Image study for Bank of American Fork: Research report

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Image Study for
Bank of American Fork

Research Report by
Stelter Marketeers

December 2, 1997
Prepared for Greg Soter
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EXECUTIVE SUMMARY

Bank of American Fork wishes to facilitate further growth. To achieve this goal, BAF has hired Greg Soter, of Soter Associates Inc., to develop a more aggressive marketing plan. Soter Associates has asked Stelter Marketeers to discover the community’s perception by conducting a comprehensive image study of Bank of American Fork.

Three market segments have been the focus of the study: personal account customers, personal account non-customers, and business account customers. The objective has been to determine the perceptions of each market segment.

<table>
<thead>
<tr>
<th>PERSONAL ACCOUNT CUSTOMERS</th>
<th>PERSONAL ACCOUNT NON-CUSTOMERS</th>
<th>BUSINESS ACCOUNTS</th>
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<tr>
<td>FINDINGS</td>
<td></td>
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<tr>
<td>♦ The overwhelming majority of those surveyed love banking at Bank of American Fork.</td>
<td>♦ Accuracy, security, and convenience are the most important banking services.</td>
<td>♦ The majority of business managers are aware of BAF from BAF’s locations</td>
</tr>
<tr>
<td>♦ BAF’s greatest strengths are its friendly customer service, convenience, and security.</td>
<td>♦ BAF is most well known for convenience, efficiency, and small town feel.</td>
<td>♦ The most important attributes in a bank are accuracy, friendliness, good rate of return, and convenient locations.</td>
</tr>
<tr>
<td>♦ BAF’s weaknesses are its interest rates, range of services, and lack of advertising.</td>
<td>♦ 80% of respondents were familiar with BAF locations.</td>
<td>♦ BAF’s reputation did not adequately measure up to business’s standard for professionalism, security, and accuracy.</td>
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<tr>
<th>RECOMMENDATIONS</th>
<th>RECOMMENDATIONS</th>
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<tr>
<td>♦ Offer competitive interest rates and diverse services. Make these interest rates and services well known.</td>
<td>♦ Emphasize BAF’s accuracy, convenience, and friendliness in advertisements.</td>
<td>♦ Emphasize accuracy, friendliness, and rate of return in advertisement.</td>
</tr>
<tr>
<td>♦ Use ads to demonstrate banks security, convenience, and friendliness. For example, “Utah County’s bank of choice — Secure, convenient, and friendly.”</td>
<td>♦ Use branch locations to advertise.</td>
<td>♦ Use prominent branch locations to advertise BAF’s professionalism, security, and accuracy.</td>
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Although BAF addresses many different markets, public perception is generally the same. Thus, similar means of advertising can be used to attract each market.

RECOMMENDATIONS

♦ Electronic marques in front of branch locations to advertise Bank of American Fork’s friendliness, convenience, and accuracy. In addition, the marque can advertise to a specific markets needs. This is strongly recommended in front of the Orem building, it being the branch most people are aware of and it being located in such a prominent location.

♦ Billboards are also recommended. Perhaps using customer testimonials to advertise issues of most importance as defined in this report.
December 2, 1997

Greg Soter
Soter Associates, Inc.
209 North 400 West
Provo, UT 84601-2799

Dear Greg,

Enclosed is the image study for Bank of American Fork that you requested. This study represents Utah County’s basic perceptions of BAF.

To conduct this study, we have distributed 1274 personal account questionnaires, we have completed 78 telephone interviews, faxed 180 business questionnaires, and held one non customer focus group. The end result is a comprehensive marketing research study identifying the level of consumers’ awareness regarding Bank of American Fork.

This report contains an analysis of our findings, complete with conclusions and recommendations.

Thank you for this opportunity to perform this image study. We have learned a great deal from this real life experience.

We are confident that this study will aid in an effective advertising campaign for Bank of American Fork.

Sincerely,

Jennifer Holladay
Roger Kerr
Phil Upton-Rowley
Miriam Stelter
Dan Weber
PROPOSAL

BANK OF AMERICAN FORK

Founded in 1913, the Bank of American Fork (BAF) has grown to seven branches serving 13,000 to 14,000 accounts. BAF stretches across Northern Utah County with branches located in American Fork, Alpine, Highland, Orem, Lehi, Pleasant Grove, and Spanish Fork. No longer confined to Utah Valley, BAF currently draws close to 10 percent of its clients from outside Utah County.

Bank of American Fork, member FDIC, offers a complete range of banking services for both business and personal accounts. These services include everything from checking accounts to wire transfers, debit cards to credit cards, and loans to contract collection escrows.

STELTER MARKETEERS

Stelter Marketeers consists of five BYU seniors from the Marriott School of Management. Their diverse research experience, gathered during four years of academic study, offers ingenuous and resourceful data collection and creative information analysis. Stelter Marketeers has a wealth of resources and expert assistance at its disposal.

Stelter Marketeers delivers defined results with professional discipline.

SITUATION

Bank of American Fork wishes to facilitate further growth. To achieve this goal, BAF hired Greg Soter, of Soter Associates Inc., to develop a more aggressive marketing plan. Greg recognized that one of BAF’s basic need is to determine the bank’s image, as perceived by the community. Soter Associates has asked Stelter Marketeers to discover the community’s perception by conducting a comprehensive image study of Bank of American Fork.

REASON FOR THE STUDY

ISSUE

Stelter Marketeers will address the issue of how Bank of American Fork is perceived by the community. Two market segments will be studied; personal account customers and business account customers. These markets will include both BAF clients and non-clients. The objective is to determine the perceptions of each market segment. The study will identify the following information:

♦ What images people have formed of BAF.
♦ How people initially hear about BAF.
♦ What people have heard about BAF.
♦ Which banking services people desire from BAF.
RESULTS
The information produced from this image study will clearly characterize how BAF is perceived by both market segments. The study will identify the bank’s strengths and weakness, and the services which most powerfully affect public perception. The results will be used by Soter Associates to develop an effective marketing plan for the Bank of American Fork.

STUDY DESIGN

BACKGROUND RESEARCH
Exploratory and secondary research will be gathered from Greg Soter and Bank of American Fork brochures and customer service personnel. Additional secondary research will be compiled from banking industry publications, from previous reports about similar topics, and from the Internet. Dr. Ray Andrus, university professor and Fulbright Scholar, will provide consultation.

EXPLORATORY RESEARCH
Exploratory research will include two focus groups of eight participants. One group will represent the personal account markets and the other will represent the business account market. The focus groups will have a mix of both BAF customers and non customers. In addition, 30 phone interviews will be conducted. These phone interviews will identify reoccurring themes found in the community’s image of BAF. 20 of the interviews will be conducted for the personal account market and ten interviews will be conducted for the business account market. For each market, half of the interviews will be with BAF customers and the other half with non customers.

PRIMARY RESEARCH
Primary research will be accumulated from two personal account market studies and two business account market surveys. The surveys on the personal account market will be:
- 700 questionnaires will be mailed to BAF customers with an expected return of approx 200. This list will be compiled from BAF’s customer list.
- 800 questionnaires will be mailed to non-BAF customers with an expected return of approx 200. This list will be systematically selected from the phone book.

The mailed questionnaires are the most affordable and convenient way to gather the number of responses needed to represent an appropriate population sample.

The business account market surveys will be:
- 200 questionnaires will be faxed with an expected return of approx 50. The benefits of using fax questionnaires are ease of response and professionalism.
- 25 personal interviews will be completed in Northern Utah County. The interviews will be used to receive feedback of information and feelings.

PILOT STUDY
Before performing the four surveys, the questionnaire will be thoroughly tested to ensure effectiveness and clarity. Stelter Marketeers will personally test ten copies of each questionnaire revision. An additional 25 copies of the final questionnaire will be pretested and reviewed before mailing. The final questionnaire will also be presented for approval by Greg Soter, Dr. Andrus, and marketing research classmates.
REPORTING FORMAT

The information will be delivered on December 2, at 2:00 P.M., in a catered, multimedia presentation given for Greg Soter, Bank of American Fork, Dr. Andrus, and marketing classmates. All findings will be compiled in a written report, to be presented on the same day. The written report, in book form, will include summaries, graphs, charts, and other visual aids in order to facilitate easy access.

STUDY LIMITATIONS

Time is the most significant limitation. A two-month window exists for the study.

