

# BRAND BEAUTIES IN THE BANKING SECTOR

July 2020



# OUR QUEST

It goes without saying that C-19 is the biggest force for change most of us will ever see. We set out to understand the impact on brand perceptions in sectors that were important to home life, and to find the brands that were doing well.

This report focuses on the retail banking sector and is based on surveys and in-depth interviews conducted at two key points in time – early May 2020, at the height of lockdown and end of June when lockdown was easing.

We look at general shifts in attitudes, then explore positivity towards retail bank brands over time, what drives this positivity, and finally focus on non-customer positivity (or, as we're calling it, the brand halo).



# Positivity is our measure of Brand Beauty



## INTUITIVE

People don't have to think too hard to answer it. What's more, it's neither too emotive, like 'love', nor too rational like 'preference'.



## VERSATILE

It serves as a measure of a brand's reputation amongst the general public, loyalty amongst customers and acquisition opportunity amongst non-customers.



## SENSITIVE

A stable measure that is also sensitive enough to register changes over time due to significant actions such as product or service changes.



## DIAGNOSTIC

It's a non-specific, 'fat' measure that we examine quantitatively and qualitatively to understand what shapes Brand Beauties.



# FROM 'WE' TO 'ME'

## C-19 IS SHAKING UP THE PUBLIC'S VIEW OF BUSINESS PRIORITIES

We've seen a distinct shift in overall attitudes between May and June, from communal, adrenalin-fuelled 'war spirit', to a more inward, self-centred mood. This is reflected in 'fair prices' moving to top priority, whilst 'looking after staff' dropped to 4th place.

Social and environmental have stayed the least important priorities but our qualitative research showed that they are not areas brands can afford to get wrong. On the other hand, there is a more deep rooted decline in concern about privacy, as people seem to accept the sharing of their data in exchange for convenience, information or public health tracking.

