

THE FUTURE OF BANKING

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The Future Series Finance & Banking

Welcome to the first chapter of ThinkTV's The Future Series.

Marketing is a blend of art and science, data and intuition. The exact composition of the marketing mix is dependent upon a number of factors including the type of industry a brand is competing in, the nature of that competition, and the environmental or regulatory structures surrounding it.

ThinkTV has partnered with independent media specialists Hoop Group to launch The Future of Series; a program of research looking deeply into the factors at play in key industry sectors.

We are kicking off with the finance sector and taking a deep dive into consumer's relationship with Banks. Our focus is to highlight what's changing, what consumers need and how advertisers can effectively engage the market.



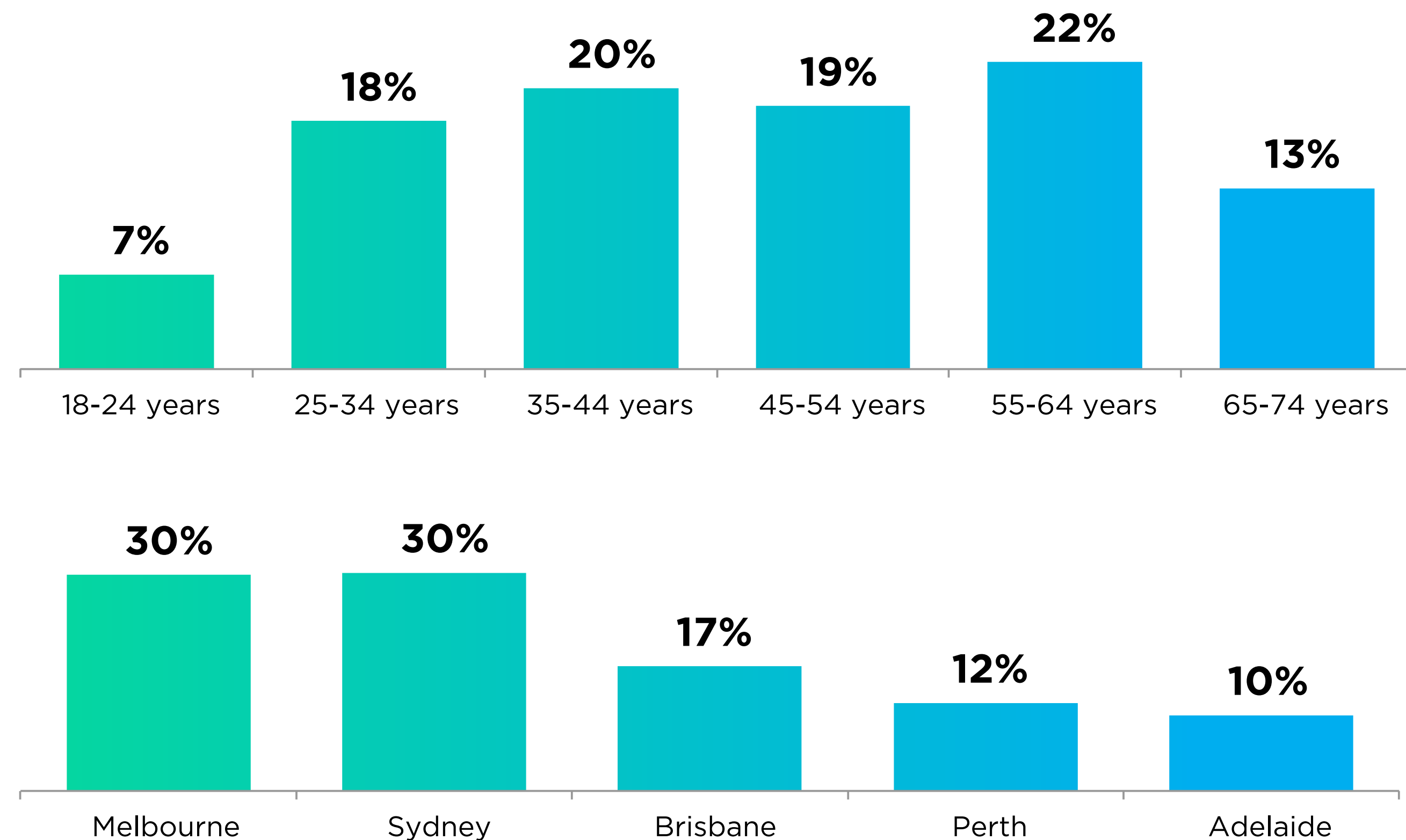
**Identifying trends and opportunities for
shareholders to better service the banking
sector and drive incremental revenue.**

Approach

- Online Study - 15 minutes
- National Metro Sample
- n=1003
- Males/Females
- 18-74 years

TOPICS:

1. Interest in Banking
2. The Royal Commission
3. Purchase Funnel
4. Key Influences
5. Switching Behaviours
6. Communication



Change is coming to banking

The banking industry is at a unique juncture; reputations have been tarnished and legacy behaviours are being challenged by a triple threat

- New regulation - resulting in open banking.
- Changing preferences - pushing back against historical process.
- Emerging technology - allowing for new products & new types of banks.