SCHEDULE

<table>
<thead>
<tr>
<th>Task</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>Proposal</td>
<td>Sept. 30</td>
</tr>
<tr>
<td>Exploratory and secondary research</td>
<td>Oct. 3</td>
</tr>
<tr>
<td>Questionnaire creation and testing</td>
<td>Oct. 10</td>
</tr>
<tr>
<td>Questionnaires mailed</td>
<td>Oct. 17</td>
</tr>
<tr>
<td>Focus groups completed</td>
<td>Oct. 31</td>
</tr>
<tr>
<td>Phone questionnaires completed</td>
<td>Oct. 31</td>
</tr>
<tr>
<td>Business interviews and fax</td>
<td>Oct. 31</td>
</tr>
<tr>
<td>questionnaires completed</td>
<td></td>
</tr>
<tr>
<td>Questionnaires tabulated and cross-tabulated</td>
<td>Nov. 21</td>
</tr>
<tr>
<td>Presentation preparation completed</td>
<td>Dec. 1</td>
</tr>
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The final report will be presented on December 2nd, at 2:00 P.M., at a place to be announced.
BUDGET

Focus Group costs

Catering ($3 per person)  $100
Videoing costs ($8/hr. for 4 hrs. + tapes)  $50

Questionnaire costs

Printing (1500 questionnaires at $.15)  $225
Mailing out  $650
Return mail (20% return at $.39)  $120
Pretesting costs  $30

Long distance phone calls  $20

Presentation costs

Catering ($10/person for 30 people)  $300
Reports (printing and binding for 7 books)  $200
Executive summaries and other miscellaneous costs  $50

Other printing costs  $50

Contingency/miscellaneous costs  $200

Total  $1,995

We request that the money for the research be paid according to the following schedule:

- $350 upon acceptance of proposal to cover other printing, questionnaire pretesting, long distance phone calls, focus groups, and half the contingency costs.
- $1,095 upon acceptance of questionnaire to cover questionnaire costs and remaining contingency costs.
- $550 before December 2 to cover presentation costs.

A customary contribution of $500 to the Marriott School of Management is appreciated.
AGREEMENT STATEMENT

STELTER MARKETEERS AGREES TO THE FOLLOWING CONDITIONS:

• Perform research as specified in this proposal.
• Deliver all information according to the enclosed time schedule.
• Charge only for incurred out-of-pocket expenses and return all unused moneys.

SOTER ASSOCIATES, INC., AGREES TO THE FOLLOWING CONDITIONS:

• Provide needed information.
• Provide budgetary funds in advance as specified in the proposed budget.
• Attend research presentation luncheon on December 2.

BRIGHAM YOUNG UNIVERSITY AND DR. RAY ANDRUS CANNOT BE HELD RESPONSIBLE FOR THE ACTIONS OF THIS INDEPENDENT RESEARCH GROUP.

Stelter Marketeers:

Jennifer Holladay

Roger Kerr

Phil Upton-Rowley

Miriam Stelter

Dan Weber

Soter Associates, Inc.

Greg Soter,
President Soter Associates, Inc.

Proposal approved by Dr. Ray Andrus
INTRODUCTION

BANK OF AMERICAN FORK

BACKGROUND

Founded in 1913, the Bank of American Fork (BAF) has grown to seven branches serving 13,000 to 14,000 accounts. BAF stretches across Northern Utah County with branches located in American Fork, Alpine, Highland, Orem, Lehi, Pleasant Grove, and Spanish Fork. BAF has added four of these branches in the last three years. "Bank of American Fork’s recent performance is remarkable. Besides adding four branches in three years, the bank maintains a level of capital - about 12 percent - that is double what industry regulators require" (Deseret News, 07/31/97). No longer confined to Utah Valley, BAF currently draws close to 10 percent of its clients from outside Utah County.

Bank of American Fork offers a local feel and personable quality for which many of Utah County’s residence are looking. "Bank of American Fork’s personal touch is one of its biggest selling points. As community banks disappear, customers who dislike the unfamiliarity of chain banks are taking their business to Bank of American Fork." (Ibid.).

CURRENT MARKET ENVIRONMENT

Bank of American Fork competes in a tough market that pits itself up against formidable credit unions. "Some 50% of Utahns belong to credit unions, one of the highest membership rates in the United States" (The Salt Lake Tribune, 03/01/96).

BAF’s current marketing strategy centers around colorful hot-air balloons that frequent Utah Valley’s morning sky. BAF’s balloons have become a local favorite and have contributed to the banks current success. Other strategies currently include involvement in local preschools and activities for handicapped children.

SITUATION

Bank of American Fork wishes to facilitate further growth. To achieve this goal, BAF has hired Greg Soter, of Soter Associates Inc., to develop a more aggressive marketing plan. Mr. Soter recognized that one of BAF’s basic needs is to determine the bank’s image, as perceived by the community. Soter Associates has asked Stelter Marketeers to discover the community’s perception by conducting a comprehensive image study of Bank of American Fork.
STELTER MARKETEERS

Stelter Marketeers consists of five BYU seniors from the Marriott School of Management. Their diverse research experience, gathered during four years of academic study, offers ingenuitive and resourceful data collection and creative information analysis. Stelter Marketeers has a wealth of resources and expert assistance at its disposal. It delivers defined results with professional discipline.

REASON FOR THE STUDY

Stelter Marketeers addressed the issue of how Bank of American Fork is currently being perceived by the community. Three market segments were the focus of the study: personal account customers, personal account non-customers, and business account customers. The objective was to determine the perceptions of each market segment. The study identified the following information:

♦ What images people have formed of BAF.
♦ How people initially heard about BAF.
♦ What people have heard about BAF.
♦ Which banking services people desire from BAF.

STUDY DESIGN

BACKGROUND AND EXPLORATORY RESEARCH

Exploratory and secondary research was gathered from several group and from one-on-one discussions with Greg Soter and his staff (namely Boyd). Members of Stelter Marketeers met with Bank of American Fork executives, Robert Chaterly, Judy Sumner, and D’le Borg. Each gave valuable background concerning BAF’s founding and past and present marketing strategies. Further background on BAF’s banking services and marketing procedures was provided by BAF brochures, and by marketing and customer service personnel.

Secondary research was compiled by local periodicals—primarily The Deseret News and The Salt Lake Tribune. Additional secondary research was compiled from banking industry publications, and from previous reports about similar topics. Extensive research was also obtained by use of the Internet. Dr. Ray Andrus, university professor and Fulbright Scholar, provided invaluable consultation.

Exploratory research also included a focus group of eleven participants representing the personal account markets. This group was designed to give a better understand the public’s basic needs from banks and their current impressions of Bank of American Fork. The results were also used as a reference for designing questionnaires. A complete transcript of the meeting and a summary of findings are included in this report.
In addition, 20 phone interviews and 5 personal interviews were conducted. The phone interviews consisted of 5 multiple-choice and open-ended questions and the personal interviews consisted of 32 open-ended questions. The 20 phone interviews were conducted for the personal account market and the five personal interviews were conducted for the business account market. These interviews identified reoccurring themes found in the community’s image of BAF. These results were used as references to aid in interview and questionnaire formats.

**PRIMARY RESEARCH**

Primary research was accumulated through the use of three separate studies using three different research tools (phone interviews, mailed questionnaires, and faxed questionnaires). The three studies included a customer personal account study, a non-customer personal account market study, and a business account surveys. The survey on the customer personal account market consisted of the following:

- 630 questionnaires mailed to BAF customers compiled from a BAF customer list, with a response rate of 11%. The questionnaire consisted of 34 multiple-choice and open-ended questions.
- 78 completed telephone interviews conducted, equalling a 60% response rate. Respondents were compiled from a sample taken from of a random BAF customer list. The interviews consisted of 5 open-ended questions.

The survey on the non-customer personal account market consisted of:

- 630 questionnaires mailed to non-BAF customers, with a response rate of 10%. This list was systematically selected from the phone book. The questionnaire consisted of 31 multiple-choice and open-ended questions.

The business account market survey consisted of:

- 180 questionnaires faxed, with a response rate of 19%. The questionnaire consisted of 32 multiple-choice and open-ended questions.

**PILOT STUDY**

Before performing the three surveys, the questionnaire were tested to ensure effectiveness and clarity. Stelter Marketeers personally tested ten copies of each questionnaire revision. The final questionnaires were also presented for approval by Greg Soter, Dr. Andrus, and marketing research classmates.

