

Why building digital brands is the future for finance

Finance professionals work daily with new technology and financial brands must embrace the online revolution to succeed, argues Warren Knight.

As someone who has been in business for 25 years I have experienced first-hand how much industries have evolved since the dawn of the digital age. I have had to go through a digital transformation in order to not only keep up with the changing landscape, but stand out from the competition.

Particularly within the finance sector, traditional brands have begun to find themselves in a bit of a muddle. Many high street and retail financial service brands are trying to reinvent themselves to stay current or even having to be bailed out. NatWest revamped its logo in a bid to breathe new life into their brand image. Lloyds split with TSB back in 2013 to stand on its own, and has since seen a huge online scandal earlier in the year due to a botched technology 'upgrade'.

As these traditional brands fumble about trying to keep up with the changing landscapes, new, digital-based brands such as Atom Bank and Revolt have emerged, revolutionising this potentially stagnated industry. We are living in a cashless society, contactless payments and mobile banking have made the need for cash more and more redundant. With this change emerging fintech brands are using the web's instantaneous nature to integrate ease and simplicity into the financial industry.

In this digital age it is imperative that you and your brand is online. This is fundamental in just staying afloat among your competitors. Having an online presence is key and it is where every brand that wants even a fighting chance needs to be. It is the future, and not having an online presence will leave your business searching for light in the dark ages. As technology has evolved and changed, consumers' need for efficiency and simplicity has amplified.

The use of mobile phones has transformed from simple communication to a one-stop-shop for almost anything. Ordering food, shopping,

navigation and booking train tickets or even holidays can all be done using a smartphone, and brands have found ways to capitalise on this. 50% of start-ups that went on to become market leaders in their industry used mobile technology at the heart of their product. Just look at Uber.

Not only has mobile technology revolutionised how we order taxis, the ways in which you are able to invest in stocks and shares has changed dramatically. Gone (or at least outdated) are the days of ringing up a broker and waiting five days to then be charged a hefty fee. Now you can invest in shares as quickly as five minutes by using apps such as EFTmatic or Nutmeg - it doesn't get a lot more efficient or simple than that.

A CHANGED MINDSET

However, although technology has enabled such change within the industry, it is not the main driver. First, you need to change your mindset. It is all very well having access to a range of technologies to streamline your business, but without becoming fully invested in the ways in

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which you can harness them, you may be left behind. Five qualities that I feel are vital to developing your digital mindset shift are outlined below.

ADAPTABILITY

Being able to adapt is particularly crucial given the fluidity of the digital landscape. Without possessing this quality it is easy to get stuck in old ways where you will risk becoming outdated, fast.

AMBIGUITY

Becoming open to ambiguity is important. There will be times where you will not have all of the answers, so filling in the gaps is a useful skill to possess.

CURIOSITY

Developing your curiosity is valuable as exploring new avenues and questioning existing strategies is how you evolve and future-proof your brand.

COLLABORATION

Collaboration is key to driving success in a digital age. Communicating with employees to understand different people's views and methods will enable you to create a business that benefits and appeals to a range of people.

DIVERSIFICATION

This also filters into the diversification aspect as the collaboration of ideas from different individuals ensures your product will delve out of your comfort zone and that it offers something unique and accessible.

Once you have successfully opened your mind to the possibilities and innovations that new

technologies can offer you, you need to be offering something unique.

DOING THINGS DIFFERENTLY

A unique selling point (USP) is vital and it is important to define your business again within the parameters of the current digital landscape as there are bound to be some new aspects to consider. It doesn't have to be a complete one-off that no one else has thought of, it could even be just a little bit different from the rest. As long as you are offering consumers something in the most efficient and simple way they can get it.

Technology has created the platform for brands to initiate this informative - meaningful - simple framework which is what differentiates between unsuccessful and successful brands in this digital age. Traditional financial brands over-complicate their services to consumers to create complexity in the idea that they could market their services as the purveyors of their dreams.

However, this is also their downfall, as now consumers feel more in control of their money due to the direct and instant access that mobile apps have created. They no longer want to feel bombarded with complicated jargon, and this is what new fintech brands are offering. It is easy to get carried away with creating an entirely digital brand and focusing on the quick and simple outputs that technology affords us with now. But it is also important that the human aspect isn't lost as a result.

Customers still want that human interaction no matter how advanced technology gets and

building relationships with consumers will help to ensure loyalty and also drive recommendations.

THE POWER OF SOCIAL MEDIA

Social media is a great way to create a human aspect to your brand as the platform enables you to share content that is fun and engaging. Sharing images and videos is an even better way to build these customer relationships and is proven to be the best way to successfully engage with users.

Social media is also a great place to ask for feedback. Making use of polls and questionnaires encourages consumers to one, engage, and two, to communicate their likes and dislikes which you can implement to increase customer satisfaction.

Not only does social media maintain your brand's 'humanity', it can also improve your brand image. However, as the world becomes more connected and technology continues to advance, the risk of cyber security attacks also increases. You will most probably (and hopefully) be familiar with the NHS hacking scandal that rocked the media late last year, along with well-known group Syrian Electronic Army (SEA) hacking several Skype social media accounts in 2014.

To avoid devastating damage to your brand image in the case of a cyber security breach, noticing these signs could save you from a huge PR disaster:

- floods of negative comments coming in so fast that you can't control the situation;
- loss of control of your own feed;
- finding out information about your brand from a third party that you didn't know yourself;
- higher than normal negative interest and discussion rates; and
- content on your account that you have never seen and didn't post yourself.

In the case of an attack that you have quickly identified due to the above, it is best to apologise right away. Don't leave any time for your followers to question what is going on themselves, that's how rumours start.

And don't use humour to add light-hearted relief - not everyone has the same sense of humour and your harmless joke could be misconstrued, worsening the situation. Used correctly and diligently, social media will aid in

growing your brand and give consumers a direct insight into its personality.

According to a study, 34% of consumers said they are less likely to do business with a brand that doesn't have a social media presence. This is because a presence on social media builds trust and legitimacy as consumers can communicate with brands on a more personal level, which is especially important within the financial sector.

As consumer trust in traditional retail financial brands continues to decline a gap is forged that fintech start-ups are beginning to bridge. The best way to maximise on this is to ensure you have ample exposure on social media and begin to build those lucrative relationships.

Establishing strong branding will still sell your business in years to come due to the faith people have in brands they recognise and feel they know intimately. Simplifying the management of money is at the core of the majority of emerging fintech start-ups, with the industry itself growing at a pace not witnessed before.

This may be due to the muddle that more traditional brands currently find themselves in, along with the abundance of choice consumers now have. They can not only choose where to spend their money, but how they want to spend it. The meaning of the term 'bank' has evolved significantly allowing the public alternatives to traditional banking routes.

People are becoming more confident in their ability to manage their own money which means brands that remove the complex layers and perplexing terminology will begin to make headway. Managing finances needn't be a chore in the digital age. Brands that know this and use technology to develop their strategy and build a framework to offer ease and simplicity are the ones that will fare well into the future.

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Warren Knight is delivering a lecture on Innovation and Business Development on 13 November 2018 from 6pm at Chartered Accountants' Hall, Moorgate, London. Book your place at icaew.com/bamnovent