

# How Financial Services Marketers Should Deal With Crisis of Confidence



**By Fred Geyer and Chiaki Nishino**

As the global financial meltdown spreads, it's clear that financial brands have been profoundly damaged by a crisis of confidence among their stakeholders. Brands that until a few weeks ago were pillars of the community are today widely distrusted.

Marketing leaders didn't get financial institutions into this mess. But they will be instrumental in repairing the damage. It can be done; consider Johnson & Johnson's classic handling of the Tylenol tampering in 1982, and Major League Baseball's recovery from the disastrous 1994 strike. In both instances, decisive actions by marketing leaders were key to restoring trust and rebuilding confidence.

Yet to date, financial service brand leaders appear to be just as paralyzed by current events as their stakeholders. An informal audit of commercials during and immediately following the meltdown finds that few major financial brands have adjusted their messages to address stakeholder concerns. By doing business as usual (several major brands continued with light-hearted promotional messaging), they appear out of touch with the crisis at hand.

*What can financial services marketers do right now?*

Firms like JPMorgan Chase & Co. that have acquired struggling enterprises have an opportunity to take advantage of the equities in their parent brand to reposition themselves.

Step one is a campaign integrating advertising, direct mail, and public relations that communicates the advantages of the acquisition, demonstrates that the new entity understands stakeholder needs, and reinforces the new company's dedication to addressing stakeholder issues. In this process, they should consider the remaining equities of the acquired troubled brands to see if that plays a role. They can't have all the answers at the rate developments are unfolding. But demonstrating empathy, transparency, and leadership can gain them a competitive edge.

The second step is to actively engage employees to build confidence and assuage concerns over restructuring-

related job losses. Both WaMu and Chase bank employees, for example, need to know their interests will be taken into account as the crisis management strategy is developed. Proactively disarming rumors through clear and regular employee communiqués, such as Q&A sessions and active engagement in Internet chat rooms, will help offset the risk of employee uncertainty further affecting customers.

Finally, these companies must develop a new brand architecture to communicate the link between the acquirer and acquired brands. Despite the news coverage, many consumers may not know that JPMorgan Chase & Co. acquired WaMu. More knowledgeable investors and employees are trying to understand how new synergies will be created. A new architecture will reinforce the link between the two brands as well as the parent brand's "endorsement" of the acquired company. It is also important to assess the relative equities of Chase and WaMu to assess whether the two brands play different roles in the new JPMorgan Chase & Co. brand portfolio, or whether the new brand just eventually goes away.

Large financial services companies that have not made an acquisition face a different set of challenges in rebuilding consumer confidence. While executives at Allstate, Fidelity, or UBS are probably happy to be out of the spotlight in volatile times, lack of visibility can lead to stakeholder uncertainty and suspicion. Such brands should proactively demonstrate that they are credible players in the changing marketplace and take credit for staying outside of the fray.

Enterprises could launch grassroots campaigns via the Internet, direct mail, and public speaking as a means of getting the message out that these brands are strong and healthy. Particular focus should be placed on actions already taken to address the source of issues, like UBS' proactive, pre-crisis write-downs or Allstate's portfolio diversity that protects it from undue risk.

Employee engagement is also crucial for these companies. It's a real opportunity to turn employees into brand advocates through a dialog that keeps them informed

and reinforces each company's dedication to their long-term strategies and to making the best of a bad situation, and even the potential to take this opportunity to make a big impact.

These brands also enjoy a clear opportunity to position themselves as confident and active industry leaders by serving as clearinghouses for information about the financial crisis. A creative approach could be to create a Web-based resource center, populated by information that includes practical advice from independent experts about how individuals should respond to the financial mess. This type of activity builds brand credibility without the risk that the brand will be associated with troubled institutions.

The strong regional banks such as Sun Trust and Regions Bank have a different type of an opportunity in this crisis to take advantage of the damage to the reputation of the national brands to gain market share.

A crucial part of this effort should be communications that distance these brands from Wall Street and show how

their independent, local approach has better protected stakeholders from the vagaries of this crisis.

Equally important is a strong, targeted marketing campaign to acquire customers from vulnerable competitive institutions. For example, Sun Trust can easily identify key markets where it can target Wachovia customers to switch brands. If it acts fast, it may be able to capture customers at a time when they will make the switch and when Wachovia leaders are distracted by integration activities

The wait-and-see approach that characterizes the current actions of most financial services brand leaders must change if repair is to get underway. Intelligent marketing and brand strategy will demonstrate leadership and pay dividends in the future. Stakeholders—not only shareholders, but customers and employees—desperately want to hear that someone in the industry understands their concerns and can help them do something about them. Greater transparency and provision of practical advice will go a long way in regaining their trust.

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