**RESULTS**

The data collected was tabulated and cross-tabulated with the aid of the statistical software package SPSS. The information produced from this study characterizes how BAF is perceived by different market segments. The data has been analyzed to identify the bank’s strengths, weakness, and the services which most powerfully affect public perception. This report details a list of recommendations and conclusions that have been developed as a result of these findings.
STUDY LIMITATIONS

Stelter Marketeers faced several limitations in the collection and analysis of the data. The following is a summary of these limitations.

TIME

Time has been the most significant limitation. Approximately two weeks existed for the return of mailed questionnaires and one week for telephone interviewing and faxing.

SAMPLING LIMITATIONS

Attempts were made on different occasions to obtain personal interviews with business managers, but this tactic met with limited success. This left the bulk of businesses responses originating from faxes.

NON RESPONSE LIMITATIONS

Due to the private nature of banking, public participation of customers and non-customers was difficult to obtain. Stelter Marketeers originally planned to perform three focus groups and receive more completed questionnaires and interviews. Because of the lack of public interest, the survey was limited to one focus group and less respondents. For example, out of the 1274 questionnaires mailed out, 136 were returned. This created a struggle to gain a true representation of Utah County’s impressions.
CUSTOMER SURVEY

Customers of Bank of American Fork were contacted to discover their perception of the reputation, service quality, accuracy, and extent of services offered by their bank. Respondents were also asked for suggestions about improvements Bank of American Fork could make to more efficiently meet customers' needs. Stelter Marketeers contacted these customers using both mail and telephone questionnaires.

MAIL QUESTIONNAIRE

Stelter Marketeers sent out 600 questionnaires to customers of Bank of American Fork, who were selected from a customer list provided by the bank. The questionnaire asked respondents about their perception of Bank of American Fork, including what they saw as the bank's strongest and weakest areas, how well their expectations have been met in various categories, and how accurately certain adjectives describe Bank of American Fork. Respondents were also asked to rate the importance of particular banking characteristics, such as accuracy, security, Internet banking, and a good rate of return. (Please see Appendix I, page 34 for a copy of the questionnaire and a complete listing of the respondent frequencies for each question.) Approximately 11% of the mail questionnaires were returned, for a total of 66 completed responses.

FINDINGS

Overwhelmingly, customers of Bank of American Fork love their bank! Of all the customers who responded to the questionnaire, 94% stated that they would recommend Bank of American Fork to their family and friends. Stelter Marketeers discovered that, though Bank of American Fork has many strong points, there are three areas in which the bank truly stands out in its customers' minds. These areas are Customer Service, Convenience, and Security.

♦ Customer Service is Bank of American Fork's biggest corporate asset. According to Stelter Marketeers' research, 86.4% of the respondents stated that the customer service at Bank of American Fork strongly met their expectations. In addition, 56.1% picked customer service as the bank's strongest area, and 75.8% of the customers surveyed strongly agreed that "service oriented" is an appropriate description of Bank of American Fork. Respondents also indicated the critical nature of customer service when 87.9% stated that they held friendly service to be very important in their banking.

♦ Convenience is Bank of American Fork's second strength, with 74.2% of the respondents claiming that their expectations have been strongly satisfied. In addition, 16.7% of the customers surveyed felt that convenience is the bank's strongest attribute. Bank of American Fork's convenience is further shown by the fact that fully 50% of the respondents first heard about the bank by seeing a branch that was located convenient.
to their work or home. Finally, 80.3% of customers responding considered convenience to be a very important banking service.

- **Security** is Bank of American Fork's third asset. The security of Bank of American Fork strongly met 75.8% of the respondents' expectations, with 10.6% listing security as the bank's strongest characteristic. 90.9% of all respondents listed security as a very important banking service, showing that security is vital to customers.

**Weaknesses**

Though Bank of American Fork has the loyalty and satisfaction of the vast majority of its customers, Stelter Marketeers found that there are three areas which are perceived as the bank's weaknesses by its customers. These areas are Interest Rates, Range of Services, and Advertising.

- **Interest Rates** were found to be the prime source of dissatisfaction among customers of Bank of American Fork. 34.8% of the respondents chose interest rates as the bank's weakest area. Furthermore, 62.1% claimed only average satisfaction of their expectations, with 18.2% and 13.6% stating strong and weak satisfaction with interest rates, respectively. Interest rates, however, were considered very important to consumers of banking services by 84.8% of the customers surveyed.

- **Range of Services** is also a weak spot for Bank of American Fork. 36.4% of the respondents somewhat agree that Bank of American Fork's services are limited, with 13.6% even designating "services offered" as the bank's weakest area. Internet and phone banking were suggested by several respondents as desired services, but these only found limited support. (Please see Appendix 1, page 31 for a demographic breakdown of those who responded most positively to the ideas of internet and phone banking.)

- **Advertising** is the final chink in Bank of American Fork's armor. Of all the customers responding to Stelter Marketeers' mail questionnaire, only 9% first heard about Bank of American Fork through any form of paid advertising, including billboards, newspaper ads, or the hot air balloons. 48.5%, on the other hand, first heard about the bank through friends or family.

**Telephone Questionnaire**

Stelter Marketeers also conducted a telephone questionnaire of customers in Utah County, using telephone numbers from a customer list provided by Bank of American Fork. In this questionnaire, customers were asked open-ended questions. Stelter Marketeers' goal was to let the respondents talk about their experiences with Bank of American Fork, both positive and negative, and to find out exactly what the respondents would like the bank to do to better serve its customers' needs. (Please see Appendix 1, page 35 for a copy of the telephone questionnaire.) 78 customers took part in the telephone research.
FINDINGS

The telephone questionnaire supported the findings of the mail questionnaire. Most customers love their bank, and customer services is the strongest perceived area.

- **How long have you banked at Bank of American Fork?**
  The respondents have banked with Bank of American Fork for a wide range of time, from two or three months to about 60 years. The majority of customers surveyed (60%) have only banked between 1 - 5 years, with 15% banking between 6 - 10 years and 13% banking for over 25 years.

- **How did you first hear about Bank of American Fork?**
  Most of the respondents (50%) live where Bank of American Fork is prominent. In addition, 17% learned about the bank by word-of-mouth, 12% just saw it, and 9% heard about the bank from their families. Only one respondent first learned about Bank of American Fork through an advertisement.

- **Has Bank of American Fork met your expectations? Why or why not?**
  Once again, Stelter Marketeers found that customers of Bank of American Fork love their bank. 88% of the respondents stated that their expectations had been met by the bank, and only two individuals indicated that they were dissatisfied. In addition, 10% responded that they were only somewhat satisfied with the bank.

  The most oft-cited reason (42%) for satisfaction with Bank of American Fork is the personal service provided by the bank’s employees. 21% stated that Bank of American Fork is easy to work with, 13% liked the bank’s services, and 6% found Bank of American Fork convenient.

  Bank of American Fork’s image of being a “small-town bank” is tightly linked with its reputation for excellent service. 89.3% of the mail respondents either strongly or somewhat agreed with the “small town” description of Bank of American Fork, and 8% of the telephone respondents remarked that they appreciate the “small-town feeling” of the bank. This label of the bank is positive in most respondents’ minds. Many of the customers contacted commented on how much they enjoy the personal service and the comfortable feeling that is associated with small town banks. Quite a few strongly recommended that Bank of American Fork retain this personal atmosphere.

  There were two telephone respondents, however, who were dissatisfied with Bank of American Fork. Their complaints included not liking the service charge, a concern that the small-town atmosphere of Bank of American Fork meant less privacy for their financial transactions, and the feeling that they would be better served by a credit union.
What is the best/worst experience you have had with Bank of American Fork?

Most of the respondents (63%) did not reply to this question. They just said that they have never had a problem with Bank of American Fork. Of the customers who did respond, 25% cited excellent, personal service as their best experience. Other positive experiences included the obtaining of loans and praise for accuracy, convenience, services, and management. Most of the worst experiences related, as well, were followed by a story about how the problems were easily remedied. These misunderstandings include mistakes made on checks, money deposited in the wrong account, confusing notices, and a bad ATM card. Some dissatisfaction was felt, however, about denied loans and uncompetitive interest rates. (Please see Appendix 1, page 32 for the two worst stories related by customer respondents.)

Advice given by respondents to Bank of American Fork.

All customers who participated in the telephone questionnaire were asked by Stelter Marketeers what they would suggest Bank of American Fork do to expand, to reach more people, or to better serve its customers’ needs. Only 18% of the respondents declined to answer this question. The most common response (15%) was that Bank of American Fork was doing just fine and did not need to change anything. Other common responses include building more convenient locations (14%); advertise more through TV, radio, newspaper, and billboards (13%); compete with credit unions by giving better interest rates, more services, and free checks (13%); and offer free checking (11%). (For a complete listing of customers’ suggestions, please see Appendix 1, page 33.)

