

GUERRILLA MARKETING TACTICS THAT WORK

By Kevin B. Tynan

Arms flail and heads shake when marketing directors of mid-sized institutions see big bank competitors launch new products with double-truck newspaper ads and double-barreled broadcast schedules.

They know how tough it is to compete with a bank whose budget for exacto knives equals their yearly marketing expenditures.

Despite the uneven playing field, most banks with assets below the billion-dollar mark have to consider the disproportionate marketing influence of mega-financials in their marketplace. The mere presence of these institutions can be intimidating. But it need not be.

In many ways, it's their sheer size that commands the attention. Not their marketing prowess. Not their innovation. Not their successes. Or their resourcefulness. It's the size that contributes to the threatening demeanor.

A billion-dollar balance sheet means media calls for comments on a breaking banking story. Radio and TV talk show producers call looking for financial experts. Lawyers, accounting firms, and civic groups contact them for speakers.

The advertising magnitude of new product introductions automatically triggers editorial coverage. If we're to grab media attention, we must wrestle the financial spotlight away from the majors. We must create news.

Despite such advantages and a general perception to the contrary, I don't believe big banks offer much competition to their smaller counterparts. Large institutions tend to skim the marketplace for their customers. They don't need broad penetration. What their products lack in price-attractiveness or service quality they try to make up for in advertising appeal.

The marketing director of the smaller institution has a far more challenging position and a much greater opportunity to demonstrate his marketing prowess. Unlike the well-staffed marketing department of a major institution, small-asset directors must have broad marketing skills; must rely on their own judgment rather than a cadre of consultants; and must be resourceful and efficient in spending the limited funds.

I understand why big banks are often considered such a competitive threat. Their power is awesome. Awesome but not absolute. Power and potential doesn't always add up to stunning success. Look at David and Goliath, the Revolutionary War, Rocky Balboa—in each case a protagonist was hopelessly out-numbered or

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hopelessly out-spent but won the battle. Look at the New Coke fiasco—a classic misread of the marketplace.

To the marketing types who feel a kinship with the underdog in these situations and a need to compete with the majors, it's possible to employ a similar battle plan and emerge with a victory.

The secret to beating your giant remains the same: guerrilla warfare, or in our case, guerrilla marketing. Guerrilla marketing means assessing the terrain, evaluating your own and your opponent's strengths and weaknesses, taking potshots when the competitor's most vulnerable, capitalizing on mistakes, and, above all, remaining agile—ready to change direction on a moment's notice.

One smaller, midwest institution enjoyed a virtual monopoly in its principal market for the first 20 years of its existence. Its rapid, profitable growth soon caught the eye of aggressive competitors eager to branch into new areas. Indeed, within the next four years, the state's five largest financial institutions established offices in the area. How does a smaller institution counteract that onslaught? With shrewd guerrilla tactics.

Knowing that convenience is still the primary reason for selecting an institution, the bank shored up its position within the community by opening new offices on the north and south end of town.

The northern office was designed for utmost customer convenience. Research showed the average shopper visits a supermarket 2.5 times per week—more than any other retail facility—so if they were to offer maximum convenience, it made sense to open a fully-staffed branch within a supermarket. Open seven days a week, weekends until 6 p.m., weekdays until 8 p.m., it became the state's first in-supermarket branch.

Despite heavy advertising, direct mail, and public relations efforts, the smaller institution retained market share. Five years later research showed it had the highest recall numbers and residents still regarded it as the most important bank in the area.

Small institutions can't conduct hand-to-hand combat with mega-financials on the advertising pages. Their pockets simply aren't deep enough. But a tenet of guerrilla marketing says to compete where you have the advantage—and for a shrewd marketer, that's the editorial pages. Research suggests a few lines on the news page is much more credible than any full-page advertisement.

A few years ago, a \$300-million Illinois bank was seeking a way to promote its new drive-in facility. A few ads and a mention in its newsletter wasn't doing the job. Guerrilla tactics were required.

Irene Hughes, the reknowned psychic, was brought in on a Saturday to dispense her wisdom through one of the drive-in windows. They charged \$15 per car for a three-minute prediction with proceeds going to the American Cancer Society. They notified the local and regional media and waited. The results were amazing.

