



Financial Industry 2021

Global perceptions of the sector and key companies

September 2021

About Caliber

Caliber aims to make business more trusted and trustworthy.

Through Real-Time Tracker, our continuous people listening platform, we radically change the brand & reputation monitoring field with a unique combination of real-time stakeholder tracking and corporate brand & reputation expertise. We help data-driven communicators and marketers capture stakeholder sentiment through daily online surveys and convert it into actionable insights that improve stakeholder preference and advocacy.

Our platform is fully customizable, globally scalable and more cost-effective than traditional research methods. It brings accurate and representative reputation data to its users, and allows them to share it across the business, and integrate it with media monitoring. As a result, the business becomes more agile and capable of both mitigating risks and optimizing activities across multiple arenas: from customer loyalty and employer attractiveness, to CSR position and investor appeal.

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Brand and Reputation

There is ample proof that stakeholder behavior is linked to the degree to which people trust and like a company. Therefore, the Trust & Like Score is the central element used by Caliber in measuring the strength of a company's brand and reputation.

To better explain the meaning of the Trust & Like Score we explore several attributes related to Brand, Reputation and Behavior – as well as information around demographics, professional background and the touchpoints through which stakeholders interact with companies.

You can find more about this approach on our website at groupcaliber.com

To better understand whether a certain score is positive or negative, we use a normative scale that shows how the particular result compares with Caliber's database consisting of similar studies:

80-100	Very high
70-79	High
60-69	Average
40-59	Low
0-39	Very low

About this report

Caliber monitors perceptions of thousands of companies around the world on a daily basis through automated online interviews with real people across various stakeholder groups.

This report is based on the insights gathered in 2021 from interviews conducted in Brazil, China, France, Germany, Japan, UK and USA. The data is based on approximately 33,000 evaluations from interviews with more than 6,500 people.

The companies included in this report were selected as market leaders in the financial industry within their respective geographies and are therefore seen as representative of the industry.

In each country, the respondents are randomly selected, and the sample is representative of the national population in terms of gender, region and age within the age span of 18 to 75.

The representative nature of the sample in this study is achieved solely by setting demographic quotas. There is no weighting of raw data or final results.

Financial industry perceptions anno 2021

Two years have passed since we published our last reputation report of the global Financial Services industry – and we now live in an entirely different world. The pandemic has radically changed our lives in almost every respect, but what has happened to public perceptions of the financial industry?

The state of the sector

2020 has not been kind to the reputation of the financial sector, which has been negatively impacted by Covid-19, but 2021 has so far been better. Volatility has decreased and perceptions have improved, especially after spring when economies started re-opening. But the sector remains relatively unliked and mistrusted. Fortunately, this is not the case everywhere and for everyone, and key stakeholders are in fact quite positive, especially towards financial institutions they engage with.

The FinTech advantage

While the industry utilizes its communication touchpoints effectively to boost reputation – more so banks than insurance companies, and especially across digital channels – it is no match for the FinTech sector. FinTech companies consistently score higher than traditional financial players, except in China. Banks and insurance companies must get better at telling their story and overcoming reputational baggage.

What people want

There is much talk about the importance of data privacy and cybersecurity, and people indeed highlight these as the most important issues for the sector to address. At the same time, they tend to be much more bothered by high prices and unethical practices in general when it comes to their relationships with their own banks and insurance companies. The industry must keep a broad focus to satisfy both societal needs and customer concerns.

