

Distinct^o Breakfast Briefing

Part of the WDSScott Group

WEDNESDAY 11TH
JANUARY 2012
8.00AM

LOCATION:

THE WALBROOK CLUB,
37A WALBROOK,
LONDON, EC4N 8BS



THE NEXT EVENT:

Distinct's next Breakfast Briefing will be held on Wednesday May 23rd when the topic we will be "Evolving Business Models for Changing Customer Environments".

Our guest speaker for the briefing will be Chander Velu from Cambridge University.

If you, or a colleague, would like to attend what promises to be another stimulating discussion, please email Kristian Hall at Kristian.hall@distinct.uk.com to receive an invitation.

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CONSUMER POWER – WHAT ARE YOUR CUSTOMERS THINKING?

SPEAKERS:

Jasmine Birtles

TV and radio financial commentator and owner of MoneyMagpie.com

On Wednesday 11th January, Distinct Business Consulting hosted a Breakfast Briefing entitled "Consumer Power – What are Your Customers Thinking?" for its clients and guests. Senior executives from the insurance and banking sectors listened to Jasmine Birtles the financial expert on This Morning, The Wright Stuff and Steve Wright in the Afternoon. She is also a regular financial pundit on TV programmes such as Daybreak, BBC News Channel, BBC Breakfast News and Sky News.

Jasmine is well placed to talk about the consumer- she speaks to them daily and has been doing so since the advent of the credit crunch in print, web, TV or even live on stage. "People have started to listen" she said. "They really want to know more about finances and financial products & companies. They are concerned about their money & they are angry with the Financial Services sector".

Jasmine explored the fact that financial services companies are trying to be more customer focused – or at least making the right noises. Jasmine underlined that these efforts are not getting through to the man on the street, and that's what matters. The level of bad press in relation to unfair charges and bonuses to name a few are overshadowing positive changes.

Jasmine believes that some of the bad practices in financial services have proliferated due to the level of financial ignorance. Financial products have become increasingly more sophisticated but the public haven't had the training to deal with them. It has led directly to the financial & economic instability we see today.

"But this is changing" she said. Today's youth are worried. They drink less than previous generations, they are more worried about their finances both short and long term. It is still a very small minority but some of the younger generation are starting to get a financial education. It's slow, but it's beginning to happen. It was surprising to hear that young men today are saving far more than their female counterparts. Jasmine went on to suggest that the 'live for today' culture that has built since the 80s is close to petering out.

Jasmine was adamant that unless financial services companies started changing today, they will be overtaken by today's young internet entrepreneurs. Zopa, Ratesetter and Funding Circle are just a few of the 'social business' that are starting to gain traction. She pointed out that there are apps, new technologies and new ways of doing things that are being designed right now that will quickly overtake traditional methods.

It is the 14 year olds of today that business's need to be thinking about now. They are already living and learning in very different ways. They are coming up with new ways of managing their lives, using technology. They will create gadgets and software that are already changing the way business is done today.

It is these factors, technologies, consumer trends and financial knowledge that will require financial services firms to increase the transparency with which they operate.

Policies, costs and benefits will need to be very clear as equality of knowledge increases.

Jasmine went on to suggest what she, as a financial journalist would like to see on behalf of consumers

- o Personality - Fun & unique brands that people can believe in. The John Lewis, Fairy Liquid firms of financial services. Strong brands that are backed by genuine service and genuine quality
- o Flexibility – Companies that will take on new technologies and new ways of working and bring them in quickly
- o Willingness – A willingness to do things the 'Apple' way. Only companies that show an appetite for happy experiences will survive

The Distinct Point of View

Kristian Hall from Distinct shares the same sentiments. Understanding the changing customer agenda is key to survival. "Our clients, both in the Banking & Insurance sector, have the customer agenda high on their list of priorities. There is no lack of appetite or genuine willing to adapt. They recognise the need for a structured customer strategy. How to go about approaching it is another question"

Many of these organisations are complex. They need to balance a significant amount of regulatory change and cost reduction with that of customer needs. "It isn't as simple as applying a broad brush approach to all your customers. If our clients did that, they would struggle to get anywhere"

Break the issue up into small chunks. Segment your customers and understand the needs & wants of that segment. Customers expect to get treated in a manner befitting their expectations. That is to say, not everyone expects to be treated like a king, but they might expect to be able to fully self-serve their needs. "Don't assume that when you find a strategy that works, it will always work. We are seeing industry players losing market share because of just that - they haven't evolved"

"We are helping leading organisations to design the data, analytics and strategic capabilities they need to be able to define & implement their customer strategy. There are however plenty of straight forward steps you can take to start making inroads – data & information capabilities needn't bring everything to a halt".