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Is Public Relations Obsolete?

by Merrie Spaeth

No. It simply needs to adjust to a radically altered communications landscape. That means making more extensive use of video and interactive media to tell compelling stories through the mouths of both customers and employees.

At one time in the not-too-distant past, one aspect of good public relations involved getting a favorable article about your bank published in the local newspaper. These days, with the newspaper industry in decline in many markets, it's getting harder to find a print publication for an article to appear in—yet alone someone willing to read it.

**Does this mean that public relations is obsolete?
Far from it.**

“PR is even more important than ever.” Those were the words of John Waupsh, chief innovation and chief creative officer of Austin, Texas-based BancVue at a meeting of community banks earlier

this year in Phoenix. His talk, entitled, “How to Effectively Compete—Even Against Non-Bank Banks by Breaking through the Clutter,” had a sobering message: Competition is skyrocketing, and most community banks’ business models are woefully out-of-date.

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Waupsh’s presentation outlined the challenges from new competitors as well as the changing

world of mobile banking. His research also revealed that most banks are focusing on the wrong message. They're stressing service when their customers and the public—prospective customers—already think highly of the community services that community and regional banks provide. The real issue is that they don't think community and regional banks provide a wide variety of sophisticated products and services.

In addition to re-assessing a bank's advertising and marketing approach, what value can public relations add? It's no secret we're in a period of amazingly rapid change in the communication landscape, so our first task is to redefine public relations as "communication that is aligned with advertising and marketing that influences what a listener hears, believes and remembers," my definition of effective communication.

There are at least two things public relations can add. First, PR can convey that banks are indeed good corporate citizens and contribute enormously to the civic and economic health of your communities. Second, public relations should enlist your employees and existing customers as ambassadors for your bank.

Today, public relations professionals must ask, "Who is my audience, and how do they access information?"

Bank Employees Describe on Video What They Do with Their Charitable Contributions

An example of a bank that gets its employees to talk on video about their good deeds is Bell State Bank and Trust (assets: \$2.9 billion) in Fargo, N.D., which started the "Pay It Forward" project a few years ago. The bank annually gives full-time employee \$1,000 and tells them to spend or allocate it anyway they wish but to document an explanation of the contribution on video. The stories, told by employees, frequently straight into the camera, are evidence that banks are the good guys.

I have followed the project as an interested observer over the years. I'm not a customer and they're not a client, but I forward the video links to many friends because the stories are moving. One woman whose husband died of cancer bought a car load of DVD players, movies and games for the oncology department of a local children's hospital. Another contributed to a pioneering treatment facility that teaches kids with diseases such as cerebral palsy how to ride horses. Another group of employees built a ramp and deck for a young family with a wheelchair-bound toddler, and completed it in a day. When the child came home from daycare and rolled up the ramp, her mother burst into tears.



A Bank employee learned from a local church that many families didn't have mattresses. She and a colleague took the initial money, enlisted others, raised \$30,000 inside the bank and provided scores of mattresses and pillows to needy families—such as one set of grandparents raising three grandchildren without a single mattress in their small apartment.

And next, “What information matters to them?” A news release about an internal promotion, new product or contribution isn’t likely to engage existing customers or create new ones.

Are your press releases being ignored?

Many people still think of media relations as a first step in a public relations initiative, but traditional media has drastically declined and changed. Deadlines have evaporated; reporters post articles immediately online and beat reporters are fading away.

I know of a \$6 billion bank with a presence in more than 40 cities and towns. Most of its press

releases were being ignored. The question was, can they be jazzier? Bolder? More colorful? What will get people to read them? In the city where the bank has its headquarters, population 125,000, the local newspaper still accepts and prints a press release almost verbatim. In some other cities, the local paper will include the facts—executive changes, an announcement of a new product, etc.—in a column in the business section but will ignore the quotes and characterizations, such as whether a new product will be useful to certain customers.

However, in most cities, the press release goes into a black hole. When we looked at the amount of time it took to draft and clear a release, the



Ben, a severely disabled young man, loves the Minnesota Vikings football team. The bank employee took her \$1,000 and made a gift to Ben’s family, which turned into a team-sponsored visit to a game, seats in a suite and high fives from Vikings’ players.

When a friend had a very premature baby and ran out of maternity leave and the bills starting piling up, one bank employee gave her friend a \$1,000 gift. The mom described the bank employee as an “angel” who made it possible for the baby to come home.



return on investment was negative in all but the headquarters city. We determined that cities in smaller markets should be the specific facts or email or else use a different approach altogether.

