



Royal Bank of Canada

Integrated Marketing Communications (IMC) Plan
April 2019

Today's Agenda

- Background
- Research
- Challenges
- Marketing Communications Plan
- Measuring Awareness
- Conclusion



Background

- Largest Canadian bank by market capitalization
- 84,000+ employees, 16 million clients worldwide
- Segments of Operation:
 - Personal and Commercial Banking
 - Wealth Management
 - Investor Treasury Services
 - Capital Markets
 - Insurance



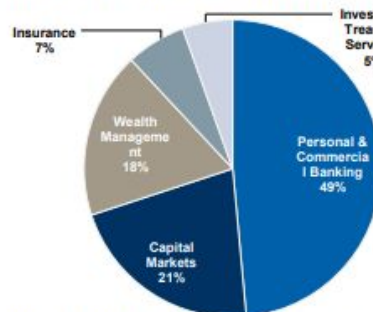
Background

Financial Performance by Business Segment and Geography

(Latest 12 months ended January 31, 2019)

Earnings by Business Segments⁽⁹⁾

- Diversified business mix with leading client franchises



Revenue by Geography⁽⁹⁾

- Almost two-thirds of revenue from Canada
- Strategic approach in key businesses in the U.S. and select international markets



⁽⁹⁾ Excludes Corporate Support. These are non-GAAP measures, for more information, refer to the Key performance and non-GAAP measures section of our Q1 2019 Report to Shareholders.

Q1/2019 Financial Performance by Business Segments⁽¹⁰⁾

(\$ millions, unless otherwise noted)

Personal & Commercial Banking		Wealth Management		Insurance		Investor & Treasury Services		Capital Markets	
Revenue	\$4,418	Revenue	\$2,948	Revenue	\$1,579	Revenue	\$631	Revenue	\$2,098
Net Income	\$1,571	Net Income	\$597	Net Income	\$166	Net Income	\$161	Net Income	\$653
ROE ⁽¹¹⁾	26.6%	ROE ⁽¹¹⁾	16.4%	ROE ⁽¹¹⁾	34.7%	ROE ⁽¹¹⁾	17.3%	ROE ⁽¹¹⁾	10.8%
		AUM (\$ billions) ⁽¹²⁾	\$682	Premiums &		AUA (\$ billions) ⁽¹²⁾	\$4,101		
		AUA (\$ billions) ⁽¹²⁾	\$981	Deposits	\$1,314				

⁽¹⁰⁾ As reported. ⁽¹¹⁾ ROE does not have a standardized meaning under GAAP and may not be comparable to similar measures disclosed by other financial institutions. For further information, refer to the Key performance and non-GAAP measures section of our Q1 2019 Report to Shareholders. ⁽¹²⁾ Represents period-end spot balances.

RBC Investor Relations

Email: invesrel@rbc.com
Web site: www.rbc.com/investorrelations

Main Transfer Agent - Computershare Trust Company of Canada

Email: service@computershare.com
Web site: www.computershare.com

General Inquiries

Web site: www.rbc.com/contactus

Research: The Importance of Targeting Students

1. Mitigated Risk
 - a. Parents will likely bail them out if their credit limit is reached
2. Long credit future ahead of them
 - a. Lifetime of interest payments
 - b. Will likely remain loyal for future financial products (small business loan, mortgage, investments, etc.)
3. College students want to make their own decisions, but do not know where to turn for financial guidance



Research: A New Banking Experience

- *A casual, no-pressure atmosphere* – it's easy to ask questions, or find information on your own
- *Interactive technology* – to help you explore your financial questions in easy-to-use and innovative ways
- *Friendly and accessible staff* – our people are out on the floor, ready to help you with your banking needs
- *Events and seminars* – that provide information on financial topics that interest you
- *Easy access to online banking* – through self-serve stations or your own device with our free wireless access



Research: Branch Trends

1. Decreasing branch locations
 - a. Branch numbers down 11.4% since 2009
 - b. 81% have no plans to close
2. Branch Remodeling
 - a. “Legacy” branches do not extend brand value
3. Consumer Usage
 - a. 64% clients still visit at least once per month
 - b. Seeking personal advice
4. Reasons to Visit
 - a. Resolve account issues, transactions, learn about services, open new accounts
5. Technology/Automation
 - a. Plans to equip planners with tablets (25%-51% from 2017-2018)



Research: Branch Trends (Cont.)