The banking and finance sector is set to become significantly more competitive.



57%



of consumers are looking forward to technology improving how they bank in the future.

Consumers are ripe for change

Switching behaviours within the banking sector have been traditionally low. However, in the wake of the royal commission, consumers have grown disenfranchised with the Big 4 Banks and are primed to look for alternatives.

- 44% consumers say the royal commission has had a medium to large impact on them (15% large impact)
- 54% believe there will be a move away from the Big 4 in the future

Current consumer mindset

Feeling dissatisfied:

Only half feel the banks are meeting their needs

Desiring simplicity:

48% wish to consolidate (currently banking with an avg. 2.3 institutions)

Reduced loyalty:

33% saying they are less loyal to their bank now than 12 months ago



The Big 4 are under threat from challenger brands and winners in the modern era will be the ones that meet the needs of consumers the best.

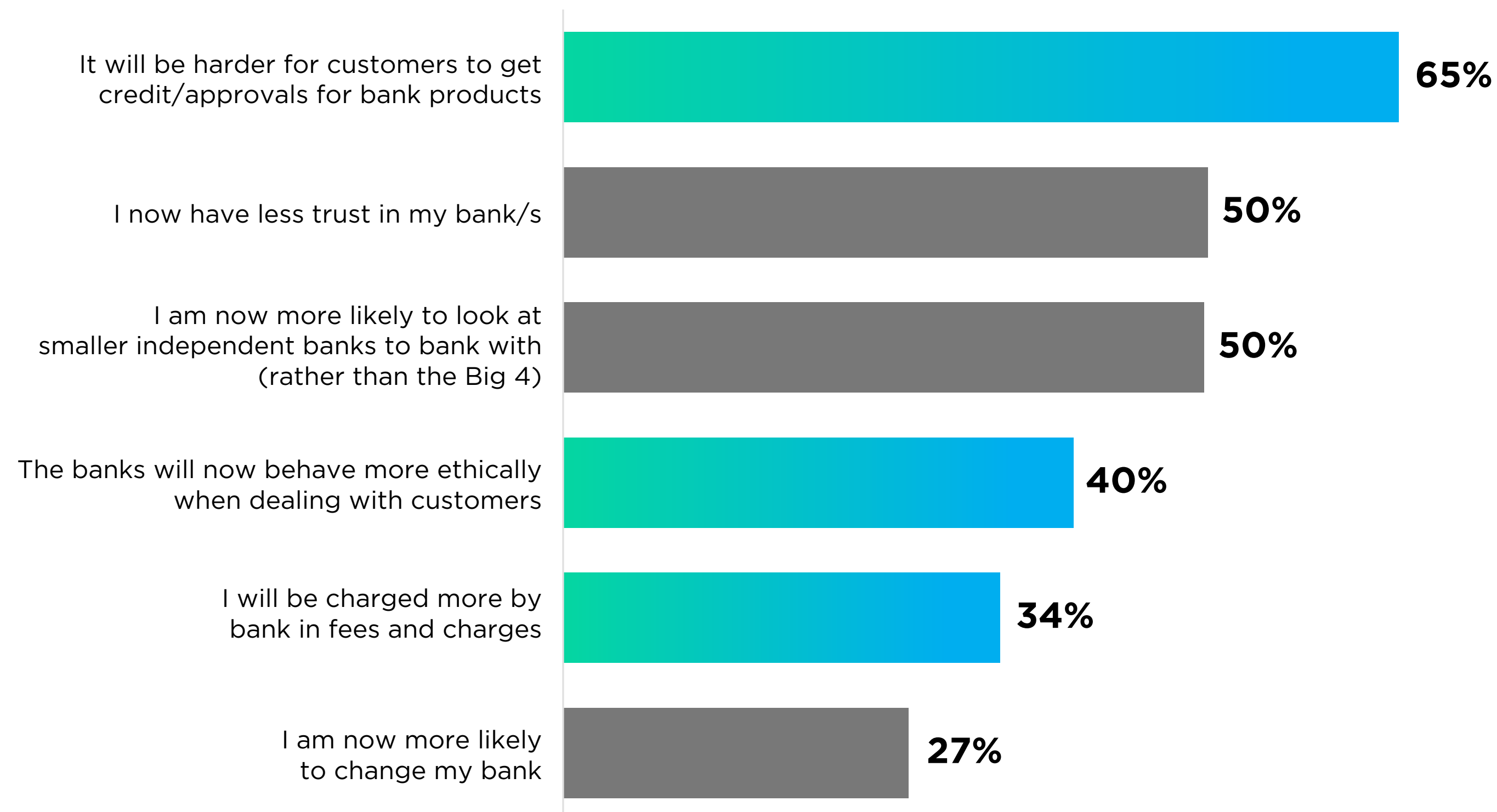
The royal commission has had an impact on consumers

