Big banks don't cry - but new research shows maybe they should

By James Wilson

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If consumers were to update their relationship status with the finance industry on social media, it would no doubt say - *it's complicated*.

Image credit: lightwise via 123RF.com.

To put in plainly, South Africans really aren't sure how they feel about finance brands at all.
If finance companies disappeared today, consumers would be pretty torn up about it – in fact, more than 50% of South Africans would demand them back, according to WE's 2018 Brands in Motion (BIM) study.

But, this has little to do with any kind of emotional attachment or loyalty on the part of the public.

Rather, it's a testament to how the industry has harnessed innovation to transform itself in the minds of consumers. This was made clear by the 57% of South Africans who believe finance and banking brands are cutting edge.

But, here's where consumers get a bit fickle. Though they acknowledge they need and admire finance brands, at least 50% still profess to hate them.

It's enough to leave brands across the industry scratching their head, asking the question – 'how did we get here?'

The struggle to connect

For the longest time consumer perceptions of the finance industry have been shaped by rational drivers, such as necessity, innovation and intent to purchase. Unfortunately, this has meant the more emotional drivers, such as customer experience and social impact have taken a backseat. While this is starting to change, the year's research shows financial service providers are still battling to create positive emotional connections with their clients.

As an industry, finance now sits in the *'provider'* quadrant of WE's Motion Matrix, meaning it scores highly across rational drivers, but not as well when it comes to emotional drivers. This tells us that while South Africans know they require financial services, they aren't always excited about them.

It's a scary position for brands to find themselves in, especially when one considers, that the industry - which has remained relatively unchallenged for many years - is about to be flooded with new competitors.

No less than five potential disruptors are knocking on the door of the finance sector. It's a formidable line-up, with contenders like Bank Zero, Discovery Bank, Postbank, Tyme Digital and African Bank vowing to shake things up.

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Innovation is not a silver bullet

Against this backdrop of escalating competition, innovation alone will no longer be enough.
Finance companies now have to find a way of creating those emotional connections that have been so elusive until now. At the end of the day, it's an emotional experience that creates memories, and positive memories that keep brands top of mind.

But, thanks to the scandalous behaviour of several well-known finance companies, brands operating in the sector will find it more difficult to create positive connections with consumers than ever before.

Consumers are less tolerant than ever before

The reputational crisis that has been brewing in the auditing profession has done a good job of tarnishing the industry as a whole. Over the past couple of years, the auditing sector has been embroiled in several looting sagas. From KPMG to Steinhoff and the Venda Building Society, the list of unethical auditors caught with their hands dirty in these major scandals just seems to keep getting longer.

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The public is becoming progressively intolerant of this kind of behaviour. In fact, 66% of South Africans would actively join in the public shaming of a banking or finance company if it was openly under attack.

It also doesn't help that consumers have always had a somewhat negative view of financial service fees. Though it's a misperception, customers believe that banking fees in South Africa are particularly high. The situation is made worse by the fact that banking fee structures can be complex and confusing, creating further mistrust among consumers.

Authentic connections start with credibility

It's clear that in order to create more emotional connections with consumers, brands first need to grow their trust.

And gaining trust is about more than simply adhering to honest and open communication. Instead, it's about making sure the customer feels they are the brand's priority.

A major part of this involves keeping promises that have been made. A high degree of responsiveness is equally important - customers feel a positive connection with brands when they are eager to engage at every possible opportunity.

At the end of the day, financial service providers need to ask themselves what kind of emotion their brand should be evoking and then find ways of incorporating that sentiment across all of the company's various touch points.

While this may all sound simple, the tough part lies is remaining consistent throughout each and every interaction.

As they say, trust is earned. And if brands in the finance sector want to 'uncomplicate' their relationship with South African consumers, they'll have to win over their trust through some good old-fashioned dependability.

ABOUT JAMES WILSON

James is a communications and marketing specialist with more than 17 years' experience. He has worked in agencies and in-house, giving him the full scope of agency and client life...

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