



MARKETING PLANNING 2006: THE LATEST MARKETING TRENDS

It's not too early to start planning for 2006. But rather than simply updating last year's marketing plan and budget, make next year's plan and budget more effective and cost-efficient by knowing what's happening in the industry.

Not all trends will have an equal effect on your bank. You'll have to judge impact based on your market, your competitors and your customers.

Likewise, your bank's response to a trend will be unique. Will your bank lead the market? Follow the market? Fall somewhere in the middle? There is no right or wrong answer—except ignoring the trend.

So, here is how 2006 is shaping up:

Banks are segmenting their customers. While bank-wide marketing campaigns are still being conducted, the most effective campaigns are targeting customers for inclusion based on one or more variables. From branch-related campaigns to new product launches, customer segmentation allows banks to target those customers most likely to use a product or service, and increase the return on investment for the campaign expenditure.

Nearly 75% of banks promote their brand. Brand promotion creates a strong, consistent, credible image for your bank in the market—and makes the rest of your marketing dollars more effective.

Web site marketing has come of age. Online banking is still the fastest growing delivery channel, and the most successful banks are using their Web sites to capture these frequent visits. Banks are creating a conspicuous area on their home page to announce the latest promotion or offer. They're also updating their site frequently so the site doesn't get stale.

Banks are talking to their customers. Not in the lobby, but through research. Customer loyalty, service issues, market expansion and name changes—the topics vary, but the purpose is the same: finding out what customers think in order to increase customer satisfaction and, ultimately, improve customer retention.

Serve the unbanked. This trend is still in its infancy but gaining ground as banks grapple with how to serve a growing segment of their market. Various card products, cost-effective check cashing and non-traditional services are paving the way for people to escape less scrupulous high-fee companies in favor of the local community bank.