Communicating the new immediacy of finance

Natalie Orringe

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1. Introduction

Since the pantelegraph in the 1860s, technology has radically transformed how people access and engage with the financial services industry. Products are available today that make complex financial transactions such as investments, mortgages, and pensions more immediate and accessible than ever before. Smartphone apps deliver the functionality – and more – that high street banks used to prompting many to be both more aware but also more interested in money and financial systems.

Conversations about cheques and ISAs have turned into WhatsApp messages about cryptocurrencies and NFTs. Pensions are no longer about an annual statement but the 'real time' update on fund performance from a pension app. It demonstrates how technology is delivering on the promise of transforming the way we access and use financial products but, at the same time, is changing how we expect to learn, engage, and communicate with and about these products.

This transformation in financial services is in tandem with an explosion of digital communications that has intensified the focus on corporate behaviour across issues as wide ranging as climate change, identity politics and health equity. We are in an era of radical transparency, where individual and organisational reputation has direct impact on share price, forcing accountability and environmental, social and governance (ESG) issues on to every Board agenda.

The challenge for those in PR and communications is how to adapt and ensure that financial services brands can realise the potential of technology to build stronger relationships with investors and consumers alike.Technology provides an improved way of engaging but it is also fueling demand for information (and access to products).

Yet, across the industry, there are still many examples where products remain confusing and disenfranchise consumers because of poor communication. From insurance and investment to lending and credit, there are products where there is a clear gap in engagement and understanding, which brings risk both to an organisation's commercial growth and to an individual's financial wellbeing.

Finding innovative ways to close this gap is vital, not only to financial services institutions but to the healthy functioning of our economy and society as the cost-of-living soars. This is because how we access and understand financial products defines how we make, spend, and save money.

The 'new' relationships that are possible between people and money and between providers and consumers is about enabling people to do more with their money, including the achievement of financial security.

Technology has created a new landscape for financial communications, but it also challenges communication professionals to adapt and deliver this 'new' immediacy for brands with their audiences.

Its money but not as we know it

When we consider the way financial services brands communicate, we have to start with how the way we use money has changed, accelerated in the last two years by the Covid-19 pandemic. This has been most obvious with payments including the mainstreaming of complex, digital products such as cryptocurrencies and digital wallets. For some, cryptocurrencies are an antidote to the mainstream financial system, despite their environmental impact. Bitcoin alone consumes as much electricity as the Netherlands, equivalent to one MacBook Air of e-waste per 'economically meaningful' transaction.

Take up of digital currencies is only going to accelerate, according to the latest McKinsey Global Payments Report that predicts more will be launched in the next few years by central banks and private firms seeking to capitalise on business – and consumer – demand for these faster, more secure and accessible payments. It follows a recent report from the Lending Standards Board, the self-regulatory body for the banking and lending sector, that found businesses and consumers are increasingly relying on alternative finance sources such as digital 'buy now, pay later' products.

The underlying trend is a blurring of boundaries between what is a finance or software transaction, and what is a regulated financial provider or an ecommerce company. This has been accelerated by innovations including Open Banking and Banking as a Service (BaaS) where licensed banks can integrate digital banking directly into the products of other non-bank businesses.

Stand out examples include Nigerian-based Flutterwave which offers businesses a payments platform with a suite of website development and ecommerce tools. DBS bank in Singapore offers a financial and non-financial product marketplace, including an area where customers can browse and buy a new car and insurance, saving money automatically when they do.

Technology is opening new functionality but also reducing the costs, and time, to build 'new' financial services propositions. One of the most immediate impacts is the development of tailored propositions to meet the needs of minority communities that had been (at best) neglected by financial institutions.

Daylight Bank in the US was launched explicitly for the LGBTQI community to address the prejudices faced in mortgage applications. Emerald Life in the UK provides insurance for underrepresented groups while Niyah is one of the first mobile-only, Islamic fintechs offering interest-free banking to meet Shariah Law requirements. This diversification of financial services could be argued is a long overdue democratisation.

It illustrates the benefits to consumers of the financial services sector taking on the behaviours of the technology sector, including the focus on customer-first design and ongoing product improvement. But the idea that financial services and technology sectors should be one and the same is a risk, particularly for those in PR and communications.