- Most customers only visit branches to get cash or seek advice
- FI's now process far more transactions digitally than in branches
 - Cash transactions in Canada have declined by 30% since 2008
- The role of branches has shifted to an applications and advice centre



IMC: Target Market

- Demographic
 - Students aged 18-30 in post/undergraduate studies
 - Newly employed, seeking employment
 - Seeking credit, savings for cars/homes, school supplies
- Psychographic
 - Busy daily routines (school, employment, social life)
 - Busy social life, seek personal relationships and involvement on campus
 - Tech savvy, frequently use mobile banking and interested
- Geographic
 - Living within radius of McMaster Campus, Hamilton
- Secondary Target
 - Older students (ages 30+)
 - Newcomers to Canada (international students, new residents)



Challenges

- Customer service efficiency, long line ups and wait times (good customer service)
- Branch visits declining, “Legacy” branch model is outdated
- “Noise”: Competitors such as Scotiabank which has a very competitive Student Banking Advantage Plan with no fees and unlimited transactions
- Young adults and students don’t understand financial budgeting or other financial offers



IMC: Marketing Objectives

1. Promote quality of in-branch services to increase visits to McMaster Campus Branch
2. Develop effective marketing campaigns that engage students
3. Promote innovation of branch model and available technology



IMC: Marketing Communications Strategy

- Budget
 - \$700,000
- Positioning Statement
 - For College and University students who seek personal financial guidance, RBC's McMaster Campus Branch is the most innovative banking branch which provides weekly financial seminars and assistance to students on campus to guide them towards the right financial direction.
- Marketing Mix
 - Advertising
 - Experiential Marketing
 - Digital Communications



IMC: Advertising Plan (Creative)

Objectives

- To show that RBC is an efficient and innovative banking institution where students will receive expert financial advice and service
- To communicate RBC's brand value to students through innovative products, personal advice, and community engagement



