

# WaMu Bankers Pen

## **WaMu – A Different Kind of Bank**

Founded in 1889, Washington Mutual was known for years as a strong, if rather sleepy, regional bank. By the 1980s however, the industry was consolidating and WaMu was feeling increased pressure to compete.

In 1994, when other national banks were still charging monthly fees and requiring minimum balances and direct deposit, WaMu launched Free Checking, with no strings attached. It struck a chord with consumers and helped elevate WaMu to being one of the biggest banks in the country during a period of new market expansion, acquisitions, and heavy advertising.

But, by 2004, many banks followed WaMu's lead and dropped their monthly fees and changed their deposit and balance requirements. WaMu was in a parity position, and sales began to lag. Checking is a key first product in a banking relationship that leads to deeper relationships. WaMu needed to generate excitement about checking and banking. But what could we offer? "Free-er" Free Checking? No, we recognized that we must make a case that goes beyond free features and that connects with consumers on an emotional level.

## **Using Research to Market a Breakthrough Account**

The first step was to use research to help develop the right product. If WaMu was going to really shake up the market, we needed to once again solve real consumer frustrations, address their needs and wishes and find the most compelling way to message to them. Using insights from focus groups, surveys, ethnographies, and secondary data we uncovered and prioritized deep-seated pain points and significant consumer wishes around banking. Then, we identified account features that we could combine to address these consumer needs. When people said "don't nickel and dime me," we added free checks for life to the account. When they said "treat me like a valued customer," we added 3 cents cash back on debit purchases and so on.

We tested the new account and found huge demand potential. More than three-quarters of consumers surveyed said this account was "better than other checking accounts," but more importantly, our research showed this account struck both an emotional and rational chord with customers. And, it reflected very well on our brand. Further, the research helped us understand the priority of features and potential target groups.

Now that we had a solid account with great features, it was time to use research to influence the way we marketed the account. We knew that, over time, competitors might match the new account features, so our advertising needed to elevate our unique brand essence. We believed that would be the key to our success. We collaborated with the ad agency to help them understand the link between account features and emotional brand attributes, which significantly influenced the direction of the new campaign.

## **The Bankers Pen as WaMu's Secret Weapon**

The union of the new account features, consumer feelings about their bankers, and a WaMu way of doing things was born in "The Bankers Pen." The Bankers Pen ads show a group of stodgy, traditional bankers who serve as WaMu's new product development secret weapon. The concept was built on one basic premise—if the Bankers think an idea is wrong for their own pockets...WaMu knows it is right for the customer! WaMu was able to show its firm belief in an alternative perspective of the future of banking.

In a disruptive and comical manner, the Pen played on consumer needs found in research, to force the viewer to reconsider their current banking relationship. Where they really satisfied with their bank? Why shouldn't they have something better?

### **Research Helped set the Criteria for Successful Ads**

Before the ads were fully developed and any consumer ad testing began, the research and ad teams worked together to set the criteria for successful ads. The Bankers Pen ads needed to:

- Sell the product by breaking through and persuading consumers to sign up for the new account
- Sell WaMu by elevating our unique and customer centric brand
- Be flexible enough to sell other products and services beyond Free Checking



### **Two Campaigns are Tested at the Storyboard Phase**

Although we liked the Bankers Pen, the agency developed two preliminary ad platforms: One focused solely on the WaMu name and brand, and the “Bankers Pen,” focused on the new free checking account as direct proof that we’re a different, better bank. The ad agency strongly recommended using both to maximize communication on both branding and product.

The first step was to test both campaigns while still in their storyboard phases. Because the production timeline was so tight, research decided to use Invoke™ to test the ads. Invoke™ is a research tool that lets consumers across markets participate in an online, virtual focus group all at the same time. Participants are asked pre-set survey questions and well as spontaneous, probing questions that come up at any time during the session. It was the perfect mix of qualitative and quantitative methods that could give us almost immediate results. More importantly, it fostered true and ongoing collaboration between the research team, ad team and the agency. We all participated in the sessions, discussed the consumer feedback in real time, and the agency was able to immediately make edits to the campaign as needed.