Net Sentiment Scores | n=698 (those affected by the royal commission)



**now more likely to
change banks**

and half of these people will be
looking outside the Big 4



Q. Below are statements that have been made by people who believe that the Banking Royal Commission will have an effect on themselves, the banks and/or the industry as a whole. Please indicate how much you agree or disagree with each of the statement. N=698, Net Top 2 Box
 Source: Hoop Group, ThinkTV The Future of Banking Study, n=1003, June 2019

Time for banks to engage



Reaching consumers

88% of people have watched TV in the last 24 hours.



Consumers are interested

67% have an interest in banking/finance (31% very interested)



Consumers are watching

50% have an eye on the banks



Champion the conversation

21% of consumers stay connected with their bank via advertising

1/3 say they notice ads from their bank more than other banks

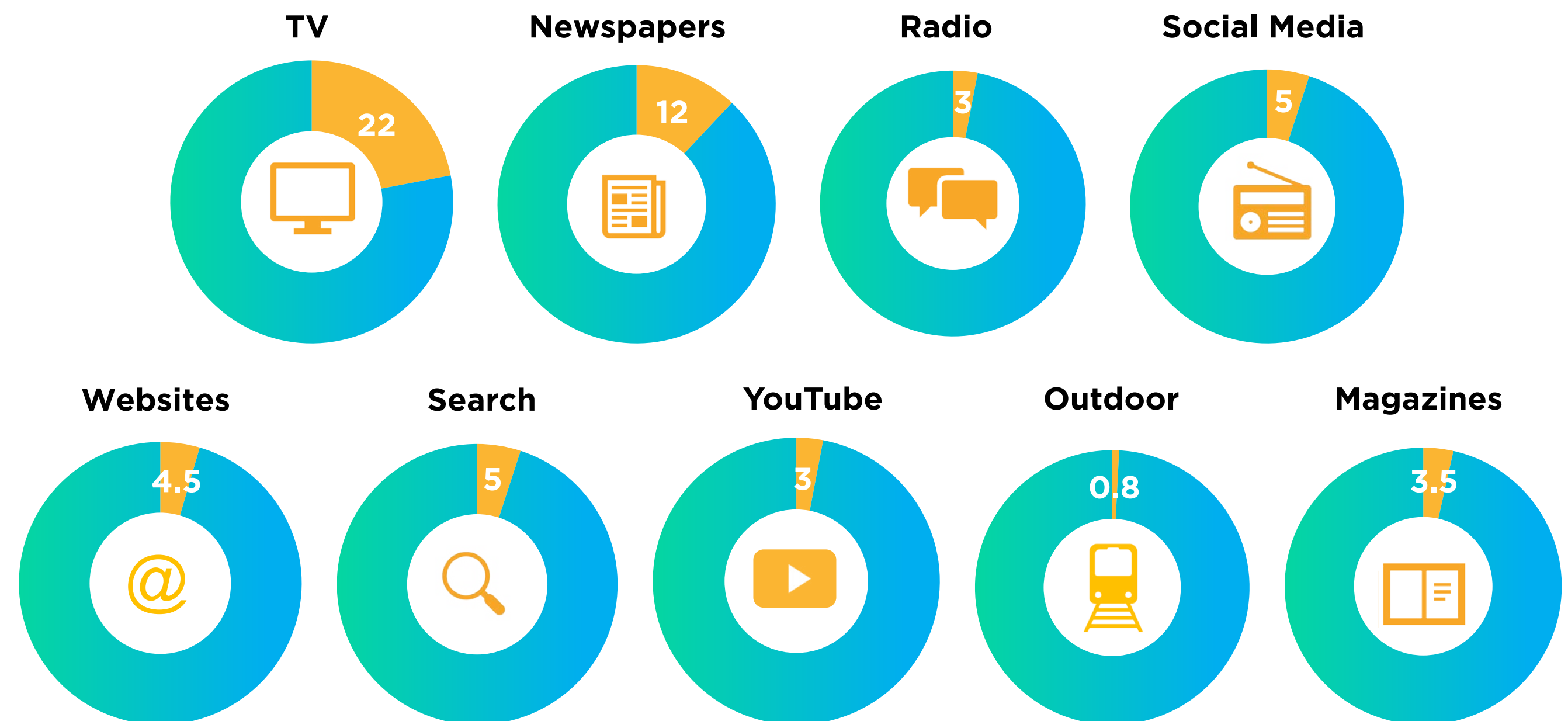
Start by earning back trust

Remember, trust needs to be earned. Big, brash, bold, bottomless brand statements won't cut it.

Consider regular, tangible actions that are believable and measurable instead.