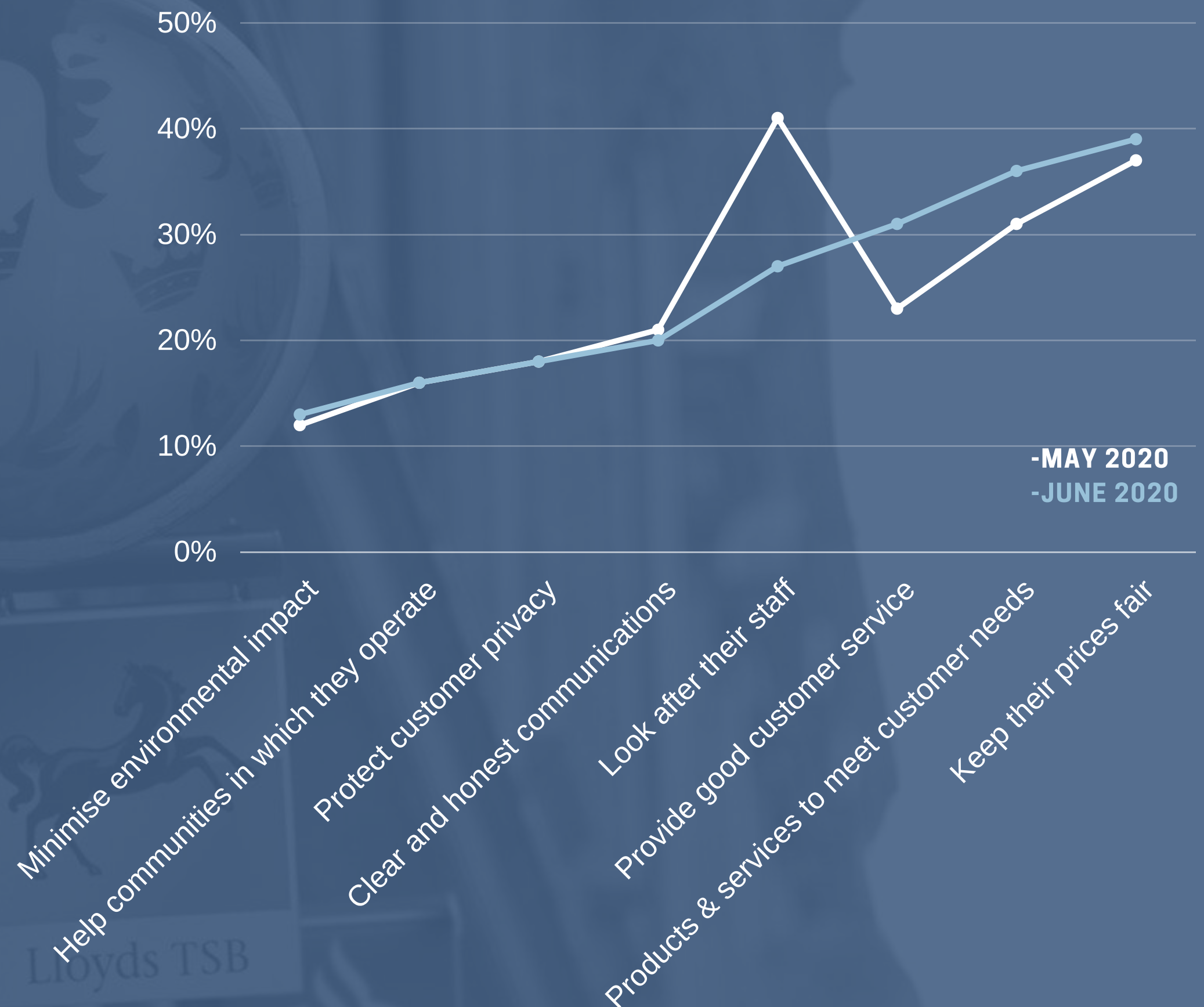


FIGURE 1: TOP TWO PRIORITIES FOR BUSINESSES

Q GENERALLY SPEAKING, WHAT IS IT MOST IMPORTANT FOR BUSINESSES TO FOCUS ON? (BASE: 510)





# REDUCED SPENDING AS MONEY WORRIES DEEPEN

As the C-19 continues to stall the economy, our in-depth interviews revealed a considerable shift in consumer concerns from health to financial. Those on furlough were most likely to view the current situation as a threat to their finances, as were younger respondents who felt most at risk of losing their jobs, with little or no savings to fall back on.

As consumers grapple with this uncertainty, we found that some of their C-19 induced money saving behaviours are likely to continue as the pandemic recedes.

“I wasn't excited to go the pub when they re-opened as it's so expensive. We used to put up with £5 for a pint, now we get our own drinks and sit in the park”

“When I go back to work, I'll be cycling to save on the cost of travel”

# RETAIL BANKING LESS WARMLY REGARDED THAN OTHER SECTORS

Of the four sectors we track, retail banking has the weakest overall positive reputation with no change this wave.

Positivity is, however, a tough measure for the sector. People generally have less frequent and more solus interactions with their bank compared to the food retail, social media or streaming entertainment brands they use. Furthermore, financial transactions tend to engender less positivity on the whole than food or entertainment purchases.

These, together with the legacy of the 2008 banking crisis, make it harder for the banking sector to improve its reputation.

“I don't feel positive or negative about them - they're just functional”

“Banks seem to have a cold, uncaring image”

