



WHY THE SMART MONEY IS ON FINANCIAL WELLBEING

FINDING THE FINANCIAL CURE IN A POST-PANDEMIC WORLD

MAY 2020

PRIVATE AND CONFIDENTIAL

AS THE WORLD LOOKS TO RECOVER FROM THE EFFECTS OF
THE CORONAVIRUS OUTBREAK, MANY INDUSTRIES ARE
ASKING THEMSELVES

WHAT SHOULD
WE DO NEXT?

**THIS TRULY IS
THE**

**THE WORLD IS
TEMPORARILY CLOSED**

\$1 TRILLION QUESTION

AS WE EMERGE FROM THE CLOUD OF A GLOBAL PANDEMIC, WE WILL BE FACED WITH A RECESSIONARY STORM OF EQUAL MAGNITUDE

Though the world is currently gripped by a viral pandemic, and we rightly prioritise a resolution, we will soon be faced with the question **'what next?'**...

As people come to terms with the 'health shock' they have endured and what this could mean for their way of life moving forward, society as a whole will be plunged into a recessionary aftershock of a severity and scale we have never seen before.

Though this will not come as a surprise, with people currently focused on the here and now, those responsible for our financial futures must **begin to look to the horizon** and start to crystallise their role in getting us there.

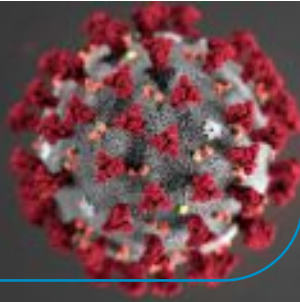
Banks, credit cards, insurers and lenders will require a more holistic and human-first approach if they hope to provide the 'financial vaccine' the world demands. They will become **the providers of Financial Wellbeing.**



THE PSYCHOLOGY OF PANDEMICS

To provide consumers with financial wellbeing, brands in this space must help them overcome the 4 contagions that make up the current pandemic.

#1 BIOLOGICAL
CONTAGION



#2 CONTAGION
OF FEAR



#3 CONTAGION OF
MISINFORMATION



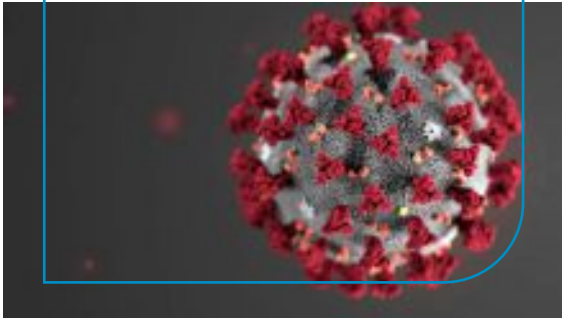
#4 CONTAGION
OF KINDNESS



Each contagion requires brands to flex their current approach in order to deliver the desired consumer outcome. Financial services are no longer simply providers of security, credit and interest, they have taken on a more emotional role that will demand them to be explicitly human-first.

THE 4 CONTAGIONS OF PANDEMICS

#1 BIOLOGICAL CONTAGION



What is it: The SARS-COV-2 viral pathogen

Resulting human need: In response, people need and seek protection from physical contamination and harm, and will proactively strive for financial wellbeing as a preventative measure

Role of brands: Help by enabling or providing Health through whatever means possible

#2 CONTAGION OF FEAR



What is it: The spread of fear and anxiety

Resulting human need: In response, people need and seek emotional reassurance, certainty and safety from threat in the form financial stability and advice

Role of brands: Help by providing Reassurance and instilling confidence

#3 CONTAGION OF MISINFORMATION



What is it: The spread of conspiracy theories, quack cures and folk remedies

Resulting human need: In response people need and seek more trustworthiness, clarity and honesty from credible sources and perceived 'experts'

Role of brands: Help by providing Trust through transparent communication and a more human-centric approach

#4 CONTAGION OF KINDNESS



What is it: The spread of increased 'pro-social' (kind helping, caring) behaviour

Resulting human need: In response people need and seek more opportunities to experience and give kindness, care and help, while also expecting it from those around them

Role of brands: Help by providing or enabling Care for consumers and their families

