

MESH

Experience

UK Retail Banking Coronavirus
Weekly Insights – Week end 26 June 2020



Savvy Saving – help customers to make their money go further

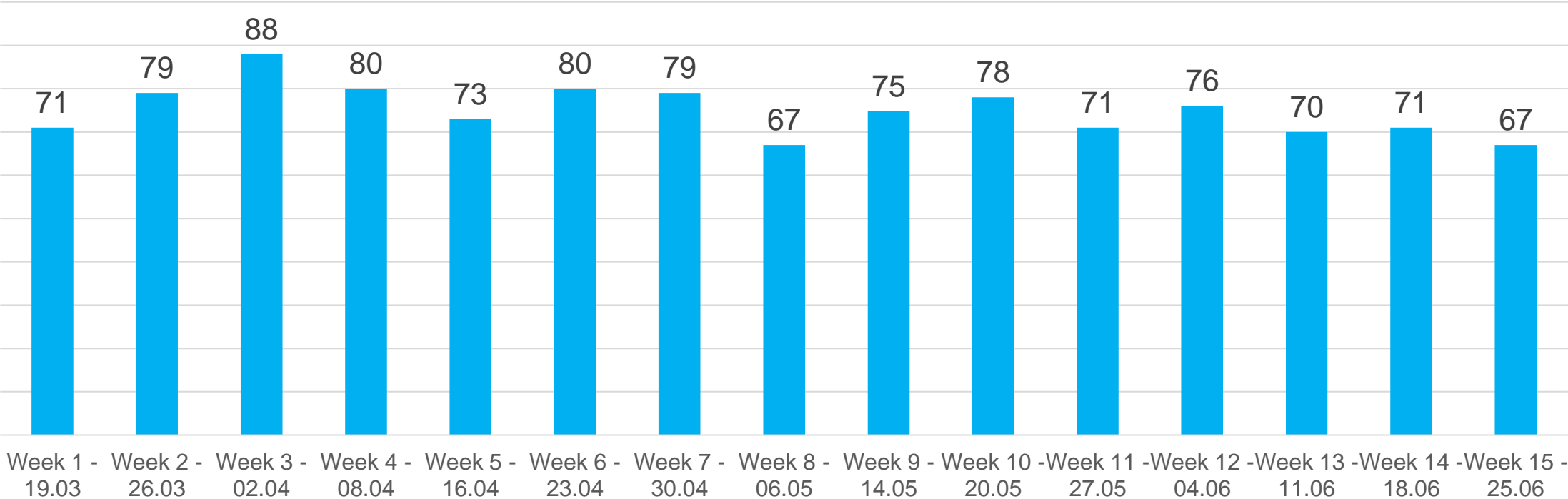
There is concern about low interest rates and being able to save less.

With other priorities during the pandemic, savers haven't been spoken to.

There is a role for banks to help everybody, savers and others, by providing smart ways to save money.

With hopeful news on the course of the pandemic, fewer people indicate being fairly/very concerned.

How do you feel about the ongoing COVID-19 (Coronavirus) pandemic?
Fairly & Very Concerned %

