

Financial Marketing

STRATEGIC MARKETING ACROSS FINANCIAL SERVICES

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Laying the blame

Is it fair to blame advertising agencies for the substandard work they produce for financial services clients?

According to a recent Financial Services Forum study, the answer to that question is yes. Yet, to blame agencies exclusively for the poor quality of their creative is both simplistic and unfair. Additionally, it obscures some of the key issues that make effective financial services advertising and brand building so challenging. The real important question is: why is great financial services advertising so difficult, and what can we do about it?

Financial services is hard

Financial Services is a highly mature industry with intense competition making differentiating a brand is extremely difficult. This was driven home to us at Prophet when, as part of a major brand strategy project with a leading global financial services company, we conducted a global survey of their clients and prospects. In over 4,000 one-to-one interviews worldwide, we asked subjects to describe their ideal relationship with their financial services company. Not surprisingly, the main attributes described were about reputation, trust, understanding client needs, providing relevant solutions and quality of client service. When we asked respondents if they could name any firms that were differentiated against these criteria, the response was almost always negative.

What emerged is that clients and prospects are less concerned with differentiated advertising and more with effective execution and delivery. While agencies and clients are racking their brains to come up with the next greatest advertising 'big idea', customers are more concerned with being treated well and having a positive experience. It is not that customers are cynical: surprisingly, a recent Henley Centre study showed that 58 per cent of financial services customers trust their bank to be 'honest and fair'. They just want a decent service.

Advertising cannot work miracles...

The fact is that great financial services

brands will not be built by advertising. Advertising plays an important role in generating levels of awareness and familiarity and helping build desired brand associations, but ultimately great brands will be built through excellent and consistent delivery in the front-line. Great creative will not cover for poor delivery.

In contrast to FMCG companies, most financial services firms struggle to articulate exactly what role advertising plays in building the brand relative to other elements of the marketing mix and the overall client experience. They have an even harder time making sure that the actual customer experience substantiates the claims made in any campaign.

So faced with this, agencies either develop creative that is feature-based, price-based and self-referential, or they push on with some clever creative idea and leave customer benefit and relevance in their wake. As the FS Forum survey uncovered, Barclays' recent 'Fluent in Finance' campaign commanded 100 per cent recall and helped awareness numbers. But it still has not had any significant impact on the brand. It is clever creative, but does it convey any benefits to customers? Equally, how many customers will recognise anything of their local Barclays branch manager in Samuel L. Jackson?

...at the moment, neither can advertising and marketing

Advertising and marketing departments in many financial services firms are seen as a corporate functions divorced from the front-line, and their role in helping shape products and services is very limited in contrast with FMCG companies. If you do not have a truly differentiated offer delivered to the customer in differentiated manner, how can you expect the ad agency to come up with compelling advertising?

Unless and until agencies can tell a differentiated story that is backed up when a cus-

tomers walks in a branch, they cannot be expected to produce dramatic results for their financial services clients. That will come from those clients getting their house in order. We look at the changes in a company like Abbey and the appointment of Angus Porter (as Customer Propositions Director, not Marketing, Brand or Advertising Director) as a move in the right direction.

If an agency is going to develop truly exciting advertising, it needs to describe a compelling offer in a compelling way. That offer comes from the company, not the agency. Advertising agencies do not need to be specialists in their client's industries, they do need to be adept at uncovering the customer insights that help originate the break-through creative leading to great advertising.

So if you feel dissatisfied with your advertising, ask yourself these questions:

How good is your brief? Are the objectives clear? Is there a key customer insight that you are trying to exploit? How differentiated is your offering/story? Will your customer agree? How specific are your advertising and brand building objectives? How do they link to the business objectives and what metrics are in place? How clear is responsibility for reviewing creative? Is this the domain of a committee where the lowest common denominator will prevail?

How bold are you able and willing to be? If you are not bold, do not expect your agency to come back with breakthrough advertising. If you feel comfortable with your answers to these questions, then ask your agency for their opinion. Unless they convince you otherwise, get another agency.

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