STILL NOT CONNECTING

Banks have spent billions in recent years in marketing and advertising themselves around the world, yet despite this – or perhaps in some cases because of it – customers are still confused about who's who. Allyson Stewart-Allen relates the sorry tale.

More than one in four British consumers believe the Deutsche Bank logo belongs to HSBC. Only four in ten UK consumers are able to identify correctly the HBOS logo, with 36% suggesting that it belongs to the Royal Bank of Scotland (RBS). And the RBS logo has higher recognition with consumers in Spain, Japan, France, Germany and Italy than in its British home market.[1]

These findings are taken from the Stewart-Allen/GMI Brand Barometer™, a worldwide panel of over 15,500 consumers surveyed on their perceptions and direct experiences of a selection of American and European household names in financial services.[2]

Many interesting findings emerge about the brand perceptions and brand consistency in these international markets. It can be seen from Figure 1, for example, that although HSBC claims consistently to be "the world's local bank", it is RBS that the panel associates most strongly with being "local".

JP Morgan is seen in both America and Britain as being influential and individualistic, and it is probably neither surprising nor worrying that it is also thought to be "limited" in the UK. But in Italy it is rated as common and cold – if still influential.

In America, GMAC's top two attributes are common and influential, whilst in Britain it is rated as limited and insignificant.

When panellists were asked to identify the country of origin of each brand, and then indicate whether this heritage makes them think more or less *favourably* of it, their American origins appeared to be liabilities for GMAC, American Express and Merrill Lynch in Europe. More UK and French respondents found GMAC's American heritage made them think less favourably of the brand, as did British and German consumers for American Express. For Merrill Lynch, panellists in all three countries rated the brand less favourably.

In terms of the *reliability* of the brand in delivering the anticipated benefits, only a few institutions scored highly. It is probably no coincidence (Figure 2) that the top brands here are the three dominant international credit/charge card organizations. Although there are inevitably occasional problems with transactions, these are generally put right quickly, and any such poor experiences are rapidly lost within the hundreds of positive (and largely unremarked) card payments made by each consumer each year.

FIGURE 1: BRAND PERCEPTIONS

American	American Express
European	Deutsche Bank
International	Visa
Local	RBS
Exclusive	Goldman Sachs
Cheap	Capital One
Powerful	Visa
Weak	HBOS
Individualistic	JP Morgan
Common	Visa
Intrusive	Capital One
Limited	RBS
Influential	American Express
Insignificant	HBOS
Pleasant	Visa
Cold	Goldman Sachs

FIGURE 2: RELIABLE BRANDS

	"Reliable" or "very reliable"
Visa	50%
Mastercard	43%
American Express	36%
Deutsche Bank	31%
ABN Amro	28%
GMAC	28%
Citigroup	28%
HSBC	27%
RBS	26%
Morgan Stanley	24%
BankOne	23%
Fidelity	23%
UBS	23%
MBNA	23%
Merrill Lynch	23%
JP Morgan Chase	22%
Goldman Sachs	22%
Capital One	21%
HBOS	20%
BNP Paribas	19%

FIGURE 3: BRAND EXPERIENCES

	Highest scoring brand
Friendly	RBS (22%)
Helpful	Visa (24%)
Listening	HBOS (13%)
Arrogant	Goldman Sachs (15%)
Inspiring	HBOS (7%)
Frustrating	MBNA (9%)
Convenient	Visa (25%)
Puts the customer first	Visa (11%)
Rigid	Deutsche Bank (11%)

The panellists were also asked to rate the quality of their encounters with these brands against a number of criteria. As is evident from Figure 3, Visa and RBS can take considerable comfort from their scores for friendliness, helpfulness and convenience, but Goldman Sachs, Deutsche Bank and MBNA clearly have some re-educating or re-engineering to do. And although Visa and HBOS claimed the highest ratings for putting the customer first and being inspiring, their absolute scores, at 11% and 7% respectively, are … scarcely inspiring.

Another important measure in the survey assesses the effectiveness of the *local* marketing – the extent to which the brand appears indigenous rather than an import from another part of the world. Figure 4 shows that, again, Visa, Mastercard and Amex are well clear of the field. Those near the bottom need to assess whether their ex-pat status is an asset or a hindrance, although this is not necessarily a straightforward analysis. RBS, for example, has the third worst rating for its local marketing yet, as was noted earlier, is also the highest-rated of all the companies on being "local".