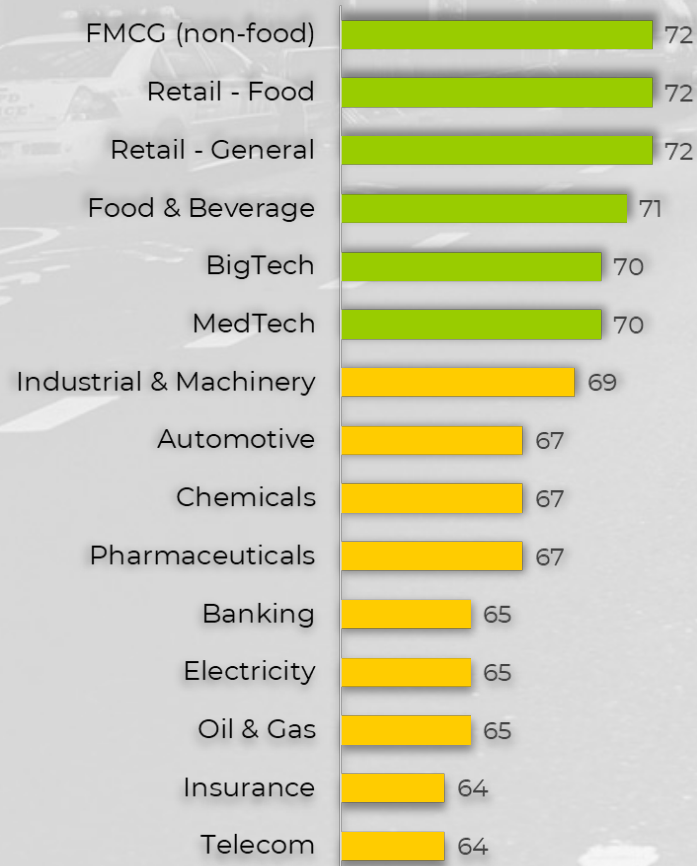


We hope you enjoy the report and find the information helpful in navigating the complex reputational landscape of the sector!

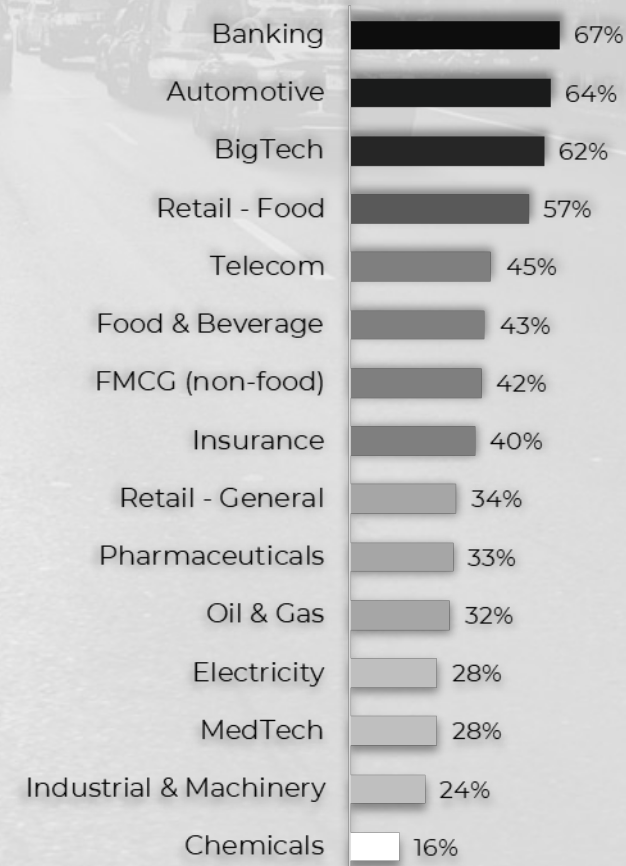
Sector Overview

When people think about banks and insurance companies – the two sectors this report focuses on as part of the Financial Services industry – they are not filled with a sense of affection and trust. This, at least, is what may be concluded from the global average Trust & Like Score given to companies in these two sectors, when compared with companies in more popular sectors like FMCG and Retail. At the same time, banks come on top when measured on average global awareness levels: this means that while retail banks tend to be well-known, they are not much trusted or liked – which may be viewed as no surprise. The main question is: what could make financial companies more appreciated?

