



Smart solutions for a savings society



The DNA of Trust in Banking

by

The Aspen Institute's Better Banking Project and BAV Consulting

It's no secret banks are having a trust problem – both with their consumers and with society at large. Along with the Great Recession, the 2008 financial crisis caused the “Great Breach of Trust.” The mortgage market meltdown, headline-grabbing scandals, record lawsuits, and billion-dollar losses have all helped make **banking the least trusted industry in the US.**¹

This is particularly troubling since trust is an essential underpinning of finance – the entire system is predicated on people acting in good faith. Faith that your money will be at the bank when you need it, faith that borrowers will repay their loans, even faith that paper currency will continue to have value. It's true that most business transactions require an element of trust. But according to the BrandAsset Valuator (BAV), the world's largest consumer database on brands, measuring 71 metrics, **trust is more important to banking** compared to all other non-bank brands.

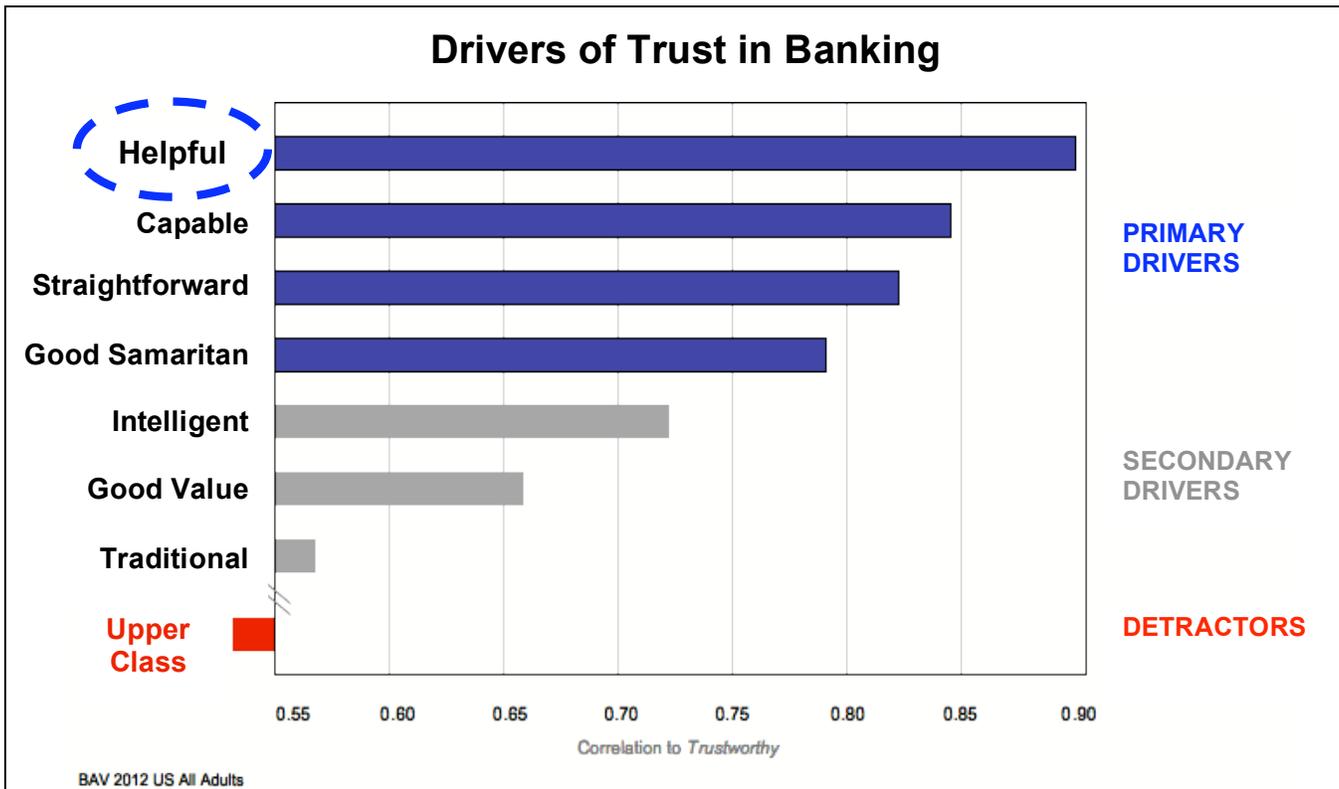
Consumers once took for granted that banks were trustworthy. But in the wake of the Great Breach, trust is no longer an assumed attribute for banks because so few are delivering on it. In fact, BAV analysis determined that **trust has become a differentiator in the financial sector** worldwide since 2008. So low is the regard for financial services that consumers expect to be disappointed, and a bank can distinguish itself from its peers just by being trustworthy.