Key themes

Several key themes emerge from our review:

- All of the brands that we examined are viewed *inconsistently* across these seventeen markets, which has a significant drag effect on the return on global marketing investment.
- There appear to be three levels of brand strength and character, based on the variability of the respondents' perceptions:
  - "Truly global brands" – Visa, Mastercard and American Express. Panellists' views across the different countries were much more tightly clustered than with the other brands, indicating very consistent customer experiences and perceptions.
  - "Aspiring global brands", such as HSBC, UBS and ABN Amro. These had a broader range of perceptions across markets, but still a degree of core consistency that could easily be built on.
  - "Local and cross-border brands", such as Goldman Sachs and MBNA. These players have an international presence, but with consumer perceptions that are highly inconsistent across country boundaries.

FIGURE 4: ACTING LOCALLY

	Local marketing is "effective" or "very effective"
Visa	58%
Mastercard	54%
American Express	40%
Citigroup	30%
HSBC	29%
GMAC	27%
Capital One	27%
MBNA	24%
ABN Amro	23%
HBOS	21%
Deutsche Bank	20%
Fidelity	19%
BNP Paribas	19%
BankOne	19%
Morgan Stanley	18%
Merrill Lynch	17%
UBS	16%
RBS	16%
JP Morgan Chase	14%
Goldman Sachs	12%

This is not necessarily a matter of right or wrong, but for each company the brand equity managers must address the question of whether their own disparity measure is intentional, comfortable, a source of differentiation, fixable – or even on their marketing agenda.

Each of these brands has fantastic opportunities with these insights to improve, or define more consistently, the ways in which they are perceived and valued in their international markets, which will equip them better to make their international marketing objectives more consistent; to decide whether their country of origin is a characteristic that should be pro-actively exploited or actively subdued; to make the expressions of their brand (tactics) more consistent and relevant; and to track their improvements over time.

> Coca-Cola's problems with Tab and Dasani stem largely from a failure to understand the local reactions to these products.

Other implications

The high variability of consumer perceptions across the seventeen countries reviewed shows clearly that the central marketing team has either not created brand blueprints or has not communicated them, deployed them or enforced them well in the different markets. Given that one of the key purposes of international branding is to ease the transferability of the brand and its equity across borders, most of these brands will pay significantly more to achieve this geographically than if they had focused on implementing local strategies linking back to their core values.

> One really dissatisfied account holder is supposed to tell at least twenty friends just what he thinks of his bank, and in this Internet age it is easy to tell several million more.

But customers clearly have different core values as well. Whilst Chinese and Japanese respondents gave much higher scores on the attribute "ethical" than other nationalities, Germans gave much higher scores than other panellists on the attribute "cold" for many brands – although in making the translation this should perhaps be construed as "objective" rather than remote or unfeeling.

Many of the banks are perceived unfavourably in their home markets, especially Deutsche Bank in Germany. If these poor perceptions are not fixed domestically, especially with the industry consolidation trend expected to continue even more actively, it is likely that fewer acquirers or acquisition targets may be interested in collaboration, and consumers in new markets may be apprehensive about giving the institution their custom.

GMAC, American Express and Merrill Lynch were all negatively affected abroad by their American roots. It should be common practice for all brands to assess whether their heritage is a true asset in the eyes of their overseas markets, and then either to promote it actively or to work to eliminate the mismatch between customer perception and brand values. By not considering the "heritage" attribute as a brand component, the default setting could be a liability. This is not just a theoretical concern – we know from other GMI Poll™ studies[3] that many American companies have lost measurable market share and goodwill by failing to manage this characteristic to look and act more "local". Coca-Cola's problems, for example, in launching its clear cola, Tab, and its filtered tap water, Dasani, in Britain stem largely from a failure to understand the local reactions to these products; and both McDonalds and Euro Disney had to abandon their "universal" corporate policies of no alcohol in their restaurants before they could make real progress in France.

None of the twenty financial institutions are rated as highly on reliability – surely a key customer requirement for companies managing their money – as might be expected, which implies that they are not consistently trusted. Competition amongst banks and credit card providers is more intense than ever, and consumer scepticism is at an all-time high, so those companies that are deficient in this critical success factor will have to invest heavily to rebuild trust. But before they can do this effectively, they need to determine whether the problem is that they have not spent enough on this in recent years – or that they have spent too much in the wrong way.

Most of the brands studied are not doing enough to connect with consumers at local levels. JP Morgan and Goldman Sachs are cited as being particularly weak. This is another key determinant of consumer trust, as local initiatives and local empathy demonstrate an interest in acting in sync with consumers.