Financial services brands carry far greater responsibility because their products determine a person's ability to buy food, own a home or support a family. Excitement at the potential for new technologies to disrupt how people access payments and investments must be aligned with a responsibility to educate on the risks attached, particularly in an unregulated sector such as cryptocurrency.

As Ian Silvera from SEC Newgate puts it, tech-led financial services brands must focus on building trust and be transparent about the benefits and risks of their products, including educating consumers about how they work. Brands must act responsibly before they are mandated to and, particularly in the currently unregulated crypto space, avoid more judgements, such as the recent Advertising Standards Authority action against Floki Inu on the grounds that its advertising sought to take advantage of naïve investors.

For PR and those in communications, the takeaway is that while technology can unlock opportunity for a new relationship with consumers and investors, the underlying processes cannot be the focus for consumer engagement. The technology is so complex that it has the potential to even confuse consumers who believe they have a sophisticated understanding. PR and communication professionals must instead take responsibility for pushing the financial services industry to start with the 'why' and explain the utility of a product, including both the risk and benefit to any end user.

Erin Lovett, Account Director, Missive

'One of the biggest challenges for financial services PR today is how to meet the needs of consumers who believe they are educated and understand financial products, yet may not fully grasp the underlying complexity of what they are buying or investing in.

'Assumptions about products and providers can be challenging to change. A good example is the cryptocurrency industry. Rather than the industry, regulator or government driving change, consumers are using the product already and believe they understand how it works – and the risk to their money. As large providers now enter the market, the role of PR is different to that for fintech. We don't need to educate because consumers believe they already understand crypto. Instead, PR is in a space of needing to be a de factor regulator to crypto organisations on how to protect consumers.'

The disruptor diversifying education

Emilie Bellet is founder and CEO of Vestpod, a digital platform and community that seeks to empower women with their money. Vestpod tackles the lack of tailored, accessible communication designed for women through its ambassador programme, training, events and nationwide workshops.

'Vestpod was launched to help women who were feeling the pressure and found money confusing and complex. We aim to fill the gap in financial education and support women to open conversations about money then find the information they need.

'Financial providers must design products to meet the needs of diverse communities alongside their targeted communications and guidance about money. At the moment, while their communications are changing and becoming more tailored, the products aren't, and therefore still don't meet the needs of the end user. At Vestpod, we've seen it take years to change someone's financial behaviour to start investing because many women don't believe the institution will have or understand what they need.

'The financial landscape, including the volume of financial products and platforms, is complex and the amount of information is overwhelming. It leaves consumers struggling with the fundamental – and perennial – problem of who to trust with their money and for financial advice.

'The financial services industry still has to do more to bridge the gap between consumers and products to make personal finance truly feel personal. Too often the communications around financial issues and products is too dry and doesn't match the reality or concerns of the end user. We need more personalised communications that makes a connection with end users and focuses on the challenges faced by real people. It requires the industry to talk about lifestyle more than finance.'

Meeting the PR needs of cryptocurrencies

Ian Silvera leads the dedicated cryptocurrency team at SEC Newgate UK, working with new entrants including fintechs and cryptocurrencies. He specialises in supporting organisations to understand and develop communications strategies that tackle reputation risk head on.

'The crypto industry can broadly be considered as those who want to get into mainstream use such as Bitstamp, Coinbase and projects or brands that are building entirely distinct, decentralised financial (de-fi) systems. This determines who they want to target, how they want to build profile, the type of media important to them and, therefore, the PR approach to take. The more decentralised an organisation is, the more they seek 'non-traditional' PR in contrast to those seeking mainstream consumers or those in crypto adjacent industries, such as Capital Markets.

'A challenge is the geographical focus of some of the crypto companies and projects. Some may want a US and European remit, but fundamental issues such as privacy are seen very differently in Europe compared to America. Consumers and journalists are also different in their approach. For example, British journalists arguably are a lot more sceptical than their Silicon Valley counterparts.

'Reporting on crypto ranges from niche, trade publications to mainstream media such as the FT, Bloomberg and NYT who in the past year have embraced reporting on the sector seriously and have dedicated (expert) correspondents – including those who crossover between fintech and crypto. There are new crypto media, especially on YouTube, including CoinBureau and AltCoin Daily.

