



Bauerle's Bank Notes

Name that Bank

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At age three, I waved goodbye to my college professor father one Saturday morning as he drove off to a nearby city to earn an extra day's pay judging a contest whose entrants had written to say why, in 40 words or less, they loved Corn Flakes cereal. That evening, I was crestfallen to learn that he had bestowed seven new Chevrolets on winning contestants without awarding even one to our family. Only in adulthood did I realize his work was an early exercise in data mining by the consumer marketing juggernaut named Kellogg's.

Half a century later, word association marketing has acquired a pseudo-scientific cast unimaginable in the 1950's. Computer algorithms now churn out alluring names that do not infringe existing trademarks. Epic legal battles arise over brand names and Internet domain names, including Budweiser (is it a registered trademark of Anheuser-Busch or a word describing beer brewed in the style of the Budweis region of the Czech Republic?), Pinehurst (a golf course or a community in North Carolina?), Lexus (a car when spelled with a "u", but a data service when spelled with an "i"), Citizens Bank (from Rhode Island, Eastern Ohio or Evans City, Pennsylvania), and mlb.com (Major League Baseball, which had to purchase the domain name from a Philadelphia law firm that registered it first). The upshot is syllable-salad names like Experian (a credit bureau), Allegent (a credit union) and Synchrony Bank (the new name of GE Capital Retail Bank).

As a new coinage, Synchrony has no market cachet, at least not yet. The brand name evokes symphony and synchronize, one high art and the other carefully planned and executed technique. GE has an IPO planned for Synchrony Bank this fall. So we will likely be inundated by advertisements trumpeting the newly branded bank. In advance of the IPO, the bank has emphasized the interest rate it pays on deposits rather than its name. Advertisements like the quarter-page one on page 3 of Sunday's Pittsburgh Post-Gazette use 80 point type to trumpet a 1.20% APR 15 month CD and a 0.95% APR money market account. The name of the bank appears only in the smallest type size on the page, the same size reserved for the "fine print" disclosures. This duality is intentional: attract customers with the rate (at that yield, they won't care what bank is offering it), build the bank's deposit base pre-IPO, float the stock, and THEN roll out the corporate identity with lots of marketing brio.

The strategy points up the challenges regional banks face as too-big-to-fail institutions possess the scale needed to dominate major media outlets. One of the best-

known brands in the business, Citibank, recently filled the back cover of The New Yorker with a color ad featuring a Bay Area manufacturer, including the callout quote, "THERE'S NO REASON WE CAN'T MANUFACTURE IN THE U.S.," attributed to the customer's CEO. In the picture, a large yellow banner hangs from the ceiling in the manufacturing plant bearing the words "Hand made in San Francisco" alongside an image of a raised clenched fist in the style popularized during student strikes at Berkeley and elsewhere in the 1960's. Lost on most readers is the irony of a 1960's counterculture icon being appropriated for a flag-waving ad by America's most international of retail banks. Walter Wriston is smiling bemusedly from the grave.

Regional financial institutions today continue to bear place names (Ballston Spa National Bank in upstate New York, Fremont Bank in California, Badlands Federal Credit Union in South Dakota, Zions Bank in Utah), conventional bank names (Citizens, Peoples, First National, City, Such and Such County) and, less frequently, names promulgated by marketing firms (Centura, Regions, Premier, Pinnacle and the like). Place names are limiting. Traditional bank names are redundant and confusing. Consequently, wire transfers are misdirected and legal battles erupt when acquisitions cause multiple banks to have the same name in a market. Meanwhile, some marketing study-derived names have all the appeal of beige paint: great for art galleries, lousy for name recognition. Banks are understandably loath to change names because of the good will associated with existing ones. Nostalgia, however, is not a strategy.

Several approaches suggest themselves:

1. Product names offer a means to differentiate a bank in the eyes of customers. Optimizer^{plus} is the deposit product name Synchrony bank features. In the above-referenced newspaper ad, it appears in type five times larger than the name of the bank. The website to which new customers are directed is myoptimizerplus.com. In another realm, Budweiser is the name of the product not the company that makes it. Everyone knows the product; maybe 50% of the population knows who makes it; perhaps 1% knows the company today is based in Europe and the Clydesdale horses featured in Christmas season commercials are only a gauzy memory. Before 1960 there were dozens of American breweries that produced Budweiser beer. Because Anheuser-Busch registered the mark and outspent the competition litigating its claim to the name, other breweries dropped it. Ironically, the battle Anheuser-Busch won in the States it lost in 2012 in Europe following the company's acquisition by Netherlands-based InBev. The Court of Justice of the European Union ruled Budějovický Budvar, the brewer of Czech Budweiser, has exclusive jurisdiction over the Budweiser brand name in the entire European Union. Admittedly, European chauvinism may have influenced the outcome as much as legal principle did. Back in the banking sphere, PayPal and BillMeLater are both thoughtfully conceived product names and registered trademarks for financial services eBay offers.

2. Niche-market name associations can also serve banks well. Ballston Spa National Bank's larger regional competitor, Saratoga National Bank, bears a name that invites associations to upstate New York's rich heritage as a leisure destination. Saratoga Springs' reputation travels well enough to cloak the eponymous bank in a regional identity, unlike the neighboring community of Ballston Spa. The surviving community bank in the town of my youth, The Delaware County Bank and Trust Company, went to market starting in the 1980's as "The Bank". Presumably,

directors reasoned the full name was a mouthful. Too, "The Bank" was a slight directed at the only other bank in town, which had sold itself to a Cleveland outfit. To anyone with wider horizons though, "The Bank" sounded pretentious and parochial. The institution recently rebranded itself as "DCB." Without a disproportionate marketing budget, however, it is hard to believe that name will gain wide recognition. The bank has available to it the community's reputation as the home of the third race in the triple crown of harness racing. Why not "Pacer Bank" or horse racing-themed product names to capitalize on Midwestern regional pride and satisfy a niche market of customers interested in the sport and not resident in Delaware County, Ohio?

3. Sports and patriotic associations have enormous value. In Pittsburgh, a Black & Gold Bank would have more currency than most names borne by legacy banks that desire to reach beyond their traditional markets (Allegheny Valley, Charleroi Federal, West View Savings). Of two dozen VISA debit card designs offered by a Pittsburgh area credit union, the black and gold design is the most popular and the American flag card is second. Although sports team names are registered trademarks, color schemes are not. Thus blue and white would have wide appeal in Dallas or State College, Pennsylvania. Liberty Bank is taken, but plenty of other patriotic monikers are on offer. The only caveat here is that names too closely associated with federal agencies are *verboden* (e.g., Reserve Bank, to which the Federal Reserve System claims exclusive rights).

The financial crisis of 2008 led many institutions to shelve their marketing plans and budgets. As economic conditions improve, investment in brand identity and product line extension will be even more essential. Before a larger institution bought it, the First National Bank of Slippery Rock (Pennsylvania) had as its logo an image of a man crossing a stream in the forest and falling on a rock. The bank's marketing director wryly observed to me, "What bank in its right mind would have as its logo a picture of a man falling on his ass on a rock?" Although others' image constraints may not be as severe, banks must develop effective means to compete with the Synchrony banks and the PayPal and Bill-me-Later services of today's consumer financial services economy. If they neglect to do so, they act at their peril.