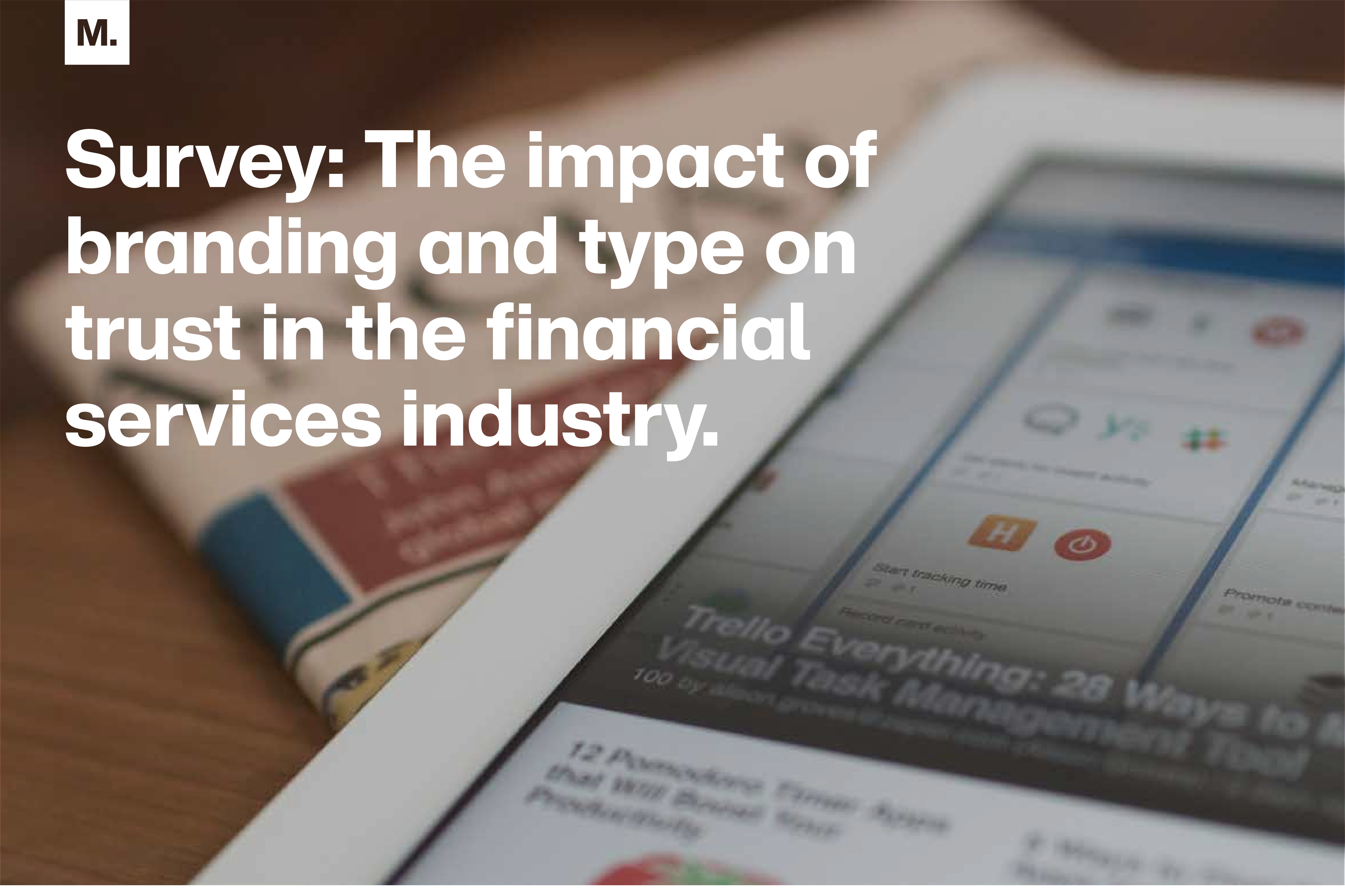
Survey: The impact of branding and type on trust in the financial services industry.



The world of finance.