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**EVERY BRAND IS A
HEALTHCARE BRAND NOW**

Dr Paul Marsden

Chartered Consumer Psychologist



THE RISE OF FINANCIAL WELLBEING

HOW FINANCIAL SERVICES CAN HELP PROVIDE CONSUMERS WITH A 'FINANCIAL VACCINE'

BIOLOGICAL CONTAGION: Financial health is already 'a thing', but with a society forced to re-evaluate the notion of health, this will become a far more salient theme moving forward – financial services have the opportunity to be the pioneers

CONTAGION OF FEAR: With people fearful for their jobs, their livelihoods, and what this could mean for their loved ones, financial services have the capacity to educate and alleviate

CONTAGION OF DISINFORMATION: With people looking for experts, brands, and information they can trust, those in the financial space must look to dial up the transparency and frequency in their communications

CONTAGION OF KINDNESS: Covid-19 has shown us that people and businesses are able to be kind, so there is no longer an expectation for banks to continue playing the villain



WHAT IS FINANCIAL WELLBEING?

Financial health is already a prevailing force in society. However, in a society fetishized by health and its burgeoning sense of meaning, financial wellbeing is no longer some 'Goop-ified' ideal, it's a new norm.

With people looking to gain greater control of their health, their careers, their social interactions, and even their love life, many now look to financial wellbeing as the catch-all solution. If consumers are able to obtain, nurture and consolidate their financial health, this gives them license to feel greater control, feel more secure, and ultimately lead happier lives.

As such, we believe financial services have the capacity to become the educator of the financially illiterate, the facilitator of positive financial outcomes, and the enablers of positive human futures.