Radio stations from around the country called with interview requests. Former community residents from coast to coast sent news clippings. Both major regional newspapers sent reporters through the drive-in to talk with Irene. TV stations featured it on evening newscasts. The police were

called in to handle traffic, which was backing into the arterial streets.

Although they contributed nearly \$1,000 to the Cancer Society, the bank received hundreds of thousands of dollars of publicity—all of it centered around its drive-in facility.

Another institution used the news pages to complement its limited advertising budget and stimulate lobby traffic. In this case, they conducted a money sale. A bank conducting a money sale is always an interesting, newsworthy twist on traditional retail sales. In this case, the institution sold the largely unpopular Susan B. Anthony dollar coins for 50 cents. This promotion offered two news novelties: a bank selling discount coins and an example of the Susan B. Anthony's lack of popularity.

To maximize publicity, the sale was offered on three successive Fridays. Each week's publicity was parlayed into building the following week. For example, the first week resulted in local news coverage. Those clips were mailed to regional newspapers and TV stations who covered the event. The third week saw more reporters and TV crews waiting for the doors to open than customers. NBC News covered it, the Associated Press picked it up, as did *The Wall Street Journal* and dozens of other publications.

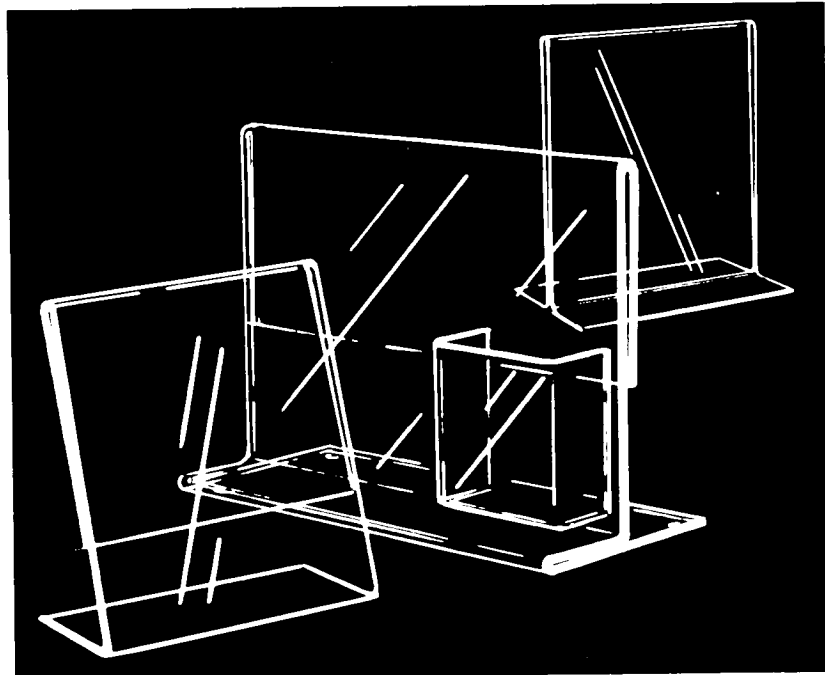
Relatively few people actually purchased the coins, plus, quantities were limited to one per person. But since coins were made available only at one teller station, a long line was created to maximize TV and photo opportunities.

Promotional events are only one element in the marketing guerrilla's arsenal. Evaluating the terrain, the foibles, and characteristics of a major financial institution can reveal chinks in the armour which well-designed products and programs can exploit. □



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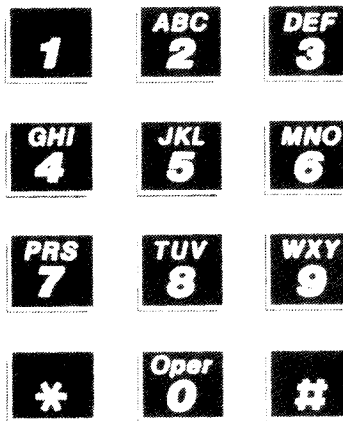
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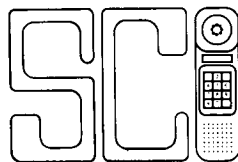
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