

Bank marketing fails to reassure wary and befuddled customers

By Beth Snyder Bulik, featuring Mary Beth Sullivan

Some customers are asking whether Citibank is a safe place for their savings. So what is Citibank doing? Running ads in *The Wall Street Journal* about its microfinance capabilities in Texas and India.

Of course, it's not just Citi that's having a tough time, and at least it's maintaining a marketing presence, which in itself could be seen as reassuring. But that example seems to epitomize what some experts feel is a somewhat tone-deaf—and in some cases desperately underfunded—marketing reaction to the current financial crisis.

The situation is rattling depositors like never before, as Uncle Sam props up the beleaguered bank business with \$700 billion and once-hallowed Citigroup mulls turning over 40% of its shares to the government. That uncertainty about the future of these institutions has sparked a crisis of trust in banks.

“I know smart people who understand banking, but they're still moving their money around or taking it out,” said Mary Beth Sullivan, managing partner at Capital Performance Group.

The latest round of government bank funding is only partly to blame for increasing mistrust of the institutions. Renewed media coverage of banking party junkets, such as Northern Trust's last week, and continuing overall poor economic indicators also create panic and insecurity.

But for consumers, the underlying problem is widespread confusion about just what this means for banks—and which are the most endangered. While the Federal Deposit Insurance Corp. guarantees deposits up to \$250,000, there's still worry about when and how consumers can recoup their money in the event of a bank failure.

“There's a general lack of clarity from the government side, from the banking side and from the consumer side. No one seems to be on the same page,” said Douglas Berlon, Gallup global practice leader for financial services.

For example, Gallup did a split poll this week that twice asked the same question—“Do you

favor or oppose the government temporarily taking over major U.S. banks in danger of failing in an attempt to stabilize them?”—but with slightly different wording: The second query replaced “taking over” with “nationalizing.” More than 54% said they favored a temporary takeover, while only 37% favored temporary nationalization.

Moreover, fear is spreading wider among higher earners. Gallup's optimism index (a survey of people with at least \$100,000 in investable assets) has plunged from 50% in December 2007 to -64% this month. “There's an overall sense that if the rich people ... are saying, ‘I'm not sure what's going on,’ then that has a trickle-down effect,” Mr. Berlon said.

But where are the marketing sheriffs' voices of calm and reason—or even opportunism?

The answer, in part, is that their voices are a lot quieter than they were before the financial crisis set in. The top 10 banks and credit-card companies cut measured spending (excluding internet, outdoor and national spot radio) 11.0% in 2008, 25.2% in the fourth quarter and 38.7% in December compared with those same periods in 2007, according to an Ad Age DataCenter analysis of TNS Media Intelligence data.

A handful, however, do see an opportunity. “It's not just opportunity. We almost see it as our responsibility to adjust to the voice of the consumer,” said Ben Stuart, senior VP-brand marketing at Charles Schwab. Schwab just completed ethnographic research that showed that, while the shock of people losing their savings is over, people are still deeply unsettled, and people close to retirement are experiencing a great deal of angst. “It's our responsibility to acknowledge the angst,” Mr. Stuart said.

Schwab is doing a number of smart things to try to comfort consumers, including a major outdoor campaign that uses messages such as “I've got a lot less cash and

a lot more questions. Talk to Chuck.” It's planning to launch a CNN/Charles Schwab

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help desk in a multiplatform deal with the media owner. "It won't just be 'Come to Schwab,'" Mr. Stuart said. "It'll be a place where we aggregate a lot of relevant content and try to answer people's questions."

Nor is Schwab the only one trying to be proactive. The day after President Barack Obama's address to a joint session of Congress, *The Wall Street Journal* was littered with ads from major banks with the following message: We are a safe haven. Fiduciary Trust International: "Some wealth managers are going back to basics. We never left." PNC Bank: "Now more than ever, responsible lending is everything." Sterling National Bank: "A bank that lends money. What a concept."

PNC pointed out in ads that its consumer lending was up 19% in the fourth quarter. "This environment calls for us to articulate what it is we're doing, and that is that we've never stopped lending," a PNC spokesman said.

PNC, which recently acquired National City banks and is merging the two, has begun a creative- and media-agency review of its estimated \$100 million account. Its current agency, Doner, has been invited to participate, said the spokesman, but he declined to name any other agencies involved.

But PNC, which accepted TARP money as part of its FDIC-brokered deal to rescue the failing National City bank, might have a tough time finding a new shop, which underscores the state the industry is in. "We've got a number of things on our prospecting list, and banking isn't one of them, even though we're wide open in the category," said one agency new-business executive. "We weren't interested; it felt toxic to us," said an industry executive. "It sounded like Wachovia all over again."

Bank of America is continuing print, TV, radio and online advertising, with the message of strength and stability it adopted last May. "We're also focused on communicating the types of financial solutions and products and services that are relevant to what people need right now ... like savings and CDs," a spokesman said.

The big winner appears to be JPMorgan Chase, widely seen as the healthiest of today's financial institutions—at least for now. Chase is taking advantage of its pole position, pursuing a direct-marketing approach to lure existing or lapsed customers to take advantage of its services and touting its relative strength. The bank also will begin to rebrand the Washington Mutual banks it acquired in California next month with a campaign that says, "Chase is here." A spokesman said the bank will continue that effort as it switches over WaMu banks to the Chase brand in other states, and will keep up its national marketing campaign, which began in November under the theme "The Way Forward."

The conundrum, though, even for banks that are not lining up for handouts, is that their marketing could be seen as wasteful in an environment where many consumers mistakenly tar them with the TARP brush.

"Bankers are just so generally conservative, so inward looking and so worried about taking hits for spending money on advertising," said Gallup's Mr. Berlon. "But there is an absolute opportunity here."

Ms. Sullivan said the view at places such as PNC is that "you can't over-communicate in this environment."

Of course, the question is whether the message will stand out amid the panic and how it all will bode for long-term brand equity. "Everyone's [marketing message] today is 'strong' or 'stable,' so they're playing on that," said Jack Foley, principal with Ovus Ater. "In essence [banks are] competing on the idea that 'We won't close tomorrow.' If you're choosing a bank on the fact that they won't close tomorrow, is that really a point of differentiation?"

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