There's no question that the world of finance is going through interesting times. New technology continues to change the way we pay, bank and save, supported by a generation of fintech brands that are shaking up the industry even further. We've swapped trips to the local bank with apps, and many of us are primarily managing our money on phones and tablets. And without a human intermediary to establish the personal connection that companies rely on, more power has been placed in the hands of branding - which now has to battle the competition, as well as establish trust with wary consumers.

"The global financial crisis shook the world and there's still a hangover"

Gary Rohloff
Co-founder and managing director of payment platform Laybuy

“The global financial crisis shook the world and there’s still a hangover,” said Gary Rohloff, co-founder and managing director of payment platform Laybuy, in a recent interview with MarketingWeek. “Young people who have lived through that are very skeptical about the whole finance sector as a result.”

FInancial organizations are operating in a challenging environment, but it’s one that’s filled with possibility, particularly when it comes to the role type can play. To find out more, Monotype surveyed 1,000 consumers between the ages of 25 and 60 as well as brand makers in the financial services sector. Following are some of our key findings related to what customers want from brands, and how branding is helping to deliver on those demands.

Keeping the faith.

The 2008 global financial crisis seriously shook people's faith in financial organizations, and companies are still facing the fallout. The 2019 Edelman Trust Barometer: Financial Services report showed that, among the general population, financial services are the least-trusted sector, suggesting that there's plenty of work left to do.

49% of consumers and 46% of marketers rank trust as the #1 factor for a customer's choice of financial institution.

As you might expect, our own research showed that trust is still one of the main concerns when choosing a financial institution, with almost half of consumers and marketers ranking it the number one factor in a customer's choice. One of the main ways of establishing it is through branding, and nearly half of the consumers we surveyed described

a positive brand reputation as the top driver of trust. In the UK in particular, customers are looking for a more genuine connection when choosing a financial organization, ranking authenticity and brand values as important factors. Those between the ages of 25-35 see brand value as significantly important when it comes to choosing a financial institution.

45% of consumers say a positive brand reputation is the top driver of trust.

The research reflects what's going on in branding more broadly. Customers are demanding more transparency and honesty from companies across the board, and brands in all sectors are under pressure to deliver it. When it comes to creating that relationship with consumers, type and visual identity are both hugely influential.

Legibility is key.

It’s no surprise that clear communication is of the utmost importance when you’re talking about something as personal as people’s finances. People might joke about reading the fine print, but our research showed that half of consumers always, or almost always, actually do spend time reading it.

22% of consumers have stopped a financial transaction because of illegible fine print.

And it’s not just about making sure people can understand the terms and conditions. Legibility has a knock-on effect on the perception of financial brands, with 65% of consumers surveyed saying that easily read fine print made a financial organization seem more trustworthy, and almost a quarter of them reporting stopping a financial transaction because it was illegible. Marketers are also very aware of the role legibility plays, with 88% of them saying it’s an important part of their branding strategy.

Moreover, legibility also may impact other areas of the brand experience. For example, Monotype worked with Quicken Loans, the nation's largest mortgage lender, to design a custom typeface for its Rocket Mortgage brand. During the process, the team sought to create a typeface that would provide confidence to homebuyers through the clarity, transparency, and simplicity of Rocket Mortgage, which also led the brand to consider how the tone of its communications would be more broadly received. The typeface needed to be legible, and professional, but keep the playfulness that Rocket Mortgage is known for.

65% of consumers say easy-to-read fine print makes a financial institution seem more trustworthy.

"We define our voice and tone as being established, without being the establishment. Our typography pairs well with that sentiment. It builds trust with our audience and it weaves in our reputation and legacy while making us feel human."

Jenn Hilliard
Senior Brand Identity Manager at Quicken Loans

More screens than ever before.

The days of taking a trip down to the bank are rapidly disappearing, as an increasing number of us rely on apps to take care of our money. Almost half of consumers use their mobile device as the primary way of conducting business with their financial organization, and the stats are even higher for younger customers. For those over 46, the larger screen is still important however, with 39% of them using their computer.

49% of consumers primarily conduct business with their financial institution on their mobile device.

These numbers are certain to increase over time, meaning financial companies need to ensure that brand typefaces that are legible in the real world and on paper are equally so on screen. For many of us, these digital environments will be the most important interactions we have with a financial brand,

with one in three people surveyed saying they would stop doing business with a financial institution because of a poor digital experience. It’s also worth remembering that many competitive industry newcomers are digital-first companies that have dedicated significant time and effort towards creating smooth on-screen interactions with their consumers.

