
DO WE NEED BROCHURES?

by [Steve Brown](#)

As fans of marketing, one of the things we love is a well-written brochure. However, there are two problems with this. One, there are few artfully worded and crafted brochures and two, if there were, few would read them. After looking at more than 200 product brochures at various banks around the county, here are our thoughts:

Brochures are expensive, not just to print, but to produce. They must be written, edited, reviewed, laid out, re-edited, re-reviewed, re-laid out, approved and then printed, generally in 4-color on glossy paper. It's not at all unusual for a brochure with a print run of 20,000 to cost \$100,000 or more. That's a lot of money for a document that's out of date immediately.

A more important question is - do your customers read them? In a focus group we did a number of years ago, 10 customer milled around a lobby, some picked up brochures, a few opened them, but only 1 started (and didn't finish) reading a set of brochures. Answer honestly - when was the last time you read a vendor's brochure? Customers like the heft, have satisfaction over the quality of paper, are attracted to the photos, but the reality is, few bother to read the copy.

Brochures for bank products are often full of B-grade pictures complete with models pretending to be business people, along with strings of dopey buzzwords and business-speak. Bank brochures are often too product oriented. That is, they tend to describe products or services, and not the solution of how the product or service can benefit the customer.

In most cases, the brochure is a subset of what's available on the website. Now, more than ever, customers rely on web-based information to make decisions. The web has the advantage of being cheaper to produce, more interactive, can provide a greater amount of information (like detailed case-studies, white papers, etc.) and they can be updated to reflect product changes, news stories and other information that's timely. In today's fast-moving world, a brochure, once printed, is generally out of date.

Another marketing tip is to stop putting nice brochures next to substandard marketing material such as CDARs, FDIC insurance reminders, Treasury Department pamphlets and other cheesy 3rd party information. Your bank hopefully spends a fair amount of money in promoting its brand, why devalue it next to brochures that could be construed as coming from your institution?

Finally, brochures encourage lousy sales practices. A banker drops a brochure off at the front desk of a client and feels like he has done his job for the day. Then there's the entire "I'll send you a brochure" thing that goes on in sales cycle. It's suppose to be a way to keep the prospect interested, but in our opinion, it's really just a way to make the sales rep think that a deal is still alive when in fact it's already dead as a dog.

If a bank has a well thought-out branding plan and has an equally impressive set of brochures, then more power to it. Many banks end up spending beaucoup bucks as if it is some statement that it is "really in business" and serious about its products. A good rule of thumb is make sure you spend the same amount of time and money on sales training than you do on a brochure. It is often a better

investment. For that matter, we have found newsletters to be more effective when it comes to product sales.

A good bank brochure is a work of art and can undoubtedly help the sales process. The problem is, few fall into this category. Try this - take a look at your sales material and candidly ask yours customers if it is helping the sales process. Our experience is that they will honestly tell you and conversation will be great way to discuss a specific product or service.

BANK NEWS

Citi

The bank posted its 2nd straight quarterly loss on \$5.1B of write-downs in home, credit card, and auto loans. Despite lower than expected earnings, the market felt that the worst writedowns were behind the bank is currently causing a rally in the stock.

Amcore

The \$5B, Illinois bank disclosed higher than expected loan losses and allowances. In addition, the OCC slapped them with a written agreement requiring it to address commercial lending weaknesses. The news sent Amcore's stock to its lowest level in 11 years.

SBA

A recent survey by the National Association of Government Guaranteed Lenders showed that more than 66% of SBA lenders have tightened their standards on 7(a) loans, SBA's primary business loan program. This compares to the 80% of lenders that say they have tightened standards on conventional, non-SBA loans.

Teen Education

A recent survey by Charles Schwab shows that less than 34% of parents have taught their teenagers how to balance a checkbook or explain how credit card interest and fees work. In addition, while 71% of the respondents agree that "hands-on experience" is the best teacher for kids, only 20% involve their teen in family budgeting or financial management decisions. If you are looking to capture teen deposits " education is a great place to start.

Auction Rates

The NY AG announced an investigation into the action-rate securities market. It is estimated that 8% of banks have investment in this product.

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