'The challenge for the crypto industry is a communication one - to communicate 'what' the use case and benefit to the end user will be.

Too often, the technology and language used is so complex that people don't understand how the product could decrease friction to make their lives better. This is where PR and communication professionals can bring real value by supporting crypto currencies to make it simple for users to understand what they do and how their product will benefit.

'At the moment, the crypto industry is dominated by evangelists who are heavily focused on speculative trades and how to "get rich quick". The industry needs to recognise that to reach a broader audience, it has to communicate the utility of the products in everyday life, then gain consumers' trust by building legitimacy. This requires providers to talk in detail with more transparency about how the products work and the risks attached.

'Companies with tokens should take lessons from investment fund platforms such as Hargreaves Lansdown and provide a breakdown of where funds will be used and when, with a roadmap of fees. This will help build trust.

'In the crypto space, a holistic approach to PR is essential for its success, especially if retail/consumer facing. This means media outreach goes alongside targeting Twitter, Reddit, YouTube and Discord – this is the social media mix crypto-enthusiasts typically use. Video is intrinsic to campaigns specifically creating explainer videos that for journalists and crypto commentators provide an overview and roadmap for the product.

'Community-based champions are vital to securing profile and will typically produce their own videos on the product. Increasingly, these gatekeepers are trusted as independent authorities and a new class of media that must be factored into campaign planning.'

2. Making PR responsible

The first part of this report considered the communications implications between financial services brands, consumers and investors because of new product functionality and design. Technology is constantly evolving at the same time as a transformation in the information and behaviour we expect from the organisations we engage with.

Global trends, including the acceleration of social activism, is prompting consumers and investors to demand organisations stand for something 'bigger' or damage their commercial bottom line.

In a recent FT/Just Capital 2021 survey, 81% of US liberal voters (and 48% of Conservatives) believe CEOs should take a stance on important societal issues such as income inequality or racial equality. The latest Edelman Trust Barometer found that two thirds of employees wanted companies to take a public stand on issues.

The demand for action from organisations goes together with a demand for transparency and accountability, as highlighted recently with campaigning on International Women's Day 2022. As with other awareness days, organisations including many financial services brands sought to publish their content in support of women's rights across Twitter. These posts were promptly picked up by a social media bot and reshared with their company's (typically woeful) record on gender pay. It brilliantly highlighted the discrepancy between communications and meaningful change, with the campaign calling for organisations to take heed and shift to 'deeds not words.'

This example highlights the risk of companies taking a stand on a political, social, or environmental issue. They may face backlash either for not having the authority (or authenticity) to take a values-driven position or through disenfranchising some customers.

It can be hugely challenging to navigate; particularly where global political change happens rapidly and could have radically different outcomes to different audiences. This makes it difficult to determine what is the right action to take to protect value and secure future success, and requires, as Habito's Romney Taylor puts it, 'hyper-responsive communications.' This can only be delivered if organisations integrate PR and communications into management decision making and have a robust decision-making framework on issues related to ESG.

For PR and communication professionals in financial services, the focus on ESG within organisational strategy is a significant opportunity to support leadership teams in connecting reputation with operational delivery. But for this to be effective, as Teamspirit's Jo Preston says, it relies first on identifying what an organisation could authentically lead on then defining an action plan to achieve change.

The combined impact of the focus on corporate responsibility and ESG is to reinforce the role for PR as an arbiter for 'good' behaviour within an organisation. This means, as an industry, working to embed PR within organisational decision-making and keeping a spotlight on the very direct link between reputation, consumer awareness, investor perception, recruitment and share price. For those who can, it presents another opportunity for relationships with customers and investors.