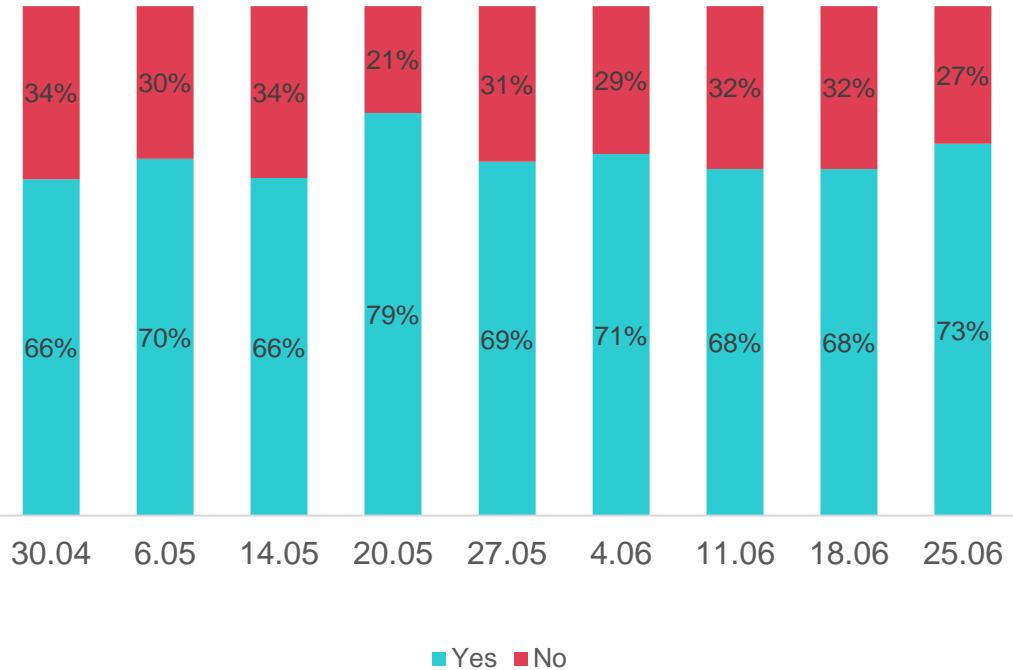


Source: MESH Experience Retail Banking Study Pre Questionnaire
base responses n=186
Question:How do you feel about the ongoing COVID-19 (Coronavirus) pandemic?



People still feel banks are doing enough, and with this they are referring to the specific crisis related measures taken by banks.

Are banks doing enough to help customers during the COVID-19 (Coronavirus) pandemic?



Helping people with money worries

help with free overdrafts and reduced charges for any admin problems

Be lenient regarding overdrafts and repayments on loans and mortgages

Banks should be offering mortgage and loan holidays and helping customers generally with financial problems.

From what I read they all seem to be making some movement towards helping their customers with things like mortgage payment breaks, credit card payment breaks and offering to have talks with customers about their financial situation.

Source: MESH Experience Retail Banking Study Pre Questionnaire
 Base response Week 15 = 186
 Questions: Are banks doing enough to help customers during the COVID-19 (Coronavirus) pandemic?
 What should banks be doing to help customers during the COVID-19 pandemic?

However, with news on reduced interest rates, people worry over building up savings and longer term financial stability.

Why should they help people? It's surely up to people to save for a rainy day and make sure they have some savings for that. Why should they get help when they spend every penny they earn on going out, buying stuff, going on holidays etc and taking out loans to live beyond their means! There should be a clearer message that people need to support themselves which means saving just in case !

***Interest rates** not just giving holidays for those who cannot pay for things*

*[banks are] advertising but **cut savings rates***

*negative **reducing interest rates for savings***

As they are now, although I'd rather them not drop their saving rates.

*From what I know it is helping people who are struggling but they have also dropped their interest rates **which impacts my savings.***

Interest rates rubbish

less to save

Better interest rates

Source: MESH Experience Retail Banking Study Pre Questionnaire
Base response Week 15 = 186
Questions: What should banks be doing to help customers during the COVID-19 pandemic?
How much is [your bank] doing, if anything, to help its customers during the COVID-19 (Coronavirus) pandemic?

To counteract the worry, banks can help their customers with advice, which is still needed and appreciated, around how to save.

“Negative interest rates. Not good.”
 HSBC | Social Media | Fairly Negative | Slightly less likely to choose | Fairly Irrelevant

“Telling you about savings. Not good low rates”
 Barclays | TV | Neutral | No difference | Neutral

“NatWest to cut interest rates by 0.3 pc on fixed rate deals. Bit depressed.”
 NatWest | TV | Very negative | Slightly less likely to choose | Fairly Relevant

giving information, advice.

PRE

Giving people advice and confidence to sort bank account if need be

“when i viewed tsb online banking, the homepage had a heading ‘how we are supporting you’ that focused on its customers’ anxieties about covid-19 and any financial concerns that had arisen as a result. it offered information and advice to customers. i felt reassured by the information, should financial difficulties arise in the future.”
 TSB | Online Banking | Fairly Positive | Much more likely to choose | Neutral

“Login page had details of help during covid, how to access and that people should get in touch. Pleased they are keen to assist where possible”
 Atom Bank | App from bank | Very positive | No Difference | Very Irrelevant