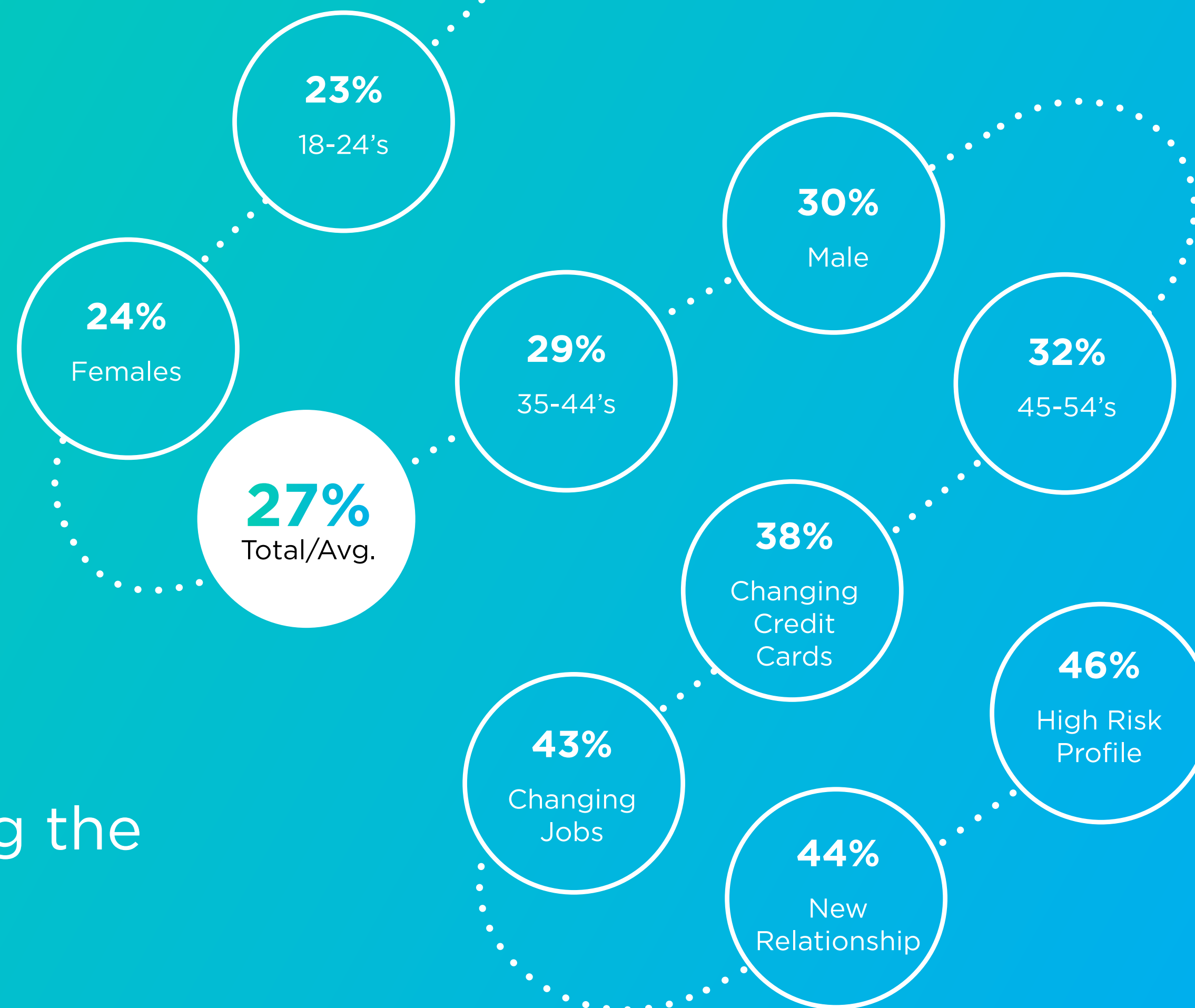
Consider leveraging the trust in the media to lift brand equity

Australians trust ads seen on TV the most.



Source: Actuals Roy Morgan AdNation Study Australians 14+, May 2017, n=503 (Last 7 days)
Q. In which, if any, of the following places are you most likely to find advertising that you TRUST

Who is more likely to switch banks?

