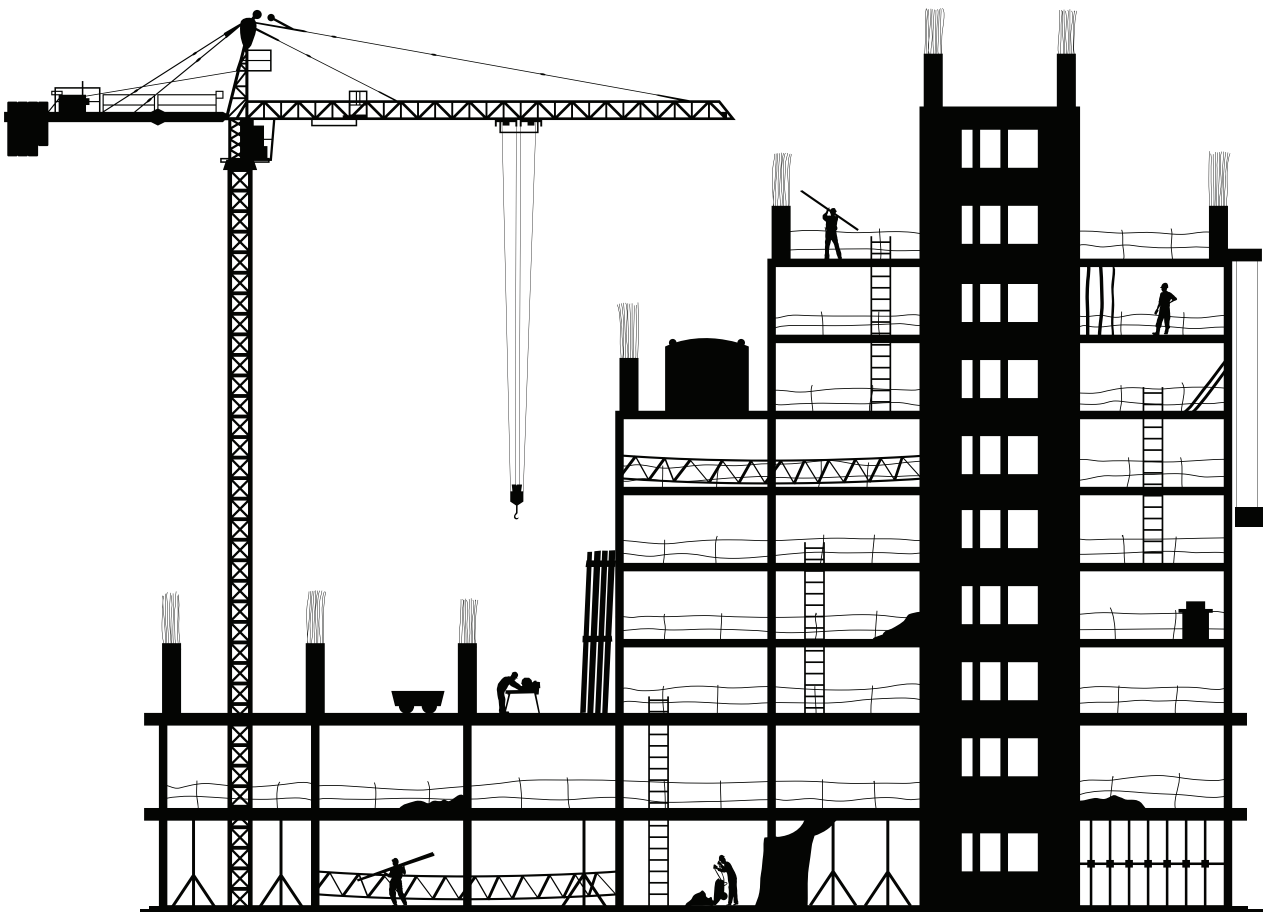


Emotional engagement with financial brands means knowing that they'll do what's best for the customer, not the bottom line. GEORGE SHEPHERD and PHILIPPA ANDERSON explore how to rebuild customer confidence.

in brands we trust



Speed Read

- Cultivating a respected brand provides a strong defence for financial services companies struggling with a lack of consumer trust. Investing in the brand is more important than ever.
- Repairing a damaged brand requires building a perception that the company will always do what is best for the customer first. Financial services companies need to emotionally engage with the public.
- Great brands are the result of diverse thinking that challenges the business. They are not all about logic and numbers.

tag
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Depending on how old they are, British consumers have suffered up to five downturns in the last century: two between the wars, one as a result of the 1973 oil shock, an early eighties recession when Mrs Thatcher got to grips with trade unions and finally, one in the early nineties, when the Gulf War caused another sharp rise in the price of oil.

Since then, notwithstanding the dotcom ‘blip’, there has been, pretty much, a clear run of 16 years consumer boom, during which, amongst other things, we got fat while we watched grossly overpaid footballers, bought more expensive things than we could conceivably need, talked about our property portfolios ad nauseam and trashed the environment by regularly jetting off for winter sun. For all of that, there were many people and institutions that we came not to trust: footballers to stay abstemious for a start, but politicians to act with integrity, the church to behave with moral probity, the banks to act prudently with our hard-earned cash. Trust is at an all time low.

