

[Print this page](#)

Strengthen Brands to Counter Weakened Trust

American Banker

By Mike Cucka

The role of trusted adviser was already tested once this decade - during the Enron scandal. Then, the victims were big-name accounting firms.

Now, the subprime mortgage crisis threatens to undermine confidence in the big securities and banking brands - Bear Stearns and Merrill Lynch among them. There's no apparent end in sight to writedowns stemming from the credit crisis, so marketers at these firms and others facing similar losses on their balance sheets need to ask themselves how they could withstand a writedown in the consumer's perception of their brand. What can help to preserve customers' trust?

In turbulent times, companies have employed key tactics to save face:

Management shake-ups: In the wake of the Enron debacle, Arthur Andersen hired the former Fed chairman Paul Volcker to lead the firm. Similarly, restructurings at Merrill and Citigroup, even Bank of America's \$2 billion bailout of Countrywide, signal that it will not be business as usual.

The statement of value: Last winter, JetBlue's promise of superior service was grounded by storms and operational glitches. In response the airline produced its Passenger Bill of Rights. It codified customers' expectation for service, and implied that operational practices would be modified. In late 2007, Merrill was running an advertisement with similar undertones, with the tag line "Why Merrill Lynch is still bullish on Merrill Lynch."

Artifacts: After Johnson & Johnson's Tylenol brand survived malicious tampering in 1982, the tamper-proof package became a symbol of assurance. Such physical representations, or artifacts, are important for financial services firms selling intangibles. My Commerce Bank branch displays city dioramas created by local students. Citibank, two streets away and with a name that connotes community, seems sterile in comparison. Marketers can ask, What artifacts show that we are on top of risk management?

These tactics succeed only if customers believe that the institutions behind them will change processes and behaviors - that they will be true to their word. Such trust is the foundation of the consumer's relationship with a brand. For firms that want to save face in the current crisis (and in the next one), getting consumers excited about the unique value they offer is an opportunity.

In most branches, there is little to differentiate one bank from another aside from a logo and color palette. The battle for the customer is fought on features such as price, service, and breadth of offerings. A few banks have been able to spin gold with a focus on the customer experience - Wachovia (friendly), Umpqua (retail experience), and Commerce Bank (convenience) come to mind. An abundance of communications promise consumers the same thing: a secure retirement and a way to help ensure that life events won't derail the Dream.

Missing, however, is an answer to this question: How is one bank's approach better than another's?

In the absence of an answer from the brand, customers are left to their own devices. And the train of thought in the current crisis may easily turn to this: If a bank is asleep at the wheel of its own business, why should I believe that it is alert about mine? In a 2007 customer advocacy survey by Forrester Research, less than 40% of customers said banks were doing a good job of looking after the customer's interests.

Trust, individuality, and relevance are what strong brands are all about: the information about a product or service that makes a customer willing to pay more for the offering than for a generic one. Customers trust the brand to deliver the expected value.

When your industry is in turmoil, you have to communicate a unique point of view about how you provide that value. This must go beyond talking about the promise of returns or great retirements, and directly answer these questions: How are the returns delivered? How secure is my money? Tell people something compelling. It could reflect your firm's heritage, or it may have to do with the philosophy about product development.

In the depths of the 1970s recession, Merrill Lynch came to market with a distinctive point of view: "We're bullish on America." This cast the firm as an optimist and conveyed its philosophy. Today, if philosophies are marketed at all they are often watered-down variations about customer experience. For example, Bank of America's "higher standards" speaks to a better way of doing business. But the promise leaves one wondering: What are the standards?

For good examples of point of view, we must look outside of the financial industry to other service firms. For instance, UPS with its concept of "synchronized commerce": Markets are dynamic, and to be successful companies must ensure that the many interactions taking place in their business are handled efficiently. The synchronization is both a benefit delivered to UPS customers and its business philosophy. It is a strategy for competing with FedEx, which owns the idea of "reliable overnight delivery," because it explains what is different about UPS' own delivery promise. If you work with UPS, you are capitalizing on an efficient supply chain.

When a brand has a point of view, the answer to the question "Why should I do business with you?" has more force. The point of view offered is a call to action and a reason to purchase. It lends credibility and urgency to marketing and carries with it the promise of a one-of-a-kind approach to which a target customer can begin to assign value. It goes beyond vague statements of differentiation such as "our people." To see the difference, try asking what it is your people are actually good at that others in the industry cannot match. A brand that stands for something has a clearer path to maintaining trust.

A strong point of view can give consumers good reason to be positive about the financial services industry and, with some sound risk management, their own fortunes.

Mr. Cucka is a managing partner at Group 1066 LLC of New York, a branding and marketing firm for technology and financial services companies.

(c) 2008 American Banker and SourceMedia, Inc. All Rights Reserved. <http://www.americanbanker.com/> <http://www.sourcemedia.com/>

[Print this page](#)

Copyright © 2007 YellowBrix, Inc. - All rights reserved - [Privacy Policy](#) · [Home](#) · [Contact Us](#)