



# Free Checking:

*Marketing a FREE product in the highly competitive and mature banking industry*

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# Executive Summary

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- Market: past, present, & future
  - Overview of marketing plan
  - Market share
  - Market shifts
  - Competition

# Recommendation

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- Why should this proposal be approved?
  - Opportunity to differentiate
  - Opportunity to bundle products and develop strong banking relationships
  - Consumers demand and desire such a product

# Competitive Analysis

Competitor	Comparable product / service offerings	Strengths	Weaknesses	Strategies
#1	Free checking; 50 and over account; Internet banking; 24 hour bank by phone; check card	Local; strong customer base of long-time residents; free check card	Only 13 branch locations; hard to reach residents in certain areas b/c of branch locations	Giveaways; special offers on loans and CD's
#2	"e.banking checking package"; VISA check card; 50 and over account; Internet banking	Good tagline and radio advertisements; online account opening option;	Only a couple local branch locations; can't reach markets that may be dominated by competitors	Link to TurboTax website; banner ads; account opening via the web; partnerships with local businesses/ organizations; moving into new locations/counties
#3	"Totally Free checking"; check card; Internet banking; 24 hour bank by phone	Online application option; branches in neighboring states	Only a few local branch locations in county; not a vast amount of advertising in radio and print mediums locally...not a good deal of exposure	Build a strong presence in specific counties; television advertisements; service excellence nominations to solicit feedback and show value to employees.

# Environmental Analysis

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- Highly competitive
- Informed customers
  - Demand more
  - Want what they deserve

# Environmental Analysis: Positioning

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- Positioning of FREE Checking
- Statement summarizing the benefit of the product to the consumer

# Consumer behavior

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- How have consumers reacted to banking in the past?
- How do we want consumers to react in the future?
- Target consumer demographics

# Marketing objectives

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- Quantifiable desired results

<b>Objective</b>	<b>Specific desired outcome</b>
Increase consumer awareness of our bank; specifically targeted markets	20% increase in call volume to call center (tracked by monitoring call volume on marketing initiative dedicated extension)
Increase foot traffic to our local branches	Higher branch productivity levels
Increased sales of Free Checking	30% deposit increase by end of 4 <sup>th</sup> quarter
Increased sales of check cards, online banking and bill pay	30% increase in the 3 products/services by end of 4 <sup>th</sup> quarter

# Marketing Strategies

	Description	Rationale
<b>Strategy I</b>	Bundle product with other value-added services: Free Checking offered with online banking, check card; discounted rate line or loan	Customer not only gets fee free checking account but the opportunity to have the convenience of a check card and online banking—an annual fee can be charged for the check card and a monthly fee can be charged for online banking. If the discounted rate line or loan strategy were used the customer would get a lower rate if paid using Free Checking account—bank earns interest income from open line or loan.
<b>Strategy II</b>	Promote to one specific segment of the population using appropriate advertising and marketing initiatives: For example a specific marketing campaign for the Free Checking product to high local Spanish-speaking communities or Free Checking to university students	In terms of marketing to the Spanish-speaking community, greater value and respect would be illustrated by developing direct mail pieces and account brochure materials in the Spanish language. In terms of marketing to the university student they would have a Free Checking account and know that their limited funds were not being spent on banking fees (unless they overdraw their account).
<b>Strategy III</b>	Promote product as Free if utilized with other services: completely free checking if opened in conjunction with a check card, online banking and bill pay services; otherwise small monthly fee charged.	Customer would have a fee free checking account along with free online banking and bill pay. Customer would be responsible for annual fee for check card, but Free Checking not an option unless combined with all 3 (check card, online banking, bill pay). The more products/services a customer has with bank, the harder it is for them to switch banks.

# Marketing Strategies: Going forward

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- Launch plan
  - If product is being announced
- Promotion budget
  - Supply back-up material with detailed budget information for review

# Research

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- Existing research
- Research recommendations

# Plan of action

Department	Role
Customer service	Support branch system with potential influx of walk-in account openings and inquiries as a result of the direct mailing. Handle potential increased paperwork related to new account openings. Verify customer paperwork with what may already be in our database when updating records.
Call center	Handle influx of customer and prospect calls as a result of the direct mailing. Track calls coming in as a result of the marketing initiative by dedicating a specific telephone extension for inquiries.
Branch system	Be prepared for influx of potential walk-in customers and prospects wanting to act on the direct mailing they received. Ensure properly staffed at peak times if it seems there is a strong response to the mailing. Verify customers and prospects by obtaining proper ID when involved in account opening process.
Marketing	Oversee marketing initiative from start to finish. Ensure all direct mailing material coincides with bank standards and product and service features/benefits are valid and true. Translate marketing piece into Spanish language if marketing to the Spanish-speaking community. Follow-up direct mail piece with appropriate advertisements utilizing appropriate mediums if approved by senior management.
Electronic banking	Assist branch system in check card application/opening process if bundling strategy is the one in which the organization decides to implement. Verify information in databases is consistent and valid. Assist branch system with potential inquiries from in-person customers regarding the check card features and benefits.

# Plan of action

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- Geographic area for marketing
- Media selection

# Public Relations

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- Strategy & execution
  - PR strategies
  - PR plan highlights
  - Backup PR plan

# Fee structures

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- Fees

- Fee income strategies

- Policies

- Fee schedule
- Summarize policy relevant to understanding key pricing issues

# Ethics issues

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- Marketing to new population segment
- Language barriers
- Avoid stereotypical views

# Expense budget

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- What will it cost?
- How will it be funded?

# Success Metrics

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- First year goals
- Additional year goals
- Measures of success/failure
  - Why will the program succeed?
- Requirements for success

# Schedule

Direct Mail to test market								
Task	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Status	Comments
Gather list of current customers in our KS branch area (high Spanish speaking population there) who do not currently have checking product with us							COMPLETE	COMPLETE. Queried sample population for customers with no checking product within the targeted zip codes.
Develop English/Spanish direct mail piece							COMPLETE	COMPLETE. Initially had some trouble getting information translated, but with a little help direct mail piece got done.
Scrub list of KS area customers for duplicate households							COMPLETE	COMPLETE. Deleted duplicates by household. 15% of original list cut out.
Import list as campaign into CRM application							COMPLETE	COMPLETE. Took final list of target segment and imported as campaign. Double checked list and ensured that all records imported.
Proof and edit direct mail piece							COMPLETE	COMPLETE. Had a slight set-back due to the translation issue, but we were able to proof and edit, returning it to SG for appending. Proofed 2nd version and gave it the okay.
Get approval for direct mail piece							IN PROCESS	IN PROCESS. Some set-backs with getting senior management approval. SG out sick a couple days. Direct mail piece is now in the hands of senior management and we are waiting for their ok to mail.
Send direct mail piece and list to printer							ON HOLD	ON HOLD. Waiting for senior management approval of direct mail piece.
Track response via campaign analyzer in CRM application							ON TRACK	ON TRACK. Once senior management approves direct mail piece and it gets sent out, response should be easy to track because list of those being mailed is already imported.

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