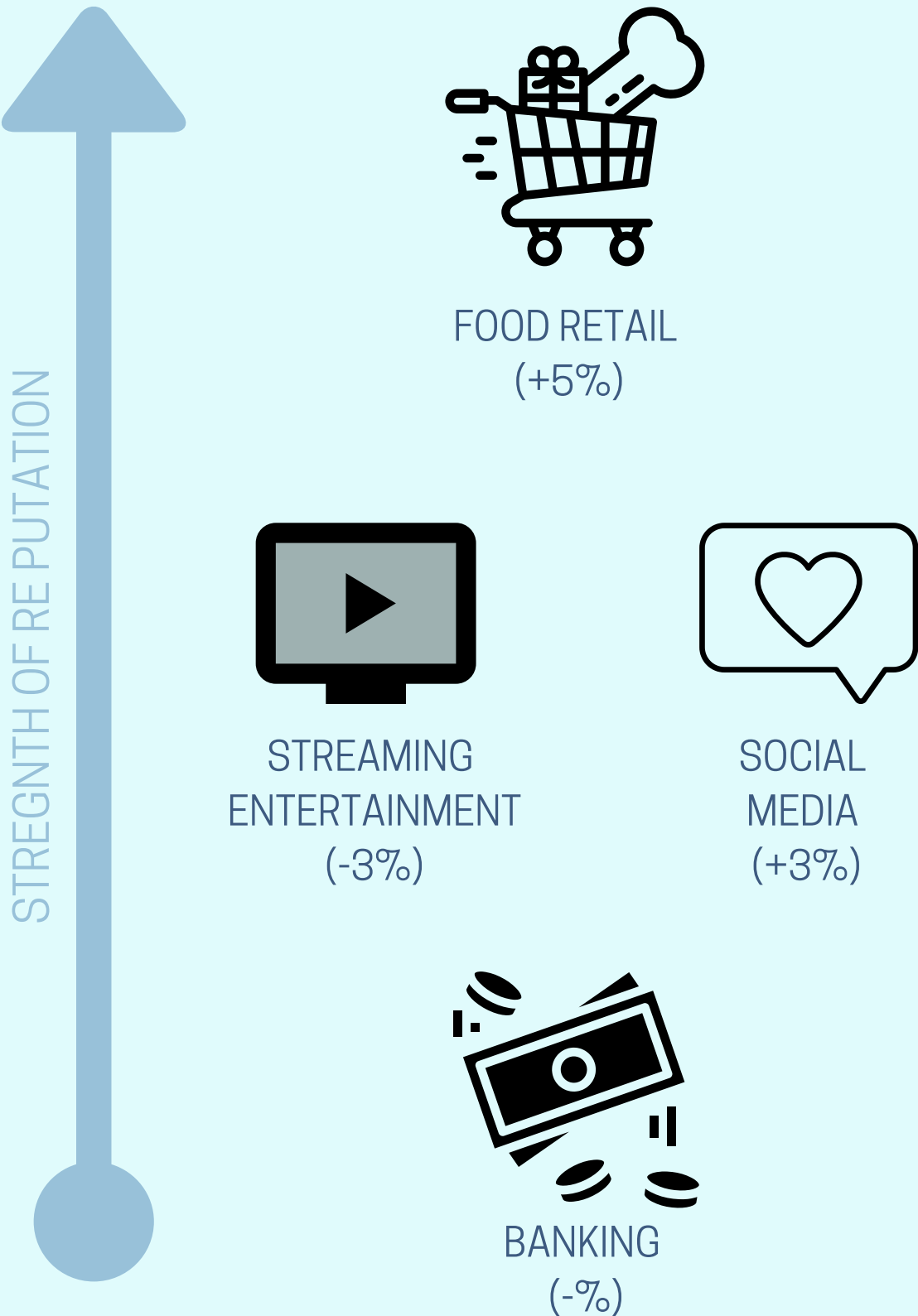


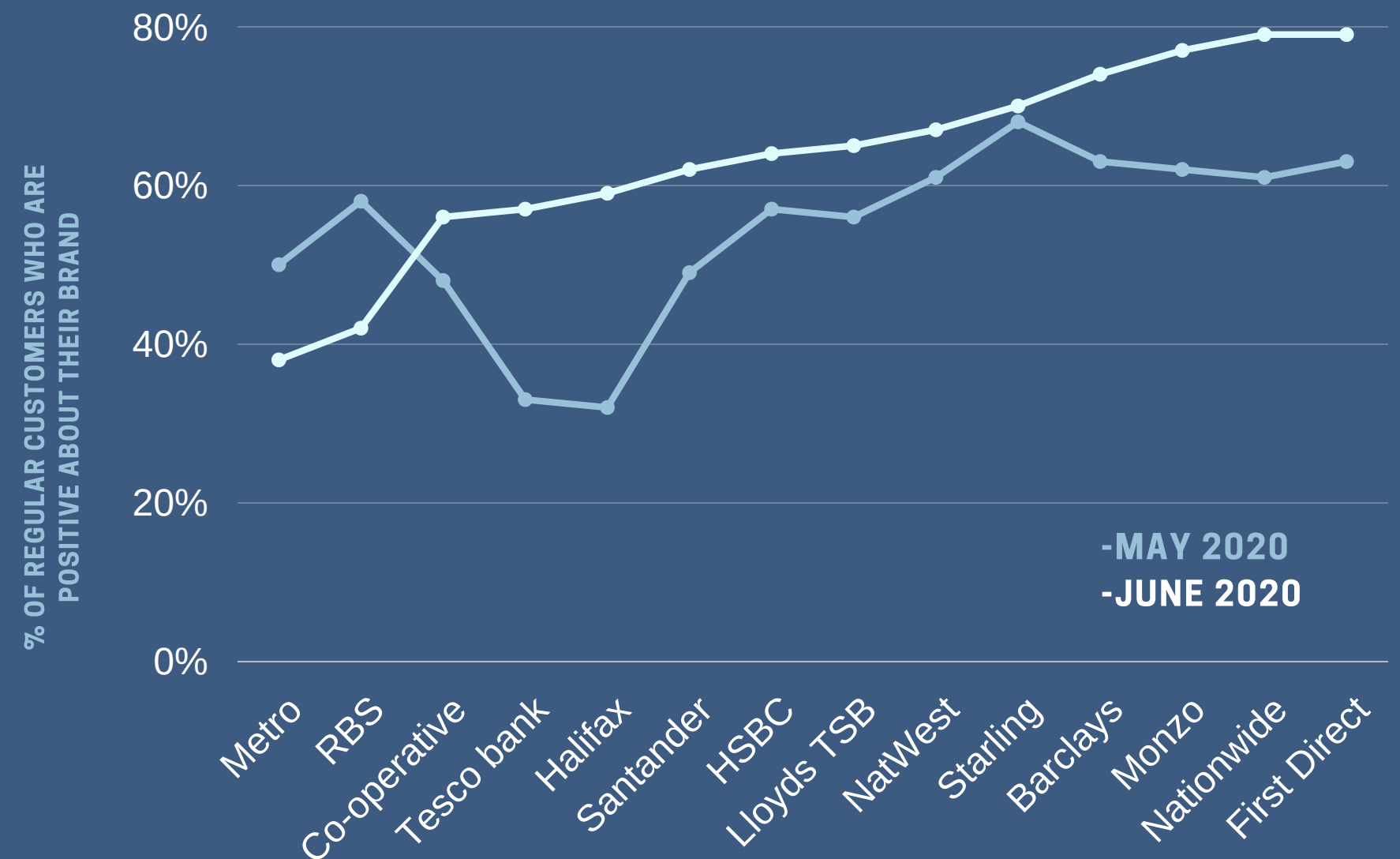
FIGURE 2: AVERAGE POSITIVITY FOR BRANDS IN EACH SECTOR AMONGST THE GENERAL PUBLIC (FIGURE IN BRACKETS IS CHANGE SINCE MAY 2020)  
Q WHICH OF THE FOLLOWING, IF ANY, DO YOU FEEL POSITIVE ABOUT? (BASE: 510)

# BUT CUSTOMER POSITIVITY IS UP FOR MOST RETAIL BANKS

That said, most banks have made gains in their customer positivity scores since May (with the exception of Metro and RBS).

The most notable improvements were amongst those banks / building societies with an older or less affluent customer profile who are more likely to be relieved that high street banking has more or less resumed.

