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## IMPROVING NEWSLETTER EFFECTIVENESS

by [Steve Brown](#)

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Nearly every community bank creates and sends out a newsletter. Whether on a monthly or quarterly cycle, in email or paper form; newsletters remain an effective customer acquisition and retention tool. Given all the time and effort required to produce this marketing collateral, it is important community banks measure return on investment carefully.

Calculate total staff resource investment on a per-issue basis, as it can easily represent thousands of dollars. Know what design, printing and postage costs are per issue. Determine whether the hours being invested by bank executives creating, writing and distributing the newsletter could be better spent contacting key customers.

To begin, review newsletter content objectively. Does it do more than regurgitate products, branch locations or company news? To truly capture interest newsletters must provide timely information important to readers. Newsletters that fail to engage readers end up being colorful and expensive trash bin liners.

Objective and informative articles are also vital to ensure newsletters do not read like sales brochures. While sales content can be embedded within stories, its inclusion should represent a soft sell. Articles solving customer problems, covering industry trends and providing case studies are common ways to educate customers without going over the top.

Tempt readers with appealing headlines, graphics and content on every page. If the cover page isn't interesting enough, readers will not only be lost, but they probably won't read any further. Given the effort and cost of producing a newsletter, it is critically important that the reader is interested enough to open the publication. Topics must be meaningful. By making sure cover stories jump deeper into the publication (and by weaving in client testimonials), readers digest more.

Publications should lead with news, whenever possible. While many bank newsletters include a section for a message from the president, it probably should not be the first thing readers see. Again, grabbing attention is critical. Therefore, unless the bank president is a world-class model or the message describes the benefits the reader is about to receive, momentum is reduced.

Add graphics. Studies show people are much more likely to read an article if it also contains a chart, photo, illustration or other graphic element. Pictures are exciting, text is usually not.

Lose the one-pager financial statement. Readers simply don't want to look at columns of numbers because they just don't care. Unlike bankers, who live and breathe numbers, readers prefer reading a story. In fact, studies show a page filled with financial data in columns is 5x less likely to be remembered than an interesting article.

Gather customer feedback, run surveys and embed customer experiences within the publication. By including special offers based on reader interest, customer loyalty can be rewarded, boosting customer retention and satisfaction.

Make sure spelling, punctuation and grammar are correct and accurate. Remember that the newsletter is an extension of your brand and consistent or obvious inaccuracies tarnish it over time.

Since it is the strategic planning time of year for bankers, we offer up the results of one final study that found 50% of financial institutions outsource marketing activities. Among the marketing activities most likely to be outsourced – newsletters, corporate literature, market research, product promotion, advertising and direct mail. Interestingly, the study also found that larger banks are 150% more likely to outsource these marketing functions than community banks.

Given that studies show small business customers are aware of 6 to 10 banks in their area, marketing efforts need to be more effective than ever. Properly designed and executed, newsletters and electronic magazines can not only be valuable brand enhancers, but also deliver measurable deposit & loan business.

## **BANK NEWS**

### **M&A**

The HC of First Priority Bank (\$126mm, PA) will acquire Prestige Community Bank (PA) for an undisclosed sum. Prestige is a de novo bank opened just 10 days ago.

### **Exam Cycle Extension**

The FDIC and other federal regulators have adopted new rules that would allow certain institutions that have up to \$500mm in total assets to qualify for an 18-month (rather than 12-month) on-site safety and soundness examination cycle.

### **Transparent Fed**

In order to make policy decisions more transparent, Fed officials are considering doubling the frequency of their economic forecast to 4x per year and extending their projections to 3 years, rather than 2.

### **Spin Off**

Marshall & Ilsley (\$55B, WI) announced Thursday it will spin off Metavante Corp, its technology division, into a public company worth \$4.25B.

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