

People: The Fifth-P of Marketing



We are all familiar with the Four-P's of marketing: Product, Price, Promotion and Place - but maybe there is a Fifth-P. Recent research by Kinesis has determined the importance bank representatives play in driving purchase intent. The Fifth-P...it is People.

In the first quarter of 2004, Kinesis conducted a survey of people who had recently visited a bank branch to inquire about a retail banking product or service. The purpose of this research was to determine the key drivers of purchase intent after a branch visit. Six hundred ninety-four people (n=694) were asked to rate how the experience at the branch influenced their intention or purchase a product or service from the bank according to a five-point rating scale anchored at -2 and +2, where -2 was defined as “significantly decreased purchase intent”, +2 was defined as “significantly increased purchase intent” with zero (the mid-point) defined as “had no influence on purchase intent.” Paired with this purchase intent rating, respondents were asked why the experience influenced their purchase intent as it did? The responses to this open-ended question were grouped according to common themes and cross-tabulated according to the purchase intent rating to determine what elements of the branch experience drive purchase intent. The results of this cross-tabulation are presented in the accompanying chart.

Reasons Behind Purchase Intent	
Friendly Employees/General Positive Customer Service	26%
Product Reasons	18%
Rep. Product Knowledge/Informative/Confidence in Rep.	16%
Attentive to Needs/Interest in Helping/ Personalized Service	14%
Professional/ Respectful Employees/ Not Pushy	10%
Branch Atmosphere	8%
Felt Valued as Customer	3%

Once a prospective customer enters the branch, the platform representative clearly drives purchase intent. Over two-thirds (69%) of the reasons given for positive purchase intent are the result of branch personnel, only one-in-five (18%) were product related, while 8% were due to the branch atmosphere.

The branch personnel driven elements include: generally positive friendly service (26%), product knowledge/informative/confidence in the representative (16%), attentive to needs/ interest in helping/ personalized service (14%), and professional/ respectful/ not pushy employees (10%). Prospective customers want confidence and trust not just in the institution, but also in the people who are the human face of the institution. Product knowledge, attention to personal needs, and a respectful professional sales

approach are all very important in establishing the trust necessary to earn the right to play a role in the household's financial business.

In a follow-up study, Kinesis wanted to investigate the key drivers of purchase intent as a result of the sales presentation for more complex financial services. Three hundred fourteen people (n=314) who had recently participated in a sales presentation for bank-marketed investment products (annuities, mutual funds, and other securities from Series 6 and Series 7 licensed sales people) were given the same survey. If trust and confidence in the platform personnel is important for retail banking, it is even more important for investment products.

Over nine-out-of-ten (91%) of the respondents mentioned an employee related reason as driving purchase intent, only a handful mentioned product (3%) and branch atmosphere (2%), as drivers of purchase intent. The themes of trust and confidence are even more evident in investment presentations. Interest in helping/attentive to needs (43%), product knowledge/informative/confidence in the representative (28%), and professional/respectful employees (13%) are the top three reasons for positive purchase intent. Furthermore, the strength of these attributes' influence is striking, 78% of the respondents who mentioned these attributes assigned the highest purchase intent rating (+2). Not only are they mentioned with significant frequency, but the strength of their influence on Purchase Intent is significant as well.

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As banks continue to expand their offerings to more sophisticated products, the professionalism and personalization of the sales process is critical to garnering the trust necessary to earn the household's business. Not only is this due to the sophistication of these products, but also because of their risk profile. Customers understand this increased risk and therefore require even more personalized and professional attention to feel comfortable giving their business to an institution, even if the institution is a bank with all the trust usually associated with bank brands.

Once a prospective client is in the branch, the people in the sales process drive purchase intent. Product, Price, Promotion and Place all play a role in getting prospective clients to the branch, but it is the people involved in the sales process who clearly drive purchase intent from that point on. Perhaps People really doesn't deserve elevation to the status of Fifth-P. In fact, the people in the sales process are part of the Fourth-P, Place. However, consider this...financial institutions invest heavily in marketing efforts for both core bank products and increasingly more sophisticated products. Yet, all this marketing investment is wasted if it is not supported by the people

involved in the sales process. It is these people who connect with prospective customers on a personal level, and as a result, influence the sale and maximize return on marketing investments. That's worth repeating...the people in the sales process maximize ROI on marketing dollars.

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