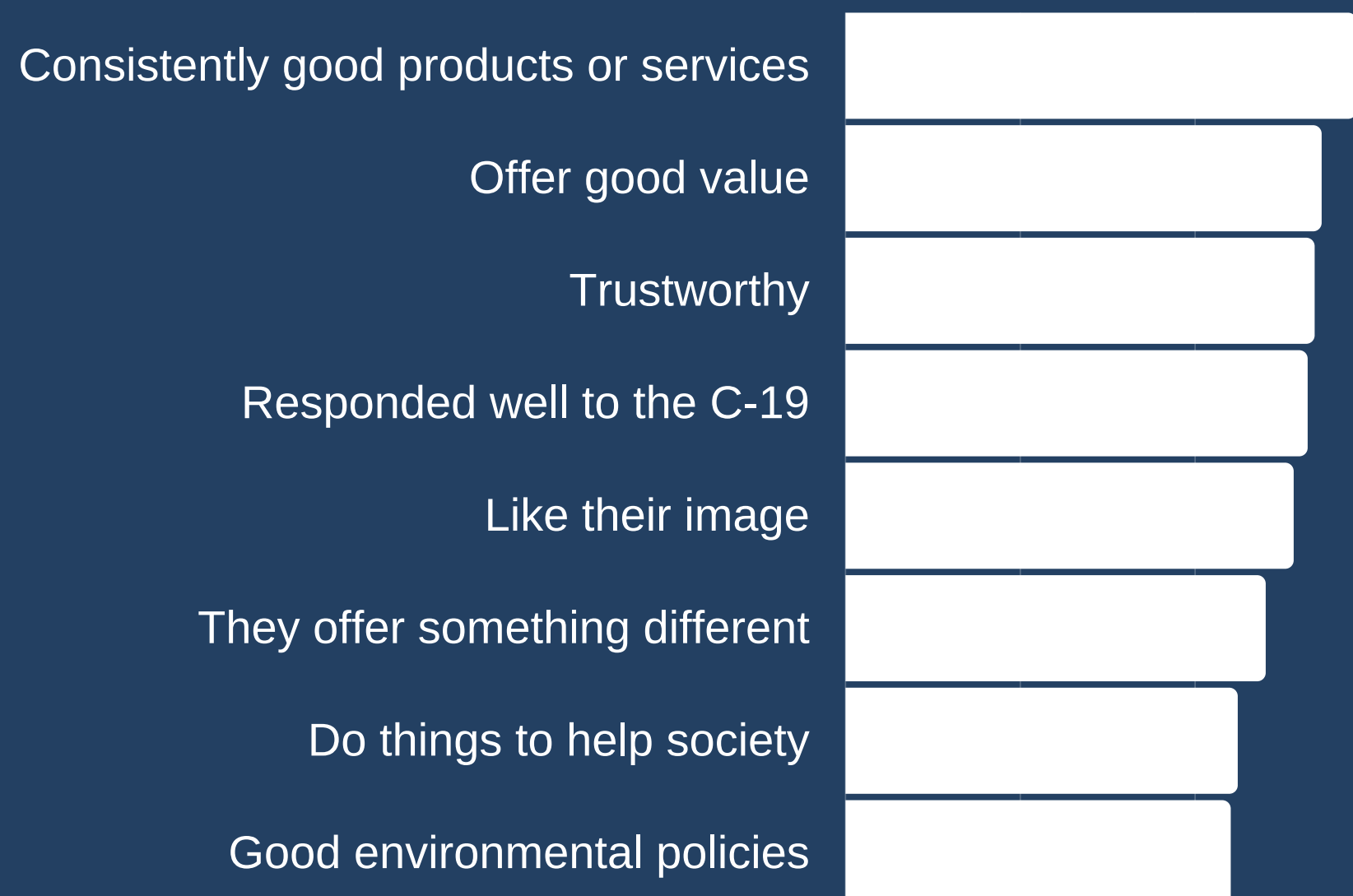
The virtual banks - old-timer First Direct, and new-comers Monzo and Starling - continue to please a high proportion of their customers, with some strong advocates, especially amongst the younger customers. Barclays has strengthened its lead over the major established banks.



“I really like Monzo, it's so easy to use, has lots of good features like the split payment system, and now has a social element as everyone has it”



## DRIVERS OF POSITIVITY IN RETAIL BANKING



# UNDERSTANDING WHAT DRIVES CUSTOMER POSITIVITY

In terms of consumer attitudes, retail banking appears to be a fairly rational sector. Drivers analysis - which derives impacts on customer positivity using statistical techniques - shows that delivering value as well as good products and services are key to customer positivity.

However, more emotive measures like trust and image also emerge as important in driving positivity, even though consumers don't vocalise these when asked directly.

Environment and social policies have less of an bearing on positivity, although our depth interviews revealed that any negative media coverage on either would be a turn-off, demonstrating that these are hygiene factors - good behaviour is simply expected.



# C-19 REMAINS AN IMPORTANT OPPORTUNITY

In both waves of research, respondents told us that the C-19 induced practical help (such as mortgage payment holidays or assisting online banking) and emotional support (pro-active calls to check on customers' well being) has been noted and appreciated.

Our driver analysis confirms this to be the case, with C-19 the fourth most important driver of positivity, showing that this tactical support has made a significant and potentially lasting impact on customer warmth towards their bank.

*“The banks as have done a lot for people under pressure during Covid. Barclays and HSBC communicated via email or app about payment holidays or zero overdraft”*

*“I use Nationwide, no problems with them, in fact they were phoning people to see how they could help”*