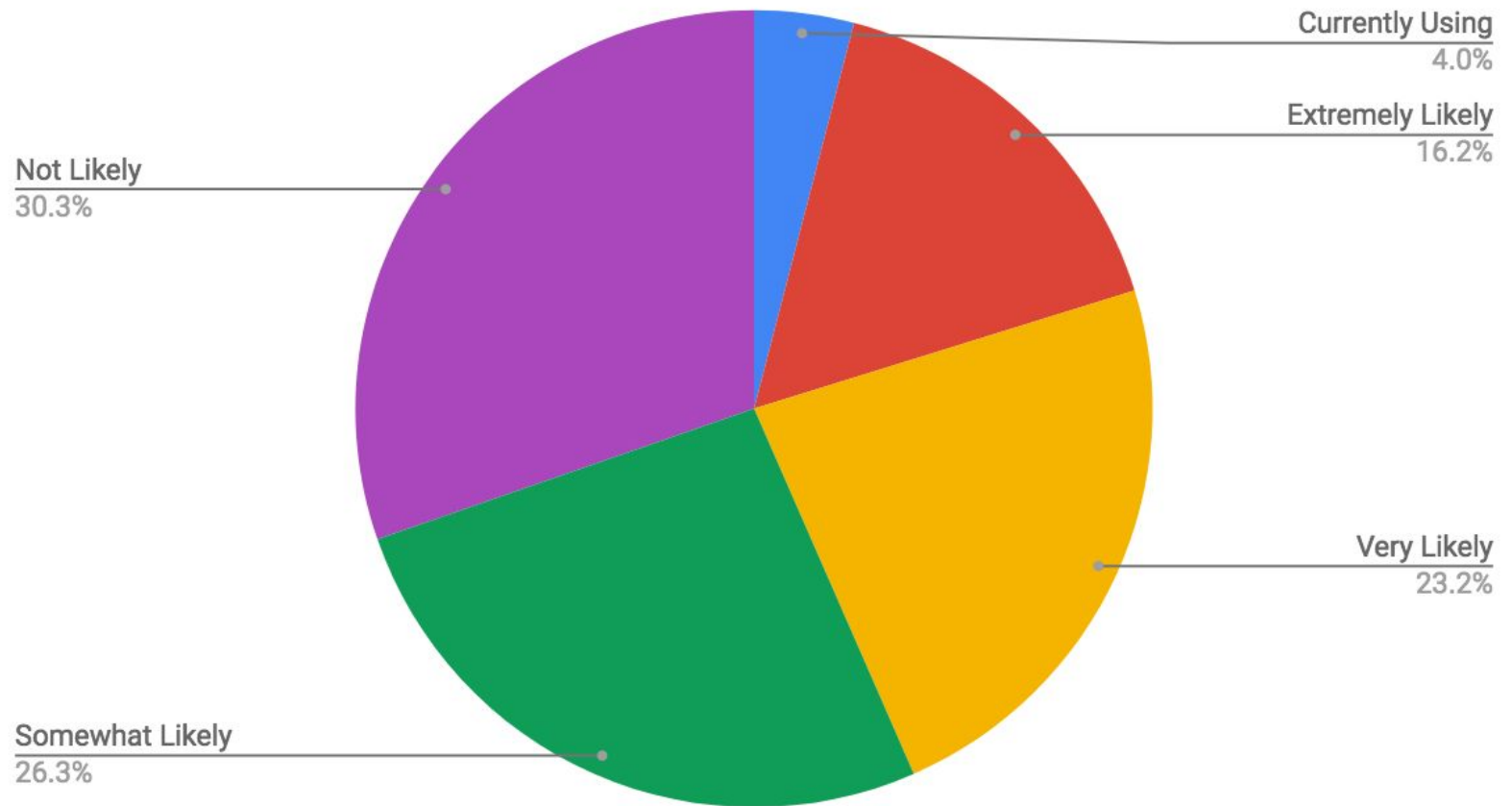
IMC: Advertising Plan (Creative)

Strategy

- Central theme
 - All media will show students going into the RBC student branch to get advice
- Appeal technique
 - Focus on positive appeal in addition to student lifestyle (during school and after school to debt)
- Tone and style
 - An upbeat yet informative manner will be used to appeal to the students, especially in the influencer videos
- Tagline
 - “Get the knowledge you need, for free.”



How Likely are Gen Z's to use in-School Branches?



IMC: Advertising Plan (Creative)

Execution 1: Student Influencers & Social Media

- Student vlogs
- 101 Instagram tutorials
- Daily Instagram stories
- Weekly Facebook posts
- 15 second YouTube ads
- Snapchat stories(advertising on snapchat)
- Print media - posters



IMC: Advertising Plan (Creative)

**GET THE KNOWLEDGE
YOU NEED
FOR FREE**



IMC: Advertising Plan (Creative)

Execution 2: McMaster Student Card Rewards

- RBC student Visa credit card
- Obtain points by:
 - Making purchases
 - Attending seminars
 - No overdraft
 - Minimum account balances
 - Consistent savings/investments



IMC: Advertising Plan (Creative)

Execution 3: Artificial Intelligence

- RBC “Rebecca”
 - Transactions, Transfers
 - Inquiries, Security
 - Reminders, Pre-authorized
- Interactive Teller Machines (ITM)
- A.I. tellers
 - Helps with client flow
 - Speed and efficiency



Hi, I am Rebecca

See what I can do for you today



IMC: Advertising Plan (Media)