Trust me I’m a banker!

In the current economic turmoil, jauntily renamed ‘the credit crunch’, it is hardly surprising that there is an attitude of skepticism towards even the most hitherto highly regarded financial services institutions. This lack of trust will lead inevitably to long-term changes in the way that consumers engage with investments, savings, pensions and insurance. In a recent report, the FSA observes that, although the current climate has led many to review their finances, there is significant risk of long-term mistrust of financial products and the companies that sell them.

At a time when management is understandably risk averse, many financial services companies will follow marketing strategies that are designed to minimise short-term risk; strategies that are tangible, concrete. And yet, we know that many of the great enduring

brands have an intangible magic, a magic which cannot be explained by the rational. So there is a real danger that brand equity, built over decades or even centuries, may be damaged in an effort to make immediate returns on marketing expenditure.

The value of brands

Cultivating the brand is one of the best defences for financial services companies in the recession. Investing time, energy and money in the brand is more important now than ever: because beyond price, companies need to be more relevant, more connected and more in-tune with their customers. By nurturing their brand now, companies will be better placed to reap the rewards when the economy inevitably returns to growth.

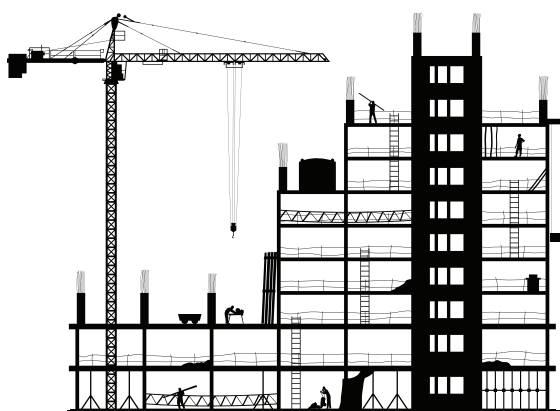
Great brands are not all logic: there has to be ‘magical rationality’.

More than ever, financial services companies need to be seen by customers as brands they can trust. But what does that mean? The perception that the business in question does what’s best for its customers – not just what’s best for the bottom line, is an important measure of emotional engagement with the brand. This is one of the key opportunities for differentiation. It’s commercially important, because customers actively recommend financial services institutions that earn their trust. Of the ten European banks rated best for customer service¹, it was shown that their customers have a markedly higher than average product holding, with higher margin products; and are twice as likely to consider them for their next purchase.

Brands are not all logic

Great brands are not all logic: there has to be ‘magical rationality’. In any long-run scrutiny of an outstanding

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brand, the elements of the brand DNA, its unique combination of components, which provide distinctiveness and real value are, without exception, intangible and, more often than not, quite elusive: closer to magic than logic. For many companies, financial services companies more than most, 'logic-STRATEGY' is separated from 'magic-CREATIVITY' by a wide gap. At one end of the spectrum are the strategic thinkers, who would describe themselves as analytical, logical, numerical, verbal and linear. At the other end are the creative thinkers who are intuitive, spatial, emotional and physical. Never the twain shall meet. That's why so many companies have problems cultivating creativity and therefore real differentiation into their brands.

A winning brand idea challenges the whole business

A creative brand idea is one that affects, directs and challenges the whole business. Great brand ideas are new, valuable and fully realised. Although you may never be able to fully control the consistent reproduction of great brand ideas, the chances of them occurring can be increased. One of the most sure-fire ways of achieving this is to ensure that the brand is focused on by diverse, cross-functional groups of people.

Creating a financial service brand in times like these

Private client asset management company Brewin Dolphin, is a highly successful company that is virtually unknown outside its client base and immediate competitors. In order to build a brand worthy of trust, it

needed to build a brand true to itself; to have and to apply an understanding of what makes it relevant, distinctive and desirable as a financial partner.

Working with Brewin Dolphin, Headmint took a small, cross-functional team of people from all over the business, and helped them to articulate the Brewin Dolphin brand: how it thinks, how it behaves, how it helps its customers, what sets it apart. A durable set of ideas and an understanding of what makes the company 'tick' defined the brand, forming a 'map and compass' for the brand's development.

Then the team set out to all four corners of the Brewin Dolphin universe, to collect stories of real experiences that illustrated the essence of what Brewin Dolphin is and what it stands for. This understanding or 'definition' of their brand had to inspire, direct and lead how the company behaves in all aspects towards its customers and to act as a springboard for customer-facing staff and communications.

If, like Brewin Dolphin, it is a company's strategic intent to create a brand that can be trusted, every pound spent on creating and guaranteeing a consistent brand experience is money well spent. Those who believe in tangible brand experiences are creating the definitive form of future wealth: brands that we can trust.

¹ Forrester Technology Adoption Study 2006



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