



# The Public are from Mars and we are from Venus

## – The Failure of Financial Services Communications

The general consensus is that due to a combination of good management and good luck, Australia as a nation fared pretty well during and since the Global Financial Crisis.

However, when you look at a grass roots level, the Australian public is full of people who work hard and earn good money, yet have little to show for it at the end of the month. They desperately want to get on top of things, however for some reason do not seem to be reaching out to the right parts of the financial services industry in their droves.

This didn't gel with the perception of the economy as a whole, so we decided to get to know the general public better. In mid-2013, we began surveying members of the public on how they felt about the financial services world. We received responses from people who receive financial advice and those that never have, from people with a regular accountant and those who do the bare minimum to get their tax return done.

### AND IT WASN'T GOOD NEWS.

Over two-thirds of our survey respondents believe that the finance industry speaks in some alien language they will never understand. And it gets worse. When we then asked them about the way they approach all things financial in their lives, over half of them admitted to being crippled by 'financial paralysis' resulting in procrastination or outright avoidance when it comes to the day-to-day things like paying bills or reading bank statements. And all of this is well before they ever manage to get their head around planning for the future.

This is only natural of course, as we tend to fear what we don't understand and avoid what we fear. So it only makes sense that a significant chunk of the public simply avoids thinking about their 'money stuff'.

The logical solution to this is to focus on financial literacy as the cure. And the government, along with our industry, has spent considerable time and resources in developing tools to better educate the public about their money. So why hasn't it been working?

### IT'S NOT ABOUT US

Financial literacy has generally been approached as a task that requires the public to learn about us, to learn about our world, and somehow become fluent in our strange language and complex products.

We provide glossaries, calculators and lots of well-meaning tools; however almost universally they require the individual to step into our world.

This is a fundamental mistake.

To start with, our entire industry exists due to their world; their savings, their mortgages and their superannuation accounts. Without them we would be a service without a client; a product without a customer. Even those of us that provide services to the corporate world surely acknowledge that ultimately those corporates only exist due to the Australian public.

And while in the last decade or so there has been a lot of talk about the younger generation being the 'Me Generation', self-obsessed to the point of inventing the 'selfie' – a photo one takes of oneself – I would argue that the financial services industry has been 'all about me' for a lot longer than a decade or two.

And this needs to change. We need to turn this around and dig ourselves out of the complexity and confusion and speak to our clients, to the public, as human beings – truly communicate with them.

Understandably this is a major shift in our approach and I am not suggesting it will be easy. The first step may simply be to start with how we approach communication and engagement as individuals. If you are keen to begin this journey I would encourage you to take a look at Andrew Griffith's book 'The Me Myth'. Although written with the individual in mind, I feel the lessons within will prove incredibly useful to anyone in financial services keen to connect with the public.

It would be easy to assume that the way we communicate as an industry is the only factor contributing to the disconnect between the public and our industry. But of course, nothing is that simple!

### A NEW BENCHMARK HAS BEEN SET

The public's expectation of how companies and products relate to them has been fundamentally changed by businesses like Apple and Amazon. As an industry, I would encourage us all to stop focusing on our competitors as the greatest risk to our businesses and start taking a good look at the way in which these companies (and the long list of similar successes since) engage and connect with the public.



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Think about how most people would describe their experiences in an Apple store or while shopping online with Amazon: 'simple', 'pain free', 'personalised', 'addictive', 'fun'.

I agree this starts to sound like some new found drug, however I would also argue that very few of us in financial services would be tagged with even one of these descriptors let alone all of them.

Just like our industry, the computer hardware industry have created acronyms to make communication between 'gurus' quick and easy (RAM, GB, HDD and GHz) however Apple are smart enough to keep that as far away from the public as possible. They don't overwhelm the buyer with complex detail; they inspire them with what they will be able to do with the product.

### AND ON TOP OF ALL OF THAT, THEY ANTICIPATE.

They anticipate the major barriers to a purchase – for a new Mac purchase this might be transfer of data – and so offer a service that takes your old PC and transfers all the data and history across to your new Mac. They anticipate the questions you may have once you get home, with detailed videos and explanatory web pages that talk you through the steps to take to get to know your new product and enjoy it to the fullest. They even go so far as to send out suggestions of other products you are likely to find interesting based on what you have just purchased.

