

Experience

Engagement

Ethics

Evangelism

# PURPOSE IN ACTION

How consumers are backing  
financial brands that don't  
just do good, but do more

## THE BRANDS IN THE SURVEY



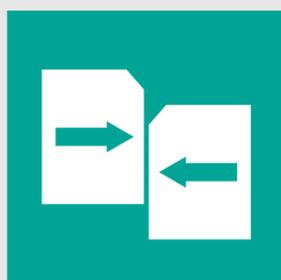
Retail Banks



Life & Pensions



Payment Providers



Aggregators



# THE TIME IS RIGHT

In recent years, the Financial Services marketplace has changed beyond all recognition. We have seen the emergence of challenger banks, mobile only brands and other disrupters that were once a rarity but are today a necessity for consumers increasingly accustomed to taking more control over their financial affairs. Changing regulation means that consumers have no choice but to take decisions they have never taken before, such as in the recent pension freedoms.

Meanwhile, the brands who were hard hit by the credit crunch have by no means gone away. Many are upgrading their back-end service and CRM systems and embracing innovation with as much enthusiasm as the challengers and are playing to their strengths, using their reach and resources to continue to dominate the categories in which they operate. Others are seeking a more meaningful connection with consumers, repositioning themselves around their heritage, their values and their social purpose.

At the same time, consumers are no longer merely passive, or even grateful recipients of products and brand messages and are increasingly vocal in their criticism of the brands that don't deliver on expectations. The concept of instant gratification, once confined to the FMCG and entertainment categories, has made consumers raise their voices – and brands, likewise, raise their game.

In the light of this change and in the wake of the Referendum, Chime Insight & Engagement and Teamspirit set out to identify the key drivers and dynamics within this new landscape. We sought to

understand how consumers feel about Financial Services brands, what their expectations are in terms of brand behaviours and the criteria against which they are evaluating their choices.

To this end, we conducted proprietary online research in August 2016, surveying a nationally representative base of 2,000 UK consumers on 20 consumer brands across multiple dimensions grouped under 4 key metrics:

- **Experience** – ease of interaction and doing business with the brand
- **Engagement** – likeability and affinity with the brand
- **Ethics** – whether a brand does the right thing even when nobody is looking
- **Evangelism** – propensity to recommend the brand to friends or family

The brands included traditional leading banks, insurance and financial planning providers and payment solutions providers.

# WHAT WE LEARNED

In summary, the study found that Consumers are backing financial brands that don't just do good, but do more. They want brands that put their purpose into action, with better products, better customer experiences and better communication and interaction, not just better ethics.



The best performing brands have taken their social purpose and put it to work as a set of operational behaviours, in terms of the products they develop, the unmet needs they address and the customer experience they deliver rather than a more passive ethos of values and beliefs that sounds good but ultimately serves little practical purpose.

The brands consumers trust, respect and recommend are those which don't just say the right things, but do the useful, helpful things, the things that solve problems and make their lives easier, for themselves and for other people. What's more, they will only actively recommend brands which they score as 10 out of 10 on the Net Promoter scale, indicating how consumer expectations are higher than ever before.

The study also found that all 4 Es, not just ethics, are strongly related to perceptions of trustworthiness. Brands that respondents trusted had a correspondingly high score for evangelism, experience and engagement as well as ethics, whilst distrusted brands were not only considered to have poor ethical standards but also a poor customer experience and low 'likeability'. In other words, a brand's ethical reputation can have a powerful halo effect on consumers' attitudes to its behaviours in a broader sense.

This helps to explain why brands which came under criticism for their unethical behaviour during the financial crisis are still suffering from perceptions of being unhelpful and unpleasant to do business with. It almost doesn't matter how good a company's products or services might be,

if the company's ethical values and behaviour are judged irredeemably bad, there is a default to distrust.

Something the study also uncovered was the presence of active 'passion communities' among respondents, who had markedly different attitudes to the overall survey population. These respondents tended to rank criteria the opposite way to the majority, for example, with regard to their attitudes to innovation, ethics or a brand's social presence, but at the same time, ranked these criteria much higher as drivers for recommendation, trust or likeability. In other words, whilst these consumers may represent a minority of a brand's audience overall, they are likely to be more vocal and influential advocates or detractors and brands should ignore them at their peril.

Similarly, the study found some very interesting differences and also correlations in the attitudes of customers and non-customers of the surveyed brands. We were able to use this data to create 4 separate segmentations, which could be applied to each E in turn and also to create an overall market map.

- **Authentic brands** perform well with both customers and non-customers
- **Discovery brands** perform better with customers than with non-customers
- **Seduction brands** perform better with non-customers than customers
- **Outcast brands** do not perform well with either audience

Authentic brands included First Direct, Apple Pay, Prudential, Nationwide and Money Supermarket. These are the brands that have a high degree of consistency between the external promise and the internal experience.