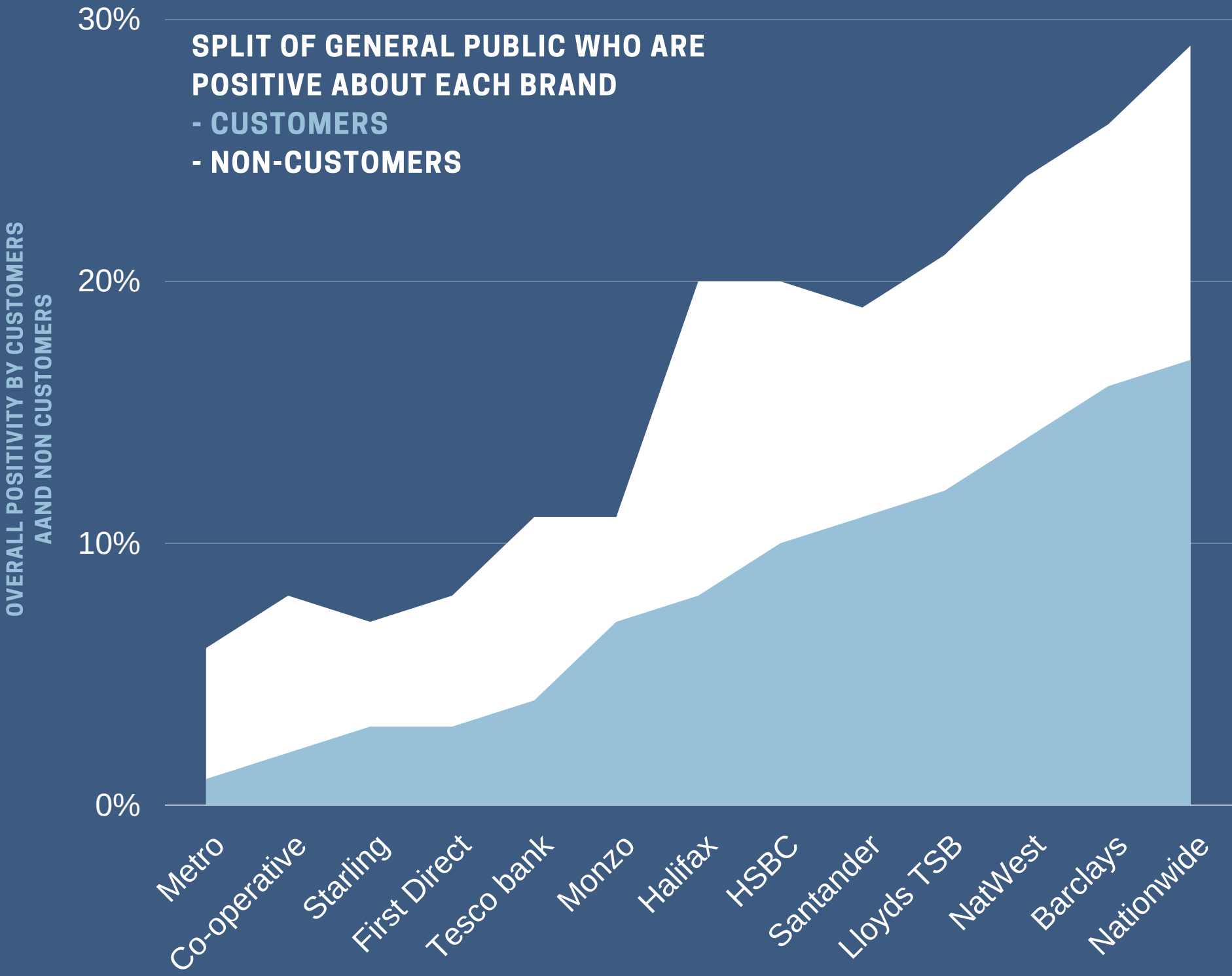
# Winning where it matters - comparing the big 4 on the key drivers of positivity

GOOD PRODUCTS & SERVICES	GOOD VALUE	TRUST	C-19 RESPONSE
1st Barclays	1st Nationwide	1st Nationwide	1st Barclays
2nd Nationwide	2nd Halifax	2nd Barclays	2nd Halifax
3rd Halifax	3rd Barclays	3rd NatWest	3rd Nationwide
4th NatWest	4th NatWest	4th Halifax	4th NatWest



# SIZING THE NON-CUSTOMER OPPORTUNITY

## THE BRAND HALO



To understand which brands are best positioned for future growth, we looked at levels of positivity amongst non-customers relative to the size of their customer base (we call this their ‘halo positivity’).

Nationwide is the leader in overall positivity and together with Halifax has the highest non-customer positivity, showing that us Brits continue to have a soft spot for the 'warm' building societies.