Compare this to our industry where we bizarrely seem to reserve the acronyms (or secret codes) for client documents – PDSs, SOAs, FSGs – or for pieces of information that could be important to them, like MERs. An industry where the client's first encounter with a product is often a dictionary thick application in a language they don't understand, designed with boxes too small to fill in, for a product they aren't even sure they want.

### IS IT ANY WONDER THEY ARE DISCONNECTED FROM THE VALUE WE CAN PROVIDE?

Now I acknowledge that we are talking about financial services here and that the prospect of rethinking the way we deliver our products

and services, along with making them fun and addictive, seems impossible. However we all know how important getting on top of their money is to a person's future wellbeing, so I believe we have an obligation as an industry to take our best crack at it and to always keep improving.

In addition to what they are experiencing from other product and service providers, there is also a third factor driving a wedge between the public and our industry.

### THE BELL CURVE HAS MELTED

Back in the 1950s, the distribution of 'normal' behaviours was beautifully grouped. 'Normal' truly was the 'norm', with only a few fringe individuals happily sitting outside of society.

This is what spawned the 'Mad Men' heyday of mass marketing where a single ad could appeal to almost everyone. Ads were efficient and effective.

Travel forward to the 1970s and while the distribution had spread, with more types of people sitting outside of the 'norm' of society (punk rockers, hippies and a few computer nerds), the lump of normal in the middle was still a large proportion of the market.

However, when we take a look at society today, we are faced with a bell curve that has 'melted' with the volume of people outside of the 'norm' greater than those that are in it. The 'weirdos' outnumber the 'normals'.

The concept of the melting bell curve was brought to my attention by Seth Godin. Seth is a world class marketer and TED speaker and, in his book 'We are all Weird', he delves deeply into how we can no longer target the 'middle' or the 'normal' and expect to get results. The days of successful mass marketing are gone, with the new age of connecting with a niche already upon us.

If you aren't quite convinced about this, then think about

when Star Wars first came out in the seventies. Some people, mainly kids and pimply teenagers, went to see it. However, it was without a doubt a 'sci-fi' movie and therefore certainly not considered mainstream.

Yet in May this year we celebrated Star Wars Day, 'May the Fourth', where it was used as a theme for nearly every morning television and radio show in the country.

As a community we have connected with our inner weirdos and proudly wave our freak flags high. And we will generally only connect with businesses or products that have essentially become part of our tribe, that sincerely seem to be one of us.

I am sure this all seems fairly overwhelming for us as an industry, so where do we start?

### DEVELOP MORE COMMUNICATORS

We have an industry that has evolved into a refuge for technicians, and we need to recognise that no amount of

technical expertise is accessible and hence valuable to the public without great communication skills.

We therefore need to nurture, develop and reward communication skills. In particular we need to attract and reward those magical individuals that understand the client and see things through their eyes first.

This may need to start within the tertiary education system where there is an almost 100% focus on the technical. If the qualification process itself weeds out the great communicators due to a heavy focus on technical analysis then we have already lost before we have begun.

I believe there is also an opportunity to adjust our thinking at a corporate level. When you witness a financial services institution developing a new idea, the impression you get is that the sales and marketing team can come up with all the great ideas they like, but that ultimately sign-off will sit within the technical (read: finance or actuarial) department. Perhaps we need to turn this on its head...

Imagine a world where great new ideas are instead presented for final sign-off to a communications team whose sole responsibility is to review the likelihood of the new product or service achieving traction with your target market. A bare minimum requirement for submission being that the target market will quickly grasp what we are offering and how it adds value to them. This change in dynamic would over time naturally result in better communicators as the great technical ideas would only ever get past the gate keepers with well thought out communications developed alongside them.

### EMPOWER OUR CUSTOMERS

For some, the thought of the word 'power' and 'customer' in the same breath is enough to send shivers up their spine. However for those of us up for the next challenge, I would propose this – we need to embrace the concept of self-service.