DIARY

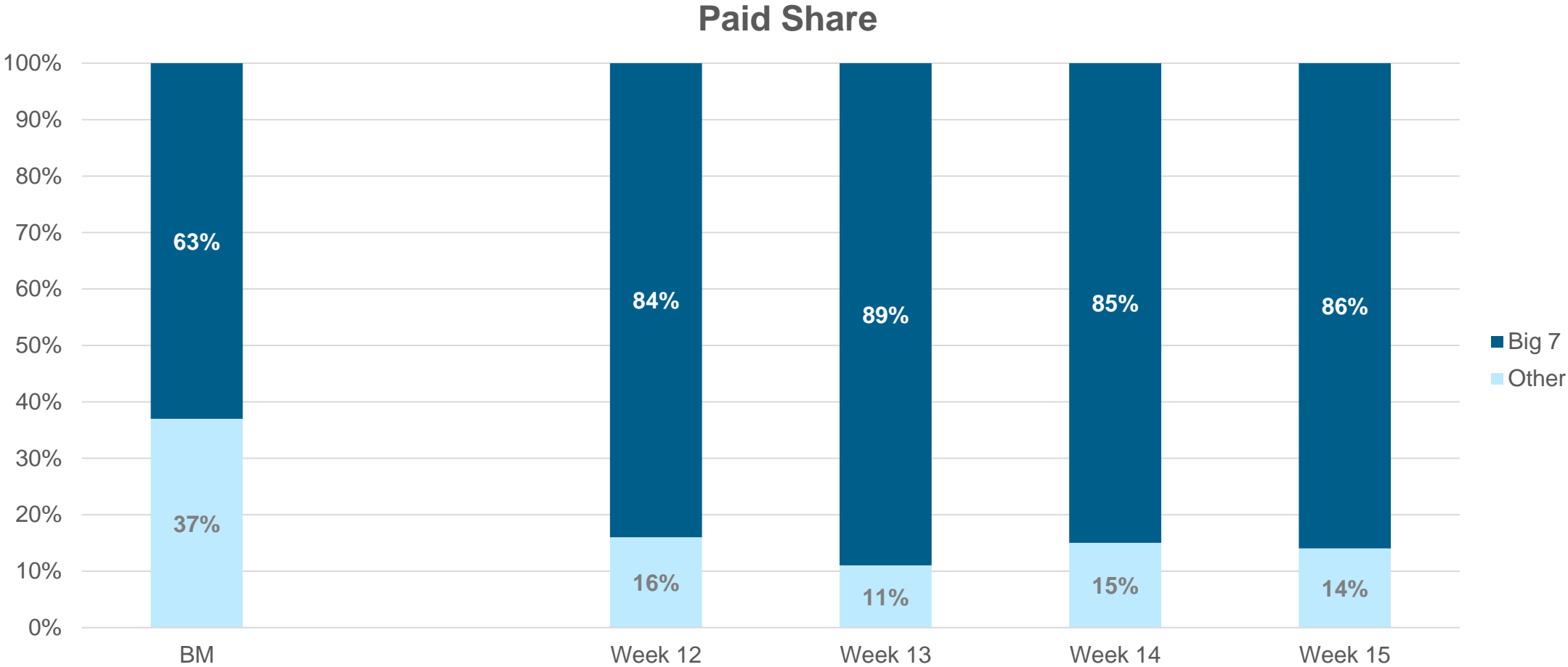


Opportunity for challengers and fintechs to regain presence

The advertising space has been dominated by the big 7 banks during lockdown, gaining up to 86% share of the paid experiences vs 63% for benchmark (11th Feb-16th March).

Although challengers and fintechs have been hit by the pandemic, our data shows it is the time to come back and promote helpful solutions.

The big 7 banks have consistently been more present with advertising during lockdown and gained a total of up to 86% of the share.

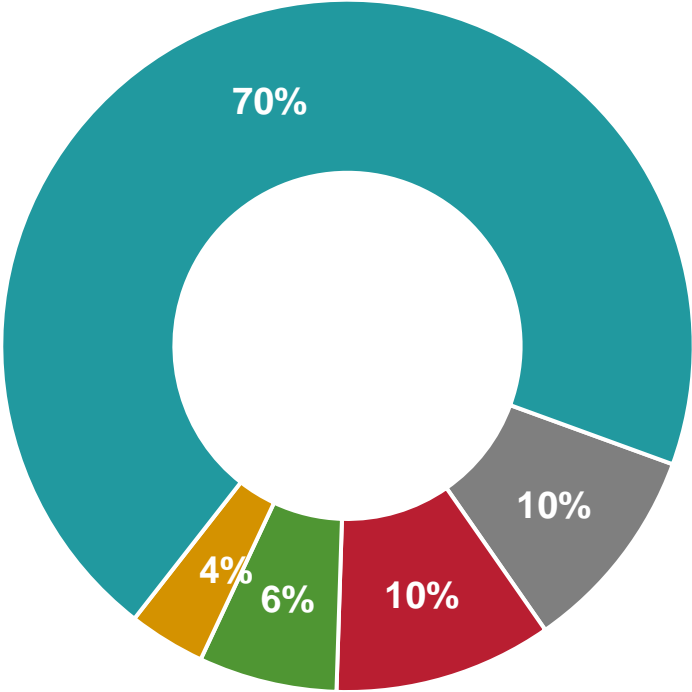


Source: MESH Experience Retail Banking Study
Base paid experiences/paid people. BM: n =516/222 - | Week 12: n=344/161 | Week 13: n=113/50 | Week 14: n=113/49 | Week 15: n=107/44
Big 7: Barclays – Lloyds – Halifax – Nationwide – NatWest – HSBC - Santander

