



Marketing from the Outside in

To address the ongoing evolution of consumer preferences and expectations, financial services organisations need marketing leaders with experience in defining and executing client-centric marketing strategies

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While consumer financial services organisations like banks, insurance providers and payments companies have consistently had an appetite for innovation, the fairly recent shift in the makeup of their customer base and its expectations has put the industry a bit on its back foot.

Today's financial services customers have desires and needs that are compelling the sector to rethink the type of marketing talent and strategy needed to reach them. In short, financial services have no choice but to combine their product marketing expertise with a people-centric marketing approach that shows they understand their customers.

Reaching today's financial services customer

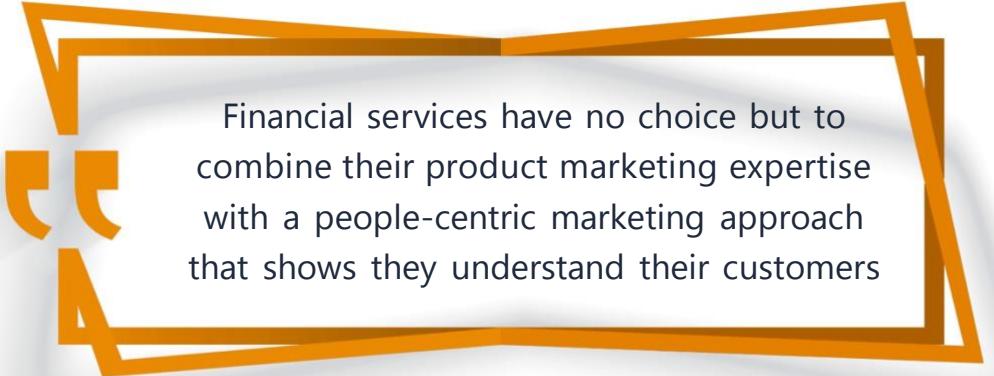
The age-old picture of a typical financial services customer is a middle-aged to older man, mirrored by his financial adviser. In reality, that customer is just one of many. Women are just as likely as men to seek out financial services, cultural and religious diversities have emerged among younger generations, and Millennials are hyper-motivated to have positive social and environmental impact in everything they do, including how they spend and invest their money.

This more diverse and widespread customer landscape creates a demand for effective market segmentation, and a strategy that allows a global brand to "feel" local to customers whenever and wherever they engage with the brand. As a result, financial services companies and their marketing officers (CMOs) must conquer a complex web that spans the globe, and incorporates more customer segments, media and distribution channels. The pricing of products and services offers a quick example: a global company with a multi-channel, multi-regional presence might have to establish countless analytically informed price points in the space of a few months.

Here's why all of this matters to the people who market financial services: As a the gender, age, religious and cultural portrait of financial services customers

becomes more of a Jackson Pollock splatter than Still Life with Fruit, the business landscape is undergoing an equally rapid transformation. New entrants are changing how consumers manage their finances, with brand loyalty becoming even harder to maintain. Customers look to peers, social media and family to make decisions, and many are willing to completely drop the use of some professional financial services.

So the big question is: How do financial services companies take advantage of this vast potential? The answer might be a heavy dose of modern consumer marketing expertise.



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Beyond flower arrangement

Financial services businesses have always had a marketing arm, but for years this function was subordinate to nearly every part of the company. In part because the customer base was so consistently the same, and to a degree due to compliance issues, financial services marketing hasn't needed to be especially sexy. As a result, the potential for marketing in financial services has been easy to overlook.

To be fair, the same can be said across the global business world. In July interview with CNBC, Ann Lewnes, executive vice president and chief

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marketing officer (CMO) at Adobe, said that in a recent conversation a peer at another company in Japan admitted that the CMO role there was still viewed as the "flower arranger."



That's an extreme example of underestimating the importance of marketers, of course, but as Lewnes went on to say in the interview, for a long time "that's what a lot of people thought about marketing... but now, because of marketing technology, we have demonstrable evidence of what the impact of what we do. We have quantitative data that can show the results, and I think that's given us a seat at the table. We drive the business now in many cases."

