

# Four Strategic Marketing Pillars for Profit-Minded Bank CEOs

Editor's Note: This is the first of a three-part article; parts two and three will appear in subsequent issues of *Banking New England*.

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Someone recently asked me what “magic bullet” I had that would make his financial institution more successful. I told him my magic bullet goes by the initials “HW” – for “hard work.”

Despite not having a magic bullet for you, I do intend to share four powerful weapons that will increase your bank’s success dramatically if you use them strategically. It is rare that I see these weapons used to their fullest strategic potential, yet the banks whose leaders make them a priority prosper far beyond the norm.

These weapons are not earth-shattering. You will not be surprised or amazed when I mention them. In fact, you might feel like one of former NFL coach Vince Lombardi’s players when he told them, “Gentlemen, this is a football.”



Nevertheless, knowing a football exists is different from skillfully using it to throw touchdown passes. Similarly, knowing about the weapons I will discuss is not the same as using them to gain a sustainable competitive advantage, which is

what I want to help you achieve.

As a final disclaimer I want to emphasize that using these weapons proficiently to gain a competitive advantage is dependent on leadership, as is everything else in your bank. That means using the four weapons successfully will require your strong leadership to score touchdowns consistently.

## The Ultimate Purpose of Your Bank

Your bank has its own rich, unique history of how and why it was founded. Undoubtedly,

## Assessing Your Bank's Strategic Marketing Strength

1. What is your bank's brand promise? How does it change the lives of your customers? How well do your employees know and execute upon it?
2. Does your analytics provide you with detailed, actionable insights on your customers preferences and behaviors? Have you built automation into your marketing efforts?
3. Do you have a systematic referral strategy that consistently brings in new business?
4. How much time does your executive committee spend leading marketing and sales? How can they spend more time on these areas?

you want to help your communities prosper, be instrumental in job creation and support charitable causes.

However, keeping things simple, let's consider the words of the great Peter Drucker, who said, "The purpose of a business is to create and keep a customer." Drucker knew that without customers, no business can survive. The purpose of a business is *to get and keep profitable customers*.

Drucker also said, "Business has only two functions – marketing and innovation." He knew the competent execution of these two functions is what draws customers to a business. Your bank needs innovative products, ideas and services; and marketing has the responsibility of helping you understand your customers as well as making them aware of your offerings. In this article we are going to leave our discussion of innovation to another day and focus our full attention on the four fundamental strategic pillars of a marketing strategy.

### Marketing: Challenging, Neglected and Misunderstood

Despite the obvious importance of marketing based on what Drucker said, many banks market poorly or make it a low priority. Most bank marketers have not proven how their efforts generate profits, and executive teams often view marketing only as a tactical, low-level function.

Unfortunately, marketing staffs often lack the expertise, resources and sophistication to produce a good return on dollars spent. In defense of bank executives, why invest in something they don't believe is measurable, and have no expectation the dollars invested will have a sufficient ROI?

At the executive committee level, the CEO and executive team are generally excellent in banking fundamentals, but often do not have in-depth marketing experience. As a result, they often underestimate what marketing could do for them if they gave it sufficient support.

In light of the challenges faced by bank executives and marketers, as well as the myriad of complex marketing technologies available, I want to help you use marketing as

a high ROI strategic weapon that will dramatically increase your profitability and market position.

This won't come from focusing primarily on product campaigns or sophisticated marketing technologies, but rather on developing your marketing strategy around the four fundamental pillars of strategic marketing.

### The Four Critical Elements of Marketing Strategy

Given the opportunities most banks have to improve their marketing, focusing on the four pillars of marketing can set your bank apart from competitors, and provide the foundation for innovation in areas such as product development, distribution and customer service. These four strategic pillars cut across the physical and digital presence of your bank, and apply to all of your different business units, from retail to private banking, small business, commercial and all the rest.

These four pillars are easy to understand, but difficult to execute on a consistent basis. Their successful and consistent implementation requires hard work, commitment, discipline, and continuous measurement. Like I said, no magic bullets.

Tragically, most banks either omit them altogether or execute them sporadically, and deprive themselves of untold thousands or millions of dollars of additional profitability. Sadly, some institutions even go out of business because they fail to build these into their strategy.

These four critical and interconnected pillars of strategic marketing are:

1. Brand promise
2. Marketing analytics and automation
3. Referrals
4. Leadership

Your **brand promise** identifies your value proposition, why you're in business and what your customers can expect from you. A strong and clear brand promise provides a powerful marketing message, meaningful differentiation and amplifies the impact of marketing analytics and automation.

**Marketing analytics and automation** helps prioritize marketing and sales personnel and investments. It provides insights into your customers, products and markets that can give you a competitive advantage. The presence of sound strategies and skillsets in this area lets banks develop an organized and effective referral strategy.

A **referral strategy** is a way to acquire new customers inexpensively through recommendations from existing satisfied ones. There is no better way to build your bank than having happy customers telling friends and family about the virtues of doing business with you.

Of course, **strong leadership** is needed to tie all of these together. The best marketing strategies are consistently successful only when your bank's senior executives provide passionate support.

In the remaining two articles of this series we will more fully explore and explain these four strategic marketing pillars. [BNE](#)