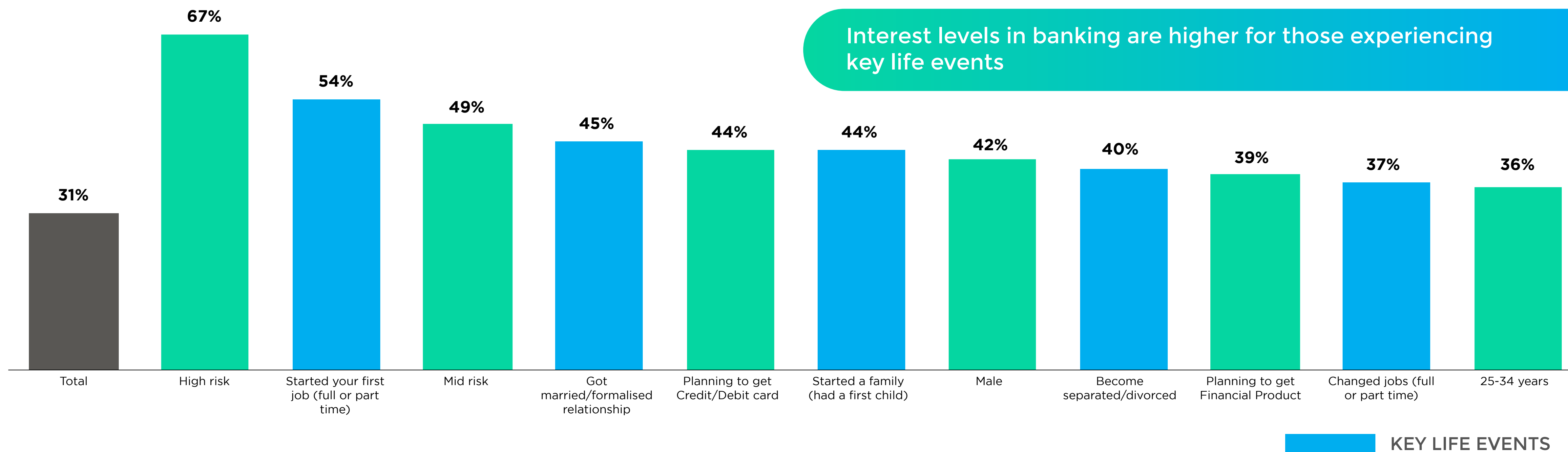


Index of those consumers feeling the effects of the royal commission.

Q. Below are statements that have been made by people who believe that the banking Royal Commission will have an effect on themselves, the banks and/or the industry as a whole. Please indicate how much you agree or disagree with each of the statement. N=698, Net Agree Top 2 Box.
 Source: Hoop Group, ThinkTV The Future of Banking Study, n=1003, June 2019

Consumers with a higher 'interest in banking' will be most receptive to messages

Interest in Banking - Top 2 Box/Index



Q: How interested are you in the finance sector and keeping up to date with banking and the banking industry? N =1003, Index to all questions

