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Why "Finding Nemo" is more important to people than finding a bank

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Since market research came into its own 30+ years ago, financial institutions have always ranked as a "low interest" category with the consumer. Why? Isn't your money important? Or is it that few people can discern the difference between one bank and the next?


John Laurino

Anyone familiar with retail bank branch data knows that **location supersedes brand** in terms of where to open an account. That should have changed in our 21st century virtual world. But it still hasn't. Not to pick on banks alone, most consumers can't even recall the name of their own insurance company. This blandness is, unfortunately, self-inflicted. Financial service firms are undaunted in trying to be all things to all people. As a result, they have become merchants (like department stores) rather than marketers. The proof lies in the endless price promotions.

Everyone in financial services desires the enduring power of a brand. Sadly, very few have achieved true branded status. Why? As both marketing consultants and agency search consultants, we have successfully reversed enough failures to understand the reason. We believe the disconnect occurs because most financial services firms do not have a **real Brand Positioning**, and if they do, they fail to carefully select an agency that understands it and will champion it in *all* of their marketing communications.

A winning Brand Positioning must pass over some high hurdles: it has to promise a believable and meaningful benefit to the intended target audience, it has to communicate that company X can deliver this benefit better than others and it has to provide supportive reasons why the promise/claim is true.

In our experience, a winning Brand Positioning will possess five key attributes: ownability, extendability, flexibility, investability and, most importantly, emotive power.

A winning Brand Positioning must be ownable by the sponsoring organization. The large majority of financial services advertising can be swapped among competitors with no one knowing the difference. Most financial companies actually avoid developing a meaningful difference because they so desire to satisfy everyone. *There are no product or services arenas where this lack of differentiation is effective.*

Much of this positioning parity has to do with everyone crowding around the few value sets that are perceived as "most important" to the consumer. Unfortunately, if everyone is promising all the same things, the consumer can't be blamed for not being able to distinguish among competitors. And confusion breeds indifference.


Randy Lindel

With positioning parity, creative/advertising execution is forced to substitute for strategy. Awareness is placed ahead of being meaningful. It's a "half-a-loaf" approach in which the ad agency is burdened with adding the differentiating element.

If sales and market share increase, the client-agency relationship endures. When business declines, it's the agency's fault and the process starts all over again. So, this aimless revolving door in search of quarter over quarter bottom-line success persists, one promotion piled on top of another until it fails to produce sufficient profitable growth. At the end of the day, the average household (for anyone who doesn't know, that's a median income of around \$44,000 for a family of four) just doesn't care.

A winning Brand Positioning needs to be extendable. The message driving the great TV ads that make us laugh or cry needs to translate into everything the brand represents. Banks are terribly conflicted between promoting their retail businesses and serving their corporate customers. The retail message usually dominates with its spending weight drowning out the business-to-business messages that are equally important. Declaring that small and medium-sized businesses are part of the retail group when you're talking about companies that can have \$10MM to \$500MM in revenue, is a clever way of ducking this issue. The same holds true when reaching out to the affluent segments of the consumer market.

We constantly see financial institutions select an advertising agency based on past creative accomplishments…mostly in non-financial categories. Why does anyone think non-financial success will translate to the financial arena? Why pin the decision to select an agency based on a body of work that represents ten times what the average financial services company can afford to invest in their business? Or ask for speculative work for their credit card business while ignoring whether that brand messaging will work with their private banking clients who will also see it – whether they like it or not?

A winning brand position must be flexible. Sure you may have great market share in one market so you're a leader, while in another you're in last place. How are these issues reconciled within the brand promise? The same holds true for good vs. bad times in the market cycle. Merrill Lynch's "Bullish on America" didn't have any traction in a bear market and had to be (expensively) replaced. We rarely see a financial institution that will spend the time required to challenge an advertising campaign against a range of market conditions. It requires hard work and discipline but most often an agency's attempt at being "creative" is taken at face value in the hope that the next campaign will "break through." It almost never happens that way…*hoping it will is not a winning Brand Positioning strategy*. Luck is not a reliable substitute for strategic leadership.

For about ten years now we've asked every assembly of senior financial executives we work with a simple question. We tell them they have a paper contract in front of them. We tell them they've won the lottery of all employment contracts, this one requiring nothing from them while guaranteeing them $2MM a year for life. The "catch" is that it must be signed and delivered 3,000 miles away by the next day. Pens in hand they're ready to sign. Then we tell them that we have five overnight courier companies waiting outside to speed their golden deal away, but each executive must select a courier firm. Their choices are FedEx, UPS, Airborne, DHL and the US Post Office. Anguished, they declare this exercise "biased" as of course everyone wants to send this package via FedEx. Price isn't a consideration. There are no discernable differences in the service being provided. It's the Brand Positioning that FedEx has claimed and owns in terms of being the most reliable and most persistent in getting *something important* from one place to the other. So why do we expect our consumers to behave any differently when we approach them to have a "relationship" with our financial institution, and **we can't point to one thing that makes us better?**

A winning Brand Positioning needs to be investable. Marketing communications can and should be a big part of our budget. Cumulatively, we're talking about a lot of money. A $20MM annual advertising expenditure over the 3 to 5 years of the average agency's life span with a client is still $60MM to $100MM. Often it's a lot more! But when we ask CEOs why they're not interested in investing time in insuring that the next agency and the next campaign will be successful, while a similar IT expenditure would require an army of due diligence and analysis, we get a blank stare. In fact, we rarely see the CEO actively involved in the agency selection process…despite their declared market-driven orientation.

Finally, a winning Brand Positioning has to be emotive. Great brands *all* run on emotion…but an emotion that's enduring and also important to our target market. Twenty-five million people don't use Apple computers today because they're cheap. Nor is Starbucks coffee a bargain if all you're after is a cup of coffee. There's an emotional component to these brands that their consumers can actually articulate. The employees who are providing the branded experience must also reflect and be a part of this messaging.

Having a great service promise on TV is one thing, but if the actual in-branch or call center experience is something else, it won't cut it with the average household. In fact, it makes things worse in their minds – which is why most research suggests a lack of interest and lack of credibility in the category. Why does LL Bean apologize when you call them about a repair to one of their products that you damaged yourself? It's in the Brand Positioning. Any and every customer and prospect interaction whether scripted or not *must* be consistently interpretable **by every employee** if a Brand Positioning is to succeed.

So we're left where we started – financial institutions all smart enough to interpret the mountains of consumer research, all chasing after the same households, most capable of doing the same things, and none willing to want to place their bets in terms of **being best at something important**.

Agency search consultants promise clients that they can achieve the best fit of agency and financial institution. Yet they do little during the selection process to assure that will happen. Client evaluation teams come to agency reviews wanting to be entertained and in some cases seduced. Few come to the table with a strategy in search of a creative interpretation. Most rely on the adage that "they'll know what will work when they see it."

Further, the agency community is conflicted by this process, unsure of whether they should tell the financial institutions what they ***need*** to hear or what they ***want*** to hear. And, most agencies really don't have the skills to successfully promote undifferentiated products and services. Their stock in trade is "accentuating the differences." They rarely **know** what to do when there are no differences. So they revert to cleverness and creative tricks. Customer and prospect needs continue to be ignored. And the value proposition inherent in strategy – what people *should* be buying – is not reflected in the messages that are developed.

Selecting a financial institution should represent a clear set of choices to the consumer. Achieving this distinction requires more work on the part of financial institutions, search consultants and agencies than is presently being invested in the process. If it was easy, everyone would be there today and they're not. But if you and your agency can't articulate your strategy into a clear Brand Positioning, your potential customers will find Nemo before they find you.

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