Discovery brands, which are those you need to experience in order to fully understand, comprised PayPal and LV=. It's noteworthy that PayPal is in this quadrant. Given PayPal's exceptionally high penetration compared to the other brands in the survey, the implication seems to be that people who have not yet used them have no need of, and no intention to use, the service. In other words, they're unwinnable. In LV='s case, it may be that non-customers have a conditioned response to the brand as 'just' another insurer but the experience overturns this assumption.

Seduction brands, those for which the expectation might be better than the experience, included HSBC, TSB, Santander and Standard Life. This is interesting, given TSB's investment in its Plus Account and Santander's 123 Account. Looking at the individual scores from customers and non-customers across each E individually shows that TSB is being held back by a lower than average evangelism score amongst its customers whilst Santander's customers still question its ethics and experience. Being a Seduction brand is not necessarily a bad thing, it means that prospective customers have a more open and positive attitude, rather than defaulting to distrust.

Outcast brands, which perform poorly with both customers and non-customers tend to be those with a legacy of a poor reputation, including several high street banks and the large insurers.

However, for other brands the attributes on which customers rated them most highly were often different to those chosen by non-customers. For example, whilst Prudential scored highly among non-customers for offering a good experience and propensity to recommend, its customers scored

it particularly highly for ethics. This suggests that what brands are promising in their marketing messages is not reflected in the customer experience and highlights the importance of ensuring that the brand and its customers are telling the same stories about themselves.

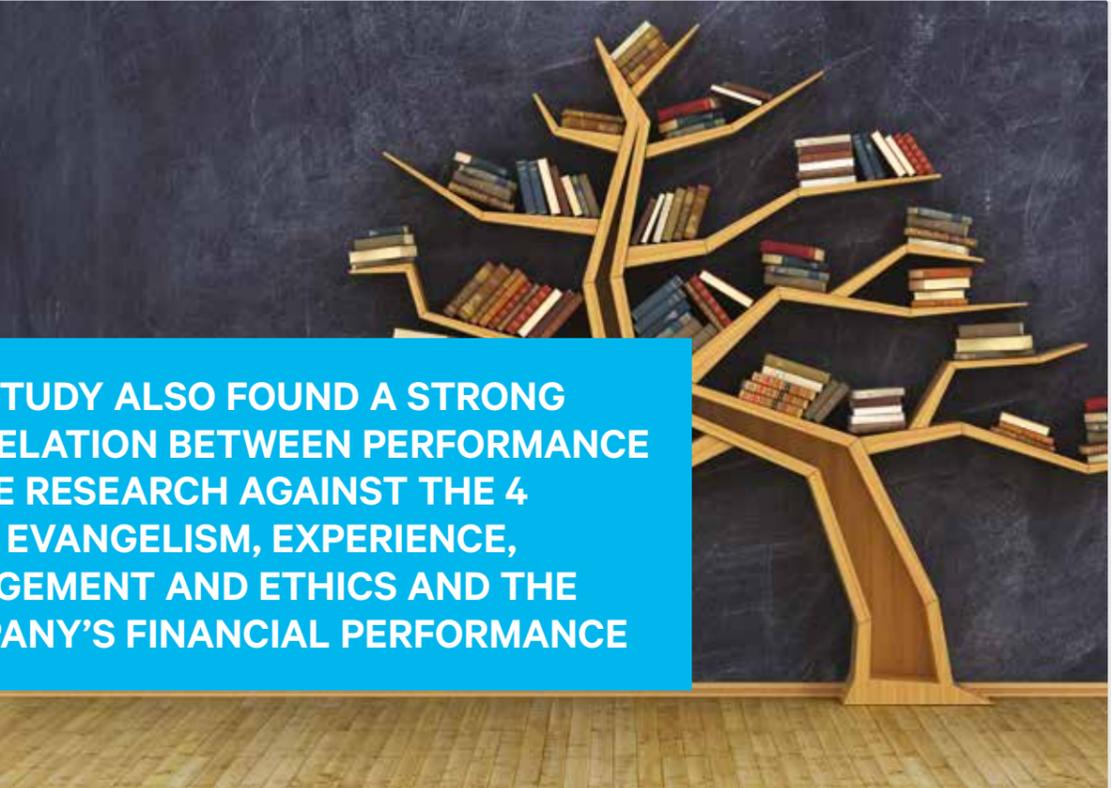
Interestingly, one brand that scored highly among both customers and non-customers across all 4 Es was ApplePay, although with the caveat that ApplePay customers represented a small proportion of respondents overall – just 5%. This shows the extent to which the strength of the Apple brand has a halo effect on perceptions of the product and the attributes that even non-customers automatically associate with it.

