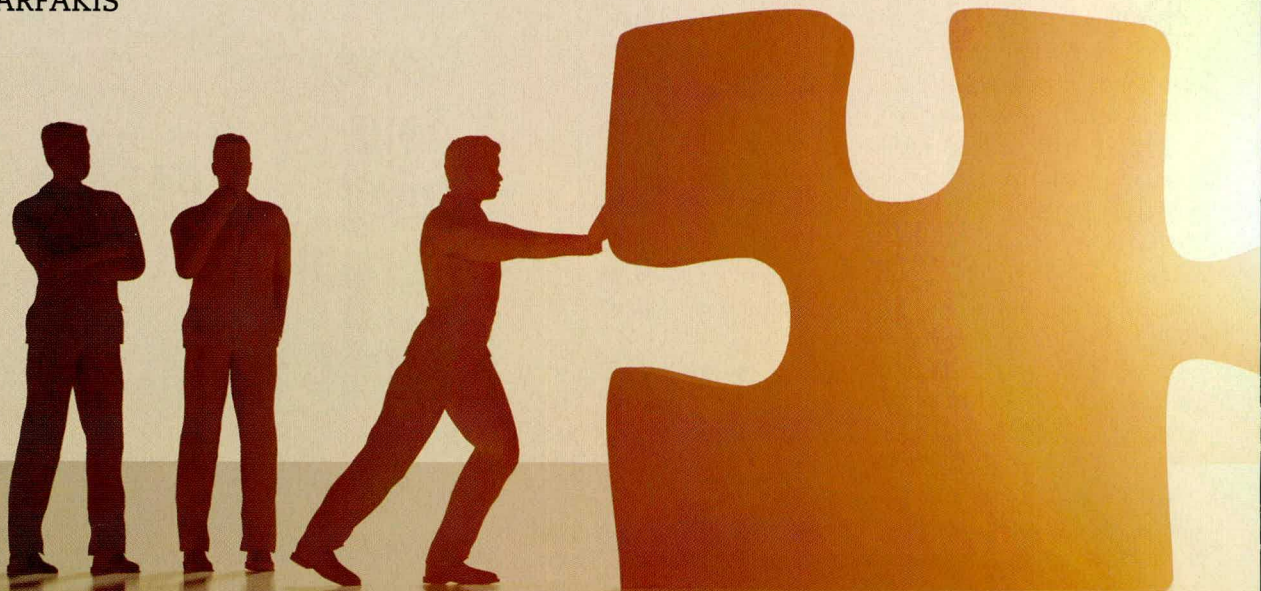


WHAT IS THE VALUE OF A BANK'S BRAND?