SUMMARY

Customers of Bank of American Fork love their bank. They appreciate the security of the bank, the convenience of many locations, and the personalized, small-town service they routinely experience when dealing with the bank. On the other hand, customers desire a more competitive interest rate, an expanded range of services, and more advertising.

Bank of American Fork has an incredible reputation as a personal bank, where customers are called by name. BAF should capitalize on this reputation with advertisements that show its personalized nature. Bank of American Fork should concentrate its expansion efforts on Utah County, where it can build a solid niche as “Utah County’s bank of choice — secure, convenient, and friendly.”

Bank of American Fork should also expand their current offerings to more effectively compete with the national banks and credit unions that proliferate Utah County. Free checking, more competitive interest rates, and expanded services will increase Bank of American Fork’s attractiveness in the eyes of the citizens in Utah County.
NON CUSTOMERS

FOCUS GROUP

A focus group of non customers of Bank of American Fork was conducted to find out what the general public knows about BAF and what issues are important to them. The over-all attitude of the focus group members is best summed up by one of the participants. One of the men commented that he thought Bank of American Fork was only in American Fork until he noticed a branch in Alpine. His next comment was, “Maybe this (BAF) is bigger than I thought.”

The hot air balloon was also mentioned by someone as the only form of BAF’s advertising that they were aware of. Another person mentioned seeing BAF in affiliation with the renovating of the pillars in downtown American Fork. It was also mentioned that promotions had been seen at UVSC. The person that had seen this said that it showed that BAF supports the community. Many different people mentioned seeing BAF’s various branches. The new building in Orem seemed to be especially well known. One person did say that BAF must be doing well in order to be expanding into so many parts of Utah County. However, this seemed to be the extent of their knowledge of Bank of American Fork.

The rest of the focus group dealt with issues that the participants felt were important in banking. Convenience was one of the major concerns. People want their bank to be close to where they live. One of the participants said that she would look into BAF if there was one where she lived because she had heard good things about them. If Bank of American Fork is not convenient and close to home, people will go somewhere else. One person in the group was also concerned with accessibility of the bank when on vacation. She seemed to prefer the larger bank chains because she would have access to her account on vacation.

Another topic that the participants spent a great deal of time on was that of credit unions. The people in this focus group seemed under the impression that banks in general have worse interest rates, on both savings and loans, than credit unions. Besides the interest rates, people seemed to enjoy credit unions because they are considered a member there and not a customer. This focus group and some of the other responses that were gathered during this project seemed to point out that BAF’s main competitors are the credit unions instead of the large bank chains, especially First Security.

Customer service was spoken of a lot during the focus group as well. Most of the people either assumed or had heard that BAF offers excellent customer service. One woman in the group told a story of an experience an acquaintance of hers had with BAF. When the woman walked into the branch, the teller called her by name and asked about her son who had recently received his mission call. The participants seemed to favor this kind of treatment. Another comment made was that one should not have to prove who they are when they go to their bank like some banks are doing now. Someone else said that when they lived in American Fork many of their friends refinanced their homes through BAF and felt that they
were known and cared about. The idea was also brought up that it is good to bring in local people and teach them public relations. The person that made this comment then said, “People like that.” Another participant said that they had a bad experience with a bank that would not go out of their way to do anything for their customers. This person is one who is now with a Credit Union. The personal touch seems to be a big concern. Those who were more familiar with BAF seemed very pleased with what they had heard of BAF’s customer service. This seems like a strong point that BAF needs to work off of.

The last major issue concerns the name of “Bank of American Fork”. One participant wondered if BAF would be able to keep their “home town feel” if they were Bank of American Fork in Orem. The general consensus was that the name suggests a local bank. If the bank were to expand, there was a fear that the name would hinder success. However, the point was brought up that if the name were changed, the people of American Fork may be slighted. Someone else said that they did not believe that the name would be a problem because of their reputation. This was an issue that had not been expected, but seemed to be a concern.

*A full transcript of the focus group can be found in the appendix.

QUESTIONNAIRE

WHAT DO NON CUSTOMERS FEEL IS IMPORTANT IN BANKING?

ACCURACY
92.1% of the respondents believe that accuracy is very important.
1.6% of the respondents believe that accuracy is somewhat important.
0% of the respondents believe that accuracy is not important.
This is the most important quality that people look for in a bank. All of the respondents except one said that accuracy is very important.

SECURITY
81% of the respondents believe that security is very important.
11.1% of the respondents believe that security is somewhat important.
1.6% of the respondents believe that security is not important.
Security is the second most important aspect to people in their banking. People want to know that their money is safe when they put it into the bank.

CONVENIENT LOCATIONS
74.6% of the respondents believe that convenient locations are very important.
19% of the respondents believe that convenient locations are somewhat important.
0% of the respondents believe that convenient locations are not important.
The topic of convenience was very important to the participants of the focus group. The responses to the questionnaires revealed that virtually all of the general public consider convenience when choosing a bank.

**GOOD RATE OF RETURN**

69.8% of the respondents believe that a good rate of return is very important.

15.9% of the respondents believe that a good rate of return is somewhat important.

6.3% of the respondents believe that a good rate of return is not important.

The next service that people feel is important is a good rate of return. People are always looking for the place where their money will be worth the most. They will go to the place where they receive the best rate of return.

**FRIENDLINESS**

65.1% of the respondents believe that friendliness is very important.

22.2% of the respondents believe that friendliness is somewhat important.

6.3% of the respondents believe that friendliness is not important.

After all of the aspects of a stable bank are met, people said that friendly service was the next important quality in a bank. People enjoy being called by their name and not having to beg for service or prove who they are. A little friendliness can help a bank in a big way.

**PHONE BANKING**

38.1% of the respondents believe that the service of phone banking is very important.

28.6% of the respondents believe that the service of phone banking is somewhat important.

15% of the respondents believe that the service of phone banking is not important.

There is a significant difference in the importance of friendliness and that of phone banking. The majority of people still think that phone banking is at least somewhat important. However, they do not seem to feel as strongly about this service.

**INTERNET BANKING**

12.7% of the respondents believe that the service of internet banking is very important.

28.6% of the respondents believe that the service of internet banking is somewhat important.

41.3% of the respondents believe that the service of internet banking is not important.
The majority of the people agree that internet banking is not important. This attitude may change as technology improves. However, for right now, this is not important to the general public.

**Summary**

The general public considers accuracy to be the most important service that a bank should offer. The next two most important services that people consider are security and convenience. Security and accuracy show stability within the bank. The convenience makes the bank accessible to the people. On the opposite end, phone banking and internet banking services are not considered to be as valuable. These trends may change in the near future due to advances in technology. However, the general public in Utah County still rely on the traditional services.

**Do Non Customers Know About BAF?**

**YES!**

Only 4.8% of the people that we received questionnaires back from indicated no knowledge of BAF. It is interesting to note that even though people are aware of BAF, they really do not know very much about the services that the bank offers.

**What do Non-Customers Know About BAF?**

**Branch Locations**

- 82.6% of the respondents are familiar with BAF branch locations.
- 77.8% of the respondents are familiar with the branch in Orem.
- 63% of the respondents are familiar with the branch(s) in American Fork.
- 31.7% of the respondents are familiar with the Pleasant Grove branch.
- 28.6% of the respondents are familiar with the Lehi branch.
- 23.8% of the respondents are familiar with the Highland branch.
- 20.6% of the respondents are familiar with the Alpine branch.
- 14.3% of the respondents are familiar with the Provo branch.
- 11.1% of the respondents are familiar with the none of the branches.
- 67.7% of the above are familiar with branches in cities other than their own.
- 14.5% of the above are only familiar with the branch in their own city.
- 6.4% of the above are familiar with only one branch which is outside of the their city.
- 75% of those are familiar with the Orem branch.

It is interesting to note how many non-customers are familiar with BAF branch locations. It is especially interesting how many people are familiar with branches outside of the city that they live in. The outstanding familiarity of the branches of BAF shows that people are aware of the bank. Someone else commented that
BAF must be doing well in order to be expanding into so many locations. This shows that the general public is at least aware of Bank of American Fork. It may be profitable to advertise with banners on the different BAF locations to inform non customers of the services offered there.

**HOT AIR BALLOON**

71.4% of the respondents are familiar with the hot air balloon.