The study also found a strong correlation between performance in the research (against the 4 Es of Evangelism, Experience, Engagement and Ethics) and the company's financial performance. Whilst it would not be accurate to report a linear progression of profitability from the highest performing brand to the lowest, there are clear indications that putting purpose into action pays measurable dividends, in revenues, resilience and customer retention.

For example, the top performing brand overall was PayPal and its results bear this out. The company reported Q2 2016 revenue growth of 15% to \$2.650 billion, an increase in active customer accounts of 11% to 188 million, an increase of 25% in transactions to 1.4 billion and \$86 billion in total payment volume.

Nationwide, which came second overall, reported in May 2016 that it had increased its net mortgage lending by 28% to £9.1 billion, attracted 525,000 new current account customers, an increase of 12% on 2015, and increased its statutory profit by 23% at £1.27 billion.

Santander, another strong performer, reported in its H1 2016 results that its profits before tax



**THE STUDY ALSO FOUND A STRONG CORRELATION BETWEEN PERFORMANCE IN THE RESEARCH AGAINST THE 4 ES OF EVANGELISM, EXPERIENCE, ENGAGEMENT AND ETHICS AND THE COMPANY'S FINANCIAL PERFORMANCE**

had increased by £150m to £1,079m compared to £929m in 2015, its non-interest income had increased by 34% to £671m and its retail banking profits before tax had increased by £102m to £793m. Meanwhile Prudential reported an increase of 51% in its life retail sales, up to £593 million, with sales of its popular product PruFund up by 80% to £438 million, in its 2016 H1 results.

By comparison, the worst performing brand, a retail bank, reported a £2 billion loss in its H1 2016 results, which includes £1.3 bn of litigation and conduct costs related to mis-selling payment protection insurance.

The best performing brands in the research not only have strong financial performance, but are the most active in terms of innovative new products, customer engagement touchpoints and experiences. From overt structure and ethos as in the case of Nationwide to simplicity

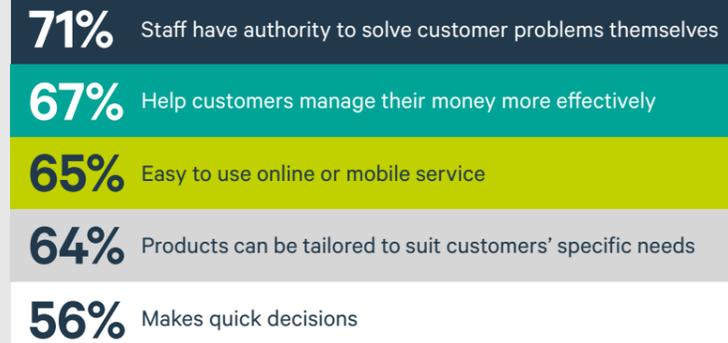
and relevance of product (as with Santander and Moneysupermarket.com) to ease of use – especially mobile and online such as Apple Pay – these are brands that are putting their purpose into action in ways that directly touch the customer.

This helps to explain why brands that keep a low profile, despite having a values-driven ethos, do not do as well as brands that are more active in the market. Stakeholder advocacy requires content to fuel it and people like to tell stories that are tangibly about something, whether a product or an experience.

# E IS FOR EXPERIENCE

**G**iven the growing broader consumer trend towards brands being easier to use and deal with, it's no surprise that financial services consumers prefer brands that proactively and personally exhibit these behaviours.

The top drivers for Experience were:



By contrast, being contactable via social channels such as Twitter scored poorly with respondents. Only 13% considered this essential to their customer experience.

This shows how ultimately people want to feel that they matter to the brand and that their problems and needs are the reason why the brand is in business. "It's not what you do, but what you do for me" is the prevailing theme when it comes to experience.

However, there are some key differences when it comes to online vs branch customers. The need for personal attention is considerably more important, with 81% of branch customers considering staff with authority to solve their problems being their most important criteria, but only 30% ranking an easy to use online or mobile service as their number one. This shows how primarily branch customers clearly don't believe that an online or mobile service is an adequate substitute for a face-to-face experience and will lack the empathy and personal responsibility they need.

As with Evangelism, PayPal was the top scoring brand for experience. However, the data shows that respondents were 8% less likely to consider the resolution of problems to be their number one criteria, but 10% more likely to rate helping to manage money more effectively. We would surmise that the resolution of problems is less of an issue for PayPal users, because they are very unlikely to

have experienced these, given the robustness of the service. Yet this also shows how perceptions of 'managing money' have shifted in the digital age, to include the speed and convenience of transactions themselves, as well as the optimised planning and budgeting that a new generation of money management apps are promising.