And it is also crucial to recognize, and to try to manage, the indirect communications – such as word-of-mouth and media comment – that also affect customers and potential customers. One really dissatisfied account holder is supposed to tell at least twenty friends just what he thinks of his bank, and in this Internet age the growth of the xyzbanksucks.com type of website makes it easy to tell several million more.

The conventional media of course take great delight in reporting the ways in which banks try to disengage from their customers. A few years ago, Barclays was roasted in the press for closing over a hundred rural branches in the same week that it launched its "Big" (and very expensive) TV campaign starring Sir Anthony Hopkins. More recently, NatWest Bank was outed for planning to remove the clocks in its branches as part of a nationwide refit programme, allegedly to reduce customers' awareness of the length of time they wait in queues, and thus to lower the number of complaints; and HSBC – the self-professed "world's local bank" – has attracted adverse comment for shutting an average of one (local) branch every week in Britain during 2005, citing reduced rates of customer demand.

Calls to action

So, given today's consumer picture in many parts of the world – trust in financial brands generally low, extended retirement ages, pensions shortfalls – isn't this the ideal time to secure customer relevance? What do financial brands need to do exactly?

- *Carpe diem*. Tesco says that if there are ever more than two customers queuing at a checkout, it will open another until they are all in use, but how often do you see that in a bank? What a brilliant opportunity to improve the long queuing times and make shorter ones a real differentiator, with an added incentive – wait more than five minutes, and we'll give you a pound.
- Be consistent. One clear finding from our study is the vast variability of perceptions about these brands across the seventeen countries. Is that fixable? It is – provided that the financial services organization has worked out what it wants to be across all the countries. Our results imply that – other than Visa, Mastercard and perhaps American Express – banks have not ensured that the experience and brand values are consistently infused.
- Be consistent over time as well. Many banks seem to change their key messages as frequently as they change their marketing directors and advertising agencies. But customers are not so fickle in their perceptions and expectations. If you take the care and trouble to *really* understand their viewpoint in the first place, then a marketing campaign with real legs – and impact – will result. Think of the really memorable brands, in the general field as well as financial services – Mars, Coca-Cola, the PG Tips chimps, Scottish Widows, Amex and even that annoying but pervasive Intel jingle – and you will see what I mean.
- Look and act local. Relevance comes from being connected to what's happening in the specific country of operation. It was fine for Bank of America to send a statement flyer reading *When you think B of A, think IRA* to its customers in the States, because they instinctively understood that to mean *individual retirement accounts*. But when it repeated this successful campaign with customers in Britain without understanding the local connotation of Irish Republican Army, it hardly made the bank look smart.
- Find a clear position in the market and exploit it. HSBC has struck a chord with its "world's local bank" proposition, which arose from deep, far-reaching and on-going customer research. It is clear from the discussion above that more work remains to be done to align both customer perceptions and some of the bank's actions with the marketing message, but this space has a high level of relevance to its target customers, and no other institution has seized it. So, with a diligent and sustained approach, HSBC can claim it for its own.
- Give them a reason to trust you. Err on the side of the customer, and deliver a consistent service and experience. Tracking your underlying loyalty levels – in other words, net advocacy rates – is one of the best ways to do this.

There are plenty of options for financial brands to (re)align themselves with their customers, who aren't afraid to say what's wrong – if they are asked nicely. They just need their marketers to listen actively and respond. Being in touch with the customer through a variety of media, on a constant basis, is one of the best ways to learn which alignments are needed to win and retain their trust. Having a core set of brand values, deployable locally, is what makes the difference. Thinking about the on-line brands we trust most – Amazon, Yahoo, Google – gives good food for thought. If it can be done well virtually, it can be done well in reality. □

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[1] Although, to be fair, RBS's exposure to the rest of Britain outside its true Scottish home market (about 9% of the UK in terms of population) has historically been limited, and its major operation south of the border, NatWest, has retained its separate identity since acquisition. If the survey results had been limited to Scottish consumers, the scores would have been much higher.

[2] The survey is conducted across seventeen countries, with the sample split by age (in the range 18–64) and sex according to each nation's averages. The figures quoted in the first paragraph are taken from the results for the "key eight" countries – America, Britain, France, Germany, Spain, Italy, China and Japan – in the September 2005 survey. The twenty companies included in the survey are listed in Figures 2 and 4.

[3] See http://www.gmi-mr.com/gmipoll/press_room_wppk_pr_1227 2004.phtml for example.