Average Global Trust & Like Score, 2021

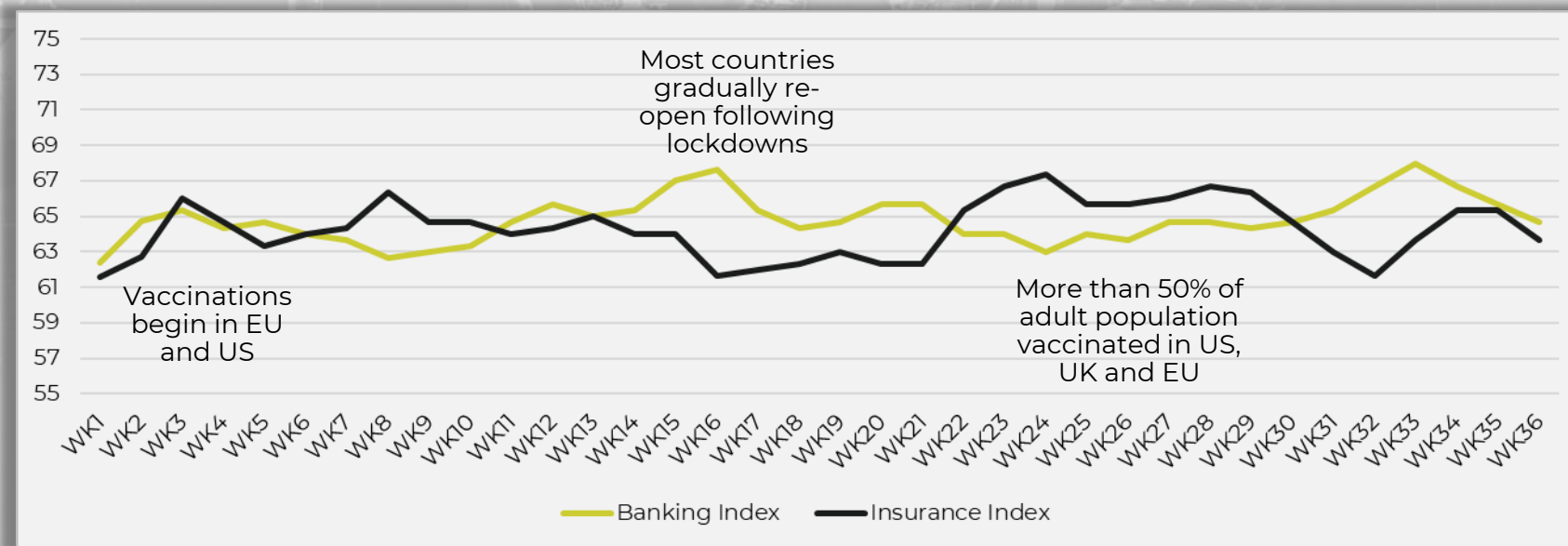


Average Global Awareness Rates, 2021



Global Development in Trust & Like Score

One way to answer this question is to examine how perceptions of the industry evolve over time. Global perceptions of the industry, captured in the average weekly Trust & Like Score given by respondents around the world to the various companies comprising these sectors, have started the year at a relatively low point. Caliber's previous analyses have shown that the Coronavirus pandemic has dented overall perceptions of both sectors in 2020. However, both sectors seem to have recovered in 2021, with decreased reputational volatility compared to last year. Interestingly, the banking sector has reached a reputational zenith in late April, around the time that many countries came out of the second lockdown, while the insurance sector reached it later. In both cases reputations remain somewhat volatile, with global events affecting both sectors differently – which shows opinions are susceptible rather than set.