Notably, the smaller brands all have a higher ratio of non-customer positivity to customer positivity (a.k.a healthy brand halos). This indicates that distinctive brands punch above their weight and enjoy proportionately more low hanging fruit for acquisition.

FIGURE 3: BANK BRAND POSITIVITY AMONGST REGULAR CUSTOMERS  
Q WHICH OF THE FOLLOWING, IF ANY, DO YOU FEEL POSITIVE ABOUT? (BASE: 510)



# BRAND BEAUTY OF THE MONTH

**Nationwide** is our well deserved Brand Beauty for June 2020.

As well as leading on overall positivity amongst the UK general public, Nationwide also enjoys very strong customer positivity and it outperforms the big high street banks on two of the four most important drivers of positivity - trust and good value.

“Nationwide seem to care more about people than the bigger banks.”

**Barclays** - our May Brand Beauty - is this month's runner up continuing to lead on response to C-19, and winning plaudits for its products and services.



# KEY TAKEOUTS

## **ATTITUDES HAVE SHIFTED FROM 'WE' TO 'ME'**

We are witnessing an attitudinal shift from collective responsibility, in particular looking after staff, to individual priorities such as fair pricing.

## **MONEY WORRIES OVERTAKE HEALTH CONCERNS**

Consumers look likely to continue to reign in spending as they learn to live with the longer term consequences of C-19.

## **SECTOR REPUTATION REMAINS WEAK, BUT CUSTOMER POSITIVITY HAS IMPROVED**

Remote and 'dry' interactions affect sector reputation, but a good selection of brands are strengthening customer relationships.

## **RESPONSE TO C-19 CONTINUES TO BE AN OPPORTUNITY**

Banks who have provided practical and emotional support during C-19 have deepened customer positivity.

## **EMOTION MATTERS IN BANKING**

Products and services and value are the leading drivers of positivity, but emotive measures like trust and image do make a real difference to customers. So brands must continue to define and shape their image in a distinctive, motivating and credible way.

## **NATIONWIDE IS THE BRAND BEAUTY OF THE MONTH**

All positivity measures have improved, and it leads on trust and image across the sector.



# WANT TO KNOW MORE?

## **RETAIL BANKS:**

Dive into food retailer brands (drivers of positivity on a brand level, demographic analysis)

## **FOOD RETAILERS, SOCIAL MEDIA OR STREAMING ENTERTAINMENT:**

Sector reports

## **ALL MARKETEERS:**

Drivers of positivity report, social and environmental insights, or commission a deep dive on your sector

## **PLEASE GET IN TOUCH**

HELLO@LIVING-BRANDS.CO.UK  
+7702161753





A black and white photograph of a person working at a desk. The person is seen from the side, focused on their work. On the desk, there is a laptop, a glass of water, and some papers. The background is slightly blurred, showing other parts of the office environment.

## ABOUT THE RESEARCH

We conducted two online surveys, each of 500 UK adults over the period 7 – 8 May 2020 and 25 June using the Cint Panel. Quotas were set on age, gender and region to ensure a nationally representative sample.

In addition, we completed twelve video-depth interviews with a cross section of UK adults aged 20 - 65 during May and June 2020.

# ABOUT US

## LIVING BRANDS

Living Brands is a leading brand and research consultancy that prides itself on helping brands grow. We listen hard, unravel the complex and uncover piercing insights to solve an array of challenges including understanding customers, launching products, repositioning brands and engaging employees. We are highly skilled qualitative and quantitative practitioners, but approach each project methodologically neutral utilising the tools that fit best. Living Brands has been run by Karen Cooper, previously a management consultant at Monitor and Board planner at AMV BBDO, since 2007, and was joined by Julian Misell, previously head of customer research at Ipsos MORI three years ago.

[www.living-brands.co.uk](http://www.living-brands.co.uk)

## CINT

Cint is the technology backbone of the world's most successful insights companies. Cint's platform automates sample fieldwork and operations so that companies can gather insights faster, more cost-effectively and at scale. Cint also has the world's largest sample exchange that connects sample buyers to over 100 million engaged consumers across over 150 countries. More than 2,000 researchers, agencies and brands - including Kantar, Zappi, GfK and SurveyMonkey - use Cint to transform how they gather insights and be competitive in the market. Cint has a rapidly growing team across 14 global offices including London, New York, Stockholm, Los Angeles, Atlanta, Barcelona, Tokyo and Sydney.

[www.cint.com](http://www.cint.com)