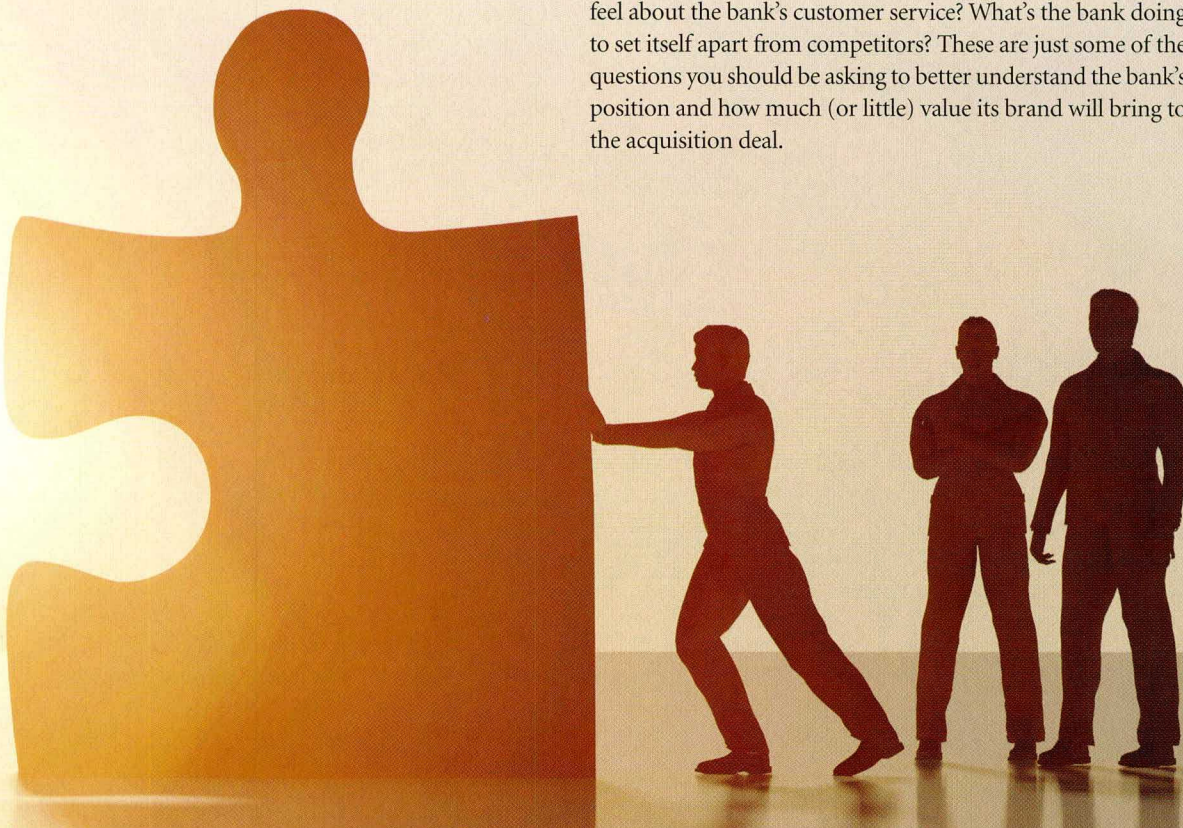
BY AMANDA KARFAKIS



Whether you are planning to buy another bank or put your own financial institution on the market, the first step is to evaluate the bank's brand to determine its value as well as its potential, from a marketing perspective, for growth.

YOU'VE CAREFULLY MONITORED THE NATIONAL BANK CONSOLIDATION TREND. You've got your eye on another bank that's a candidate for acquisition by your bank.

Now it's time to dig deeper and get a handle on the other bank's brand. What's the bank's reputation? How do people feel about the bank's customer service? What's the bank doing to set itself apart from competitors? These are just some of the questions you should be asking to better understand the bank's position and how much (or little) value its brand will bring to the acquisition deal.



When you're doing this type of preliminary evaluation, here are four key things to consider:

1. Brand Awareness and Perception

Two baseline elements to evaluate are the bank's existing brand awareness and perception. Have people heard of the bank? What's their perception of it? Would they refer the bank to a friend?

A bank that is well known and has a positive reputation is better positioned for acquisition. Why? Because when a bank has invested heavily in its own brand, it has made a definitive commitment to improving the quality of its customer service, reputation management and competitive advantage. Generally speaking, a well-branded bank also has a higher perceived value among customers and it attracts better customers.

One simple way to evaluate a bank's brand awareness and perception is by performing an online audit. If the bank has an ongoing public relations program in place they should have a number of online press releases, articles and other content that will help you get a handle on their public image. You can use a number of channels to do this research easily:

■ **Search engines.** First, run a simple search using any major search engine. Search for recently published articles that mention the bank. Look to see how many articles have been published about the bank, how frequently those articles are being published and the nature of the articles. Be on the lookout for any major crises that the bank has recently dealt with.

■ **Online newsroom.** Visit the bank's online newsroom to see if it is regularly updated with current and relevant content about the bank and its spokespeople. Is the bank regularly and consistently publishing its own press releases? Banks that have gone the extra mile to build awareness and shape perception may have a more robust newsroom that includes elements such as company fact sheets, to provide the public and the media with critical information about the bank's brand; an image gallery, with photos of its executives, company logos and locations for the media to use; and media statements, to further develop its relationships with members of the press.

