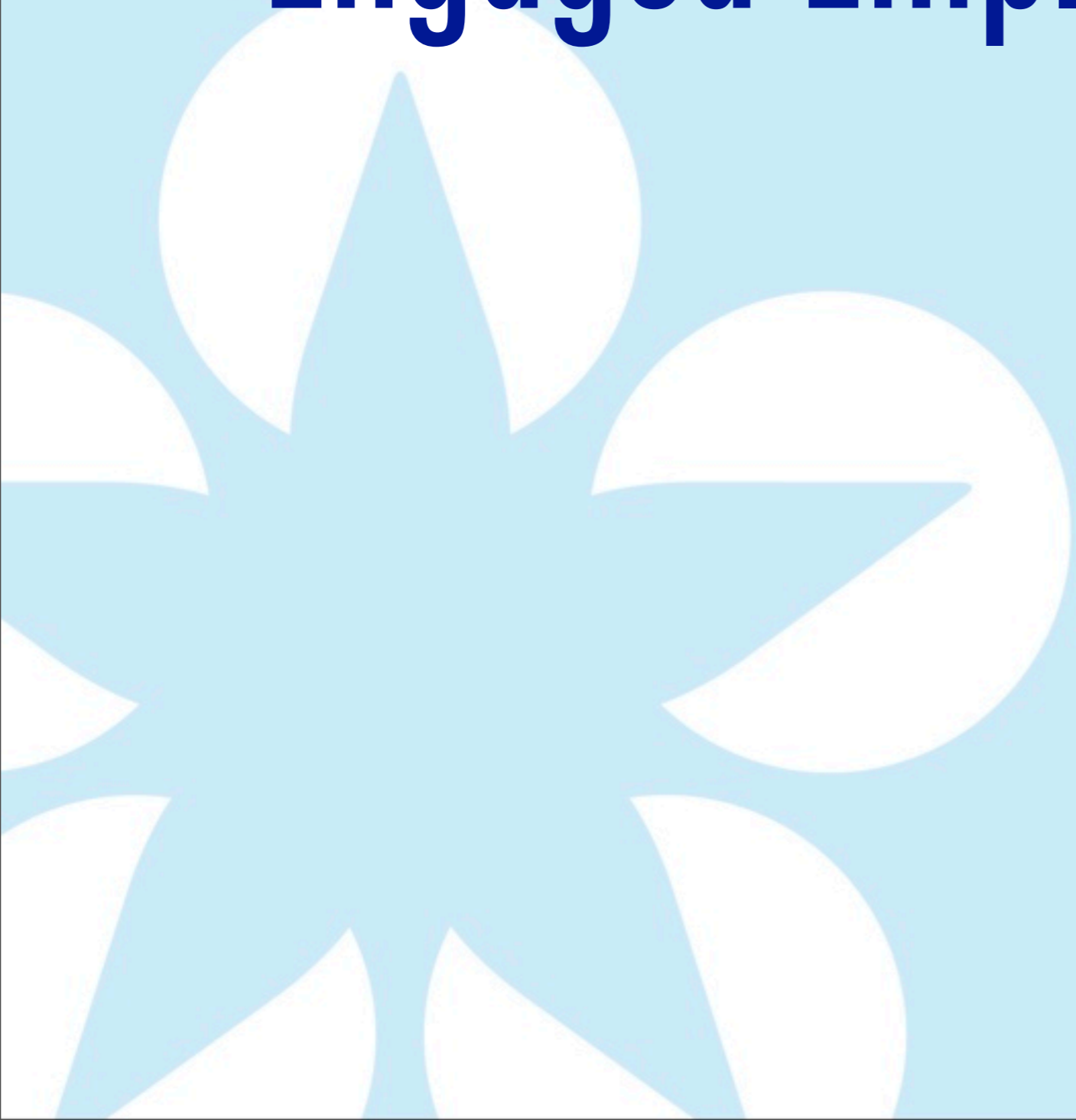
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— [**It's about quality of customers, not quantity**

Engaged Employees



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— You get paid the same whether you do your very best, or just good enough

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— You get paid the same whether you do your very best, or just good enough

— [People do their best when they get something personally out of doing so

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— They give their all because of the non-monetary compensation they get from doing so

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 - **Better performance**
 - **Advocacy and WOM referrals**

How to begin creating it

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— **Something worth caring about**

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find the *story*

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find the *story*

tell the *story*

prove the *story*

Why should they care?

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— [You have to know before you can convey it to them

— [What do you stand for?

— What is your 'why?'

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find the story

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Why "fit" is low today

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— [What you stand for has not been made clear enough for them to develop an opinion

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— [What you stand for has not been made clear enough for them to develop an opinion

— [“I don’t know if there’s a fit. I didn’t even realize there was something to fit with.”