THE RISE OF FINANCIAL WELLBEING

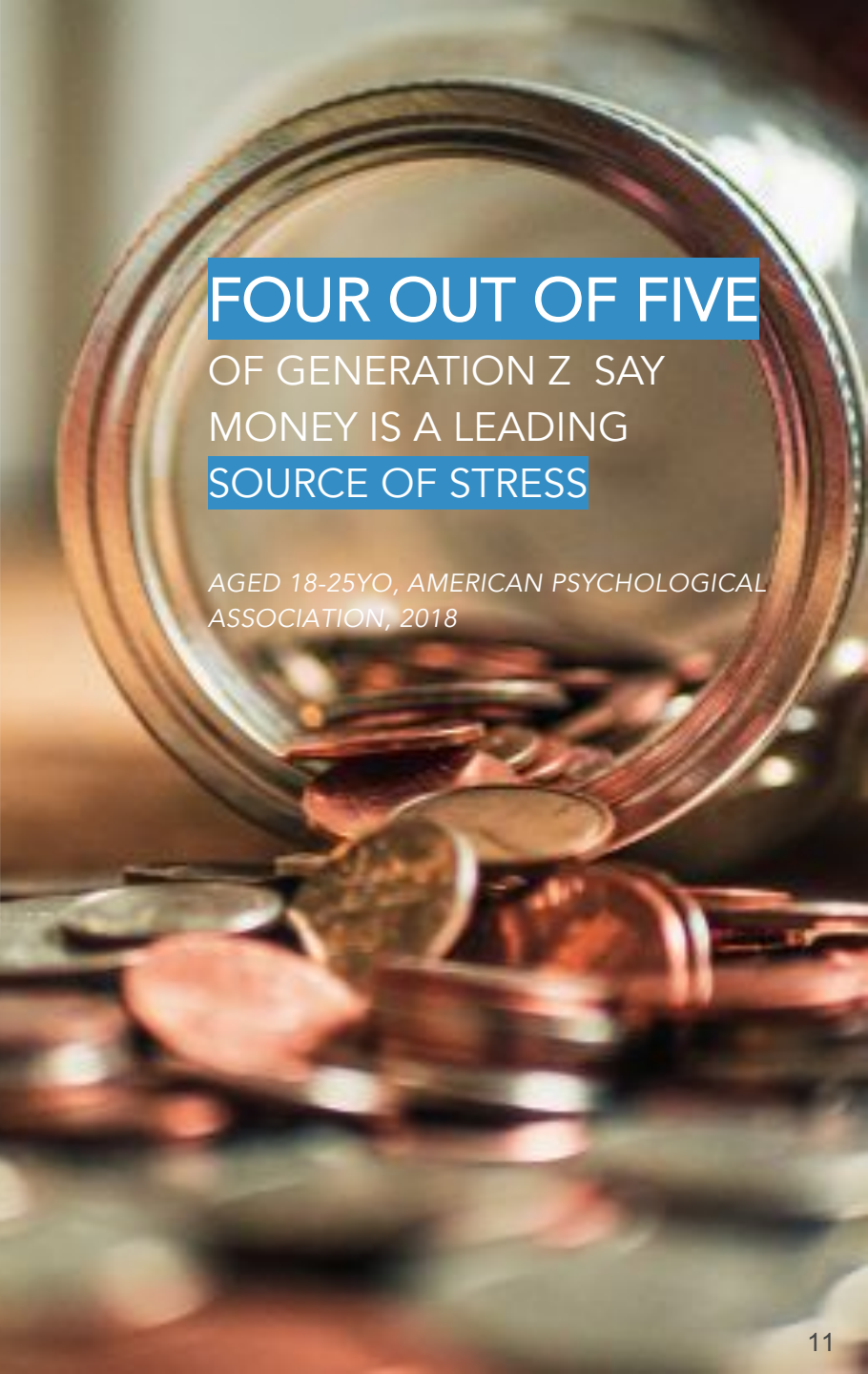
MONEY MATTERS

Across generations and lifestyles, money is a major source of anxiety, stress and social inequality. As we look to take care of ourselves and others in a complex socio-economic landscape, the role of money in defining our future happiness will only continue to rise.

NOW – MORE THAN EVER

Following a period of such immense uncertainty, financial wellbeing will provide consumers with a greater sense of security and control, and ultimately provide them with the financial freedom they require to enjoy their day-to-day.

Though eventually consumers will look for financial services to move from reactive to proactive, life in a post-Covid world will be about providing coping mechanisms, greater financial optionality, enhanced security measures, and a clear path to a brighter financial future.



FOUR OUT OF FIVE
OF GENERATION Z SAY
MONEY IS A LEADING
SOURCE OF STRESS

AGED 18-25YO, AMERICAN PSYCHOLOGICAL
ASSOCIATION, 2018

STEALING A PIECE OF THE WELLNESS PIE

Spending on wellness is rising as people place a greater importance on their wellbeing, with British consumers forecast to spend **£487 per head annually on wellness by 2022** (GlobalData, 2018).

For consumers, wellness and wellbeing is no longer restricted to what we eat and drink but stretches across dimensions, from social wellbeing to the spiritual, environmental to financial. A survey of 4,000 UK consumers by First Direct and YouGov revealed that people believe money is more important to their overall wellbeing than other areas of wellness e.g. diet and exercise (LSN Global, 2019).

Just like their mental and physical wellbeing, consumers are looking to improve their money wellbeing. They seek advice, products and services focused on long-term wellbeing, signalling a new direction for the wellness sector



FIVE FINANCIAL INSIGHTS COMING FROM THE PANDEMIC*



HEIGHTENED AWARENESS OF SPENDING PATTERNS

Lockdown drove awareness of previous spending patterns. Many people have started questioning how much of their money is spent wisely and how they might develop “healthy” spending habits



INCREASING RECESSIONARY WOES

Media coverage of the impending global recession is causing money stress for many households. They are looking for help, reassurance and guidance during these uncertain times



PEOPLE FEELING LOST IN THE MIDDLE

People’s focus is split between the needs of the immediate term (e.g. putting food on the table), and the longer-term goals (e.g. planning a family). The middle-term (20/21) is written off by many people as being too uncertain to plan anything



POUND STRETCHERS BECOME THE NEW NORM

People are using the time to find ways to make their money work harder (e.g. switching utility providers to get better deals). This is especially true for internet, water and electricity, but is also disrupting people’s perception of what constitutes ‘a necessity’



GREATER CARE FOR THOSE AROUND US

People are taking notice of how companies are behaving during the pandemic and, in particular, how they treat their staff. This will influence where consumers spend their money in the future

A skateboarder in a blue shirt and shorts is captured mid-air, performing a trick in a concrete skate park. The background shows a sandy beach, a blue ocean with sailboats, and a clear sky with a seagull flying. The scene is bright and active.