Press releases still serve an archival purpose, but they are no longer the connector with key audiences. Part of the problem is that reporters are overwhelmed with press releases. PR Newswire, BusinessWire and Marketwire report distributing 642,000 press releases in 2013, and that doesn't count the releases sent directly to media outlets.

The lines between print, electronic and consumer-generated media have blurred. By way of example: When Fortune magazine arrived to interview a CEO that I know of, it brought a video camera so it could post it on Fortune TV. The Wall Street Journal posts a video version of about half their articles, either as an interview with the reporter, or with interviewees or experts. Turn on the television during a natural disaster, and there's a crawl on the bottom of the screen soliciting viewers to send in pictures or video.

There are countless ways to reach key audiences, but before outlining a plan, you must understand how your key audiences see themselves and ask, "What makes them pay attention?" Today, audiences demand to be engaged in an interactive manner. This means asking how employees and customers want to "talk" to you—through text, email, social media, interactive mobile or Web-based features or other channels.

Many banks are still timid about using social media like Facebook, Instagram, Twitter or LinkedIn because of regulatory restrictions and

because many of the rules implementing Dodd-Frank have yet to be written. These, and the ever-proliferating other types of multimedia and video media, are ways to engage your employees first and then your customers and prospective customers. Banks that aren't at least discussing how to experiment with these channels are way behind the proverbial eight ball.

People don't read—they watch

And, just to make life more challenging, remember that people today don't read. They skim, view, listen, watch or visually absorb. This means that your plans need to include a significant video and design component.

While teaching at the Cox School of Business at Southern Methodist University in Dallas, I asked my graduate students how often they watched videos. All of them watch videos every day, and they estimate they watch, on average, 25 videos a day. Many of these are only a few seconds long, but the message is that your customers and potential customers look for, absorb and share information in a very different way than just a few years ago.

This demand for engagement coupled with the ease of access to more channels is causing the dramatic increase in online communities of groups of people sharing like-minded views, needs and queries. It's reflected in the growth of sites such as Angie's List. And it's, in large part, defined and made effective because it's about personal stories. The power of sites such as Angie's List is that it's your "neighbor" you trust sharing an experience that meets a need you have.

For banks, personal stories or anecdotes add the emotional ingredient to facts and statistics.

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Enlisting your employees and customers to share their personal stories is a critical part of conveying what you offer and what your bank can do to serve and help current and prospective customers. In addition to telling the story, enlistment means asking, “Do you know anyone else who could benefit from what we can do?”

Even if your CEO goes pale at the suggestion of Facebook and does not believe that some people actually get all their news from Twitter, you can share stories, preferably on video, which tell how your products and services have helped a real person, family or business with a service usually associated with larger banks: SBA loans, cash management, correspondent banking, foreign exchange, corporate trust, retirement plans, fraud protection, interest rate hedging and factoring as well as depository, lending, mortgage, trust, private banking needs and more.

The stories you use to illustrate your offerings need to be very specific and include the customer delivering the strategic message, “I didn’t know the bank down the street could help me with this, and it was great to learn they could help me!”

We predict that banks will follow the path taken by the health care industry. Five years ago, some hospitals thought the Health Insurance Portability and Accountability Act rules prevented them from using patient stories. Today, some of these hospitals’ first-person patient stories are on billboards, websites, social media and in newsletters. Patients eagerly volunteer to tell their stories. The stories are easy to share, and they’re the future.

Second, it might be hyperbolic to say the future of banking is at stake, but the image of banks and bankers has suffered greatly over the past

five years. Banks will continue to be associated with the Troubled Asset Relief Program, bailouts, outrageous bonuses and the “Wall Street versus Main Street” image. All the banks we work with are heavily involved in their communities—donating funds, organizing volunteer efforts and providing expertise to a wide range of activities. What they don’t do is talk about it adequately.

As noted above, press releases are ineffective. A bank can post information on its website, but again, people don’t read, and it can seem self-serving for an institution to pat itself on the institutional back.

The solution? Get your employees talking on video about the projects they are involved in and why. Consider encouraging them to post pictures of their involvement on the bank’s Facebook page or their own or other social media sites (see sidebar).

Stories bring all of your good deeds to life. Stories turn products and services into people. There is no more credible source to share these than the very employees who make it all happen and the people, whether customers or not, whose lives they improve. To benchmark your public relations efforts, consider the suggestions above and use them as a checklist to see if you’ve got the right message, the right messengers and the right strategy.

No, PR is not dying. It is still alive and kicking—and just as important as ever.

Today, audiences demand to be engaged in an interactive manner.



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