Providing self-service solutions for our customers is the first step to anticipating their needs and you can start with something as simple as great information – information that answers their most common questions; information that resolves a hurdle they need to get over; information that answers their most unusual questions. No matter what it is, if it provides them with relevant, valuable and engaging content then your particular brand of weirdos (your target market) will love you for it.

In the creative and interesting world of marketing this is referred to as 'content marketing' and is something not many businesses are doing well. Those that are, however, are seeing amazing results.

The modern world is inclined towards self-service, so those businesses that embrace this are seen to provide a more personalised offering than those requiring customers to take a more formal and delayed step – like making contact with a human being!

I realise this is counter intuitive, however if someone wants to research their index fund options available within their investment portfolio on a Sunday, including understanding the implications for both cost and tax and



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other relevant queries they would have, then who are we to stop them? The business that helps them get further along with their queries via self-service on Sunday is very likely to be the business they then take the next step with on Monday.

The ultimate result is that the customer feels more empowered to take action. They are not being forced to fit into our support process but instead are able to choose their own pace. The best self-service options then enable them to leapfrog right into purchasing whenever that makes sense to them.

If you are keen to find out more about self-service and content marketing then I would suggest starting with Micah Solomon's 'High-tech, High-touch Customer Service' along with Joe Pulizzi's 'Epic Content Marketing'.

So, once we have stepped up our communication and marketing game and are providing our target market with great, anticipatory information, what next?

## BUILD AN ENGAGEMENT INFRASTRUCTURE

Well, I believe we need to build an engagement infrastructure for our products and services. This is a path to take our clients from barely knowing us to liking and trusting us enough to buy.

If we look at how things currently sit within the financial services industry, clients often have a single policy or fund (which in most cases is a superannuation fund). Normally, we find the client hasn't chosen this product themselves and therefore has almost no engagement with the product or provider at all.

Somehow, with the passing of time, and perhaps even through the provision of some magical self-service information, or the client's own realisation of their need for financial advice, they take the leap to engaging a financial advisor for upfront fees of what is likely to be thousands of dollars.

If you forget about the industry this relates to, it would be like going from eating a great cookie, to buying an imported Italian oven, or from watching a movie you love, to instantly buying a surround sound entertainment system.

It would never happen, right? Yet in financial services this is what clients face and this is why I believe we are setting ourselves up to fail.

If we instead take a look at Apple from



this perspective then:

- They get you started with iTunes, a free download for anyone who wishes to use it. If you think back to when you first heard about iTunes then this seemed so easy to use and engaging that you naturally went looking for...;
- an iPod on which to put all your music;
- then an iPad or perhaps an iPhone; and
- because we have become raving fans by this stage, and now truly know, like and trust them and their products, we naturally buy the iMac, their desktop machine!

Their singular goal is the iMac, however they recognise that the journey is what gets us there and therefore take a longer term view of their client relationships. They have also managed to incrementally make money from taking the client through their product journey all the way to their core product.

This is called an Ascending Transaction Model, or ATM. I first came across this as a customer engagement technique at a session run by Daniel Priestley, and if you are keen to understand more I would suggest checking out his book *Becoming a Key Person of Influence*.

Now I can already hear you thinking that this is all very well and good for consumer products, but it could never be achieved in a professional services sense. But what if it

could? Imagine the level of traction we could have with the public if we could develop ATMs for our financial services business? In an industry where this approach is the exception rather than the norm imagine the success you could have by being an early adopter rather than waiting for the pack.

Hopefully by outlining some of the forces that have brought us to this point, I have highlighted that to begin improving the way in which we communicate with the Australian public we need to take a long hard look at ourselves. Anyone who succeeds in this space will not demand more of their customers, but instead will demand more of themselves.

They won't ask how we can better teach them Venutian, they will instead ask... how do we learn Martian? **A**

*Peita Diamantidis is the Managing Director of Caboodle Financial Services, a qualified financial adviser and author of 'Finance Action Hero'. For more info, see [zaptitude.me](http://zaptitude.me). You can connect with Peita at [@peitamd](https://twitter.com/@peitamd) or [peita@zaptitude.me](mailto:peita@zaptitude.me)*

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