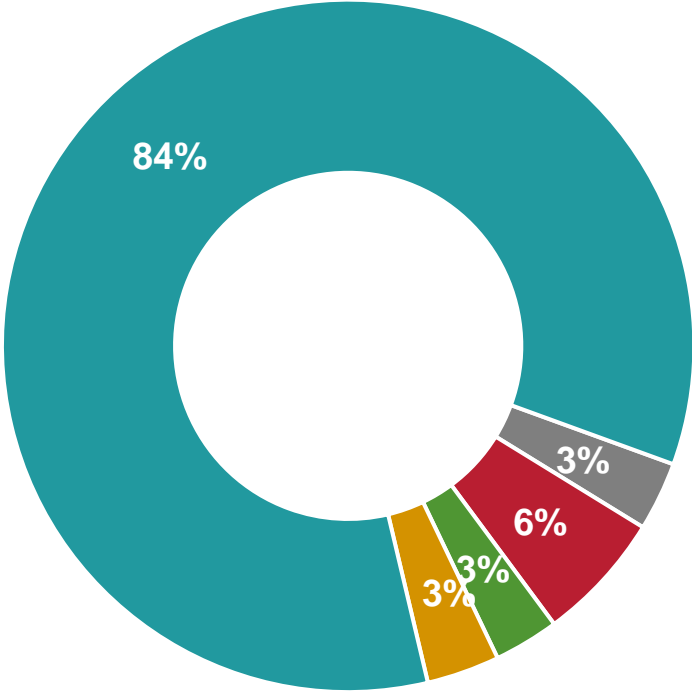


Both the challengers and the fintechs have lost share during the pandemic.

Q1 2020 – Paid share



Week 10-15 – Paid share



- all others
- Challengers
- Fintechs
- Retailers
- Big 7

Source: MESH Experience Retail Banking Study
 Base paid experiences/paid people. Q1 Total paid: n=2,120/750 | Week 10-15: n=1,086/384
 The big 7: Barclays – Lloyds – Halifax – Nationwide – NatWest – HSBC – Santander. | Challengers: Clydesdale – First Direct – Metro Bank – TSB – Virign Money – Yorkshire Bank | Fintechs: Atom Bank – Monese – Tandem Bank – Monzo – Starling Bank – Fidor | Retailers: Co-op – M&S – Sainsburys – Tesco | All others: Bank of Scotland – Charter Savings – Citi – Post Office – RBS

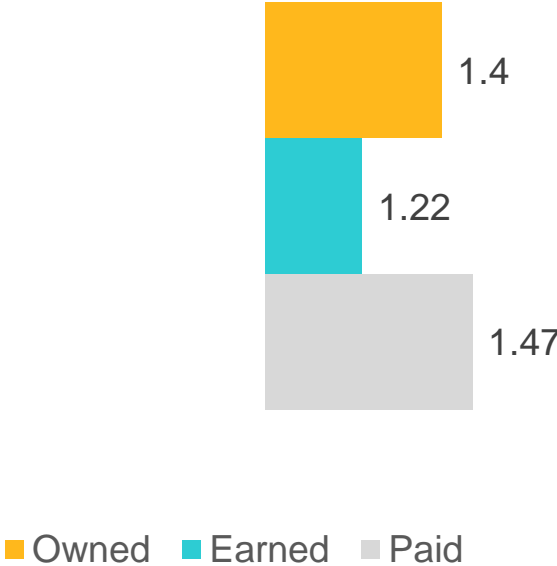
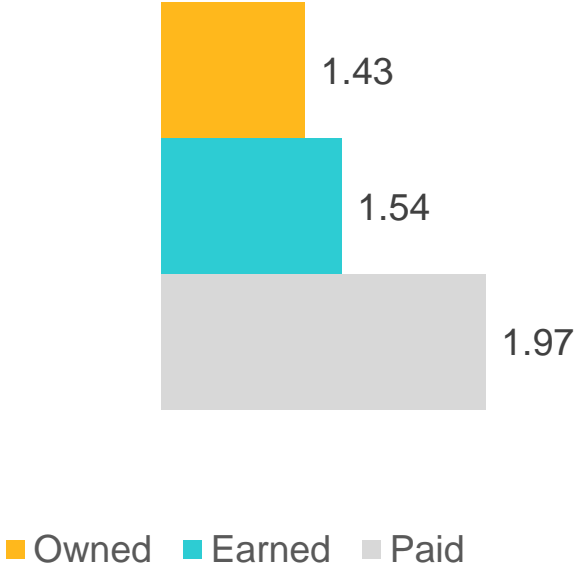


Paid experiences have the highest impact on brand advocacy, especially on improving it.