**"Everyone's a winner with PayPal!"**

Aside from PayPal, Nationwide also performed very strongly on the measure of Experience with 76% of respondents believing that the brand is easy to deal with.

Nationwide themselves are firm in their commitment to being easy to deal with, attributing its mutual status to its customer-centric approach and bringing its ethos to life in its operations. It's worth noting that Nationwide have reverted to calling themselves a Building Society again in order to differentiate themselves in the market – and create some clear water between it and the banks.

**"Because we're owned by our members, we believe in the personal touch. We lead the way on investing in new technology to make our customers' lives easier. But we also recognise that technology can't substitute for face-to-face time with another human being. Because of this approach, we have consistently been ranked first for customer service on the high street."**



**“IT’S NOT WHAT YOU DO, BUT WHAT YOU DO FOR ME” IS THE PREVAILING THEME WHEN IT COMES TO EXPERIENCE.**

Verbatims from the research bear this out:

*“They have a UK based customer care centre, always answer the phone quickly and resolve problems/answer queries with minimal fuss.”*

*“Their website is simple to use and when you have a query they get back to you very quickly.”*

Of the retail banks, three brands performed well against category norms for experience: Santander, Barclays and First Direct.

In the case of Santander, 77% of respondents familiar with the brand felt that staff having authority to solve customer problems was their most important criteria, an overindex of 5% on respondents generally.

*“They have a good call centre and I can get around their website effortlessly.”*

The use of the word ‘effortless’ is interesting in this context. When faced with unfamiliar processes or information, or unforeseen problems, the default customer reaction is one of fear and panic. When people feel that a brand will proactively help, with hands-on service, they feel more secure and positive. Telling people what they need to do is

good, but helping them do it, or better still, doing it for them, is the mark of a top performing brand experience today.

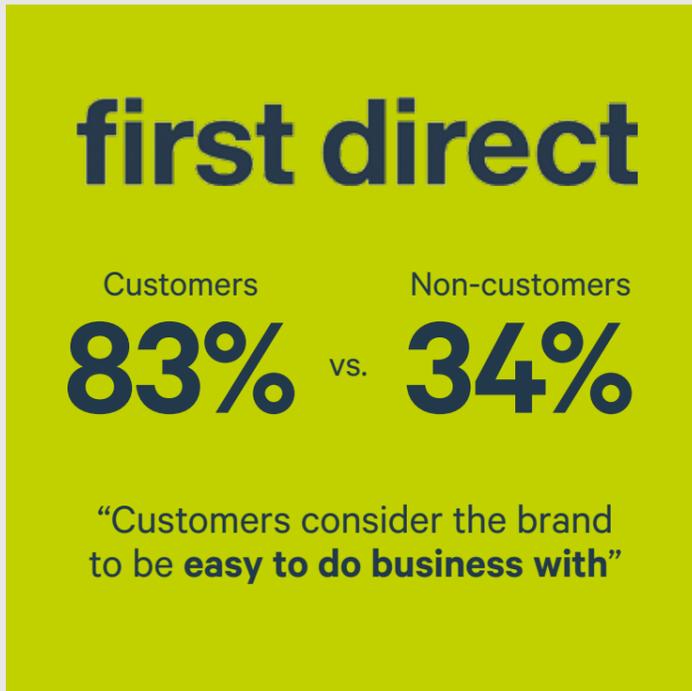
In the case of Barclays, 61% of respondents familiar with the brand felt that offering to provide help or support without being asked was essential to a good experience, an overindex of 7% on respondents generally.

This is borne out by verbatim comments:

*“They look after my 95 year old mother’s account. They contact us if they think something is wrong. They know she has great difficulty hearing and so contact her by email if they need to.”*

The stand-out brands here are Money Supermarket and ApplePay, which also scored in the top 5 brands for non-customers, showing how a brand’s reputation, either through customer advocacy or by marketing communications, can create an expectation of a good experience as a customer.

## TOP PERFORMING BRANDS FOR EXPERIENCE



# E IS FOR ENGAGEMENT

**W**hen it comes to engagement, it's the customer-facing staff who play the biggest role in generating brand warmth and a sense of affinity and likeability.

The key drivers of engagement were:



By contrast, inviting customers to share opinions and experiences was only rated in their top 5 criteria by 18% of respondents and sharing interesting and useful content by 17%. What this shows is that engagement is something that needs to happen on a one-to-one basis, it's all about the direct relationship between a business's staff and its customers. The top criteria are those that would be demonstrated by a true friend in the real world.