34% would stop doing business with a financial organization because of a poor digital experience

Digital and offline consistency was very important to Banco Santander, a leading retail and commercial bank, founded in 1857 and headquartered in Spain. With more than 142 million customers worldwide, the brand has been growing globally for more than three decades and needed to maintain a consistent visual appearance across the banking group. Banco Santander worked with Monotype and Interbrand to develop an identity that included a future-forward typeface system that aligned to the brand’s values and personality.

"The new typeface played a major role to provide us with a more coherent and consistent tone throughout all our communications."

Isabel Garcia
Head of Brand and Culture, Santander.

Be distinctive, but consistent.

Thanks to a wave of new companies, branding in the financial industry is continually exploring new territory. Monzo's coral card has made banks everywhere reconsider the traditional blues and reds of the past, while Mastercard made headlines by removing its wordmark from its logo in response to digital environments. Our research showed that 84% of people say brand recognition is important when choosing a financial organization, and it's particularly important among 25-35-year-olds. With so much more competition than before, companies need to use their branding to stand out from the crowd if they want to win new consumers, especially at the younger end of the scale.

43% say a fragmented brand experience makes a financial institution seem less trustworthy.

Using type doesn't just help establish this unique voice, however, there's also an important practical element, with marketers saying that being easy to replicate for phishing or similar scams is the biggest branding risk. And while your visual identity should be celebrated for its differences, it still needs to be consistent across the brand. Our research showed that a fragmented brand experience makes a financial organization seem less trustworthy, and that it's of particular concern for older consumers. One way to address this is to choose fonts that can be used in every piece of communication - creating a reliable voice that a consumer can instantly recognize as the brand's own.

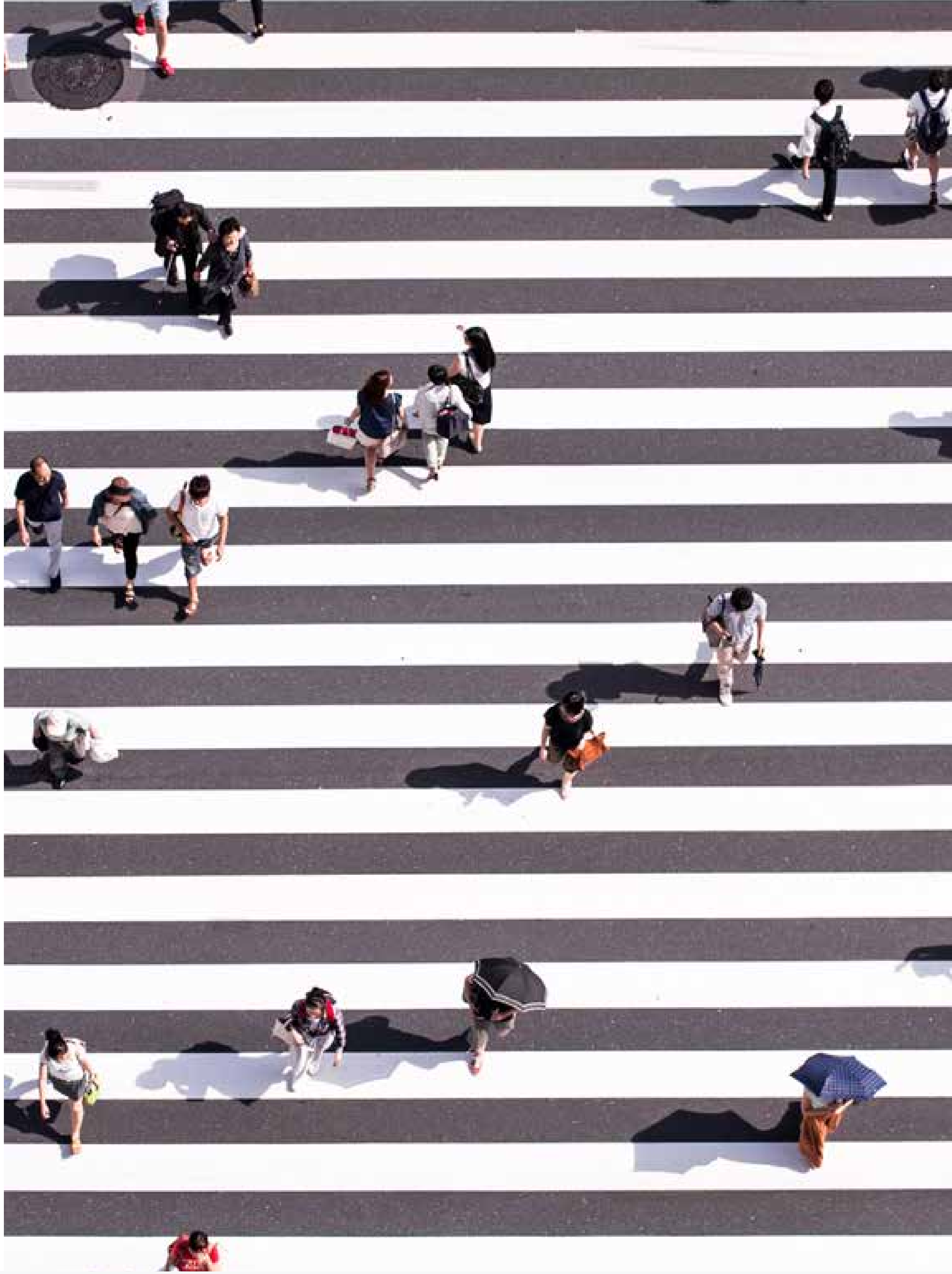
84% of consumers say it is very or somewhat important to have brand recognition when deciding to work with a financial institution.