Odds Ratio Impact – Improve

Odds Ratio Impact – Maintain

Brand
Advocacy [Top
2 box]



Experience
Maximizer

Source: MultiBrand RET – Retail Banking, Q1 2020
Base: 4,876 Experiences
Sig 90%+

The shift in focus towards savings and different banking needs vs those in crisis, could be an opportunity for non-traditional banks to step in.

“Interest rates good.”

Monese | Poster/billboard | Very Positive | Much more likely to choose | Very relevant

“Have been looking at changing credit cards as we do a lot of **travelling abroad** and our current credit card makes charges for **foreign exchange** etc. Looking at several banks and came across The Post Office Travel credit card, which has no foreign exchange fees, is widely accepted Mastercard, and has rate of 19 to 24%, not too high interest rate. Just thought this was worth looking into in more detail.”

Post Office | Online | Fairly positive | Slightly more likely to choose | Very relevant

“interest rates looked good”

Monzo | Poster/billboard | Very Positive | Much more likely to choose | Very relevant

“Showed a good deal of products available.”

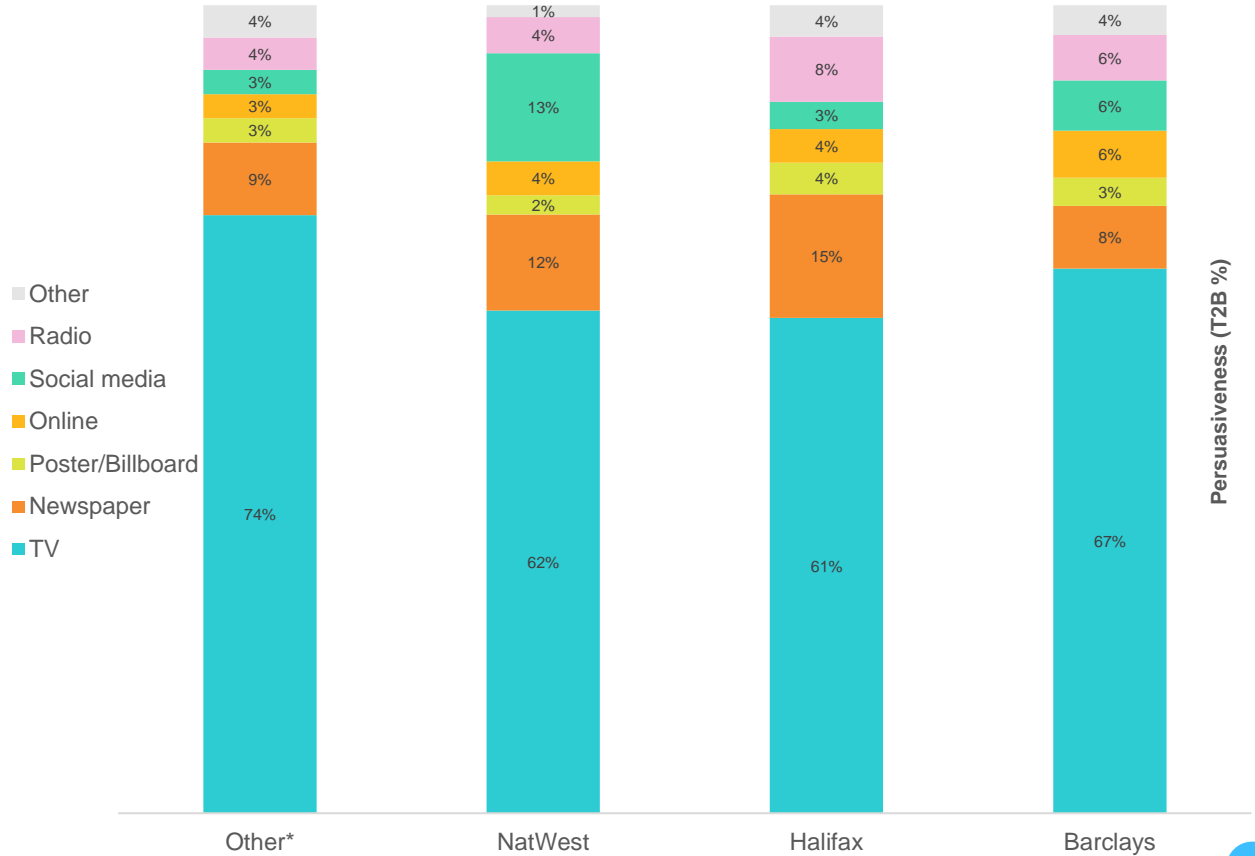
Post Office | Poster/billboard | Neutral | Slightly more likely to choose | Fairly Relevant