But when engagement becomes systemised, for example through feedback processes or satisfaction surveys, or when people can see campaigns to tempt new customers with better offers than they are getting, there's a risk they will doubt its authenticity unless they also have the ability to directly connect with a brand via its people.

When asked whether a brand, if it came to life as a person, would be someone I'd like and have something in common with, the best performing brands were:

- **PayPal** – 46%
- **Nationwide** – 43%
- **Apple Pay** – 40%

When it came to engagement criteria, it was not surprising that online customers feel more warmth towards a brand that treats customers as individuals whilst in-branch customers want a brand that listens and is easy to talk to.

- Treats customers as individuals 60% (online) vs 52% (branch)
- Listens to its customers and is easy to talk to 55% (online) vs 60% (branch)

While the online population is only too aware that consumers can be serviced en masse, through smart CRM systems, they are keen to assert their individuality and not just be part of a machine, however well-oiled and efficient that machine may be. By contrast, branch customers want the sense of a one-to-one relationship to be reflected in their real-world experience. The branch in effect is the meeting place between a brand and its customers and they expect those meetings to be on equal terms.

What this shows is that the online population in particular is conscious that there is a risk that their customer status could become commoditised – that they simply represent data and transactions in a well-oiled machine. Whilst they are interacting with online brands individually, they are clearly concerned that this one-to-one relationship doesn't go both ways.

What's interesting about PayPal's top score is that respondents viewed it as helpful, down to earth, trustworthy, friendly and reliable. Yet the brand lives and provides its service almost entirely online, a customer would have very few occasions on which it needed to interact directly with customer service or account management staff and never in person.



**ENGAGEMENT IS SOMETHING THAT NEEDS TO HAPPEN ON A ONE-TO-ONE BASIS, IT'S ALL ABOUT THE DIRECT RELATIONSHIP BETWEEN A BUSINESS'S STAFF AND ITS CUSTOMERS.**

Perhaps what this shows is that PayPal's original proposition of a friendly face in an unsafe place, back in the days when shopping online was a much riskier proposition than it is today, has created the impression in people's minds that it's a consumer champion and that the people behind the brand and who keep the lights on and their money safe, must surely be decent sorts. In other words, PayPal's approachable brand proposition has a halo effect on perceptions of its people.

*"Their values are clear, they're a great company to deal with when you have complaints. All around great company and service."*

**Nationwide**

Nationwide's high score is noteworthy, partly because people familiar with the brand overindexed on considering 'loyalty to existing customers' as an important engagement criteria.

This is partly explained by the fact that these respondents tended to be over 55 and are therefore more likely to have a longer-standing relationship with the brand.

At the same time, it's more likely that they would have been exposed to several years of campaigns by Nationwide to recruit new customers, so could potentially be more sensitive to 'their' brand changing over time. So the fact that Nationwide hasn't changed its story since its inception will be very important to them.

Respondents described Nationwide as

*"Down to earth and straightforward."  
"Trustworthy."  
"Unselfish and fair minded."*

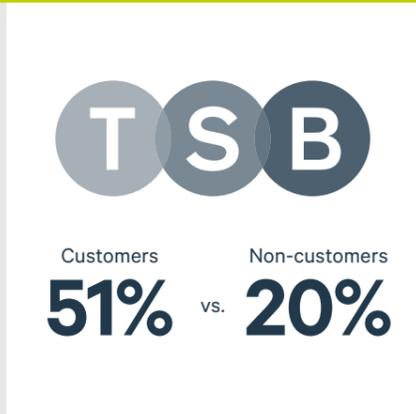
**Apple Pay**

Apple Pay's high score for engagement is interesting because these respondents are the opposite to Nationwide, demographically and in terms of the length of the relationship. Respondents who were familiar with the brand are more likely to be younger (65% are under 35, compared with 27% of the sample) and more likely to have children under 18 (41% compared to 25% of the sample). Yet only 5% of respondents overall were Apple Pay customers, which indicates that their responses were based on perceptions and presumably the halo effect of the Apple brand, rather than direct experiences.

*"Apple Pay is like your best friend who you can rely on and be there in times of need."*

Of these brands, ApplePay, First Direct and Nationwide are the brands that score relatively highly for engagement among non-customers, demonstrating how likeability can be affected by the brand's outward personality and its behaviours in communications.

**TOP PERFORMING BRANDS FOR ENGAGEMENT**



# E IS FOR ETHICS

The research has challenged traditional definitions of ethics, showing how the debate has shifted away from beliefs and more towards behaviours.