Objectives:

- Who
 - McMaster students aged 18+
- What
 - Message focuses on student financial learning through the new innovative and efficient RBC McMaster campus branch
- When
 - Launch will begin in Jan. and student awareness will slowly build up as school semester begins
- Where
 - Campaign will centre around the McMaster campus as test subject. If successful, potential use in additional post secondary institutions
- How
 - Increase awareness of what RBC has to offer through student Reach and Engagement



IMC: Advertising Plan (Media)

Strategy

- *Target Market Strategy*
 - Narrowed target market which will include the use of a Profile-matching strategy
- *Market Coverage*
 - Not a national campaign, media that will reach a student audience will be used
- *Timing*
 - Use of a seasonal strategy because of peak in January and build up as new fall semester approaches
- *Reach/Frequency/Continuity*
 - Reach and Frequency important during the first few months continuity later focus as new semester and new students arrive and



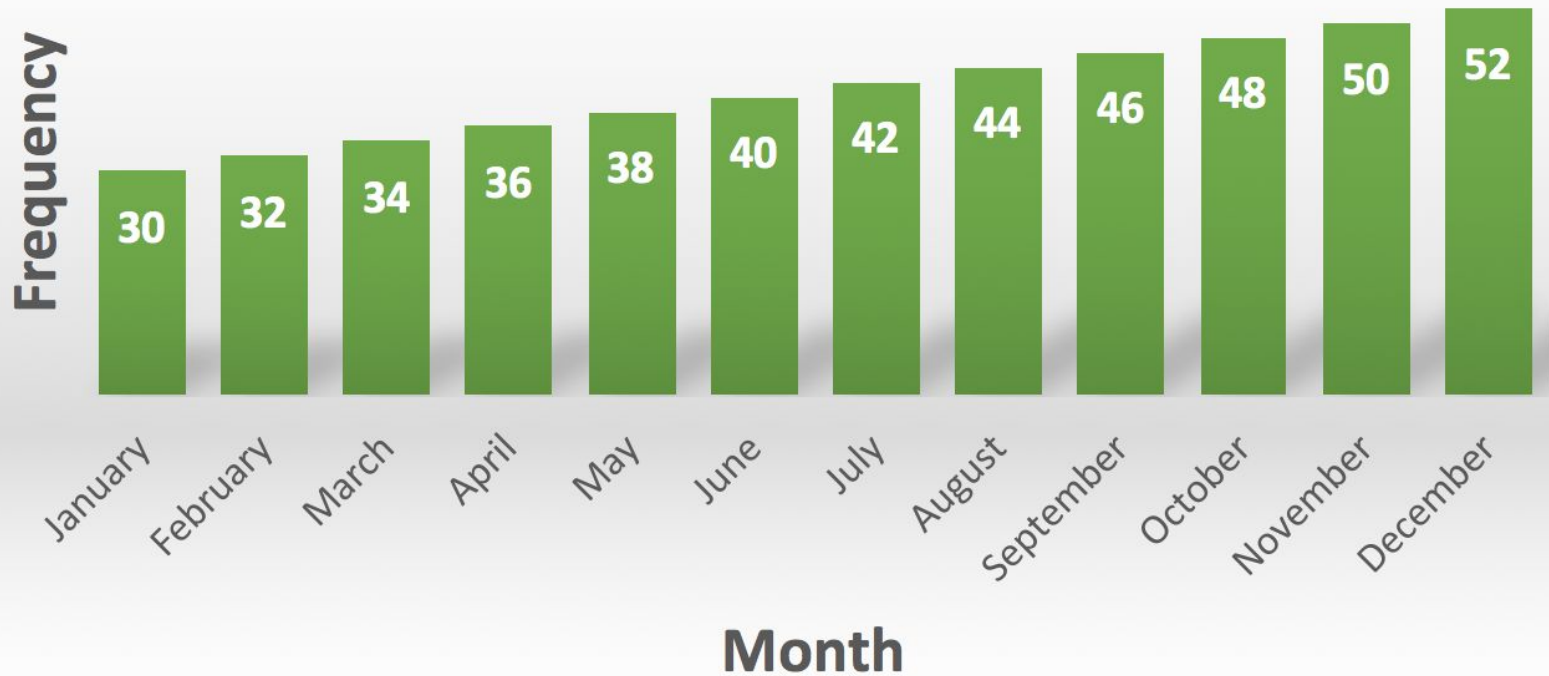
IMC: Advertising Plan (Media)

