

Sample Request for Proposal (RFP) for an Ad Agency

The following is an example of a request for proposal (RFP) that is based on an actual one used by a bank in its search for a new advertising agency. This is the complete version of the sample RFP that was published with the article entitled “Wanted: The Ideal Agency,” by Brenda Marlin, CFMP in the June 2008 issue of *ABA Bank Marketing* magazine. The fictitious “AnyBank” is used as the institution’s name in this document. The locations and other institution names have been changed also.

The Purpose of this Request for Proposal

AnyBank is experiencing steady and strong growth in its role as a financial services’ provider in central Connecticut. While the bank is staying true to its community banking roots, this growth demands that new approaches be taken to meet emerging challenges, while still continuing to meet customers’ expectations. In addition, expanding technologies, shifting customers’ behaviors and evolving demographics demand that more sophisticated marketing practices be developed.

Consequently, the bank is looking for a partner to make significant contributions towards reaching its marketing goals. Those goals are:

--Reinforce the bank’s positioning in its niche between regional banks that promote delivery efficiencies over customer service, and credit unions that are hampered by single-focused and rudimentary product offerings.

--Promote the bank’s product lines throughout its market areas to select consumers and commercial customers, making it a bank of choice.

--Craft the right sales message and select the most appropriate communications channel relevant to any given product offering.

--Support, and if possible, enhance the bank's sales culture at the retail branch level.

--Respond quickly to mine opportunities that open up from either economic shifts or competitors' missteps.

AnyBank is inviting a select group of agencies and creative firms to review this proposal and respond as to how they can partner with the bank as it moves ahead.

Background of AnyBank

Bank History

In 1870, the Connecticut governor granted 12 local businessmen permission to open Bristol County Savings Bank, a state-chartered, mutually owned savings institution. After weathering the Great Depression and two world wars, the bank began expanding its branch network in the 1960s. Eventually, AnyBank branches were serving communities beyond the Bristol area into Cumberland, Knox, Middlesex and Hartford counties. In 1999 this network was capped by the acquisition of three Turners Falls Trust Company offices in Franklin and Berkshire counties. The bank now has 13 retail banking offices stretching down the Connecticut Valley from Bristol to Middletown.

Current Financial Picture

As of June 30, 2007 AnyBank has over \$460 million in assets with a net income of \$1.1 million. The bank is well capitalized and has a very respectable core operating efficiency

rating of 66.39 percent. Please see the enclosed financial report for more details.

Services delivery system

The bank has five primary service delivery channels: community branches, commercial lending officers, investment services, telephone banking and online banking. A challenge will be to optimize sales efforts along each channel.

The bank is best known for its branch network. Most offices occupy real estate in high traffic areas, providing a lot of brand visibility. Staff is very engaged in local community events and festivals, giving the bank another layer of exposure. Almost all branches have both drive-through and ATM banking, giving customers flexibility in how they do their banking. Branch managers are entrepreneurial and sales-oriented, managing their offices with some autonomy.

Commercial lending is in the Bank's DNA, and its lenders play a vital role in its success. Lenders service their territories out of a local branch office, and take an active part in a commercial project's development. Word-of-mouth, plus community and service club involvement have been the bulk of its marketing efforts.

Servicing higher-worth individuals and companies with investment and trust services is a long tradition with the bank. The Investment Services group offers wealth management and advisory accounts, trusts, custody and employee benefit accounts, as well as estate execution. The bank has allied itself with the ABC Financial Corporation to provide retail investment, financial planning and brokerage services to general consumers.

Online banking is a new delivery channel, but a very successful one given its growth

rate. In less than six months, with little marketing promotion, over 500 users have enrolled. This met the 12-month goal. Users can check account balances and transfer funds, get savings and lending rate quotes, and learn more about the bank and its products. The site was built and is hosted by XYZ Web Designs. By year's end, electronic bill paying will be launched to customers upon completion of its beta testing with bank employees. Telephone banking offers customer either VRU or operator assistance in performing account maintenance and queries. The bank's aim is to migrate users over into online banking to give them a more comprehensive and visual portal while trimming delivery costs.

MapleStreet Foundation

The bank set up the MapleStreet Foundation to help create fundamental, positive change within its communities. The foundation receives and evaluates large funding requests by nonprofit groups, and awards grants three times each year. While the foundation requires no direct marketing support, it is an integral part of the bank and offers public relations opportunities.

