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Marketers and Salespeople: *Like cats and dogs? Or can they learn to cooperate?*

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MARKET PENETRATION. WALLET SHARE EXPANSION. COMPETITIVE DIFFERENTIATION. Are these core objectives for marketing or for sales? The answer is “yes for both”.

Marketing and sales share goals. Too often, however, they don’t share focus. In banking today, marketing is often defined by the means, rather than the end. Bank marketers too often concentrate on messaging and promotions, rather than the real objective: Give sales the targeting, the tools, the techniques and the training to become more effective in their client, centers of influence and prospect conversations.

Organizationally disconnected from sales, marketing can easily become a silo, concentrating on advertising, collateral, signage, branding and even social media. Indeed, in too many banks, chief marketing officers have a long way to go to become invaluable partners in moving the business banking sales process forward.

Yet, in today’s increasingly competitive and commoditized marketplace, interconnecting marketing and sales strategies to quickly and opportunistically achieve sales goals is vital. More than ever, the synergy of marketing and sales—throughout the entire buying and sales process—is critical, as banks select the right targets, marshal limited resources against the most promising prospects and, ultimately, measure successful ROI.

In today’s competitive and commoditized marketplace, the marketing and sales departments need aligned, integrated strategies to enable the bank to achieve its financial goals quickly and efficiently.

Optimism grows, but . . .

Monthly National Federation of Independent Business (NFIB) surveys closely track small-business optimism, and except for one month with a very small decline, they report “a steady, albeit slow, trend of improvement for the small-business sector of the economy.” While the so-called jobless recovery still worries middle-market chief financial officers and financial decision-makers, these and many other recent studies confirm that optimism is on the upswing, and business decision-makers are increasingly ready, willing and able to act.

According to a December 2011 TD Bank survey, chief financial officers and financial decision-makers at mid-sized companies plan to increase capital expenditure and selectively deploy stockpiled cash this year. Respondents cited improved sales and expectations for increased sales in 2012 for their willingness to dip into cash reserves, despite lingering economic headwinds.

This renewed optimism is also leading banks to re-evaluate lending policies, as they compete to grow assets. According to the Federal Reserve Board’s January 2012 Senior Loan Officer Opinion Survey on Bank Lending Practices, “Domestic banks reported, on balance, little change in standards on commercial and industrial loans but a continued easing of pricing terms on such loans during the fourth quarter. Domestic banks reportedly experienced stronger demand for C&I loans from firms of all sizes ... [with] ... demand from small firms ... [at] ... the highest level since 2005.”

Perhaps even more surprising in the long climb back from the depths of the financial crisis, overall satisfaction among small-business banking customers has actually increased from 2010, returning to 2009 levels, according to the J.D. Power and Associates 2011 U.S. Small Business Banking Satisfaction Study. “Contrary to popular belief that most customers are unhappy with their bank, small-business banking customers are more satisfied than last year across nearly all aspects of the banking experience,” said Michael Beird, director of banking services at J.D. Power and Associates. “In addition, credit availability has increased, indicating greater stability and a return to some degree of normalcy within the small-business banking environment.”

“While much of the negative press surrounding banks focuses on fees, it’s more important to focus on what really matters—providing a highly satisfying banking experience and ensuring that customers are seeing the value in any fees they pay.”

That insight supports what’s been common knowledge for years: fees have become a commodity, and fewer business owners choose their bank on the basis of products and rates.



According to Michael Beird, director of banking services at J.D. Power and Associates, banks should be focusing on “providing a highly satisfying banking experience and ensuring that customers are seeing the value in any fees they pay.”

A matter of trust

There's little doubt that the events of 2008–2009 eroded trust between small-business owners and banks, and it's likely that some skepticism will carry over into 2013 and beyond.

In numerous studies over the past several years, more than a quarter of small-businesses said raising capital and financing were their most difficult growth issues, and at the same time, half said they felt undervalued or unappreciated by their banks. Perhaps most distressing of all for people in a relationship business was that only 1 percent regarded their lender as a trusted adviser.

Clearly there's a role here for marketing to help sales teams communicate more successfully with their customers, to instill trust and provide assistance and solutions that can positively impact the client relationship and their business's bottom line.

Supporting the entire sales lifecycle

Success depends on more than offering a broader array of products and profit opportunities. It demands that bank channels achieve communications proficiency and sales productivity from opportunity sourcing to the initial sales conversation through closing, onboarding and cross-selling.

It's the customer experience that adds differentiating value in the intangible world of financial services. The bank's opportunity to sell and nurture the client relationship relies on having a well-branded and effective sales process, supported by relationship touch-points that deliver on the promises made. Marketing plays a strategic role in shaping this process:

- Guiding systematic discovery of prospect and customer needs to unearth sales opportunities and enable a strong relationship foundation.
- Enabling even novice salespeople to effectively map the bank's ever-increasing solutions menu to customer needs.
- Translating the bank's brand promise into a compelling message for delivery where it counts—at the point of conversation and sale. A buyer needs the reassurance of what the brand promise delivers at the moment they're committing to their first, or next, product.

Branding

This crucial start of the sales cycle goes far beyond aesthetically appealing logos, clever copy and breakthrough ads. Disciplined branding is a living thing, pervading every aspect of the bank's programs and supporting the message of clear benefits to the customer and competitive differentiation. A strong bank marketer makes the brand come alive through the sales and service teams.



Marketing need to expand its role to help sales teams become more effective communicators and learn how to gain the trust of their customer by providing assistance and solutions that help the business's bottom line.