Source: Hoop Group, ThinkTV The Future of Banking Study, n=1003, June 2019

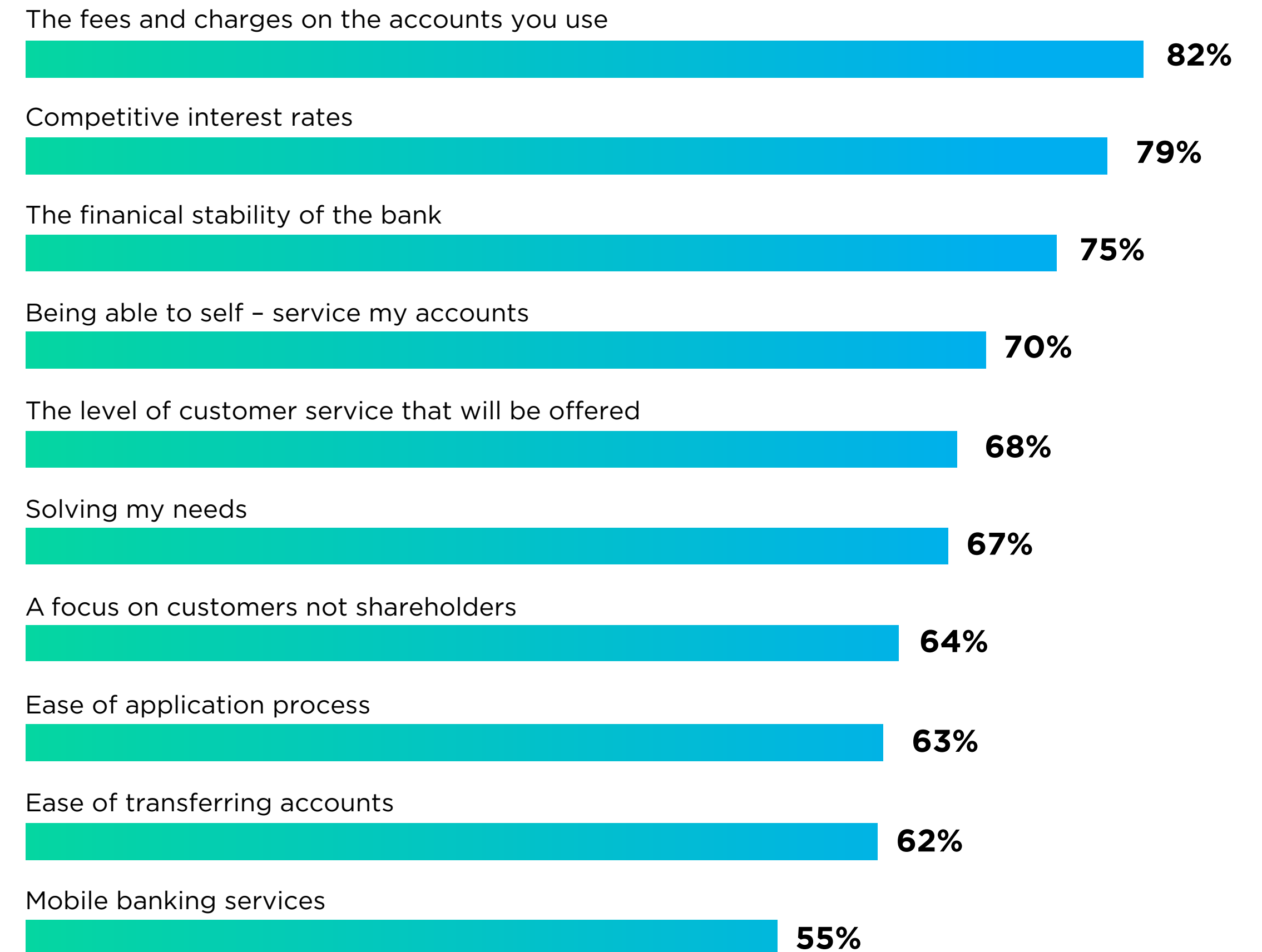
Getting ready for the fight

In an area of open banking and reduced loyalty both offensive and defensive tactics will be required as banks look to, not only acquire new customers, but also hold onto existing ones.

Open banking will strike consumer accounts and credit cards as the first battle ground.

New Bank/Banking Product

The most important considerations for change

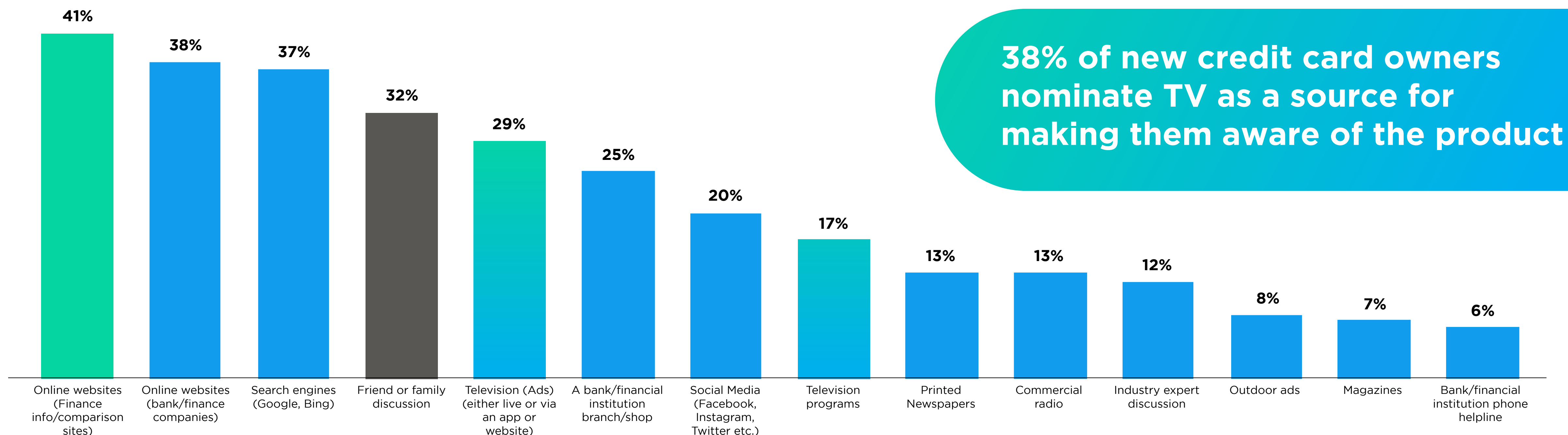


Q: Below are bank attributes that are mentioned by people who are assessing a new bank or banking product. Please indicate how important you think each of the following attributes are to you when assessing the bank/banking product. N = 948

Source: Hoop Group, ThinkTV The Future of Banking Study, n=1003, June 2019

Credit Cards Purchase Funnel - Awareness Breakdown

In addition to a direct influence from TV/BVOD channels, TV plays a role driving consumers to ‘comparison sites’ and discussions with ‘friends/family’



