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SPEED READ

- Consumers want more authentic brands
- Role of brand has increased in banking
- Lead change to rapidly rebuild trust
- Use brand to guide internal culture

CALL TO ARMS

DOUG HEWETT and RYAN ARSHAD examine brand and report on how the financial services sector can use corporate brand to help regain trust and loyalty.



Once upon a time banks were trusted. Whether it was the grain we left in the royal palaces and temples of Mesopotamia, or the capital we entrusted to private institutions as the Industrial Revolution transformed global economies – banks and the banking sector stood tall, much taller than the individual consumer.

How times have changed. In a transparent, open and post-digital world, an entire generation is growing up having

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only known one kind of banking sector: one of broken promises and morally bankrupt behaviour. The industry as a whole has faced many difficult challenges over the past couple of years. From retail banking faults to rogue traders losing £2 billion, banking has been front page news. It is little wonder that trust has drained from consumers. But with every threat comes an opportunity.

THE INCREASING ROLE OF BRAND

The spotlight is on banking – and the prize for the winner is big. Where the role of brand played a smaller part in consumer decision-making years ago, it's now greater than ever. And where before banks had few reasons to differentiate through their internal cultures and ethical investments, now we want to know all the details. In short, we're all ears. It's time for the banking sector to dust itself off and begin

the long walk back to being trusted – one Mesopotamian grain at a time.

NOW CONSUMERS OWN THE PROBLEM

Back in 2009 consumers were dealing with a corporate crisis; today Britain is living with a sovereign one. When European governments assumed the balance sheet risk, so did taxpayers – first the banking crisis affected consumers, now they own the problem. In consequence a much wider set of stakeholders, not just consumers, are actively vocal in their grievances, while demanding honest, effective solutions. That has serious implications for trust and expectations.

NOW CONSUMERS SEE INSIDE YOUR BUSINESS

It has also become clear that the culture within many banks has been a major

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factor in their downfall. Consumers and shareholders alike are paying more and more interest to the aspects that might have been hidden before. Greg Smith's resignation letter from Goldman Sachs shed a light on the 'toxic and destructive' environment bankers work in. When \$1.3m can be wiped off a company's share price in less than a day, it's clear we all need to wake up to the importance of a brand's internal culture.

DIFFERENTIATING WITH DIGITAL SOLUTIONS

As trust has eroded in the banking sector, so the role of brand has rapidly increased. Price pressures, cost efficiencies, customer dissatisfaction and greater competition have all played their part – with consumer-facing parts of banks being put under higher levels of pressure to deliver more with less.

This is coupled with the transformational reality of digital communications; on average over six million people globally reference banking online each month, 250,000 in the UK alone. Since 2009 there has been exponential growth of people using Google to search for banking services. The future is already upon us with mobile banking and NFC technology providing new ways to engage with banks on a daily basis. The power of the online community is a core element that banks must forever factor in; however, it is the strength of the brand that will prove to be the foundation for measurable business success.

LISTENING AND LEARNING FROM CUSTOMERS

It is not only the fragility of banks that has raised the expectations of consumers. Their own needs are at the heart of their demand for a reliable and trusted bank. It should not be forgotten that banks are not just in business to provide mortgages, loans and credit cards; they are there to support people in their lives with new homes, birthday presents, marriages and even the weekly coffee at Starbucks. With the recession hitting the economies of Europe, banks have borne the brunt of the community's hardships and outbursts. But these same people are looking for a bank that can demonstrate they are there to listen and learn, not tell and sell.

A MANIFESTO FOR THE FUTURE OF BANKING

With all this in mind, there are huge opportunities for corporate brand to play a key role in transforming the industry. As a starting point, we believe there are five key priorities:

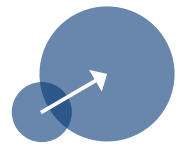
1. Prove that you want to lead the change

Government regulation is the modern badge of mistrust – if brands can't be trusted to self-regulate as an industry, then what hope have they got of winning over consumer confidence?

There are fantastic examples in other sectors of brands that have used this situation to their advantage, and come out better off. Faced with the 'super-size me' backlash to fast food and obesity, McDonald's took the lead in being open and transparent about their ingredients and calories. They didn't wait

SINCE 2009

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for government to impose, and reaped the rewards from consumer trust. This is something we have seen more of recently with the likes of Lloyds TSB providing its Money Manager Service to give customers the information they need to make their own decisions about their money, an example of data management that, in today's online world, people expect and appreciate.

