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Let's face it, the financial services industry is not winning any popularity contests right now. Public opinion of banks and asset managers has probably never been so low. Recent comments in the media underscore this prevailing mood:

"Public anger at financiers is at levels last seen in Moscow circa 1917."¹

"... the public mood has remained angry at banks ..."²

"The scars left by the financial meltdown will leave consumers wary of financial institutions for many months to come — maybe even years."³

"People are extraordinarily angry at these companies, and measures of consumer trust in the financial world is eroding faster than a sandcastle in a rainstorm. The value on banks and financial institutions is the lowest we've ever seen."⁴

With so much negativity, what can financial firms do to untarnish their images and rebuild their brands? Even in these tough economic times, there are many revered brands in industries outside of financial services that continue to survive and even flourish. We propose that financial services firms learn from these brands and adapt what these successful companies are doing, and have done, to sustain and renew their brand value.

A few of today's brand leaders

(and what the financial services industry can learn from them)

In choosing which brands we thought would be most instructive for financial services firms, we turned to two sources: Interbrand's "Best Global Brands 2008" and *Fortune's* "World's Most Admired Companies" list for 2009 (March 16, 2009). Additionally, we followed up our initial selections with an informal survey to measure people's perceptions of the brands we selected. We are going to start with Apple, which by far had the most positive brand image in our survey and was number one on *Fortune's* "Most Admired" list.

APPLE

It's easy to see why Apple tops the lists — who doesn't love a come back kid, especially one that sells really cool stuff? *Wired Magazine* recently reported: "When Jobs retook the helm in 1997, the company was struggling to survive. Today it has a market cap of \$105 billion, placing it ahead of Dell and behind Intel. Its iPod commands 70 percent of the MP3 player market. Four billion songs have been purchased from iTunes. The iPhone is reshaping the entire wireless industry. Even the underdog Mac operating system has begun to nibble into Windows' once-unassailable dominance; last year, its share of the US market topped 6 percent, more than double its portion in 2003."⁵

What the financial industry can learn from Apple:

The words most commonly used to describe Apple are "innovative" and "hip." For Apple these terms equate to clean, modern design where form and function meet to create a simple, fun and user-friendly technology experience. Apple became an innovator when they released the first truly simple computer, the Apple iMac, for which the directions read "Step one: Plug it in. Step two: Turn it on. Step three: There is no step three!"

Steve Jobs' return extended Apple's early commitment to simplicity, clarity and ease of use beyond the computer to Apple's entire line of products and services, both in design and function.

While it's hard to label the financial services industry as "hip," there is no reason it can't be innovative in the same way Apple is within the technology industry. A recent survey by branding giant Siegel+Gale found that "Fully 84% of all consumers say they are more likely to trust a company that uses jargon-free, plain English in communications."⁶ Alan Siegel added "It's not as if most people were ever fans of needless complexity. But their distaste for it has taken on new urgency since the financial system's near-collapse. Seventy-five percent of respondents to the polling ... among investors and homeowners, agreed that 'Complexity and lack of understanding has played a significant role in the current financial crisis.'"⁷

Modern technology is complicated, so is modern finance. Like tech firms, financial services firms need to find innovative ways to make the product selection and consumption experience more user-friendly. Now, in this period of customer confusion, apprehension and distrust, it is critically important for financial services firms to reassess the importance of simplicity and transparency. Through product design, function and delivery, financial firms need to clearly show how their products and services can help their customers.

Education, when necessary, should be provided proactively to help customers understand complicated financial products. Many financial services firms provide such services, but these efforts are often driven by transparent sales motives or by compliance demands. At its retail stores, Apple offers access to "The Genius Bar," for product education, understanding and support. The Genius Bar is made up of Apple employees who are exceptionally well versed and familiar with Apples' products. Maybe it's time we saw similar efforts from the financial industry. Employees who offer your products and services should be your own version of The Genius Bar, with sound product and service knowledge and a commitment to meeting the needs of customers.

How to be like Apple:

- Innovate
- Simplify
- Educate

JOHNSON & JOHNSON

The Johnson & Johnson Web site states: “Caring for the world, one person at a time ... inspires and unites the people of Johnson & Johnson. We embrace research and science — bringing innovative ideas, products and services to advance the health and well-being of people.” Wow, that’s really nice! And it pays off for Johnson & Johnson, who universally was described in our survey as safe, homey and trusted. It might surprise you to know that the average American has between 1-20 Johnson & Johnson products in their home at any given time, more if they wear contact lenses (Acuvue®) or are trying to grow hair (Rogaine®). And over a *billion* people use a Johnson & Johnson product everyday.