In fact, the emergence of data and analytics, and the rapidly improving quality of cognitive computing (artificial intelligence), has so completely transformed the role of CMO that the job title itself no longer accurately describes everything a modern marketing leader can do for an enterprise. As a result, it's becoming more and more common for multiple C-suite titles to incorporate some aspects of marketing.

For example, chief customer officers, chief experience officers, chief client officers, chief digital officers, and chief marketing and sales titles and responsibilities are popping up with greater regularity. These new roles reveal an understanding of the connection between a marketing strategy that focuses on customer satisfaction and growth in the business. Which, it turns out, is just what the doctor ordered for financial services.

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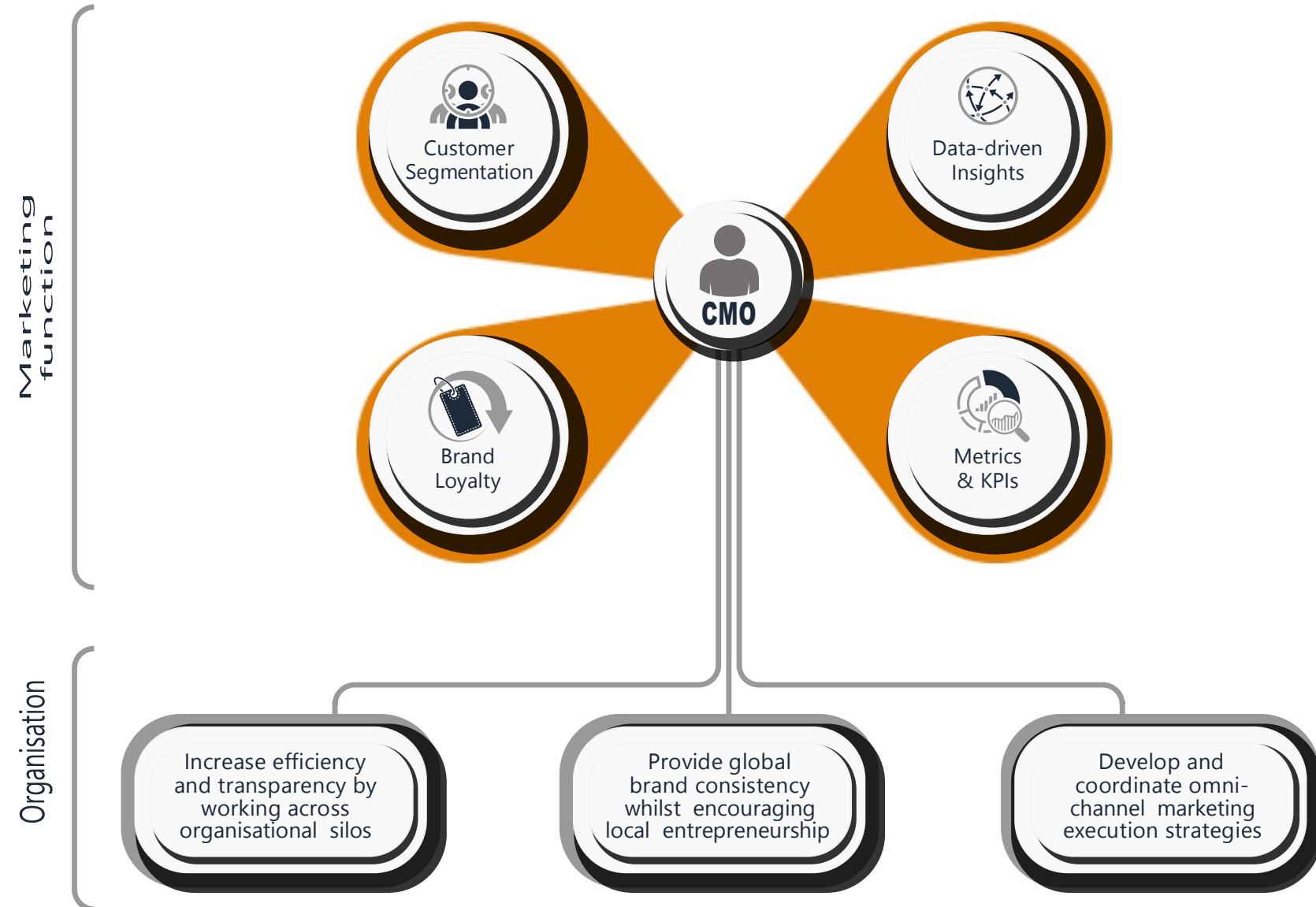
The financial sector has a reputation for being resistant to change, possibly because there are frequent attempts by politicians and regulators to force change upon it, and because the known is more predictable than the unknown. It's increasingly clear that financial services customers want something different than the norm, however.