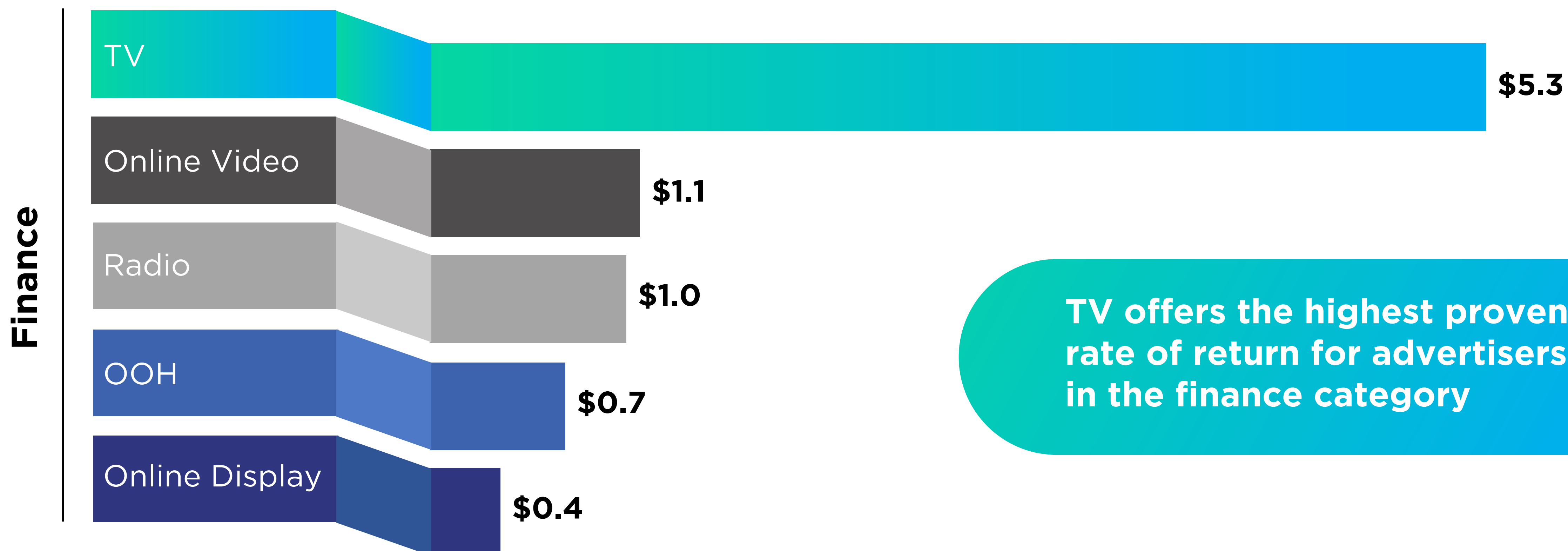
Q. What information sources have you seen or accessed that influence your credit/debit card purchase/potential purchase (in the different) phases of the purchase journey you have been through? N = 442

Source: Hoop Group, ThinkTV The Future of Banking Study, n=1003, June 2019

Finance Category ROI

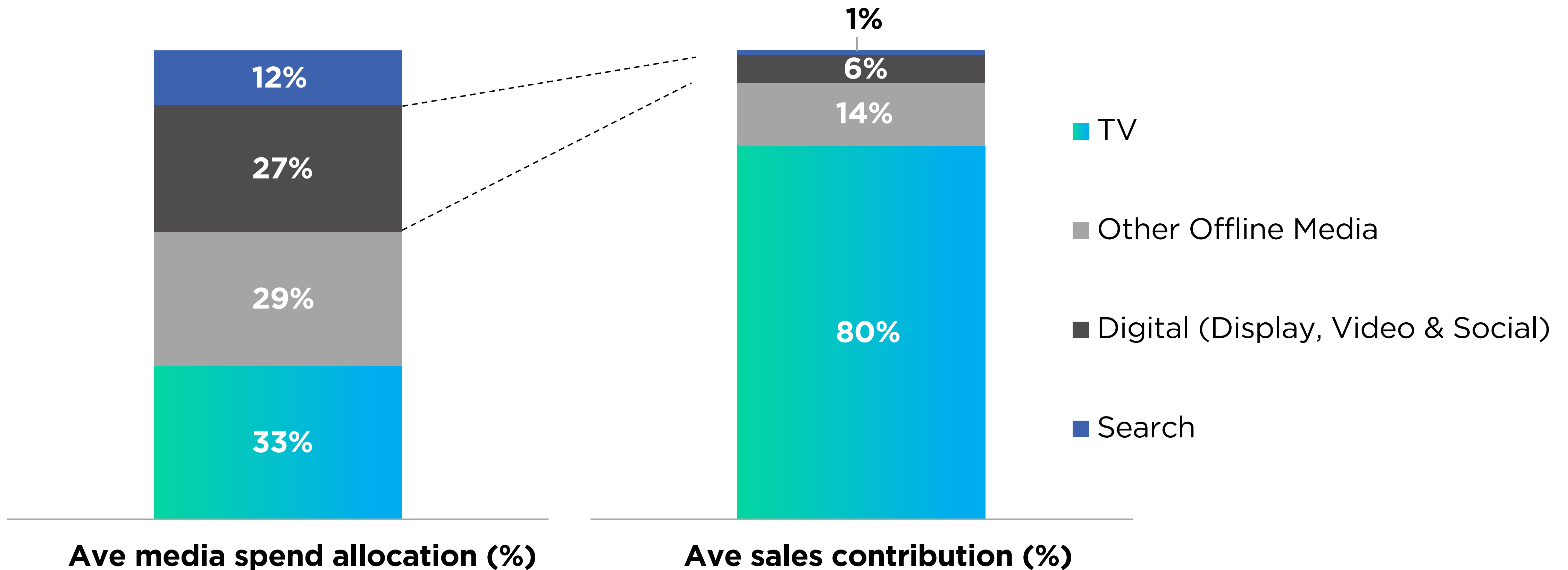
TV offers banks the most efficient ROI compared to other media