2. Be clear on what you do (and what you don't)

What is a bank? Who exactly is a banker? How is Sue, behind the till at your high street branch, connected to an investment banker in the Square Mile? It's a value consumers relied upon when banks were at the heart of the community. It is a standard we should return to in both the online and offline environments. Within the banking sector this might be crystal clear, but outside the profession it isn't always the case. Consumers are confused, and that confusion breeds mistrust.

In an industry full of confusion and secrets, brands that clearly and consistently explain their offer will set themselves apart.

Clarity and consistency are just two of the 10 brand strength metrics we use at Interbrand to define a strong brand – but never have they been more important for an industry.

3. Care more about the way you work on the inside

For too long, the inner workings of a company have been allowed to go unscrutinised by consumers and shareholders. Behaviour is everything today, and the way a brand treats its employees is something customers vote on with their loyalty. Internal brand engagement is no longer the domain of HR Directors, it's a C-suite priority. The war on talent is on, and developing your internal culture is your best defence. Just ask Alex Ferguson. He ensures he has the very best players each season to succeed on the pitch, in turn growing the Manchester United brand and fan base. ►



'BRAND BECOMES THE CENTRAL PRINCIPLE THAT GUIDES YOUR PURPOSE, BEHAVIOURS AND VALUES – THAT TRANSLATES YOUR STRATEGY INTO MORE THAN JUST NUMBERS AND TARGETS.'



Here the corporate brand plays a key role in aligning brand and business strategy. Brand becomes the central organising principle that guides your purpose, behaviours and values – that translates your business strategy into more than just numbers and targets.

4. Be a responsible corporate citizen

One of the primary ways that brands can foster trust is to demonstrate authenticity. The role that financial services play in rebuilding our economies is of inestimable importance, yet consumers have lost faith in the integrity of the sector. Beset by scandal after scandal, from the Libor rate rigging to Standard Chartered violating sanctions policies, the embattled sector and many of the brands within it have succeeded only in deterring consumers with their recent actions.

To rebuild trust, genuine corporate citizenship is absolutely vital. Financial services brands need to truly embrace sustainability, work to make a positive impact on communities, promote sustainable finance and improve the global economy.

There is plenty of room in the sector for a financial services brand to tangibly demonstrate an authentic, brand-relevant commitment to socially responsible value creation.

5. Always keep your promises

We have a saying at Interbrand: Be it, Do it, Say it. In short, don't make claims that your

brand experience can't deliver. Too many brands are quick to say, too few are willing to embed and ensure they are delivering the experience every day.

Promises are opportunities to build trust. With such high levels of dissatisfaction and distrust in the industry, many new entrants have successfully positioned themselves around consumer pain points – gaps where

'TO REBUILD TRUST, GENUINE CORPORATE CITIZENSHIP IS ABSOLUTELY VITAL AND WORK TO MAKE A POSITIVE IMPACT.'

promises have been broken by others.

In the UK alone, we've seen Metro Bank (service), Virgin Money (trust, service and style), the Co-Operative Bank (ethical, trust and service) as well as trusted brands from other industries entering the market and leveraging their scale, customer loyalty and strength of their brands – e.g M&S Money, Tesco Bank, Asda Money and Sainsbury's Bank.

This heightened competition means our traditional banks must re-establish their corporate brand. Values need to be set to make them competitive once more, not in price or product, but in principles and identity.

BANKING ON IT

Back in 2009 our colleagues at Interbrand wrote a piece on exactly this topic – trust and the banking sector. Much has changed since then.

However, many of the recommendations they made still ring true today: use your brand as a guiding principle; understand its value; think long-term; be human; and lead the change.

Yes, banking is probably the most high-profile sector in this fundamental recalibration of brand values, but it's worth remembering that the banking sector is not alone in facing these challenges.

Trust, openness and authenticity are values that many other industries and brands are now learning to master – from regulation and pricing in the energy sector, to how global online retailers use our data and information ethically.

This is a litmus test that will define the brands of tomorrow. ■



THE KNOWLEDGE CENTRE

Additional articles and event presentations are available online via www.theforum.co.uk/knowledge including:

Consuming with ethics: Integrity is a sustainable element of consumer needs in the competition for retail deposits. The uncertainty of recent years will increase its importance in consumers' choice of brands. We learn from NS&I's experience as a trusted brand.

Winning back brand trust: When there is a gap between the brand promise and the delivered reality, customer trust is strained. Lucy Purdy suggests some ways to find that gap – and eliminate it.

Brand and reputation: As we move from brand image to brand salience and brand experience, especially in a service-centric category like financial services, at this event, John Leach outlines and debates the argument for the most important metric being 'brand reputation'.