

PINK FLAMINGOS AND POSITIONING BANK PRODUCTS

by [Steve Brown](#)

You may not have known it but there are more plastic flamingos in the US than real ones. This majestic creature was designed in 1957 out of molded clay and its designer actually won the Nobel Prize for Art in 1996. The good thing about these birds is that they are relatively quiet, they don't eat much and they are comfortable enough to stand for hours in your front lawn in pairs. People all over America love the plastic flamingo and neighbors appreciate the quiet of their morning song (some say only dogs can hear it). We bring this up because much as the pink flamingo inventor, bankers never know what will catch on when setting out to position your products and services.

While finding the next pink flamingo craze isn't likely to occur in banking, there are some concrete steps you can take to incrementally improve your performance when it comes to positioning your services. Research has found different people respond to different stimuli, so understanding this can help drive more business into your bank and down to your bottom line.

To begin this process, you have to start by understanding your marketplace. Ask yourself whether customers see your services as highly commoditized and hard to differentiate from other banks. If that is the case, consider (as many community bankers do) adding a high quality service to go along with the product. Research finds this combination boosts sales.

Another question to ask your sales team is whether the customer walking in the door sees the problem they are trying to solve as complex or straightforward. If the problem is deemed complex by the customer, one of the best ways to land and keep the business is to design a flexible, customized solution. Talk to these clients, get to know them, understand the issue they are trying to solve and then work with them to create a customized solution. Use this approach with this type of customer and the research shows you should once again see better bottom line results (an added benefit is that this also increases customer switching costs to a competitor).

A third consideration is whether to talk to your customers about your services first or your product offerings. While this may sound like it does not matter, understanding the customer viewpoint may improve performance. For instance, if customers are most interested in what type of service goes with a given product, you might want to start there. In the alternative, if they seek out a given product first and then back-fill with added service, you can position that way. Understanding how the customer views your suite of products and services, questioning them to gain insight into their specific viewpoint and then offering solutions that fit that need is one of the best ways to increase sales opportunities.

One more consideration for bankers comes in the form of process, or what we like to call around here "highest and best use." Asking whether a given product or service can be centrally administered, remotely supported, or delivered via an online channel is a continual effort. Continually seek out and discuss whether it makes sense to scale things or shift personnel to another area/product to leverage them to their highest and best use is an ongoing challenge. Finding the proper balance can improve bank performance, as both employee and customer satisfaction and performance rise.

Whether you decide to give away pink flamingos in the branch at your next "Summer Splash" event or not, focusing on the fundamentals of positioning products and services should help drive consistently better earnings performance.

BANK NEWS

Talking Heads

No less than 13 public speeches by Fed Board members are scheduled over the next 2 weeks, the highest concentration of Fed speakers this year.

OTS Extension

The OTS and FDIC approved a 15-day extension for thrifts to file their Summary of Deposit Report, originally scheduled for the end of July.

iPad

Last month, BB&T was the first major bank to launch an iPad specific app. It was followed by BofA's release this week.

Cards

Bank of America was ranked as the most small-business friendly credit card issuer, according to a recent CardHub.com. Wells Fargo, HSBC and US Bank finished near the bottom in many categories.

FX

The agenda is set for this Tuesday where the FDIC will rule on their proposed guidance, mandated by the Dodd Frank Act, that will set the processing and disclosure requirements for banks that engage in foreign exchange transactions

CoCos

Global regulators are coming around to the notion that large banks might be able to consider the use of contingent convertible bonds in their Tier 1 capital structure to meet their risk-adjusted capital requirements. The move is anxiously awaited by several European banks that are tight on capital.

Working Together

A survey by Harris Interactive finds 80% of people are stressed out by at least one aspect of their jobs and 10% say coworkers cause the most tension. Meanwhile, a study by CareerBuilder.com found 38% of workers say they eat more unhealthy snacks at the office than at home.

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