Union Bank's newsroom (www.unionbank.com/global/about/newsroom/index.jsp) is a good example. It features a "Press Releases" section with its own published news; an "In the News" section, featuring news coverage about or mentioning the bank; an "Executive Management" section with bank leaders' biographies; a "Corporate Profile", for visitors to learn more about the bank; and a "Journalistic Resources" section, aptly named for journalists.

A bank that is well known and has a positive reputation is better positioned for acquisition.

Evaluating a Bank's Brand: An Acquisition Check List

Evaluate each element of the bank's brand and ask yourself the questions posed below. If the answer to the question is 'yes', check the box to the left. If the answer is 'no', leave the box blank. Upon completion of the checklist, count the number of checked boxes and determine if you believe that bank is worth acquiring from a branding perspective.

Brand Awareness and Perception

- Is the target audience aware of the bank?
- Is their perception of the bank positive?

Consistent Brand Presence

- Is the bank's brand consistent across all channels?

Website

- Is the bank's website easy to navigate?
- Is the bank's website responsive?
- Is the bank's website up-to-date?

Social Media

- Is the bank active on social media?
- Do customers say mostly positive things about the bank?
- Does the bank effectively respond to complaints?

- Social media.** Scan social media conversations to evaluate how customers are talking to and about the bank and look for reviews customers are posting about the bank and comments customers are leaving on the bank's blog or website. It is natural to see some negative comments, but you should be looking to see how frequently those types of comments are posted and how well the bank responds to them. A bank that is constantly being criticized online likely has a lot of unsatisfied customers and isn't successfully addressing their complaints, which is something you would have to manage upon acquisition of the bank.

2. Consistent Brand Presence

Once you've audited the bank's online reputation, evaluate the bank's presence in the larger marketplace. It is important that the bank's presence be consistent across all of its owned channels, so that every time a customer is interacting with a bank, he or she sees a unified brand look and feel that is recognizable and memorable.

To evaluate a bank's brand presence, look at its overall marketing messaging and brand look and feel across all of its channels. Look at the bank's logo, website design and copy, social media properties, in-branch marketing, sales kit collateral and direct mail pieces. Are the content and visuals the same across each? If so, the bank has a consistent brand presence. If not, the bank likely has a less established brand strategy, which will need to be developed upon acquisition (unless the two banks are undergoing a merger and will adopt the more established bank's existing brand presence).

3. User-Friendly Website

Next, thoroughly review the bank's website. A well-designed, user-friendly website that's developed with current technology indicates that the bank understands the importance of catering to the customer experience and staying on top of key technological trends in order to drive repeat business. With that infrastructure and understanding already in place, it will be easier to take the bank to the next level upon acquisition.

When reviewing a website for user-friendliness, there are many things you should be evaluating. Here are just a few things to ask yourself as you're clicking through:

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- **Is it easy to navigate?** The navigation options should be easily accessible, logically titled and relevant to customers' needs and interests. Another critical piece is load time. Forty percent of Web users leave pages that take more than 3 seconds to load. So if the bank's site is taking a significant amount of time to load, it is missing out on an opportunity to build traffic, keep potential customers on the site and ultimately promote its brand.

To evaluate a bank's brand presence, look at its overall marketing messaging and brand look and feel across all of its channels.

- **Is it responsive?** Responsive web design is a design approach allowing websites to easily adapt to varying screen sizes, providing an optimal and customized viewing experience for site visitors. Due to the increased use of mobile and

tablet devices, it is crucial that websites be responsive so that any customer, regardless of how and where they're viewing your website, has a seamless, interactive experience.

How can you tell if a bank's website is responsive? Look at the site on multiple devices (your desktop, a tablet and a smartphone) and see if the content is properly displayed on each device. If the website content adjusts to fit the changing screen size, it is responsive. Examples of great responsive websites include: City Bank (CityBankOnline.com) and Field & Main Bank (FieldAndMain.com).