Diversify channels

Those brands like Barclays, NatWest and Halifax that have had the most diversified paid media channel mix, have performed the best in quality of paid experiences.

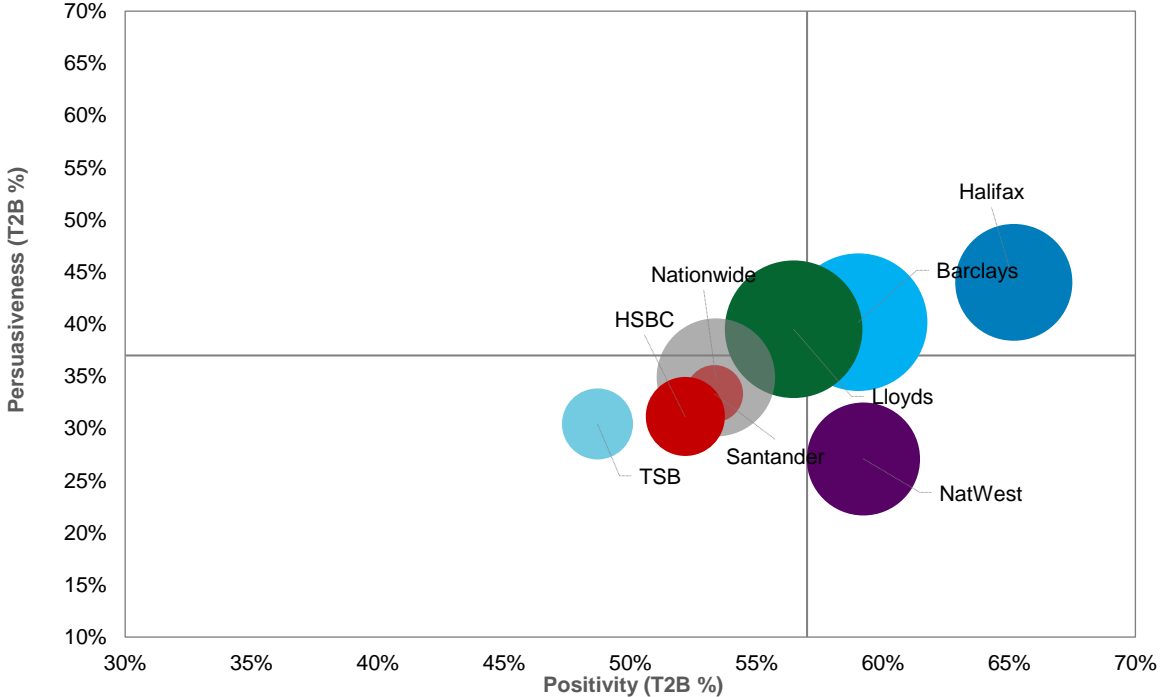
By having a variety of messages through different channels, there's been the opportunity to appeal to a broad audience.

NatWest, Halifax and Barclays showed a bigger variety in channels used vs the other brands and have performed well while doing so.



*Lloyds, Nationwide, HSBC, Santander, TSB

Paid Media Brand Experience Map: Week 1-15



This is in line with James Hurman and Peter Field’s recent research (“The Effectiveness Code”) showing that regardless of the spend, a diversified media mix makes campaigns more effective.

Source: MESH Experience Retail Banking Study
 Base paid experiences/paid people. Barclays: n= 515/347 |Lloyds Bank: n= 549/345| Santander n= 75/60 |Halifax: n= 359/250 |Nationwide: n=384/255 |
 HSBC: n=138/114 | NatWest n= 336/234 | TSB: n= 115/92.

