

Branding Extensions Target a Savings Boom

By Anthony Malakian, featuring Mary Beth Sullivan

All it took was a massive recession and a plummeting Dow to turn Americans into savers again. According to the U.S. Commerce Department's Bureau of Economic Analysis, the fourth-quarter 2008 savings rate rose to its highest level — 2.9 percent — since 2002. It was also above 1 percent for three consecutive quarters for the first time in five years.

Don't think that banks' marketing teams aren't noticing. Large and small banks alike are rolling out new ad campaigns that hawk attractive rates and investment stability to newly converted savers. While banks have always marketed their certificates of deposit and high-interest checking accounts, analysts and consultants say these past ancillary ad efforts at deposit growth are turning into the centerpiece of bank branding as increasing liquidity challenges and margin pressures squeeze banks.

SunTrust Bank switched last fall to a new savings and soundness branding campaign ("Live Solid, Bank Solid") that forsakes a have-it-now message that doesn't fit today's climate. "In the past, people were thinking beyond money to the dream of what they are trying to accomplish...the bigger picture, long-term view," says Rilla Delorier, chief marketing officer for the \$189-billion asset SunTrust. "Now it's about doing the right things [financially] and making the right choices."

Bankers recognize that consumers are savings-conscious, "so you're seeing a lot of energy [by banks] toward promoting saving vehicles," says Mary Beth Sullivan, managing partner at Capital Performance Group, an advisory firm in Washington, D.C.

The \$3.3 billion-asset Sandy Spring Bank in Olney, Md., supported the launch of a new money-market account last September with a gauntlet of product-based ads in daily newspapers and online, proclaiming, "Guaranteed returns, in an environment of change."

By January it had brought in approximately 2,000 new accounts totaling nearly \$175 million in deposits, well exceeding expectations. "We were looking for ways to attract new clients to the bank and for existing clients to bring new money to us," says Jim Burrows, Sandy Spring's senior vice

president and director of marketing. "Our focus is always trying to get clients to save money but at the same time finding ways to build the balance sheet and grow deposits. It's a win-win for both the bank and the new clients coming into the bank."

For Net-based ING Direct, for whom savings pitches are old hat, the firm has stepped up promotion of its iconic Orange accounts through a new sub-site with a distinct slogan - WeTheSavers.com - that, besides offering a 10-piece "Declaration of Financial Independence," also sponsors a user forum for the posting of tips and savings goals. The site has generated more than 240,000 unique visitors and 725,000 page views since going live in October, and saw more than 25,000 individuals sign the "Declaration" by the end of February. "We think that we really have something here that people believe in," says a spokesperson.

For bankers, the savings gambit may be one of their few current choices for building capital for lending activity. "As securitization has dried up," says Ron Shevlin, senior analyst at Boston-based research firm Aite Group, "it has forced banks more recently to turn back to deposits [to fund loans] and that's why you see even investment firms looking to get into the retail deposit space." Goldman Sachs, for example, is reportedly mulling over the idea of starting a Web-based direct bank operation to spur retail deposit gathering.

Another newly minted bank holding company, GMAC Bank, is going the direct bank route to generate fresh deposits. It began marketing a 12-month CD and an online savings account in December, and Diane Morais, a deposits and product innovation executive for the \$33 billion-asset institution in Midvale, Utah, says the marketing push helped it generate \$1.6 billion of deposits in the fourth quarter. A chief reason was a safety-first ad hook: "Wear a market-proof vest".

"We began, in the fourth quarter, a more distinct focus on being more customer centric and had a very concerted effort to grow deposits," she says. "We've seen tremendous customer response to those two products."

AS SEEN IN THE APRIL 1, 2009

The logo for USBanker, featuring the word 'USBanker' in a blue, sans-serif font, with the tagline 'Beyond Business as Usual' in a smaller font below it.