Help them evaluate fit

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— [For both customers/members and employees

— Show them clearly what you stand for, and let them decide if it's a fit for them

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Engagement is not about persuading them you are best

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— It's about clarification

— You can't force engagement where there's no fit

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Engagement is not about persuading them you are best

— **It's about clarification**

— **You can't force engagement where there's no fit**

— **Accept that sometimes the answer will be: there's no fit**

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Existing Employees

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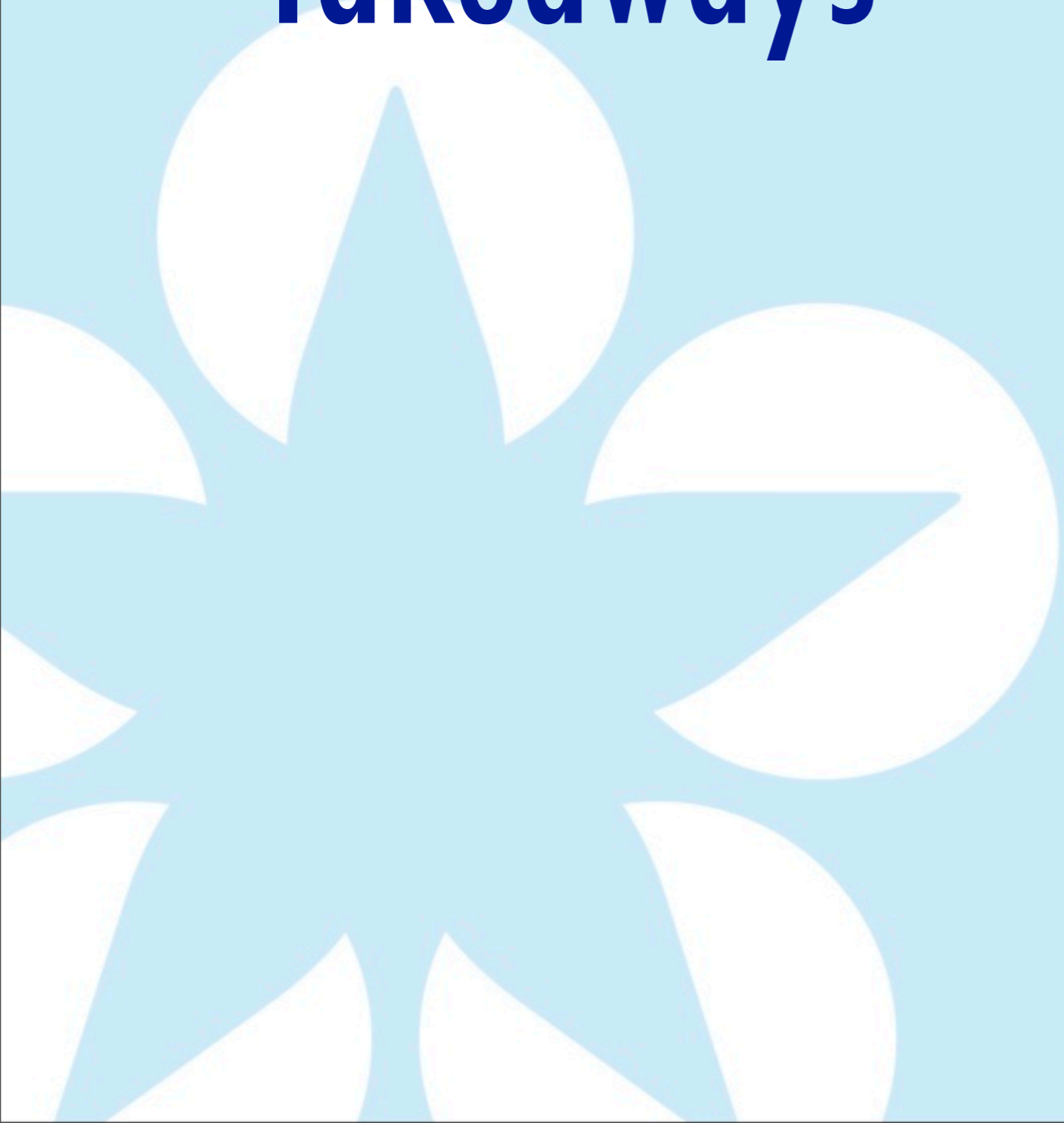
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How to begin creating it

Existing Employees

- Many people don't know who they want to be
- Facilitate them figuring this out, and assessing if the job will help them be that

Takeaways



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Takeaways

- [Give people a reason to care—something worth caring about
- [Your #1 metric: improve fit with customers and employees
- [Enhance quality of the P&L, not the sheer size of the top line
- [Start by finding your story
- [Help them evaluate fit by telling and proving the story

Just for you



Just for you

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CBC and PSST!

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[**Find the Story:** Brand Strategy and Assessment

[**Tell the Story:** Marketing, WOM, Online

[**Prove the Story:** Internal Culture, Brand Experience

[Brand Education and Training