



The new importance of brand and brand purpose in financial services.

How is your brand weathering the storm?

Waves of crisis, one after another, have changed society forever. A culture of uncertainty and chaos has been created by macro-level shocks to our lives. Of course the pandemic is one of the major contributors, but add in war, extreme political division, social unrest, severe (and recurring) natural disasters, energy supply issues and the media's cycle of distress, and it's no wonder the 2022 Collins Dictionary Word of the Year is "permacrisis."

Permacrisis

noun

An extended period of instability and insecurity, especially one resulting from a series of catastrophic events.

Society is experiencing a collective mid-life crisis. People's values and behaviors are in flux. They're reflecting on what's important to them, what's authentic and real in their lives. This has resulted in a huge disruption to the workforce, with people changing jobs. It's also resulted in people moving, exiting cities to work remotely or in places where they find happiness outside of the office. Modern nomads who are living and working from RVs full-time are no longer an anomaly.

This seismic shift in how people think and act is also affecting how they interact with brands. Two thirds of people (63%) report they're making purchases or advocating for brands based on their personal beliefs and values.¹ And, people are adopting new brands that align with their values and dropping those who don't.^{2,3}

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Sources: 1. 2022 Edelman Trust Barometer Special Report | 2. Campaign US | 3. Omnicom Media Group



So, what does all of this mean for you, as a financial marketer? Most financial brands have likely done some work to address who they are and what they stand for. And this might have even made it into your brand marketing. But, if you are focused on communicating the wrong points, you are likely missing the mark. In wealth management, you're probably emphasizing your experience, expertise and ability to customize for the personal journey. Banks and credit unions may be focusing on great customer service, community involvement, promotional account-opening incentives or interest-rate bumps. If you're a fintech, maybe it's all about your open APIs, fast integrations or security. No matter where you operate, your brand is most likely swimming in a sea of sameness.

The good news is that this increasing emphasis on purpose and values is truly a marketer's dream. A way to differentiate that's not based on digital investments. That doesn't require a three-year digital transformation plan. The current market conditions reveal the importance of who you are and what you stand for. Whether you're a credit union or a community bank, a consumer-facing or backbone fintech, people now care. They care about experiences. They care about working with companies that share their values. They care about companies with missions and visions that align with their new priorities.

In fact, according to a recent Accenture Song study of North American banking customers, "brand purpose" is no longer a nice-to-have, it's a necessity. 78% believe today's banks should have a strong and visible brand purpose. Additionally, 87% agreed that a bank's brand purpose must align with the action it takes.⁴ This illustrates how crucial it is for banks and credit unions to not only say the right things, but do the right things, and have them linked to more than just running a profitable financial institution.

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Sources: 4. bankingblog.accenture.com/banking-on-brand-purpose-three-ways-to-unlock-roi

So, what can you do? Here's some advice:

1. Lean into your Mission, Vision, Values and Purpose:

- **If you don't have them defined, prioritize this activity!** Workshops with key stakeholders from across the organization with different perspectives are key to teasing out why you exist today. Not just the function of delivering financial services, but in the bigger picture, the thing that gets each employee energized to come to work every day. Your vision should reflect your future state, about 10 years out. It's the thing every employee in your organization is striving to help you achieve. Your values are a direct reflection of who you are. Not who you aspire to be, but what are the characteristics that make your organization the place it is.
- **Share your company values, and not just on your "About Us" page.** Use them to help showcase how you hire, retain, and grow your talent. How your mission and vision help to inform strategic choices around investments, product development and business strategy.
- **Convey your focus on diversity, equity, inclusion and belonging.** What are you doing? What are you planning? How do your current and future plans help to reflect the communities and customers you serve?
- **Showcase your culture.** Truly dig in to find and illustrate what makes your organization and your people special. Just saying you have a great culture isn't enough anymore. You must illustrate what makes your culture different from the bank or credit union down the block.



2. Get credit for your Corporate Social Responsibility:

- **Determine how CSR aligns to your ESG plan** (or if it aligns).
- **Find your filter**—determine what CSR activities align best with your company's values and purpose, and really focus on them. Then use this alignment as your strategic filter for future activities and investments.
- **Define the audiences for your CSR.** Is it current or prospective employees? The community? Customers or prospective customers? Investors? Determine what is most compelling for each of those audiences, then share what you're doing and express your future plan.
- **Use your paid, earned, shared and owned channels to gain reach and frequency;** showing CSR can't just be part of your annual report.

3. Reevaluate your brand strategy and brand platform:

- **People value brands that are authentic and transparent.** Reflect on what matters to the people you do business with today, and the people you want to do business with tomorrow. The old marketing (and business) strategy of segmentation, targeting and positioning are crucial in making those enduring and authentic connections that drive loyalty (and customer lifetime value).
- **Develop your brand with consideration to how you can foster affection, demonstrate relevance and earn trust.** Consider how you're creating a solid balance of rational and emotional messaging in your branding. People are not one dimensional; your branding shouldn't be either.
- **This all means your brand must reflect more than the table stakes of great customer service, ease of banking or digital capabilities.** Connect to your values and purpose and create experiences, products and services that deliver. Every action, engagement, and experience you create is a chance to activate your brand purpose. To move beyond the functional and begin playing a role in the lives of the customers, communities and employees you serve.
- **Allow your brand strategy to showcase your brand personality.** With the entrance of neobanks and the ubiquitous nature of digital banking, gone are the days when you can solely rely on the kind branch manager to create lasting impressions. Leverage your creative brand platform to connect with people in ways that build affection, relevance and trust.

You don't have to face this raging storm of change alone. Working with a partner who understands the day-to-day and higher-order challenges of being a successful financial institution can make all the difference. Mower's financial services specialty team has extensive experience tackling all these obstacles and more. **If you're interested in learning more about how we might help your financial brand, let's talk.**