Marketing experts from outside of the financial sector are likely to be far more in tune with what these demographic groups expect out of consumer/company relationships, and thus could provide the impetus the sector needs to strengthen the connection with customers. In particular, marketing expertise that has been reaching the new financial services demographic throughout their lifetime on the consumer level could prove invaluable.

Marketing expertise from outside the financial services sector is likely more familiar with using data- and analytics-driven insights to understand the behaviour of far wider demographic groups and segments than traditional financial marketing. McKinsey's DataMatics 2013 survey revealed that companies that use customer analytics extensively are more than twice as likely to generate above-average profits as those that don't. They also outperform peers across the customer lifecycle, are nine times more likely to enjoy customer loyalty, and 23 times more likely to outperform less analytical peers on new customer acquisition. Better analysis of data insights can improve marketing return on investment (MROI) by 10-20 percent, and drive average profit growth of 14 percent.

Experienced consumer marketers are also aware that modern customer journeys are complex and could possibly touch every aspect of an organisation. For financial services, that means added value from a CMO who is capable of understanding, interacting and participating in the strategy of the entire organisation, so that anywhere a customer might alight they discover a rewarding experience and an integrated service-delivery approach.

What a consumer CMO can bring to Financial Services



What might be the most impactful difference a consumer-oriented CMO can bring to a financial services business, however, is their experience in organisations where everything revolves around a marketing strategy based on deep customer knowledge. In this regard, the CMO can be the never-ending thread that pulls together all efforts aimed at business growth.

By working closely with their peers in the C-suite to increase awareness across the enterprise that the customer experience is job one, CMOs from outside the financial services sector can be the game changers the industry needs to create a more positive image among young investors (who are tomorrow's middle-aged and old investors) and realise the potential that exists in turning doubters into loyal customers for years to come.

Disruptive marketing appointments in financial services

Considering the financial sector's well-known penchant for playing things conservatively, some financial services companies have proven remarkably willing to embark on the disruptive journey toward a more customer-centric business model.

One global banking and financial services company, with a footprint across more than 70 countries, identified the ideal CMO for its retail banking division by requiring a deep understanding of consumer segmentation in emerging economies, an ability to increase brand awareness and loyalty, and experience setting multi-channel strategies driving consumer engagement. A winner emerged who brought to the table early-career experience in the consumer packaged goods space, combined with later roles in retail and technology consumer businesses.

Along similar lines, a Swiss private bank recently appointed a seasoned luxury goods marketer to the newly created role of Chief Branding Officer. Intriguingly, one of the things that separated the top candidate from the pack was insights on the behaviour of high net worth individuals, who are the bank's most important and sought after customers. Now established



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in the role, the branding executive is leading the transformation of the marketing function from the old, communication-focused role to a modern, digital customer-centric model.

Even the fintech sector—already well ahead of the rest of the financial sector with new experiences to drive loyalty and revenue—is rewriting the rules of marketing. One Fortune 500 payments business has recently appointed a new regional CMO who brings over 20 years of experience in consumer goods marketing. Indeed, when the company is young, it makes sense for a fintech CMO to focus on cost-effective digital channels that drive customer acquisition and brand awareness.

However, as these businesses grow and mature, the requirement for CMOs with a broader skillset and more sophisticated multi-channel marketing strategies becomes imperative. In this context, a CMO from a consumer-centric background can help shift the mindset and culture to a customer-first approach, as well as implement best-in-class systems and processes which will help the business scale.

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