The Agency approach to ESG

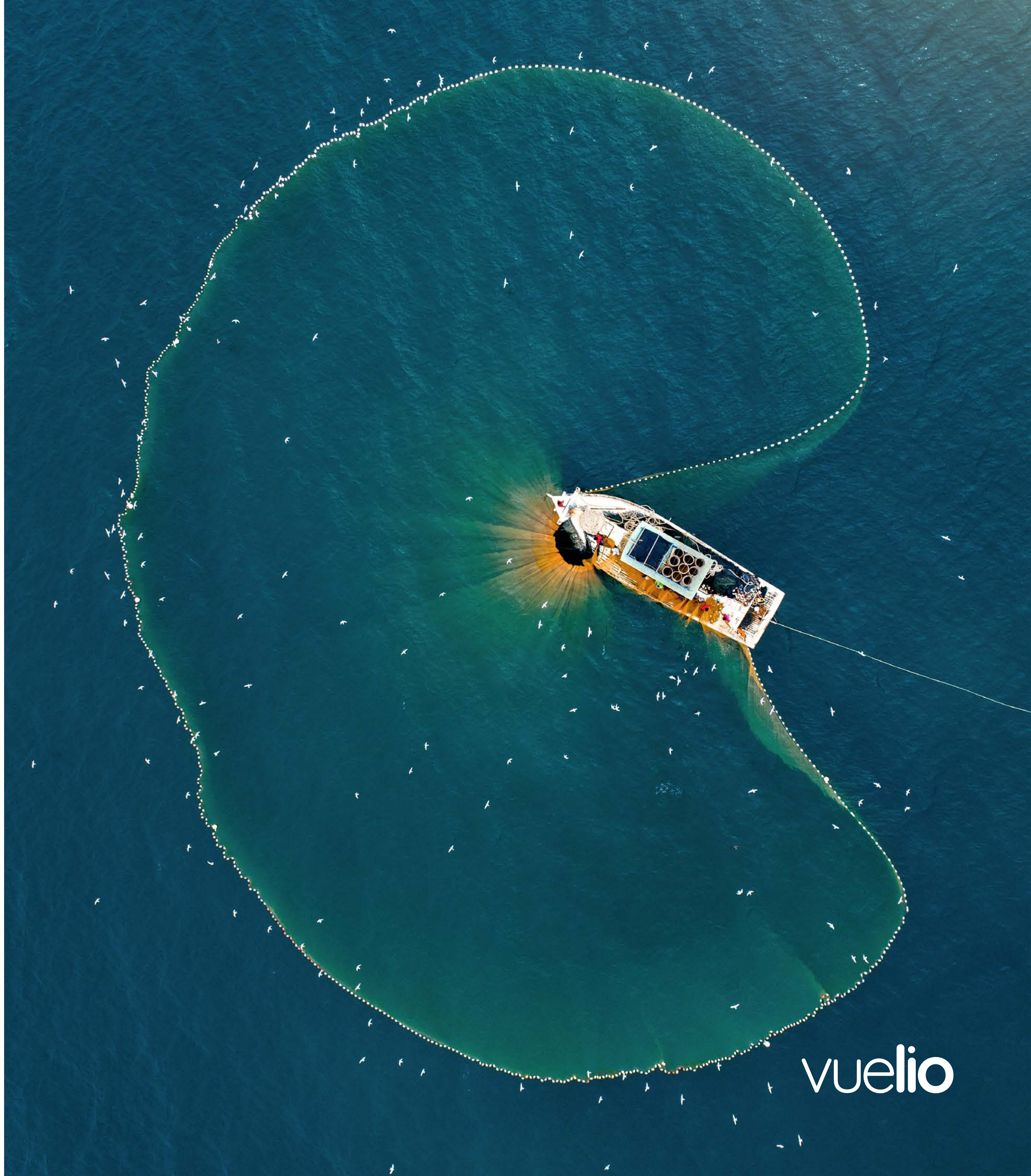
Jo Preston, Director, Teamspirit

'ESG has almost become part of every strategic conversation with clients. It is a huge growth area as we shift to providing consultancy on how clients can operationalise their commitment to ESG in a way that is genuine.

'The key question is what is meant by ESG – it can stretch from governance to sustainability. Achieving change and being a leading voice for positive change relies on having a detailed understanding of where the organisation can genuinely effect change and therefore be authentic on the topic.

'The shift to PR being able to influence operational decision-making specifically around ESG relies on who the PR/communications lead reports to. At Teamspirit, we are seeing the bigger companies, alongside asset and wealth managers, bring PR and planning into early-stage consultancy on implementing change related to their ESG agenda. The more forward-thinking companies are moving on from simply integrating ESG principles into their business and are developing actions that have real impact to their clients, colleagues, society, and the planet.

'Reputation is even more important to financial services brands with a key trend of the past years being that we spend as much time discussing what not to do as what to do. We're seeing clients, especially those in the fintech space, look for direction from us on a much wider range of risk and reputation topics. It reflects increased understanding of the direct relationship between reputation and customer, shareholder and investor perception'.