The majority of the non customers who were contacted were aware of the hot air balloon. However, none of the customers said that they became customers because of the balloon. It is our belief that people are used to seeing the balloon at such events as the Freedom Festival and the BYU Homecoming football game. It may show community support, but it does not directly increase the number of BAF customers. It is apparent that the balloon would be missed if it were discontinued, however.

**ADVERTISEMENTS**

42.9% of the respondents are familiar with advertisements for BAF.

This statistic is a little surprising. Stelter Marketeers were not aware that BAF was doing very much advertising besides the balloon and sponsorships of community events. It is assumed that these advertisements are separate from the balloon due to the fact that it was listed separately. Again, it appears that non customers are familiar with BAF.

**CUSTOMER SERVICE**

28.6% of the respondents know of BAF's good customer service.

1.6% of the respondents know of BAF's poor customer service.

36% of the respondents believe that BAF has a reputation for average or better customer service.

The majority of the people who are familiar with BAF's reputation agree that BAF has good customer service. Many of the respondents believe that BAF is a local, small town bank. This does not appear to be negative adjectives. People enjoy the personal attention for which BAF is known. There were several responses from people indicating concern that the bank keep its personal touch as they grow. This seems to be imperative for keeping existing customers as well as attracting new customers. It was suggested in the focus group to hire local people to work in the branches and to teach them good public relation skills. This idea goes along with the slogan on the balloon, "We Care".

**INTEREST RATES**

9.5% of the respondents know about BAF's good interest rates.

1.6% of the respondents know about BAF's poor interest rates.

Interest rates seem to be one area in which BAF can look for improvement. This is the fourth most important aspect of banking to the general public. It does not appear that people believe BAF's interest rates to be very attractive. Informational
advertising in this area would be profitable. It would be most profitable to break away from the general reputation banks have for providing poor interest rates.

**INFORMATION**

68.3% of the respondents have never looked for information about BAF.

17.5% of the respondents believe that information about BAF is easy to find.

4.8% of the respondents believe that information about BAF is not easy to find.

The majority of the general public have not looked for information about BAF. Advertising needs to be done to present information for them so that they do not need to look for it.

**SUMMARY**

People know BAF by its balloon. The new building in Orem is also very well known. This is not surprising considering the prominent location and the attention getting glass. Of great interest was that so many people were familiar with Bank of American Fork’s advertising.

The aspects that the public disagreed with most in association with Bank of American Fork were poor customer service, limited service selection, and poor interest rates. This is a good sign for the bank since all of these aspects are negative ones.

**HOW DO NON CUSTOMERS PERCEIVE BAF?**

**CONVENIENCE**

30.2% of the respondents strongly describe BAF as convenient.

17.5% of the respondents somewhat describe BAF as convenient.

7.9% of the respondents do not describe BAF as convenient.

More respondents believe that BAF is convenient rather than inconvenient. However, the response rate was low on this question. Perhaps the best way to interpret this statistic is that BAF is at least somewhat convenient to 47.7% percent of the public. Convenience is third most important aspect of banking to the public. The issue of convenience was covered in the focus group as well. Bank of American Fork may want to make a long term goal to become more convenient to more of the public. Perhaps the best way to do this is to build smaller branches in more areas, costs allowing, to cover a smaller area and provide convenience to more potential customers.

**EFFICIENCY**

27% of the respondents strongly describe BAF as efficient.

12.7% of the respondents somewhat describe BAF as efficient.

4.8% of the respondents do not describe BAF as efficient.
**SMALL TOWN**

23.8% of the respondents strongly describe BAF as small town.

15.9% of the respondents somewhat describe BAF as small town.

7.4% of the respondents do not describe BAF as small town.

The name Bank of American Fork seems to promote the image of a small town bank. Rather than this being a negative aspect, people seem to be impressed with BAF because of it. The responses received indicated that people associate this small town feel with friendliness, caring, and good customer service that can not be found in the large bank chains. People like the personal touch. Since this small town feel is something that people want, this aspect needs to be emphasized in BAF’s advertising campaign. Several people also made comments warning BAF not to lose this feel as they grow.

*Note:* There was a concern presented in the focus group that the name Bank of American Fork would inhibit the growth of BAF because it is strongly associated with the small town image. Because of the banks goal to stay within Utah County and provide service to this area, the previous concern does not seem to be relevant. The name may prove to be more helpful to BAF within Utah County.

**ACCURACY**

20% of the respondents believe that BAF’s reputation for accuracy is strong.

17.5% of the respondents believe that BAF’s reputation for accuracy is average.

0% of the respondents believe that BAF’s reputation for accuracy is weak. Accuracy is the most important aspect of banking to the people in Utah County. It is good to see that none of the respondents believe that BAF is weak in this aspect. 100% of the respondents believe that the accuracy of BAF is average to strong. This is another quality of Bank of American Fork that should be advertised because BAF is good at it and it is the first thing that people look for in a bank.

**PROFESSIONAL**

19% of the respondents believe that BAF’s reputation for professionalism is strong.

15.9% of the respondents believe that BAF’s reputation for professionalism is average.

1.6% of the respondents believe that BAF’s reputation for professionalism is weak.

Professionalism is another area in which BAF has a good reputation. However, there is no indication from this study that professionalism is as important as some of the other aspects that have been looked at. Advertising professionalism may not be necessary. The topic should not be forgotten though.
SECURITY

19% of the respondents believe that BAF’s reputation for security is strong.
17.5% of the respondents believe that BAF’s reputation for security is average.
1.6% of the respondents believe that BAF’s reputation for security is weak.

The general public of Utah County believe that security is the second most important quality for a bank to possess. The majority of the respondents believe that BAF’s reputation for security is average or better. Again, because this is so important to the people, it needs to be advertised in association with Bank of American Fork.

SUMMARY

BAF is most well known for and described as convenient. Yet, this is also suggested as one of BAF’s weak points. Efficiency and small town feel are also characteristics that are strongly associated with BAF. These characteristics are especially important to focus on, since the public considers them a critical part of their banking. Efficiency, as well as convenience, is one of the weakest areas of BAF.

WHAT TYPE OF PEOPLE DOES BAF CATER TO?

50.8% of the respondents believe that BAF caters to families.
36.5% of the respondents believe that BAF caters to businesses.
22.2% of the respondents believe that BAF caters to people from American Fork.
20.6% of the respondents believe that BAF caters to professionals.
15.9% of the respondents believe that BAF caters to small towners.

There is an overwhelming majority of people that believe that BAF caters to families. Small towners are believed to be the least catered to group. This statistic is surprising because our focus group thought the opposite to be true. However, the family aspect is not surprising considering the predominating belief in families in Utah County.

RECOMMENDATIONS

♦ Use branch locations to advertise.

More than 80% of the respondents from this study said that they are familiar with BAF branch locations. The new Orem branch is especially well noticed. Since people are so aware of the different branches, we suggest using banners on the buildings advertising bank services. This will lead to greater general knowledge of what the bank has to offer.
Emphasize BAF’s accuracy, convenience, and friendliness (customer service) in advertisements.

These three qualities are very important to the general public and qualities that people associate with BAF. Accuracy is the most important quality that people look for in a bank. Convenience is the third most important quality. The fourth most important quality is friendliness. These are strengths that BAF has that the people want.

Do not discontinue the balloon.

Though the balloon does not attract new customers, it has floated it’s way into the heart of the community. People are used to seeing the balloon at community events. The balloon also adds to the local feel that so many people enjoy about BAF.

Set a long term goal to make BAF more convenient.

Though people consider BAF to be convenient, there is a significant portion of the respondents that think that BAF is inconvenient. People see convenience as important in a bank. The best way to spread awareness is to open smaller branches in various locations, costs permitting.

Make information about BAF readily available.

The statistics of this study show that people are not willing to go out and find information about BAF. It is important to take the information to the people so that they will know about the services available to them through BAF.

Keep the small town mentality.

BAF is well known for its friendly service even among the non customers. Many people mentioned to us that they like the idea of being known where they bank. No matter how large BAF grows to become, it will be to their advantage to keep that small town mentality.
BUSINESS SURVEY

INTRODUCTION

Stelter Marketeers wanted to discover the perceptions held by small businesses in Utah County about Bank of American Fork. 180 business questionnaires were faxed to various businesses, and 34 responses were received. Small business owners were asked how they would describe the bank's reputation, what they knew about the bank's advertising, and which specific services they held to be important in their banking. The questionnaires came from the following five cities in Utah County:

<table>
<thead>
<tr>
<th>City</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Fork</td>
<td>6</td>
</tr>
<tr>
<td>Lehi</td>
<td>2</td>
</tr>
<tr>
<td>Orem</td>
<td>5</td>
</tr>
<tr>
<td>Pleasant Grove</td>
<td>1</td>
</tr>
<tr>
<td>Provo</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
</tr>
</tbody>
</table>

Respondents were asked how long they have been doing business in Utah County. Of these 34 companies, 28 have been in Utah County for more than five years, five have been in Utah County for two to five years, and one company has been in Utah County for less than two years. These businesses were asked if they have ever banked at Bank of American Fork—26 respondents said "no" and eight said "yes".