Respondents ranked the following in their top 5 criteria for inspiring advocacy:

**56%** Clear and straightforward communications

**53%** No hidden charges or misleading offers

**47%** Products that deliver what they promise

**46%** Informing customers of a better deal or offer

**39%** Tries to solve customers' problems

Interestingly, there is a clear trend towards transparency, people can tell the difference between being told the whole story and told a good story. It also shows how people feel they have a right to know what used to go on behind closed doors in businesses and are perfectly entitled to comment. Where once it was a privilege to have this information, today it is seen not only as an entitlement, but a duty to have a point of view on it.

Of course, this doesn't imply that these issues are no longer important to people or that they would not notice if they were not in place. It certainly does not suggest that companies should stop their investment in these areas. Rather it would indicate that they have become standard sustainability practice, and that companies need to bake their ethos into their core operations, customer service protocols, corporate structure, pricing and employee engagement processes.

We can see the effect of this re-evaluation of the meaning of 'ethical' in the criteria that respondents found least important. Only 18% of respondents put 'responsibility for the environment' in their top 5 criteria and 'champions charitable causes' was in the top 5 of only 16%.





Brands which scored particularly highly for ethics, as measured by agreement with the statement 'Does the right thing even when nobody is looking', included PayPal and Nationwide:

**PayPal 71%**

*"They are a really good company who you can thoroughly trust. I think PayPal is a great way to manage money, in being able to send it quickly to friends and family or even businesses. It seems to be a 24 hour thing, so it is always being used and relied upon."*

*"PayPal handle other people's money and offer a guarantee if the seller sells counterfeit goods."*

What stands out from these verbatims is that there is a strong sense of PayPal having their customers' best interests at heart, and indeed, 75% of respondents agreed that the brand puts their interests ahead of its own. By 'being there' for people, day or night, by offering guarantees and keeping its promises, PayPal is clearly doing the 'right thing' by consumers in ways that matter most to them.

**Nationwide**

70% of respondents familiar with the brand agreed that it does the right thing when nobody is looking and the verbatims give some insight into what actions have prompted this view.

*"They have caught fraudulent activity on my current account and stopped it, then informed me. The service was brilliant."*

*"I had made an error without realising it and it was corrected by them without any initiation by me."*

This shows how Nationwide have a more proactive stance on doing the right thing by its customers, with processes built in at an operational level, rather than relying on customers to alert them or individual staff members to identify and fix issues.

Similarly Prudential, which scored 64% on the same measure, has clearly earned its high score as a result of its long-standing history of stability and probity. It has been doing the right thing for many years, without censure or scandal with respondents saying "They are honest and trustworthy reputable and above board" and "They are long-established and successful"

However, Prudential is not simply trading on its historic reputation. As one respondent said:

*"I've been an insurance customer with Prudential for many years. They continually appraise me of how well my policy is performing and have provided useful advice prior to my retirement."*

What is interesting is that Prudential, Nationwide and LV= are also brands that score relatively highly among non-customers, showing that positive perceptions are not driven by their own experiences, but perhaps those of others, or by more general communications and news about the brand.

**TOP PERFORMING BRANDS FOR ETHICS**

**first direct**

Customers **85%** vs. Non-customers **53%**

*"Customers consider the brand to be doing the right thing"*



**PRUDENTIAL**

Customers **80%** vs. Non-customers **55%**



Customers **78%** vs. Non-customers **56%**



Customers **74%** vs. Non-customers **53%**



Customers **72%** vs. Non-customers **44%**

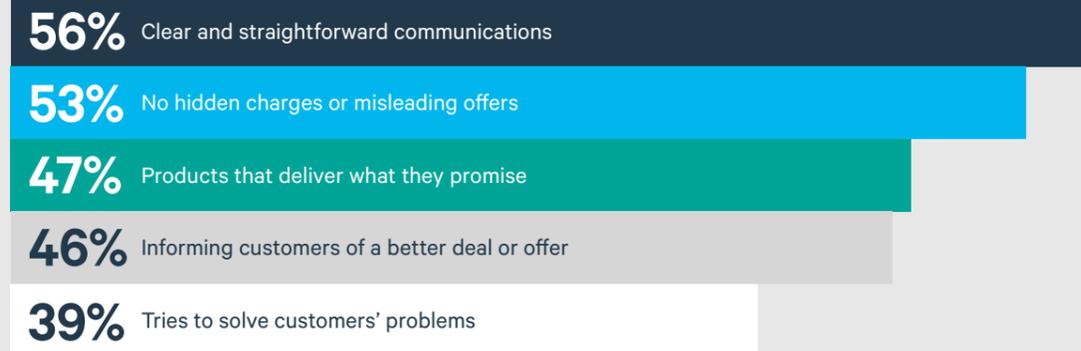


Customers **72%** vs. Non-customers **47%**

# E IS FOR EVANGELISM

Taking the Net Promoter score as the starting point, the study sought to understand the key drivers behind what makes a person likely to recommend. What we found was that transparency and delivering on promises were markedly more important than innovative products or long-standing experience in the sector.