Financial Services Institution (FSI)

AnyBank is co-owner with Danberry Savings Bank of FSI, a 25-year old firm that services banks and credit unions with item and loan processing, cash management, lockbox, and other *backroom* support. Their marketing account is not an official component of this review

Advertising History

In 1999 the bank incurred high promotional expenses due to supporting the acquisition of the Turners Falls Trust Company and opening an additional branch office in the Tyson's Corner area of Fairfax.

The advertising budget returned to a more normal level in 2000, and despite a slump in 2002, has expanded to keep pace with the bank's growth on through 2008. The budget typically includes around \$40,000 for collateral printing and regulatory mailings.

In terms of media mix, the bank has used some radio twice in the last three years, and no broadcast or cable television. Print media, primarily daily and community newspapers, has been the dominant medium used in advertising efforts. In turn, this commitment to newsprint has aided public relations cooperation from publishers.

Product Offerings

AnyBank offers a comprehensive menu of personal and small business banking products and services. Enclosed within this packet are current brochures detailing these offerings.

Market Research and MCIF Capabilities

Currently, the bank is engaged in primary research to measure customer awareness and attitudes towards its brand within three market areas. Both consumers and small business owners are being polled with questionnaires. In addition, the bank is researching the purchase of a demographic database culled from U.S. Census

information down to the zip code/census tract level.

AnyBank is re-establishing a marketing customer information file (MCIF) system to better understand and profile its customer groups. This system will be managed in-house and will have ever increasing capabilities throughout 2008.

Prior Agency Relationships

AnyBank has not had a formal advertising agency relationship for several years. Its last agency of record was with McMahon and Company. Since then, the bank has relied on design studios for creative support, most notably Spiffy Design Studio. The intention is to enter into a multi-year relationship with a shop that can provide creative development with media planning and management.

Relationship Proposal

Major Campaign Creative Development, Production and Trafficking

AnyBank is searching for a relationship with a partnering company that offers creative development and production expertise. The major areas of attention for this partner will be in major campaigns, product and services brochures, and point of sales merchandising at customer contact points.

It's expected that the partner will continue to use the bank's "*Great Pals in All Things Financial*" theme when working in these areas. Other areas such as public relations and community/sponsorship events advertising will continue to be handled by the bank, although help may be sought from the partner for special projects.

Please summarize the resources you would assign to our relationship.

Media Planning and Buying

Equally important to the relationship are the services the partner can provide regarding media planning, purchasing and managing. While some markets may require only tweaking current media buys, the bank is open to better ways of delivering its marketing messages to audiences.

The bank will rely heavily on the partner's recommendations for the placement of advertising in media, and the negotiation of costs. In terms of planning, the bank can assist in the partner's media planning by providing access to its MCIF reports and primary research results. The partner should provide direction on effectiveness of potential new media channels as part of its analysis.

All media recommendations will be reviewed by the bank for their accuracy in hitting target audiences and for their cost-effectiveness.

Please summarize the resources you would assign to our relationship.

Agency Experience

Banking

Please list any prior or current clients within the banking industry. You may be asked to provide references from these clients.

Investment/Trust

Please list any prior or current clients within the investment brokerage industry. You may be asked to provide references from these clients.

Other Relevant Relationships

If you feel that the work done for a client not within the banking or investment brokerage industries has particular relevance, please include it as part of your proposal.

Agency Compensation

Please specify the compensation method you would prefer for this relationship.

Include these considerations:

--Estimated Fixed Cost Per Project Basis: Are all costs for a project estimated up front and presented to the bank as a single cost, with any resulting savings being kept by the partner?

--Estimated Hourly Costs Plus Expenses Per Project Basis: Are project costs presented in estimated hours of the partner's time, with the bank paying for the actual hours incurred?

--Media Commissions: Will the partner keep, split, or refund them to the bank?

--Production Mark-ups: Which third party costs are marked up with a surcharge and at what rate?

--Other preferred method?

Agency Rates

Please provide a summary of your hourly rates, as well as typical mark up rates for third party costs.

Creative Exercise

What marketing considerations and opportunities should the bank consider in its efforts to further integrate its brokerage/trust services into its retail banking channel? *You are invited to present a recommendation as part of your response.*