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Responsible disruption in the mortgage market

Romney Taylor, VP Marketing, Habito

Since launch in 2016, Habito has built a consumer base of 500,000 customers and been voted as the UK's best mortgage broker (British Bank Awards 2020). Its communications strategy has effectively disrupted the market by speaking to consumers with emotion and following up with factual, accessible information to help.

'We know that the decision to take out a mortgage is one of the most complicated and difficult that anyone will make. In our communications, we use advertising to achieve fame and stand out, then, once we have people's attention, we see it as our responsibility to convey the benefits of the product and make people comfortable to commit the huge step of taking out a mortgage. We are under no illusions – this is a very difficult and very emotional process, particularly for home buying.

'All of our advertising and communications is rooted in deep customer insight and talks to how people feel as they go through the process of applying for a mortgage. They will have to deal with lots of different people, will have their time wasted and, worse, handle fears that they'll be ripped off and extremely stressed throughout. We're honest about the hellish nature of mortgages and, by being open and honest, we position Habito as the antidote, there to help.

'Our approach to marketing, including PR, is built on honesty and ensuring we act on our commitment to do the right thing by consumers. We know that in our marcomms, there is nowhere to hide, particularly on any statements we make on issues from gender rights to sustainability. We must be able to be responsive and agile to what is happening in the world around us because consumers are savvier than ever before. In part, this is why we are one of the very few financial services companies to have become a B Corp which is another way in which we demonstrate we're doing the right thing by our customers. This is a legal commitment we've made, to put people and the planet on the same level as profit. This took us over two years to achieve and is increasingly cited by customers – and new recruits – as an important factor in their decision making.

'The climate emergency, health pandemic and even the outbreak of war in Ukraine has changed people's priorities in terms of how they make decisions on who they want to support and where they want to put their money. The range of issues and pace at which the external environment changes means we must be hyper responsive in our communications approach and will debate to reach a collective decision on when we should – and shouldn't – get involved, based on our values. We work closely together and align on the messaging we use, including the feedback of our brilliant community manager who has helped us to strengthen our voice in marcomms based on customer feedback.

'Our approach benefits from our PR, marketing and community management being integrated into one team with a close working relationship with our risk/compliance and customer experience teams. Working remotely has really helped us, with tools including Slack helping us to share information and quickly be aware of emerging issues. Whenever there is a big Government announcement coming out on the property market or consumers' finances, we bring the marcomms team together with our CFO to determine our response, including what our customers need to hear from us to manage the impact on their personal finances.

'The way we work means we can be quicker than others. It is a source of real pride, because it benefits our customers who know they will hear from us first and can rely on us for the information they need to plan their finances. It is another example of how we use communications to live up to our values.'

3. Building teams for the new immediacy of financial services communications

The transformation of the financial services landscape has prompted a rapid evolution within PR and communications teams. The skills that a team needs today are radically different to those needed five or even ten years ago.

In the heady noughties' days of PRs, the greats were generalists, able to spot a great story then activate a black book of contacts to secure coverage. These skills are important, but in a world of rapidly evolving, highly complex financial products in an 'always on' media and social media ecosystem, it has to be alongside specialist expertise.

Developing benefit or 'why'-led communications campaigns relies on understanding the underlying technology to deliver a powerful message about what it does. Teams need to be able to draw on a deep understanding of products, particularly of the technologies that are shaping how people will use the product.

The need for specialists is also acknowledgement of the near 50-year discussion around the integration of PR and marketing that has been accelerated by technology. The array of data sources along with analysis tools (including Vuelio for media analysis and Pulsar for social listening) means organisations expect to understand the impact that PR has against commercial objectives and for the PR team to be able to define an array of metrics to evaluate performance.

This requires PR teams to be confident in how they use data insights to develop creative, implementation and evaluation strategies. And, by working closely with marketing and customer experience teams, it opens opportunities, such as new ways for PR campaigns to engage target audiences or sources of funding beyond 'traditional' PR budget holders.