But, what does that mean, exactly? How do we define “trustworthy” in practice? And are bankers and consumers using the same definition?

While general associations of trustworthiness might center on honesty or fair dealing, for consumers the **strongest driver of trust** in the financial sector is *Helpful*. (See chart) This suggests that to earn a customer's trust, banks must be more than forthright or evenhanded. *Helpful* implies a measure of active support.

That is a far cry from the “efficient market” mentality adopted by many financial firms, whose posture towards clients is to ensure full disclosure, then let the buyer beware. Banks that do, at times, engage in *Helpful* activity often view it as a targeted means to develop customer loyalty, not realizing its more essential role for all consumers.

“...the strongest driver of trust in the financial sector is *Helpful*.”



This helping sentiment is reinforced by another primary driver, *Good Samaritan*, which speaks to how banks conduct themselves in society. Some of the more expected attributes, such as *Straightforward* and *Capable* are also primary drivers, but rank lower than *Helpful*.

Other attributes one might expect to find – *Intelligent* and *Good Value* – only show up as secondary trust drivers in banking, meaning they are still relevant but not essential. By contrast, looking across all brand sectors, notions of quality and value are among the strongest primary drivers of trust, surpassing *Helpful*.

Banks could find a financial opportunity here: if their customers do not see value as one of the foundational elements required, consumers may be willing to pay more for a bank that can deliver on *Good Value* – once it has first established trust, of course.

Traditional – a word often associated with nostalgia for banking’s simpler days – is the weakest of the secondary drivers. Here, it conveys a desire for a more personal approach, the way your local banker might have known you, rather than a less sophisticated offering.

The one attribute with no silver lining for banks is *Upper Class* – it **actually detracts from trust**. Again, this dynamic is particular to the financial sector. (Across all brand categories, *Upper Class* has no impact on trust.) The excesses of Wall Street have affected the image of the entire banking industry – even for smaller players – so that notions of conspicuous wealth and elitism are equated with the recklessness that caused the financial crisis.

Trust is a unique proposition in the banking sector; it has different drivers in financial services than it does across all other industries. Trust is also more important to financial services, yet few firms are doing it well. That provides a lot of opportunity for the bank that can learn how to be helpful to its customers and use this DNA map to genetically re-engineer its approach.

A sampling of bank brands shows the impact of trust in practice. Regional banks trend higher than most larger institutions, while USAA places in the top category.

Trusted Bank Brands Ladder

MOST TRUSTED



KeyBank



PNC BANK



FIFTH THIRD BANK



CHASE



us bancorp.



BARCLAYS



Bank of America



citi

LEAST TRUSTED



BAV 2012 US All Adults

The Better Banking Project is supported by



Susan Ochs

*Founder, The Better Banking Project and
Senior Fellow, The Aspen Institute*

susan.ochs@aspeninstitute.org

(202) 736-2910

Anne Rivers

SVP, Director of Global Brand Strategy

BAV Consulting

arivers@bavconsulting.com

(212) 210-3553

About The Better Banking Project

The Better Banking Project, part of the Aspen Institute Initiative on Financial Security, aims to identify and promote best practices in the financial services industry. Working with a cross-section of industry stakeholders, the Project will develop a set of metrics that help gauge trustworthiness in America's leading banks. These published rankings will provide new data to empower consumers and investors, as well as steps to help the industry build more stable, customer-centric organizations. www.aspenifs.org

About BAV Consulting

BAV Consulting, a unit of the WPP Group, helps business executives and marketers assess, drive, and monitor the direction of their brands as strategic corporate assets, using the proprietary BrandAsset Valuator (BAV) models and metrics created from the world's most comprehensive study of brands, to link the more emotional aspects of brand affinity to the harder quantitative measures of finance. BAV Consulting has been measuring brands since 1993 and today over 45,000 brands have been evaluated on 75 metrics, among 900,000 respondents in over 45 countries. www.bavconsulting.com

April 2013