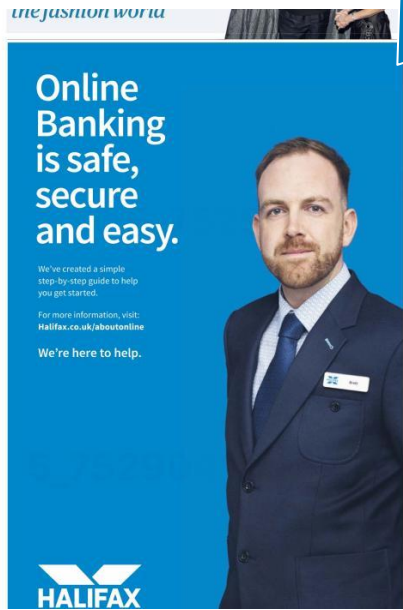
The use of different channels allowed different messaging, contributing to the overall success of the brand.

“I saw a prominent advert in the Guardian. It made me feel pleased that Halifax was thinking about older people in society who may be unsure about using internet banking”

Halifax | Newspaper | Fairly positive | No difference

“Full page ad for Barclays, **explaining** about using online banking instead of branches. Well laid out, easy to read, not too long. I was impressed as it was **positive and friendly and more relevant** and helpful than some other bank ads I've seen recently.”

Barclays | Newspaper | Fairly Positive | No Difference



“The advert showed members of staff saying that the bank is open and helping people. They are allowing payment holidays for mortgages, loans and credit cards. They are keeping as many branches open as possible.”

Halifax | TV | Fairly positive | Slightly more likely to choose

“I was a barclay card fraud advertising humour to advertise fraud. they used to fake gorillas as an example. i found the advert amusing.”

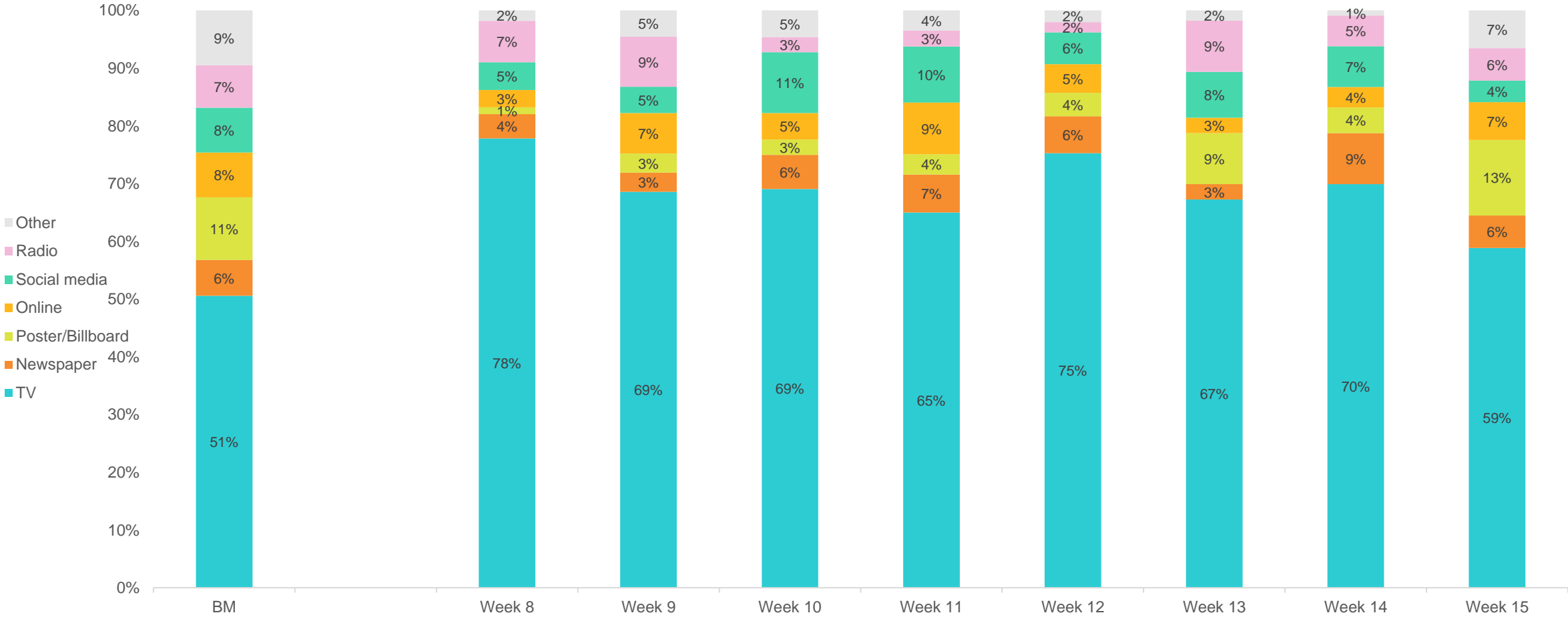
Barclays | TV | Very Positive | Slightly more likely to choose

“Video giving overdraft advice for customers effected by the COVID-19 crisis.”