What the financial industry can learn from Johnson & Johnson: First of all, it’s nice to know that someone cares. Johnson & Johnson has a top-level navigation button on their Web site entitled: Our Caring. If time permits, it’s worth checking out. You might be amazed (and possibly a little teary-eyed after watching the video), at how much they really do seem to care.

Financial services firms, in general, could do a better job of showing consumers they care. With the tides changing from Hummers to Priuses and from plastic shopping bags to reusable canvas bags, financial services providers should be talking more about what they care about and what they are doing to show it. We found, for example, that Citi does a lot of good work around the world, but that information comes from a video which is buried three clicks away from their home page. In fact, unless people watch the video, they will be unaware aware of “Global Community Day,” a single day in which thousands of Citi employees volunteer to help those in need. It wouldn’t hurt to put a little bit of your advertising budget toward sharing your good works with the public to help them feel better about you.

But it’s not sufficient for financial services firms to broadcast concern for the bigger social causes while falling short on delivering the best quality products to their paying customers. Just like Johnson & Johnson’s Baby Shampoo, customers want to know that your products

and services are tearless, that is, they do what they're supposed to do without causing undue harm. Customers now, more than ever, want and need financial institutions they can trust and depend on. In short, they need an institution that cares.

How to be like Johnson & Johnson:

- Show consumers you really do care
- Provide products according to needs
- Give the public reason to trust you

AMAZON

In the spring of 2008, *Fortune* reported “More people shop at Amazon every year, and its loyalty rate is at an all-time high, according to the University of Michigan’s annual American Customer Satisfaction Index. On that list, Amazon is way above Wal-Mart, and comes in higher than such beloved retailers as Costco and Target. It even beats Apple. In fact, the only company it doesn’t beat across all industries is Heinz ...”⁸

Amazon started as an online book seller and has turned into the largest online retailer. What is striking about Amazon (aside from coming in second in customer satisfaction to ketchup) is the strength of its brand considering customers never have any human interaction with the company. Amazon builds a relationship with its customers at each electronic touch point, it recognizes them by name and offers tailored product recommendations. Amazon tries to anticipate customers’ individual needs and addresses them without asking for help or requiring anything in return.

What the financial industry can learn from Amazon:

Get to know your customers and use that knowledge proactively at every client touch point to build, deepen and expand the relationship. Tools and technologies are available to gather and productively apply customer information. Indeed, many are sitting unused on the shelves of leading financial institutions. Software giant SAP suggested recently that “... banks must more effectively aggregate and manage customer data and find new ways of using this

information to differentiate themselves from their peers. With the proper data, banks can create products and services that will suit the requirements of specifically targeted customer segments and develop the best strategies to make those offerings available through multiple distribution channels.”⁹ Information you already have on your customers through in person or electronic contacts can provide you with enough direction to build profiles and determine appropriate products and solutions based on highly targeted needs. In effect, the more a customer relies on your services, the more familiar you should be with their needs.

Amazon proves that responsiveness to customers doesn't have to include interpersonal contact. It just has to be efficient and effective to be appreciated and rewarded by brand loyalty.

How to be like Amazon:

- Pay attention to what your customers are doing
- Be targeted and be responsive

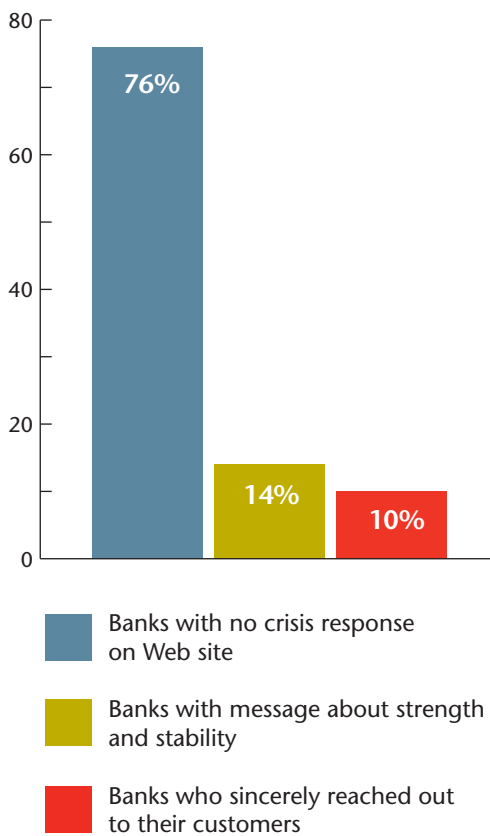
COCA-COLA

Coca-Cola is the most recognized brand in the world. It has topped Interbrand's "Best Global Brands" list for 8 years. The power of the Coke brand was proven in an experiment conducted at Baylor College of Medicine.¹⁰ In a blind taste test, Pepsi was preferred. But when participants were told which choice was Coke, they changed their minds. The Coca-Cola company owns four of the world's top five non-alcoholic beverages, has more than 3,000 products in 200+ countries, and serves nearly 1.6 million products everyday. In our survey, Coke was described as positive, friendly and everywhere.

What the financial industry can learn from Coke:

In commenting on the current economic downturn, Muhtar Kent, Coca-Cola's CEO, shared the following: "This storm is pretty ferocious, but I've lived and worked through crisis ... One lesson I've taken away is that you must continue to communicate with your customers."¹¹

Financial Crisis Response of 50 U.S. Banks



Recent research suggests that most financial services firms have not learned this lesson. In 2008, financial industry tracking firm, Corporate Insight, released a report on how asset managers were communicating with their customers. “We looked at public, private and advisor home pages, highlighting the various types of messaging used by firms to calm worried investors and show financial strength. In the end we concluded that the online market messaging ... posted was underwhelming at best. The firms’ overall response to the financial crisis through the mail was [also] underwhelming.”¹²

Our own in-house research effort produced similar results. Earlier this year, Optima Group reviewed the Web sites of 50 U.S. banks to see how they were communicating with their customers during these trying economic times. We found that 76% of the banks had no message about the financial crisis whatsoever. Only 14% explicitly reassured customers of the institution’s strength and stability, and in most cases, this message was tied to a product promotion.

What we were hoping for was a message to customers that clearly and honestly communicated the condition of the bank, the concern of the institution for the customer’s situation, and the actions the bank was taking to address issues directly impacting customers’ financial well-being. We found that only five banks had this sort of communication through letters from CEOs, videos and web casts. Of those five, two of the banks stood out for producing messaging that we thought people could genuinely relate to and that would substantially contribute to positive brand building.

Connecticut-based Webster Bank had arguably the most compelling messaging. On the home page was a large picture of Jim Smith, Chairman and CEO, with the caption “Jim responds to your questions.” The user clicked on it and had the opportunity to choose from a variety of videos, including Mr. Smith’s answers to questions about ATM fees, stock prices and TARP. He sincerely stated: “I want to assure all of you Webster will be there to meet your financial needs and help you achieve your financial goals.” Webster also wisely featured

Mr. Smith in their local radio advertising. This is direct and personal communication from management that recognizes and responds to customer concerns. However, Webster has since taken the approach off their Web site.

Just one click from the home page of BancorpSouth, customers can access a compelling video message from the bank's President and CEO, Aubrey Patterson. The video expresses Mr. Patterson's deep concern for BancorpSouth's customers and invites them to call or come in for help or answers for all banking-related issues. Again, concern and responsiveness from bank leaders help create a bond with customers and help to build reciprocal commitment from a reassured and appreciative customer base.

At no other time has it been more important for the financial industry to speak up. The public is desperate to hear from you, to know that you understand and that you want to help. Creating a dialogue in this time of uncertainty and apprehension will go a long way to establishing deeper relationships that will ensure longer-term brand value.

How to be like Coca-Cola:

- Communicate, communicate, communicate

The Bottom Line

Simplicity, caring, responsiveness and communication. In our view, these are the key lessons for financial services firms to learn in these troubled times from some of the most enduring and respected global brands outside of the financial industry. Application of these lessons will not be easy and could take years, but it may be necessary if financial services brands are to survive and flourish.

Interested in help with your brand?
Is it time for a brand assessment?
Do you need your brand's design
guidelines updated or developed?
We can help, please contact us
to schedule a meeting:

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