KNOWLEDGE OF BANK OF AMERICAN FORK

Respondents were asked how they heard about the Bank of American Fork. Their responses were as follows:

<table>
<thead>
<tr>
<th>Source</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient location</td>
<td>47.1%</td>
</tr>
<tr>
<td>Hot air balloon</td>
<td>44.1%</td>
</tr>
<tr>
<td>Billboards</td>
<td>29.4%</td>
</tr>
<tr>
<td>Family/friends</td>
<td>20.6%</td>
</tr>
<tr>
<td>Colleagues</td>
<td>14.7%</td>
</tr>
<tr>
<td>Newspaper ads</td>
<td>11.8%</td>
</tr>
</tbody>
</table>
Many professionals heard about BAF by its convenient location, the hot air balloons, and billboards. These three areas are the bank’s strongest ways of increasing the businesses’ awareness of the bank. Word of mouth, however, was definitely not one of the bank’s strong suites in increasing the small business owners’ awareness of the bank.

Businesses were asked to share what they know about BAF. They were given a list of twelve characteristics to choose from. Their responses are as follows:

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orem building</td>
<td>85.3%</td>
</tr>
<tr>
<td>Hot air balloon</td>
<td>67.6%</td>
</tr>
<tr>
<td>Other branches</td>
<td>29.4%</td>
</tr>
<tr>
<td>Advertisements</td>
<td>44.1%</td>
</tr>
<tr>
<td>Good customer service</td>
<td>41.2%</td>
</tr>
<tr>
<td>Poor customer service</td>
<td>—</td>
</tr>
<tr>
<td>Wide service selection</td>
<td>23.5%</td>
</tr>
<tr>
<td>Limited service selection</td>
<td>—</td>
</tr>
<tr>
<td>Good interest rates</td>
<td>17.6%</td>
</tr>
<tr>
<td>Poor interest rates</td>
<td>—</td>
</tr>
<tr>
<td>Nothing</td>
<td>—</td>
</tr>
</tbody>
</table>

The strongest attributes that the Bank of American Fork has in increasing the businesses’ awareness of the bank is its new building, the hot air balloon, and advertisements. Most of the professionals’ knowledge only goes that far. The businesses need to learn more about the wide selections of services that the bank offers. According to these responses, though, none of the businesses had negative impressions of the bank.

**EXPECTATIONS**

The potential business customers were asked to check the importance of several different attributes they look for in their banking services. Here is a break down of the following six attributes:

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accuracy</td>
<td>100.0%</td>
</tr>
<tr>
<td>Security</td>
<td>100.0%</td>
</tr>
<tr>
<td>Convenient location</td>
<td>88.2%</td>
</tr>
<tr>
<td>Friendliness</td>
<td>82.4%</td>
</tr>
<tr>
<td>Good rate return</td>
<td>82.4%</td>
</tr>
<tr>
<td>Phone banking</td>
<td>47.1%</td>
</tr>
<tr>
<td>Internet banking</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

The most important points that businesses look for in banking are accuracy, security, friendliness, good rate of return, and convenient location. Businesses
need to learn that BAF offers all of these attributes. The bank should use the balloon and the new building in Orem to bring the professionals’ image of Bank of American Fork to their minds and to build on that image.

**MEETING EXPECTATIONS**

Companies were asked for their general expectations to see if Bank of American Fork successfully measures up to these expectations. The following attributes reveal the potential business customers’ actual perceptions of BAF’s reputation:

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionalism</td>
<td>58.8%</td>
</tr>
<tr>
<td>Security</td>
<td>47.1%</td>
</tr>
<tr>
<td>Service</td>
<td>29.4%</td>
</tr>
<tr>
<td>Convenience</td>
<td>29.4%</td>
</tr>
<tr>
<td>Accuracy</td>
<td>41.2%</td>
</tr>
</tbody>
</table>

Accuracy, security, and convenient location are three of the most important attributes that businesses look for in a bank. The Bank of American Fork’s reputation did not adequately meet the businesses’ expectations. Small business owners ranked security and accuracy as 100% being very important but BAF only ranks 47.1% and 41.2% respectively. BAF needs to change the perceptions of the small businesses to convince them that the bank is a good place for their money. The business people ranked professionalism, security, and being a local bank as the bank’s best attributes. BAF’s weak areas in the businesses’ eyes are the services the bank offers, convenience, and being a small town bank.

Businesses were also asked their opinions on how well the following terms describe the bank:

<table>
<thead>
<tr>
<th>Term</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local</td>
<td>52.9%</td>
</tr>
<tr>
<td>Efficient</td>
<td>41.2%</td>
</tr>
<tr>
<td>Customer service</td>
<td>44.2%</td>
</tr>
<tr>
<td>Limited service</td>
<td>2.9%</td>
</tr>
<tr>
<td>Small town</td>
<td>32.4%</td>
</tr>
</tbody>
</table>

Again, the Bank of American Fork does not measure up to the professionals’ expectations. Small business owners ranked convenient location at 88.2%, but here they ranked local at a mere 52.9% and small town at 32.4%. Businesses said that friendliness was 82.4% important but when asked how BAF measured up only 44.2% said that customer service was very descriptive of the bank.
PERCEPTIONS

Stelter Marketeers asked the businesses to describe the type of customers to whom they believe Bank of American Fork caters. The results are as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Families</td>
<td>73.5%</td>
</tr>
<tr>
<td>Businesses</td>
<td>61.8%</td>
</tr>
<tr>
<td>People from AF</td>
<td>44.1%</td>
</tr>
<tr>
<td>Professionals</td>
<td>38.2%</td>
</tr>
<tr>
<td>Small towners</td>
<td>38.2%</td>
</tr>
</tbody>
</table>

More than half of the small business owners think that BAF is very professional. This is due to the fact that they believe that BAF caters to families at 73.5%, to businesses at 61.8%, and to people from American Fork at 44.1%.

The companies were also asked if they would recommend Bank of American Fork to others. 21 businesses said they would recommend the bank and eight businesses said they would not recommend the bank. Stelter Marketeers uncovered some interesting facts concerning whom businesses thought BAF catered to and if these companies would recommend this bank to others.

This is what was found:

<table>
<thead>
<tr>
<th>Of those who think that BAF caters to:</th>
<th>This percent would recommend BAF to other businesses:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Families</td>
<td>58.8%</td>
</tr>
<tr>
<td>Businesses</td>
<td>50.0%</td>
</tr>
<tr>
<td>People from AF</td>
<td>38.2%</td>
</tr>
<tr>
<td>Professionals</td>
<td>35.2%</td>
</tr>
<tr>
<td>Small towners</td>
<td>29.4%</td>
</tr>
</tbody>
</table>

The perceptions small business owners have of Bank of American Fork is formed by the people they think BAF caters to. Business owners who feel that the bank meets the needs of the general populace of Utah County by servicing both families and businesses are much more likely to recommend the bank to friends and family. On the other hand, if the business owners consider BAF as a small town operation, then they will less likely recommend the bank to anyone.
RECOMMENDATIONS

After careful consideration, Stelter Marketeers have thought through these recommendations that will improve the awareness of services offered to businesses.

- When advertising to businesses, emphasize accuracy, security, convenient location, friendliness, and a good rate of return.

These areas are the attributes that the businesses think are the most important. This would increase the businesses' awareness of the services that the bank offers.

- Since most people know about the new building in Orem, put up an electronic reader board by the building informing the people of the various ways that the bank gets involved in the community, and the wide variety of services the bank offers businesses.

85.3% of the respondents are aware of the new building in Orem. The building is on an intersection that is very busy so many people will see the reader board. Also the light on the corner stays red for quite a while. This will give people enough time to read the board.

- The hot air balloon is recognized by most of the businesses.

Since people are aware of the balloon, keep the balloon going, but don’t emphasize the balloon as much. Many businesses know about the balloon; unfortunately, that is as far as their knowledge goes. Most people don’t know about the services the bank offers.