Respondents ranked the following in their top 5 criteria for inspiring advocacy:



By contrast, only 15% of respondents cited unique or innovative products as most important, and only 25% considered long-standing experience as the most influential factor in their decision to recommend.

connection between experience and advocacy. People are less likely to share stories of their shiny new app than they are of the way that a brand communicates and how open and transparent the relationship, rather than the product, feels.

This raises some interesting questions around the issue of storytelling and the efforts that brands are making to inspire and incentivise consumers to use their social networks to tell stories about them. Given that consumers don't tell stories about brands but about themselves, it's revealing that unique or innovative products aren't an important driver of recommendation. What it indicates is the

What's more, the bar for active recommendation was found to be much higher than expected, overturning established wisdom on the Net Promoter score. The study found that whilst a brand with a score of 10 out of 10 would be actively recommended by 55% of respondents, this fell to just 34% in brands which scored 9 out of 10. In other words, promotion remains passive until the very upper reaches of the approval spectrum.



Interestingly, there were some key differences when the attitudes of customers of online financial services were compared to those who preferred brands with a physical presence, such as a branch. Online users attributed a higher importance to clear and straightforward communications (57% vs 51%), no hidden charges or misleading offers (55% vs 48%) and products that deliver what they promise (50% vs 39%).

**ONLY 15%** OF RESPONDENTS CITED UNIQUE OR INNOVATIVE PRODUCTS AS MOST IMPORTANT IN DRIVING RECOMMENDATION

**BRANCH USERS IN PARTICULAR HIGHLY RATED BEING TOLD WHEN THERE IS A BETTER DEAL OR OFFER**



This shows how consumers are more conscious of the issue of trust in the online space. With no branch or face-to-face service to turn to, consumers need to rely on being able to 'decode' communications, understand and use products and services for themselves and be more self-sufficient in their interactions.

By contrast, branch users rated being told when there is a better deal or offer available and long standing experience in the financial sector more highly. After all, they won't be able to shop around and keep up to date in the way that online users can, and are unlikely to have connected with the brand via social media, so will be more reliant on brands letting them know directly, in this case, via the branch. What the research shows is that branch customers are just as keen on the latest news and best offers as online users are, so should be looking to their branches as a form of real-world information hub.

To some extent, this can be explained by the demographic differences between online and branch users, who are naturally older. However, it does illustrate the vulnerability gap that online brands need to fill and need to not only claim, but prove, their reliability in order to be recommended.

This also serves to explain why online payments company PayPal scored exceptionally well for Evangelism, with 49% of respondents giving it either a 9 or 10 rating on Net Promoter. 35% of respondents had actively recommended the brand in the last 3 months and the brand overindexed by 3% on the measure of 'products that deliver what they promise' in respondents' top 5 recommendation criteria. Given that 70% of respondents were also PayPal customers and it enjoyed consistently high scores across all audience age groups, this gives a measure of the brand's potential to harness its user base for advocacy.

There's no 'small print' when it comes to PayPal, at least for consumers. There are no hidden fees, the product unequivocally delivers what it promises, that is, a safe and simple way to pay, as a friendly face in an often unfamiliar place. In the words of Dan Shulman, President and CEO:

*"We have a clear mission at PayPal. We want to democratise financial services and become an everyday, essential service for underserved consumers."*

**TOP PERFORMING BRANDS FOR EVANGELISM**

**PayPal**

**49%** gave a 9 or 10 Net Promoter score

**35%** had actively recommended the brand in the last 3 months

**"Products that deliver what they promise"**

**Nationwide**

**30%** gave a 9 or 10 Net Promoter score

**"Easy to do business with"**

**"Down to earth and very straightforward"**

**"Very helpful and provided good advice"**

**VISA**

**"I have always used VISA and they've never let me down"**

**29%** gave a 9 or 10 Net Promoter score

*"It's a very reliable service that I have used for many years and have never had a problem with. I like the fact that it is so widely accepted and have used VISA a lot on overseas travels"*

**Santander**

**27%** gave a 9 or 10 Net Promoter score

**"Easy to use and trustworthy"**

*"Any minor problems have been sorted out straightaway"*

**Money Super Market**

**27%** gave a 9 or 10 Net Promoter score

*"They do their best to help people to get the best deal possible. Moneysupermarket allows people to save money with a very efficient and helpful service."*

When the sample is cut by customers, a slightly different cohort of top performing brands emerges. The top 5 brands for Evangelism amongst customers of those brands are:

- **First Direct** - 55% would recommend it compared to 14% of non-customers
- **PayPal** 52% - compared to 12% of non-customers
- **ApplePay** 48% - compared to 14% of non-customers
- **Nationwide** 40% - compared to 11% of non-customers
- **LV** 40% - compared to 10% of non-customers

Of these brands, ApplePay and First Direct are the two that score particularly highly among non-customers, demonstrating that perceptions of a good experience can be strong drivers of recommendation, as well as actual experience.