Building a team of specialists could also present a route to the industry accelerating on its path to diversity. The industry has a damaging diversity problem with endemic issues including gender pay and representation that, according to the CIPR, means the profession is out of kilter with the public's view on social mobility. Action is being taken, including by campaigning groups BME PR Pros, Socially Mobile and InterComms Mentoring, but more must be done to attract people of all backgrounds to the industry. Prioritising the recruitment of more diverse, specialist skills and capabilities for the new landscape of financial services could be the motivation needed.

Erin Lovett, Account Director, Missive
'Technology is changing the tactics and how we measure PR but, ultimately, the role is the same; to educate and engender trust between consumers and organisations. This reflects that fintech and the financial services sector are not radically different. People in fintech, operating fintech companies, are typically from established financial services businesses. They understand risk and are seeking to address an issue in the existing system.

'A good example is PensionBee, a highly successful fintech start up whose "controversial" positioning is that pensions are complex, and we need to do more to help consumers understand them.

'The diversification of media channels means that as PRs you must be more creative. We have to plan campaigns differently and allow for a longer creative development phase that includes greater collaboration with our clients, both around implementation but also to determine the success metrics by channel. Part of this sometimes includes persuading clients of the importance of channels that they may not have exposure to, such as TikTok. Our team relies on having someone able to understand the data we can now access by channel then interpret those insights to evolve our campaign planning. This is a huge opportunity.'

Jo Preston, Director, Teamspirit
'In financial services, the way that media is being used to reach and engage consumers is changing. The sector is evolving to use 'new' channels, including social media, with the blurring of boundaries between paid and earned media continuing. That means, more than ever, we need to focus on creating brilliant content that delivers a clear call to action. It requires PR teams to be more aware of audience need and the breadth of channels that could be utilised in any campaign.'

'The trends we've seen from the increased demand for consultancy through to that broader channel approach to content means that we've evolving our approach to recruitment. It used to be that we sought to hire and train PR generalists but, in the past year, we've shifted this approach to include those with specialist expertise.

'We are developing more focused roles, from media strategists to digital specialists, that map to an individual's expertise. Marketing integration is more important than ever, and we benefit at Teamspirit by being able to work alongside, and handover, to marketing leads from production to planning. This means that into the future we will be broadening how we hire to be more agile to client trends and to bring in talent from a wider range of sectors and capability.'

The five steps to meet the challenge

1. Expect digital transformation to accelerate and the underlying technologies to become ever more complex. This will drive further diversification and will need PR and communications teams to demand brands behave responsibly, including educating consumers and investors alike on the risks and benefits of their product.

2. Gaps will continue between product providers and consumers. This means the issue of complexity and trust will continue. Championing personalised communications that begin with consumer and investor insight will both achieve change but also enable brands to put their values into action.

3. The transformation in the information and behaviours expected from financial services brands will continue. The demands of consumers and investors alike, particularly on ESG, is an opportunity for PR and communications to be integrated into management decision-making and able to shape organisational behaviour.

4. Communications must be hyper-responsive. Establishing integrated teams that include monitoring, content development and implementation means an organisation can react effectively but also, in the way they communicate, reinforce their commitment to consumers.

5. A new approach is needed to recruit the skills needed for the new immediacy of financial services into PR and communications teams. This includes seeking out new capabilities such as technical knowledge or social media analysis that in turn create opportunities to diversify.

Further reading

McKinsey
The Global Payments Report 2021

Bitcoin and its contribution to environmental impact
DSHR's Blog: EE380 Talk

Stephen Waddington/Jon White
The ESG opportunity for public relations

The Fintech Marketing Hub
Above the line marketing with Habito

The platform, network and campaigning group for diversity in PR and communications
BME PR Pros

the LGBTQI communications network
Intercomms

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- Jo Preston, Director, Teamspirit
- Romney Taylor, VP Marketing, Habito

About the Author

Natalie Orringe has more than 20 years PR, communications and marketing experience including ten years as co-founder of the award winning specialist financial services PR agency Teamspirit. There she led a dedicated fintech practice alongside leading communications for brands including Barclays, Fidelity Investment, Moneyhub, Trussle and Standard Life. Her most recent roles include as CMO for Access Intelligence (owner of Vuelio, Pulsar and ResponseSource) and Head of Communications for the global leading Institute of Development Studies. Natalie is also Chair of Together Co, the charity tackling loneliness and isolation.

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