- Increase the number of billboards in Utah County in the business areas.

The businesses are already aware of the billboards for BAF. Some of the billboards near the businesses should show the various services that BAF offer. The other billboards should also emphasize BAF’s accuracy, security, good rate of return, and its convenient location.
SUMMARY

Bank of American Fork wishes to facilitate further growth. To achieve this goal, BAF hired Greg Soter, of Soter Associates Inc., to develop a more aggressive marketing plan. Sorter Associates asked Stelter Marketeers to discover the community's perception by conducting a comprehensive image study of Bank of American Fork.

Three market segments were the focus of the study. These segments are personal account customers, personal account non-customers, and business account customers. The objective was to determine the perceptions of each market segment.

FINDINGS

PERSONAL ACCOUNT CUSTOMERS

The overwhelming majority of those surveyed love banking at Bank of American Fork.

♦ BAF’s greatest strengths are its friendly customer service, convenience, and security.
♦ BAF’s weaknesses are its interest rates, range of services, and lack of advertising.

PERSONAL ACCOUNTS NON-CUSTOMERS

♦ Accuracy, security, and convenience are the most important banking services.
♦ 80% of respondents were familiar with BAF locations.
♦ BAF is most well known for convenience, efficiency, and small town feel.

BUSINESS ACCOUNTS

♦ The majority of business managers are aware of BAF from BAF’s locations
♦ The most important attributes in a bank are accuracy, friendliness, good rate of return, and convenient locations.
♦ BAF’s reputation did not adequately measure up to business’s standard for professionalism, security, and accuracy.

RECOMMENDATIONS

♦ Install electronic marques in front of branch locations to advertise Bank of American Fork’s friendliness, convenience, and accuracy. Use the marque to advertise to a specific market’s needs. This is strongly recommended in front of the Orem building, it being the branch most people are aware of and it being located in such a prominent location.
♦ Advertise more aggressively. Use ads to demonstrate banks security, convenience, and friendliness. In addition, emphasis the small town friendliness. For example, “Utah County’s bank of choice — Secure, convenient, and friendly.”
♦ Billboards are also recommended. Perhaps using customer testimonials to advertise issues of most importance as defined in this report.
**APPENDIX 1: CUSTOMER SURVEY**

**INTERNET BANKING**

<table>
<thead>
<tr>
<th></th>
<th>Most likely to use</th>
<th>Second most likely to use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>&lt; $15,000</td>
<td>$45,000 - $60,000</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>36 - 45 years</td>
<td>26 - 35 years</td>
</tr>
<tr>
<td><strong>Family Status</strong></td>
<td>Married</td>
<td>—</td>
</tr>
<tr>
<td><strong>Branch</strong></td>
<td>American Fork</td>
<td>Highland</td>
</tr>
<tr>
<td><strong>Length Banked</strong></td>
<td>&gt; 5 years</td>
<td>—</td>
</tr>
<tr>
<td><strong>Length in UC</strong></td>
<td>&lt; 2 years</td>
<td>&gt; 5 years</td>
</tr>
<tr>
<td><strong>Residence</strong></td>
<td>AF/Highland</td>
<td>Alpine</td>
</tr>
</tbody>
</table>

**PHONE BANKING**

<table>
<thead>
<tr>
<th></th>
<th>Most likely to use</th>
<th>Second most likely to use</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>&lt; $15,000</td>
<td>$45,000 - $60,000</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>56 - 65 years</td>
<td>26 - 35 years</td>
</tr>
<tr>
<td><strong>Family Status</strong></td>
<td>Widowed/Divorced</td>
<td>Married, with Children</td>
</tr>
<tr>
<td><strong>Branch</strong></td>
<td>Highland</td>
<td>Lehi and American Fork</td>
</tr>
<tr>
<td><strong>Length Banked</strong></td>
<td>&gt; 5 years</td>
<td>&lt; 2 years</td>
</tr>
<tr>
<td><strong>Length in UC</strong></td>
<td>2 - 5 years</td>
<td>&gt; 5 years</td>
</tr>
<tr>
<td><strong>Residence</strong></td>
<td>Lehi</td>
<td>AF/Highland and Alpine</td>
</tr>
</tbody>
</table>

*Please remember that enthusiasm for both internet and phone banking was lukewarm at best, though the idea of phone banking did garner a more positive response than internet banking.*
WORST EXPERIENCE STORIES

STORY #1

One customer related an experience she had with Bank of American Fork. She had used the drive-up window that day, but when she returned home, she realized that the cashier had given her $100 extra. Being an honest woman, she took the money back the next day. She approached the manager and explained the situation, and then she handed over the money. To her surprise, the manager informed her that the cashier had been short $154 the previous day—"Where is the rest?" The woman was both astounded and upset. Not only was she never thanked for returning the money, but she was implicitly accused of theft.

STORY #2

The second story was also related by a female customer. This customer had a son leave on a mission, and she wanted to open an account for him at Bank of American Fork, using herself as a cosigner. When she went into the bank and explained her request, however, she was told that it would be impossible. "You can't do that, you're just a housewife. You don't have any income." Thus, the customer was not allowed to cosign her son's account, despite the fact that she had her own checking account with the bank, which received a deposit monthly.
CUSTOMER ADVICE

More convenient branches — 14%
More advertising — 13%
  (TV, radio, newspaper, billboards)
Compete with credit unions — 13%
  (Better interest rates, more services, free checks)
Free checking — 11%

ADVICE ALSO GIVEN:

Stay open later on Saturdays
Establish free ATM machines
Develop internet banking
Provide free money orders and safety deposit boxes
Provide on-the-spot loans
Put more detail on customer receipts and bank statements
Customize services for high-net-worth customers
Inform existing customers about changes made in services!

15% of all customers who participated in the telephone questionnaire advised Bank of American Fork to continue to operate in the same way it always has.
Thank you for your help.
Bank of American Fork Telephone Questionnaire
Working Draft

"Hello. My name is ____________. I am a senior at BYU and am doing a small project for a research class. For this project, I am trying to find out what customers of Bank of American Fork think about their bank. Do you have a few minutes for me to ask you a couple of questions?

1. How long have you been a customer of Bank of American Fork?

2. How did you hear about Bank of American Fork?

3. Has Bank of American Fork met your expectations? Why or why not?

4. What is the worst (best) experience you have had with Bank of American Fork?

5. [*FINAL QUESTION*] Bank of American Fork wishes to expand and grow. If you were the president of Bank of American Fork, what would you do to reach this goal, to reach more people? (Is there anything else you would like to see BAF do?)
APPENDIX 2: NON CUSTOMERS

Image Study for Bank of American Fork 36
Which branches of Bank Of American Fork are you aware of:

<table>
<thead>
<tr>
<th>Branch</th>
<th>Aware of</th>
</tr>
</thead>
<tbody>
<tr>
<td>Am. Fork</td>
<td>63.5%</td>
</tr>
<tr>
<td>Highland</td>
<td>23.8%</td>
</tr>
<tr>
<td>Orem</td>
<td>77.8%</td>
</tr>
<tr>
<td>Provo</td>
<td>14.3%</td>
</tr>
<tr>
<td>Alpine</td>
<td>20.6%</td>
</tr>
<tr>
<td>Lehi</td>
<td>23.6%</td>
</tr>
<tr>
<td>P. G.</td>
<td>31.7%</td>
</tr>
<tr>
<td>None</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

How well do you agree with the following descriptions of Bank of American Fork:

<table>
<thead>
<tr>
<th>Description</th>
<th>Very descriptive</th>
<th>Somewhat descriptive</th>
<th>Not descriptive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convenient</td>
<td>30.2%</td>
<td>17.5%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Limited service</td>
<td>3.2%</td>
<td>17.5%</td>
<td>19%</td>
</tr>
<tr>
<td>Efficient</td>
<td>27%</td>
<td>12.9%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Small town</td>
<td>23.8%</td>
<td>15.9%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Service oriented</td>
<td>20.6%</td>
<td>19%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How strong is Bank of American Fork's reputation in the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Strong</th>
<th>Average</th>
<th>Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionalism</td>
<td>19%</td>
<td>15.9%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Security</td>
<td>19%</td>
<td>17.5%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Service</td>
<td>24.4%</td>
<td>11.1%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Convenience</td>
<td>22.2%</td>
<td>11.1%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Accuracy</td>
<td>20%</td>
<td>17.5%</td>
<td>0%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

How important are the following banking services to you:

<table>
<thead>
<tr>
<th>Service</th>
<th>Very important</th>
<th>Somewhat important</th>
<th>Not important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accuracy</td>
<td>92.1%</td>
<td>1.6%</td>
<td>0%</td>
</tr>
<tr>
<td>Convenient locations</td>
<td>74.6%</td>
<td>19%</td>
<td>0%</td>
</tr>
<tr>
<td>Friendliness</td>
<td>65.1%</td>
<td>22.2%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Good rate of return</td>
<td>69.8%</td>
<td>15.9%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Security</td>
<td>81%</td>
<td>11.1%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Internet banking</td>
<td>12.7%</td>
<td>33.3%</td>
<td>41.3%</td>
</tr>
<tr>
<td>Phone banking</td>
<td>12.7%</td>
<td>33.3%</td>
<td>41.3%</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Have you ever banked at Bank of American Fork:

- 28.6% yes
- 69.3% no

If yes, please rate your experience:

- Excellent □ □ □
- Fair □ □ □
- Poor □ □ □

25.4% 3.2% 0%

Do you know anyone who has banked at Bank of American Fork:

- 34.9% yes
- 58.7% no

If yes, how do you think they would describe their experience:

- Excellent □ □ □
- Fair □ □ □
- Poor □ □ □

25.4% 7.9% 0%

Please provide us with a little information about yourself to help us classify our data:

- How long have you lived in Utah County:
  - 1.6% less than 2 years
  - 85.7% more than 5 years
  - 11.1% 2 to 5 years

- What is your gender:
  - 52% male
  - 46% female

- What is your age:
  - 20 - 77 years

- What is your family status (please check all that apply):
  - 6.3% single
  - 7.9% widowed/divorced
  - 81% married
  - 9.5% empty nest
  - 58.7% with children

- In which bracket is your approx annual family income:
  - 6.3% 0 to $14,999
  - 15.9% $15,000 to $29,999
  - 34.9% $30,000 to $44,999
  - 25.4% $45,000 to $59,999
  - 11.1% $60,000 or more

Thank you for your help.
Focus Group

- Used to live in American Fork: leading institution in the community. But stayed with credit union that they were already associated with in Provo/Orem
- looking for a more local bank to do business
- typically credit unions have better rates for loans/savings
- I thought it was just in American Fork until I went to Alpine and noticed a bank there. Maybe this is bigger than I thought.
- big new building on University Parkway, just seen
- promotions seen for UVSC shows that they support the community and UVSC, but I don’t know much about the bank
- seen advertising through their balloon
- when we lived there they started building the branch in Alpine and did renovating on central pillars of downtown American Fork. I wonder if they had a CEO who wanted to become a more well-known institution than just focusing in on just American Fork
- I was going to mention the building
- the new building is classy
- must be doing really well to be branching out and building new buildings
- a lot of our neighbors who live in American Fork have lived there for years. It is trying to make a comparison to Provo and Orem. But if you live in American Fork that’s basically where you go even though they have a Zions and First Security/Interstate and a Central Bank there as well. We had several friends who refinancing their houses and they went there and felt that they had wonderful service and felt that they were known and cared about...
- I assumed that they were just a local bank supporting just that area until I saw the big building. That made me rethink, but not very much.
- They are building one in Pleasant Grove too.
- A local bank is a big plus but I think you need to have accessibility to people. They don’t want to have to drive half an hour to...
- I think the only problem with a local bank is that when I travel I can still access my bank. There are checks and stuff but it is still nice to be able to access your bank when you go somewhere else.
- I wonder if they will be able to retain their home town feel, if they have one, when in Orem when it is Bank of American Fork. Obviously if you live in American Fork you’re going to say hey this is my bank and my community. It’s interesting that they will retain that name even though they are in other communities. I think it’s worth researching if they should keep their name or not.
- I wonder if they will keep their name. The bigger banks are outside of American Fork.
- It seems that in today’s world of technology there is to internet access and home page and... with all of the forte’s that are available add that to some of their services. We had some neighbors who changed banks specifically so that they could bank over the internet. He was a wiz bang know it all. But that was important to him.
- The name might be a hinderence.
- For me it (the name) wouldn’t be (a hinderence) if they had branches down where we live. I would be very tempted to look into them because I have known many people who have loved it there and they walk in and are known- how are you Sally, heard your son got his mission call-
that one on one. American Fork is pretty much that way. Practically every business was like that after you went in two or three times would recognize you and...we’ve heard that sentiment time and time again from our neighbors and freinds how much they have enjoyed that. And I would assume that if they employ that type of people at the American Fork location that they would continue to try to extend a friendly hand and make you feel.

- I think that is an important point about banks is that’s what you want to be able to go in and say hi and they know who you are and what you’re about and you don’t have to prove that you are who you are because they recognize you.

- I think that a good branch is like that by bring local people from an area... and teaching them that PR is a good idea. People like that... I don’t think that a name makes them either better or worse in that area.

- There might be a back lash in American Fork community if they change their name. People might think oh well you’re in the big time so you’re abandoning us. And I would think that... considering who they are they wouldn’t want to lose....

- At the same time its- like for me I never even considered Bank of American Fork because I wasn’t in American Fork and I was not going to drive to American Fork to bank. I chose something that was closer to me. We bank at a credit union because it is close and they have treated us well. I think that their name is a detriment to people because they think that it’s not branched out and it’s just in American Fork. But as they get to know their community and see that they are starting to branch out it may not be that big of a deal to them.

- I think that one of the reasons that we bank at a credit union is because they have your better rates and things like that which is very beneficial to us at this time for that type of thing. It’s more money to our name not just okay we’re trying to establish a bank but... I haven’t heard much of American Fork. I don’t even know anyone who banks there so word of mouth of a bank helps me bank there to- that you know people who bank there and they say that they like it and they can let you know why. I haven’t heard anyone say this is why I bank at American Fork, this is why it is good. That might help me to bank there if I was to hear those things.

- As far a banks go I grew up banking where my parents banked at the credit union and we recently built a home. We went through a bank and had a very poor experience. It was your typical... and sassy bank where they would not go out of their way to do anything for us which really surprised us because they made a huge chunk of money off of us. So if other banks in the area have that same kind of... and sassy attitude it’s probably... service oriented banks and people oriented banks.

- I worked for a credit union and one of the things that I really appreciated and still... is that you are called a member. You walk in and you are not refered to as a customer but as a member. I really appreciated that. I got to help decide who was on the board and who was deciding on the interest rates...

- I am not familiar with any other advertising means that they have besides the balloons. I do not know what they perceive, what perception that they give to the public when they really only use the one...

- I was under the impression that could inheret all of American Fork and then... expand a little. But I think that eventually they will have to change their name because I don’t think people will prefer that name if they are living in other areas.

- Because of our business I am not interested at all if they know my kids even if I go there every day. What is most important to me is that...quickly,... handled directly, and I am out of there
quickly. If it takes a lot of time...
- They probably don't have a lot of locations to...
- (some thing about quickness and efficiency) Something that I think is important in a bank that
APPENDIX 3: BUSINESS

Some of the reasons that companies would recommend the bank are:

Good past experience.
It's the best bank.
My bank for the past 35 years.
Excellent service.
I haven't had any problems. No reason for complaints.
I know people who are happy with Bank of American Fork.

Reasons for not recommending the bank are:

I have no past experience with them and no basis for recommending them to others.
We were refused to refinance our home. The bank was not very helpful.
I work for AmBank and I know that they are the best.

We asked the companies to write down their impressions of the Bank of American Fork. This is what was written:

Professional (4)
Works hard for business people.
Beauty to banking is great!
They have been a great bank. Do not know why Orem got such a fancy bank while AF doesn't.
The tellers and bookkeepers are very helpful and congenial.
I don't know! I have never banked with them.(8)
I have no reason to bank with them. Why would they be better than my current bank?

Ugly building.
Their customers that I am familiar with seem very happy with their service.
Friendly, efficient, knowledgeable, locally owned.
Quick
I know what they are doing.
Troy, Brad, and Linda from the PG branch have provided us with excellent service.
They are always friendly.
They seem too little and too small to be secure.
We like them!
They seem to be building more locations throughout the valley fairly quickly.

I would never deal with them. They didn't offer any extra help. They did the basic but we were refused. No information was given on what to do to be able to refinance later. Another bank worked with us. In fact, we deal with 3 banks and they would bend over backwards for us.

Heard no negative comments from relatives that bank there. Seems like a nice place to bank.

Good community bank that is growing.

Needs more advertising.(3)