NatWest | Social Media | Fairly Positive | No difference

Channel mix seems to be returning to more normal levels.

Paid touchpoint share



Source: MESH Experience Retail Banking Study
 Base paid experiences/paid people. BM: n=516/222 - | Week 12: n=344/161 | Week 13: n=113/50 | Week 14: n=113/49 | Week 15: n=107/44

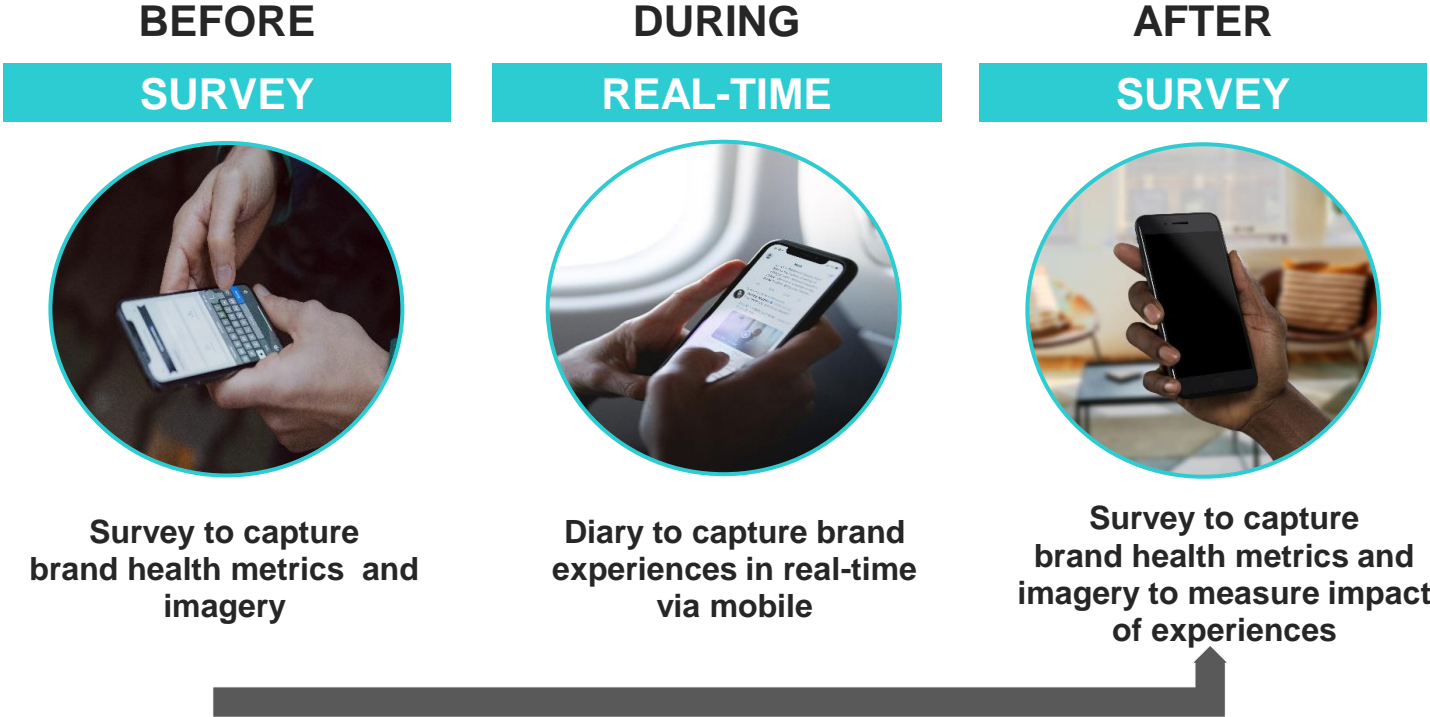
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APPENDIX

UK 

Real-time Experience Tracking (RET): Methodology



Experience Maximizer to identify touchpoint impact

“A new tool radically improves marketing research.”



MESH Experience is a data, analytics and insight company working with Fortune 500 organizations, like Delta Air Lines and LG Electronics. We believe that brands today should take an Experience Driven Marketing approach, looking through the eyes of the customer to understand all paid, owned and earned brand encounters. Our proprietary methodologies, datasets and models help us give clients faster and better advice on how to optimize their marketing investment. Real-time Experience Tracking (RET) was described by Harvard Business Review as “a new tool (that) radically improves marketing research”.

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