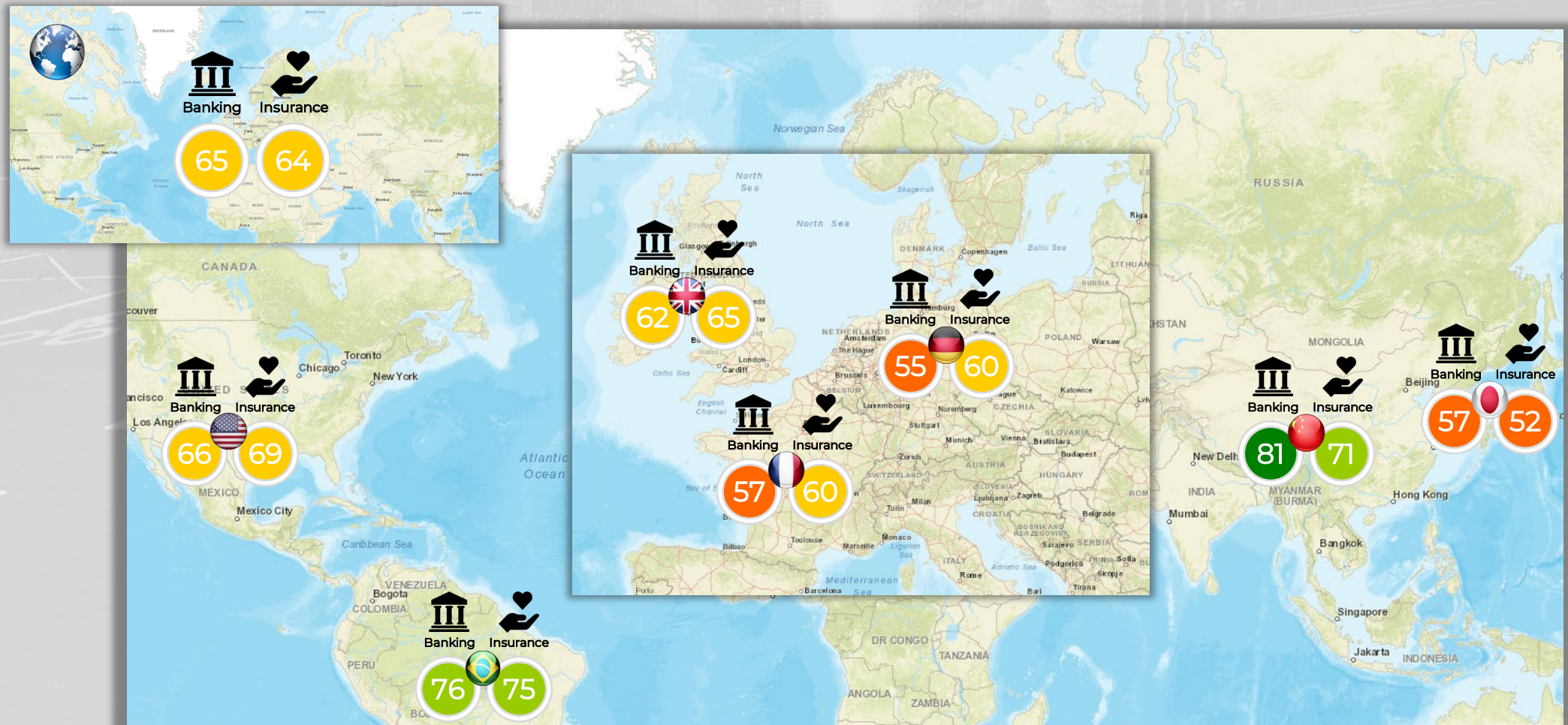


BANKING INDEX consists of Banco do Brasil, Bank of America, Bank of China, Barclays, BNP Paribas, Bradesco, China Construction Bank, Citibank, Commerzbank, Credit Agricole, Deutsche Bank, DZ Bank, HSBC, Industrial and Commercial Bank of China, Itau, JPMorgan, Chase Bank, Lloyds Banking Group, Mizuho Financial Group, SMBC Group, Societe Generale, SoftBank Group