Budget

- CAD \$700,000 for media advertising on new services
- Two four-month intervals (Semester based, 2020)



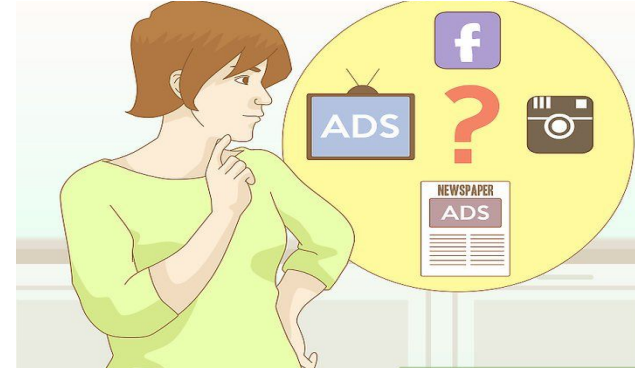
Timing of Advertising (Build up Method)



IMC: Advertising Plan (Media)

Media Selection Rationale

- *Television*
 - Use of McMaster student commercials on campus to promote RBC services and McMaster card points rewards
- *Print*
 - Use of posters around campus to promote McMaster card points and RBC student financial services
- *Online*
 - Use of different social media platforms to target the younger student population through influencers



IMC: Advertising Plan (Media)

Method		Timing	Cost	Total Cost
Television	McMaster student channel	4 times/ day For 4 months (2 months/semester)	\$15/30 secs	$15 \cdot (30 \cdot 4)$ $1,800/\text{day} \cdot 122$ days (4 m) $= \$219,600$
Print	Posters:	During the full campaign- 8 months	24 x 36 - \$35 professional & \$52 Glare Guard	$35 \cdot 60 = 2,100$ $52 \cdot 60 = 3,120$ $= 5,220$ $\$60/\text{wk} \cdot 32 = 1920$ $= 7,140$
Online	Student influencers (Snapchat, Instagram, Youtube etc.)	New influencer introduced every 4 months	\$10/ 1,000 followers - Insta \$50/ 1,000 video views youtube \$100/ 1,000 views -snapchat	$\$320,000/\text{influencer} (2)$ T: 546,740



Measuring Awareness: Gross Rating Points (GRP)

Reach

- Goal: 50% of 32,000 McMaster students (0.5)

Frequency

- At peak: 52 exposures over a 1-month period

= **26 GRP**



IMC: Budget Summary

Activity	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct.	Nov	Dec
TV												
Student Channel	4	4							4	4		
Online												
Insta.												
Snapchat												
Youtube												
Print												
Posters												



Questions?



References

- <https://thefinancialbrand.com/70024/generation-z-banking-marketing-strategy/>
- <https://www.posterpresentations.com/price-guide.html>
- <https://www.rbcroyalbank.com/accounts/student-banking.html>
- <https://business.financialpost.com/entrepreneur/television-ads-hit-the-spot>
- <https://business.financialpost.com/pmn/press-releases-pmn/business-wire-news-releases-pmn/overall-customer-satisfaction-dips-among-canadian-banking-app-users-j-d-power-finds>
- <https://craft.co/rbc/competitors>
- <http://www.rbc.com/investorrelations/pdf/rbcglance.pdf>
- http://www.rbc.com/investorrelations/pdf/2018q2_report.pdf