# FURTHER LEARNINGS



## PASSION COMMUNITIES

The presence of 'passion communities' among respondents – people who ranked brands according to very different criteria to the majority of respondents but did so with marked enthusiasm – was a key learning of the study. These are the people who are likely to be the most active, socially-connected, opinionated advocates or detractors of a brand and the first people a brand should seek to engage with, in the event of either good or bad news.

The data showed that across all 4 Es, the passion communities wield considerable power and influence disproportionate to their numbers. For example, being a long-standing brand is one of the least important drivers of recommendation among respondents as a whole. However, passion communities are more likely than average to give long-standing brands a score of 9 or 10 (27% compared with 22% on average).

Similarly, for Engagement, for which brands scored an average of 30%, providing customer service on social media, which was the least influential criteria in the audience generally, can drive up engagement scores to 47%.

Likewise, for Ethics, for which the average score was 56%, brands can boost their score to 64% by supporting local communities, which overall ranked 7 out of the 9 criteria in this section of the survey.

Lastly, for Experience, for which the average score was 47%, a brand that provides customer service on social channels such as Twitter, the bottom scoring criteria overall, can increase its score to 51%.

## THE REFERENDUM

In order to gain a clearer picture of the context and potential influencing factors for respondents' answers in the research, we asked them the extent to which the recent EU referendum affected the responses they had given today? The majority, 68%, said the EU Referendum had no effect whatsoever on their survey answers, while only 4% felt it had a strong effect.

*"Everything is still the same we are all in a waiting stage. No point in panicking before anything happens."*

*"Currently my personal situation has not changed from the EU Ref and I can't see it is going to in any massive way."*

*"I can't save as much due to rising prices of everything."*

*"Brexit has affected British financial markets, I feel that I need to be more cautious with my money and what financial services I use."*

People who felt the Referendum had affected their answers, albeit a small proportion of the respondent base overall, were 25% more likely to be aged 18-24, 9% more likely to be living in the south and tended to be on higher than average incomes. In other words, these were the people who were more likely to have voted to Remain and who will now have a negative view on the result and its effect on them personally.

It is interesting that the people whose answers were most affected were those who feel themselves most financially squeezed, despite having higher than average incomes. Does this indicate that the Referendum has created a sense of insecurity about the bright future they had previously envisaged?

However, the real surprise came when respondents were asked to re-answer a question they had been asked earlier in the study, regarding whose

interests they believed a brand had at heart, their own or the consumer's, but this time, specifically in the light of the Referendum.

The results showed a virtually unanimous pattern of a decrease in the opinion that brands would have the consumer's best interests at heart, rather than their own. Even brands that respondents had just a few minutes previously strongly agreed put consumers first, when considered through the filter of the Referendum, suffered a considerable drop in trust. There is a clear sense of 'Well, hang on a minute, now that you ask....' and they start wondering whether brands might use Brexit as an opportunity to profit for themselves at the expense of their customers.

Some brands did better than others. The brands that scored worst for self-interest before the Referendum question suffered the greatest decline in trust, whilst those who scored best were more resilient, but no brand was immune.

The obvious conclusion is that brands, contrary to the messages they put out immediately after the result and presumably will do again when there is more concrete news on the political and economic front, should not actually be talking about Brexit at all, as its very mention has a detrimental effect on public perceptions of their motive at the expense of consumers.

However, this would be not only unrealistic but unethical. All companies, not just those in Financial Services, have a duty to communicate with their stakeholders, regardless of how well they come off. In this era of transparency, consumers have a right to know how the companies they do business are responding to change, what plans and contingencies they have in place and what the likely impact on consumers will be. While the results point to an obvious temptation to "not mention the Referendum" it would ironically, be a measure of self-interest not to do so.

# ABOUT US



A specialist communications agency 100% focused on transforming financial services. For all types of financial services brands, from existing banks, financial providers and advisors, to challenger banks and FinTechs, we draw on our full service mix of experts across paid, owned and earned media. Most recently we won the Best Large Agency of the Year Award at Investment Week's Investment Marketing and Innovations Award.



CIE, Chime Insight & Engagement Group, are the strategic research group within Chime Communications. We realise the power of customer insight and lead the way with the philosophy that research is only worth doing if it leads to action and ROI for our clients. We work in partnership with our clients using our unique creative engagement techniques to embed findings within their business.

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