

MAKING THE INTANGIBLE TOUCHABLE

by [Steve Brown](#)

We are taking it international today and our best practice highlight comes from Denmark's 2nd largest community bank - Jyske Bank. While the 119 branch bank has one of the best branch designs anywhere in the world, there is one attribute that caught our attention that could be a boon for some banks in the marketing of their retail or commercial products.

Similar to "Flo" on the Progressive commercials, Jyske Bank figured out that the best way to differentiate their products from other banks was to make them tangible. In addition to comfy chairs, open space, floor to ceiling windows and a "Coffee Bar;" Jyske cleverly designed a series of "Theme Bars" (yes, they are big on the "Bar" concept) that showcase products grouped together. For each product, the bank designed a heavy, high-gloss box, with a stunning visual on the front and specific information on the back. Open the Velcro lid on the box and it contains a brochure with more information on the product. The poetry of the box is that it allows users to pick up multiple checking accounts, turn the boxes over and do a side by side comparison of the features and attributes. Basically, the boxes allow people to "play with blocks" as they get a tactile feedback loop making the intangible, tangible. Color coding helps distinguish the products, while the Theme Bar structure allows managers to move products around to showcase the focus product of the month.

The student Theme Bar has a package for student loans and a "My First Car Loan" box. The business table has a box on equipment financing, working capital lines, lock box and other loan and deposit products. There is usually a retirement table, a home mortgage table and a theme stand for savings products. Customers can shop by business type, solutions or by product type. Part of the beauty of this design is that packages of products can be interchanged and combined to emphasize a particular set, based on the demographics of a branch or the goals of Jyske.

If that idea isn't good enough, the concept gets even better. On the back of each box, there is a bar code. Take the box to the "Test Bar," scan the code into the computer and an exciting video plays. When it ends, the video is replaced with some sort of interactive application that lets you calculate your retirement needs; pick a car you want to finance in order to get a target price and payments; or, an application that lets you build a bundled account package by picking and choosing features that are important to you. By the time you are done, you have fully explored the product and feel like in expert.

Of course, human interaction is still available. Should you have questions, you can also go to the "Ask Bar," which is right next to the "Money Bar" (the teller station). Both the Ask Bar and the Money Bar allow customers and potential customers to talk to an expert and be guided through the products to a purchase.

The whole experience is magnificent and drives customers to become more familiar with the bank's products by having a physical manifestation of intangible attributes. Best of all, the concept allows excellent self-driven cross-sell and allows for great promotional flexibility.

If you are struggling with a way to better promote your products and can still garner high levels of branch traffic, this idea may be just the concept to jump-start your 2012.

BANK NEWS

Settlement

RBC Capital Markets has agreed to pay \$30.4mm to settle charges from the SEC that it sold unsuitable investments to five Wisconsin school districts.

Not Yet

The WSJ is reporting that several large US banks have approached the Fed in recent weeks seeking permission to buy back shares, but that the Fed has pushed back and is turning many down. The Fed's cautious approach is driven by overall capital levels, higher capital standards, additional cushion being considered under Basel and expectations of an ugly 3Q earnings season. Some banks are being told it is simply too early to use capital that way.

Very Expensive

A survey by the Henry Kaiser Family Foundation found the cost for businesses to buy health coverage for employees jumped by the most in 6Ys, rising 9% for the average cost of a family policy (to \$15,073 and up 113% since 2001). At this level, health insurance costs for companies are now larger than pay raises.

Consumer Stress

Given consumer spending is 67% of the economy, we note the Labor Dept reports consumer spending fell 2% last year (only the 2nd drop since the survey began in 1984) and incomes fell 0.6% (were down 1.1% in 2009).

Potential Yield Hit

Banks could see their investment performance get crushed, if a program being discussed in DC goes through. The program would allow people with underwater homes to refinance through FNMA and FHLMC. Since banks own large amounts of mortgage securities carried at high premiums on the books (given a precipitous drop in market yields), prepayments could hit performance, depending on the severity. A new report from the Fed finds about 2.3mm homeowners could have refinanced their mortgages last year if they didn't owe more than their homes were worth or if lending standards weren't so strict (which is fueling this discussion).

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