For every \$1 spent - TV returns \$5.30 while Online Display returns just 40cents.



Overspending on search and digital can harm campaign performance

Get the media mix right to maximise your investment

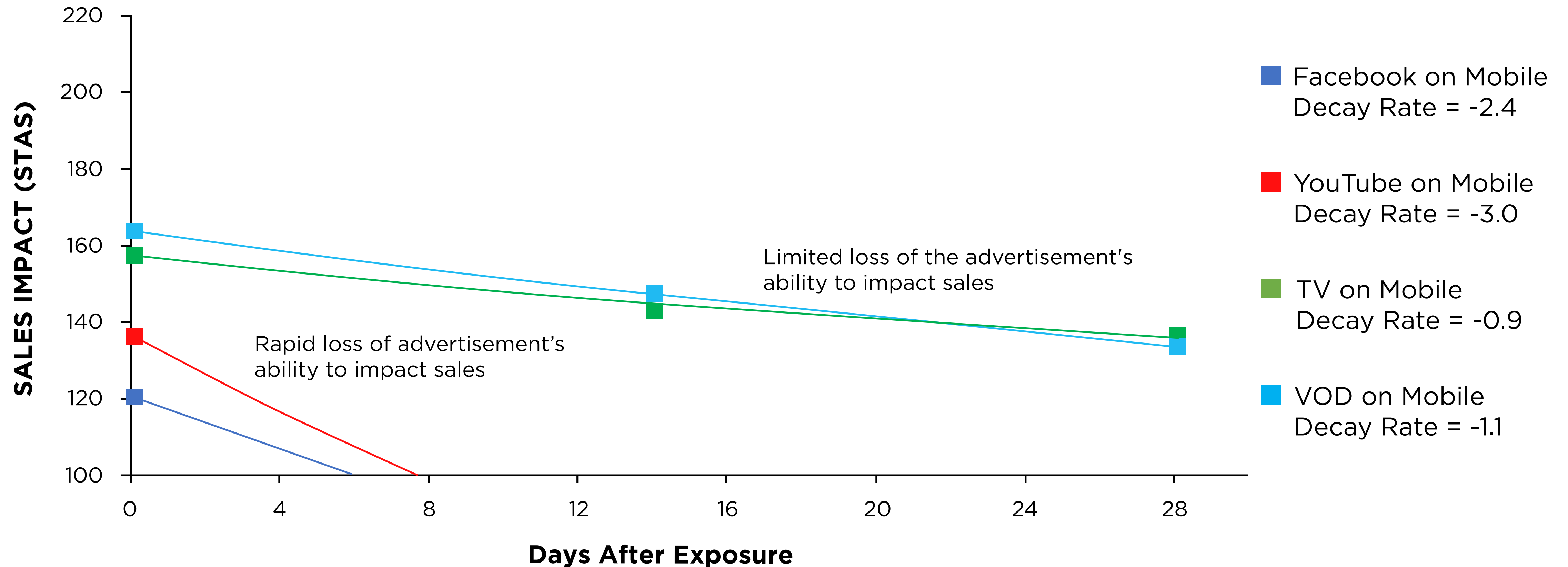


TV does the heavy lifting for advertisers - 33% of the campaign spend delivered 80% of the sales attribution

Decay varies across platforms

Bank on TV/BVOD to deliver on brand saliency

Banks need to be constantly in market to capture switchers - choose platforms that deliver longer term results



Checklist for Banks

Lead with a consumer perspective



1. Get active in market

- Consumers are considering switching banks

2. Communicate your USP's

- Consumers need to know what you stand for

3. Showcase your relevance

- Look for ways to demonstrate messages

4. Personalise at scale

- Target switchers by life-stage

5. Stand Out

- Seek opportunities with exclusive share of voice

6. Leverage the benefits of TV/BVOD

- Rebuild brand equity (trust)
- Drive awareness and purchase consideration
- Achieve longer recall for your messaging
- Ensure the best return on investment (ROI)
- Tell your story

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