Key findings.

From our survey of consumers and brand leaders in the financial services sector, following are a set of key results.

Trust

- 49% of consumers and 46% of marketers rank trust as the #1 factor for a customer's choice of financial institution
- 45% of consumers and 40% of marketers say a positive brand reputation is the top driver of trust
- 30% of marketers say trustworthiness is the most important element of their brand
- 22% of consumers have stopped a financial transaction because of illegible fine print
- 65% of consumers say easy-to-read fine print makes a financial institution seem more trustworthy
- 50% of customers always/almost always read the fine print.



Brand experience

- 49% of consumers primarily conduct business with their financial institution on their mobile device.
- 34% would stop doing business with a financial organization because of a poor digital experience.
- 43% say a fragmented brand experience makes a financial institution seem less trustworthy.
- 84% of consumers say it is very or somewhat important to have brand recognition when deciding to work with a financial institution.
- 88% of marketers say fine print legibility is important to their branding strategy.
- Marketers say objectives of branding are competitive differentiation (22%), consistent branding (22%), and memorable branding (21%).
- The top drivers of branding decisions are alignment to the organization's values (27%) and a unique creative direction (25%).
- Marketers say that being easy to replicate for phishing or other scams is the biggest branding risk (37%).
- Inconsistent branding is the second biggest branding risk (27%).
- Younger consumers are especially likely to use their mobile device – 58% of 25-35 year-olds and 55% of 36-45 year-olds.
- Those 46+ most often use their computer (39%).
- Males are more likely to use their PC (36%) while females are more likely to use a mobile device (53%).
- Those in the US are more likely to go to the branch compared to those in the UK.

Methodology.

Monotype partnered with CITE Research for this financial services branding report, to explore how customers interact with branding in the financial services sector, what businesses are doing, and how perceptions between customers and businesses compare.

CITE Research conducted an online survey of 1,000 consumers (500 in the US and 500 in the UK), and 200 employed adults (100 in the US and 100 in the UK) between 22-26 July 2019. Consumers were between 25-60 years of age with an account with a bank or other financial service organization. Employers were in the financial services or insurance industries, at companies with over 250 employees, and in a creative, design, marketing, or UX role at manager-level or above.

Sources.

Quote on page 2: Rogers, Charlotte. “Fintech 2.0: Meet the brands democratising payments and investments.” *MarketingWeek.* 04.25.19.

Edelman Trust Barometer on page 4: Edelman Trust Barometer. 01.20.19.