- **Is it up-to-date?** A website that is out-of-date indicates that the bank is antiquated; it doesn't have newsworthy updates to share with its customers and likely doesn't have many customers interacting with the brand and demanding new content.

A powerful website—one that is easy to navigate, responsive and regularly updated—can influence customers' trust in the bank's brand. And a bank that has developed a trusted customer base is one that is set up for success and potentially worth acquiring.

Five Reasons to Make Your Website Responsive

Responsive Web design, which refers to a website that is designed to function properly across any smart device, is something that seems to be dominating online marketing as people continue to step away from their desktops and embrace mobile communication.

As enhancing the online consumer experience becomes more important, so does the need for companies to incorporate responsive Web design into their marketing plans.

Not convinced that your website needs an update? Here are five staggering facts that prove responsive websites are a must.

1. Google sends more traffic from smartphones than desktops.

Google places a lot of emphasis on the user experience and encourages companies to build multiscreen websites. That's why Google recently rolled out a new algorithm that punishes websites that aren't mobile-friendly, thereby motivating businesses to evaluate their website's mobile performance.

2. The number of adults who own smart devices is increasing.

As of October 2014, 64 percent of American adults own a smartphone, 32 percent own an e-reader and 42 percent own a tablet computer. That's compared to 2013, in which just 56 percent of adults owned smartphones, 24 percent owned e-readers and 35 percent owned a tablet computer. With such a considerable rise in smart device ownership in

just a year, it's not hard to see why companies need to start thinking about designing websites for the smart device.

3. Users abandon slow-loading Web pages.

Forty percent of people will abandon a Web page if it takes more than three seconds to load. So we can't say it enough: user experience matters across multiple marketing mediums, especially in Web design. If your website isn't mobile-friendly, your company's overall user experience will suffer.

4. More users are accessing the Internet through their smartphones.

In fact, 34 percent of cell Internet users go online mostly using their phones, and aren't using other devices, such as a desktop or laptop computer. Which brings us to our last point...

5. Mobile Internet usage has exceeded PC Internet usage for the first time in history.

Last year, mobile Internet use trumped PC use, and this upward trend isn't stopping anytime soon. The beauty of responsive Web design is that it adapts to screens based on the screen size, not the device itself. This means that your responsive website will still look great when adapting to new devices—such as smart TVs and wearables, such as smart watches and glasses.

Want a bonus reason to enhance your website? Responsive Web design is recommended by Google to boost your SEO.

4. Social Media

Believe it or not, a bank's social media activity is a good indication of the strength of its brand. Social media is the wave of two-way communication between companies and their customers.

A bank that is actively engaged with its audience on social media can effectively address all of the points above, as social media can be used to increase brand awareness, shape brand perception, expand brand presence, share brand messaging and drive to the website. Banks that are taking advantage of the opportunities that social media provides are more likely to be building strong relationships with their target audiences and are therefore more likely to win in the marketplace.

First Bank (www.efirstbank.com) does a nice job of interacting with the customers who comment on the bank's Facebook page (www.facebook.com/efirstbank).

Whether they are compliments, complaints or general questions, First Bank always responds to its customers' and does its best to address any concerns. This is important in branding because customers equate the quality of a bank's online customer service with the bank's in-person customer service. Banks that exemplify good customer service across all mediums will enhance the perception of their bank's brand and build better customer relationships.

A bank that has developed a trusted customer base is one that is set up for success and potentially worth acquiring.

A bank's brand is a significant indicator of the bank's strength in the marketplace, but of course it's not the *only* factor to review when considering acquisition. And depending on your acquisition goals and strategy, it may not be necessary for you to acquire a bank with a brand that meets all of these criteria—that is something that must be pre-determined on a case-by-case basis.

But whether your bank is looking to acquire a smaller bank, or you are a smaller bank looking to get acquired, the simple checklist below can serve as a valuable evaluation tool to determine the bank's branding and positioning for growth from a marketing perspective. For smaller banks looking to get acquired, use the checklist to see how your bank's brand currently fares and what key things need to be done before positioning the bank for sale. ■

ABOUT THE AUTHOR

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