### **The Bankers Pen Gets Developed and Re-tested Just Prior to Launch**

While the team originally planned to launch both campaigns, research proved that “The WaMu Way” did not build brand as we had hoped. Further, the “Bankers Pen” proved to be strong enough to both sell the new account and create a strong branding message.

Tight timelines forced the agency to work quickly. Still, using the Invoke methodology, we were able to rapidly test each Bankers Pen TV spot in rough cut form. Some executions performed well on some elements, while being weaker on others. Using this information, the agency made many revisions and determined which ads to show at what point in the campaign, for how long, and at what frequency and reach.

### **Side-by-side Research Confirms Initial Findings**

In order to validate the direction we had given the company through our Invoke™ research, we ran simultaneous tests of all ads using Millward Brown’s Link methodology. The results led us to the same conclusions about the ads and their potential performance in-market. It validated that the ads conveyed both rational and emotional benefits. It also called out similar strengths and weaknesses found by Invoke™. Millward Brown’s industry-based

norms gave us a way to put our scores in perspective. But perhaps more importantly, the comparison gave us even more confidence that Invoke™ was the right tool for us.

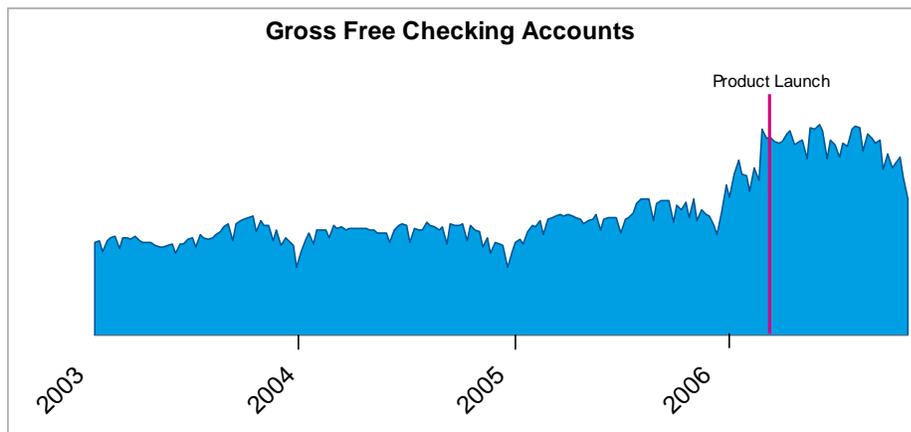
## The Campaign Launches

The ad team brought the Pen to life by first generating curiosity. They kicked off a teaser via national TV and a corresponding website (trappedbanker.com) and internal messaging that got the company's 40,000+ employees talking.

Then they brought the Pen to the public with a multi-million dollar integrated campaign. The bankers showed up in mid-May 2006 on TV in a national cable buy (still airing). They were on billboards, buses, taxi tops and phone kiosks. Newspapers ran half page color spreads and there were marketing events on the streets of several markets.

## The Results were in

Sales of WaMu Free Checking saw double-digit increases in the first six months following the campaign launch, in step with the Research team's demand forecast. Our next step was to execute continuous, in-market ad tracking across our Tier One media markets to measure and monitor the campaign's impact on other key metrics. Almost immediately after the campaign launched, we saw brand and ad awareness, consideration, and brand imagery scores shoot up.



### **Using Research for Continuous Improvement**

The data from both our ad tracking and marketing mix modeling programs have been critical to managing the media plan throughout 2006 and into 2007. As we started to see signs of ad wear-out, spots were rotated, and media weights were adjusted. After a few months of data collection, we started looking at market-by-market performance and saw differences in the awareness growth across markets. The company then reallocated media weights as warranted based on responsiveness. Marketing mix modeling revealed a greater relative return for TV and print ads than for out-of-home. Therefore OOH dollars shifted elsewhere. Most recently we've used this data to create regional market profiles to help inform decisions about local marketing efforts.

We leave 2006 with a solid campaign producing great results. As we head into 2007, we continue to play a critical role in the development and execution of future campaigns. We've operationalized the tools developed through our TV ad testing to guide development of print ads, in-branch merchandising, direct mail and all ethnic segment marketing materials. But, most importantly, we've built trust and confidence in our advertising research program among company executives, the WaMu ad team, and our agencies.