TO TRULY DELIVER
FINANCIAL WELLBEING

YOU HAVE TO THINK
“HUMAN-FIRST”

INTRODUCING BRAND GENETICS

BRAND GENETICS
CATALYSES GROWTH
BY USING
HUMAN-FIRST THINKING
TO UNDERSTAND WHAT
PEOPLE WANT NOW
& **IN THE FUTURE**



THINKING HUMAN-FIRST MEANS WE...



ARE EMPATHY EXPERTS

Empathy is the ability to see and feel things from someone else's perspective. It is a critical component for building trust, reassurance and connecting with people. At Brand Genetics, we use a series of scientifically validated empathy-based research techniques to truly understand people from different walks of life



ARE POSITIVE PIONEERS

We believe in "positive innovation", this means innovating with people's happiness and wellbeing in mind. By making human happiness the ultimate goal of innovation, we develop solutions that have a meaningful impact and deliver a competitive advantage



PLUCK INSIGHTS FROM DATA

The world runs, not on data, but on the insights that can be gleaned from it. Motivational drivers and behavioural nuances cannot easily be discerned from an analytics dashboard. Brand Genetics' specialist human-first approach compliments 'Big Data' and allows you to quickly get to the humans behind the numbers



USE ANTICIPATORY THINKING

We have always sought to help our clients go beyond the "what" and "so what" of their challenges and move to the "what next". Our human-first approach to scenario planning allows us to explore possible futures for a business or industry and devise relevant strategic responses in line with these



HOW DO YOU SEGMENT YOUR TARGET TO TAILOR YOUR OFFERS?

THE CHALLENGE

American Express were looking to gain a deep understanding of their target consumers in order to innovate their portfolio.

OUR SOLUTION

We conducted a value-based segmentation study, using Roper Starch definitions of core consumer values. We also created "empathy maps" which captured people's positive and negative associations around Amex. This work highlighted the opportunity for Amex Blue card to operate alongside Amex Green, and the subsequent opportunity for a tiered range, including Amex Gold, Platinum and Black (now Centurion). We worked with the team to re-evaluate all features and benefits by card type, as an underpinning for a new range relaunch: "find a card to fit your lifestyle"

HOW DO YOU HELP CLIENTS WALK IN THEIR CONSUMERS SHOES?

THE CHALLENGE

ABI wanted everyone in their business to have the opportunity to engage directly with consumers and shoppers, in order to increase understanding and foster a greater sense of empathy.

OUR SOLUTION

We arranged a global series of consumer closeness events, where ABI employees were able to get up close and personal with their consumers. In 12-months, we connected 150 clients with over 400 consumers across 8 markets. These sessions took place in bars, supermarkets, homes and music venues. Team training was provided to give the necessary interview and insight gathering skills before meeting the consumers.

WHAT IS THE FUTURE OF SELF-CARE IN THE UK?

THE CHALLENGE

Gain a cultural understanding of the role of health and self-care in the lives of British consumers to help build, support and strengthen RB's UK Health vision for the future.

OUR SOLUTION

We used a combination of techniques, including expert interviews, x32 remote consumer ethnographies and x21 face-to-face home visits across four major cities to gain rich, comprehensive and 'real' insights into the complexities of 'health', the healthcare industry, and what self-care means to a diverse range of people in the UK, to support RB's future vision.



HOW DO YOU CREATE A PRODUCT TO UNSEAT THE LEADER?

THE CHALLENGE

Mondelez identified a key strategic gap in its global portfolio, targeting parent-to-kid “gifting” and needed to understand what could best address this key target and occasion and win in market.

OUR SOLUTION

By understanding *'The Psychology of Gifting'*, we defined key guidelines for a Mondelez proposition, designed to beat the market leader. We then used an iterative process of concept development and cutting-edge consumer exploration (using neuroscience) to identify a winning route. Following successful validation, Freddo's “Treasures” launched February 2019 and was the biggest Cadbury's product launch for a decade.



IF YOU'D LIKE TO HEAR MORE, PLEASE GET IN TOUCH

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Unlocking New Growth
by Thinking Human-First