INSURANCE INDEX consists of Allianz, Allstate, Aviva, AXA, Bradesco Seguros, China Life Insurance, China Pacific Life Insurance, CNP Assurances, Covea (MAAF, MMA, GMF), Dai-ichi Life Insurance, Direct Line Group (Direct Line Insurance), Japan Post Insurance, Legal & General, Metlife, Munich Re, Nippon Life Insurance, PICC, Porto Seguro, Prudential Financial, R+V Versicherung, SulAmérica Seguros

Trust & Like Score by Country

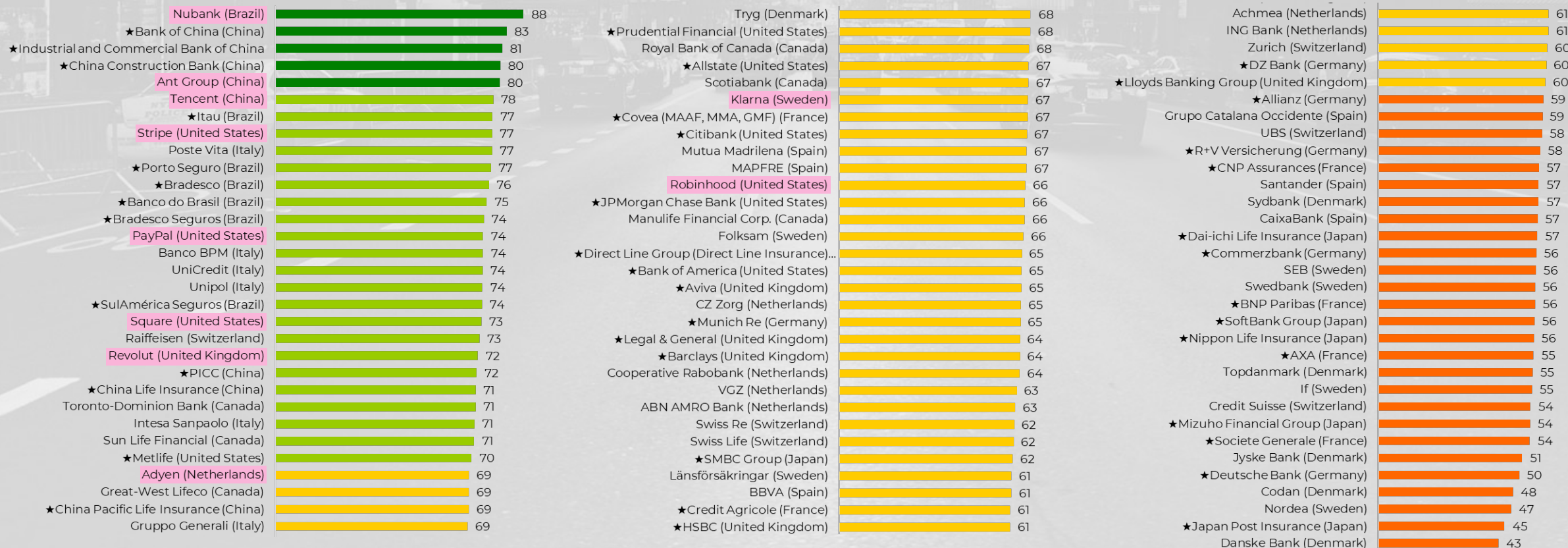
Another way to better understand the sector's reputation is to examine it across countries, and here an interesting finding emerges: while the two sectors have a similar position on a global average, in Asian countries banks are viewed more favorably than insurance companies, whereas elsewhere the situation is reversed – or the positions are on par. Public perceptions also tend to be more positive in general in emerging markets like Brazil and China, as seen in other sectors.



Trust & Like Score by Selected Financial Companies

Indeed, Chinese and Brazilian companies dominate the top of the list, most likely due to a broader cultural phenomenon of higher public trust towards large corporations in these countries compared to Europe, Japan and USA. But American FinTech companies also feature in the top 15, showing that reputation in the sector is not just a matter of geography.

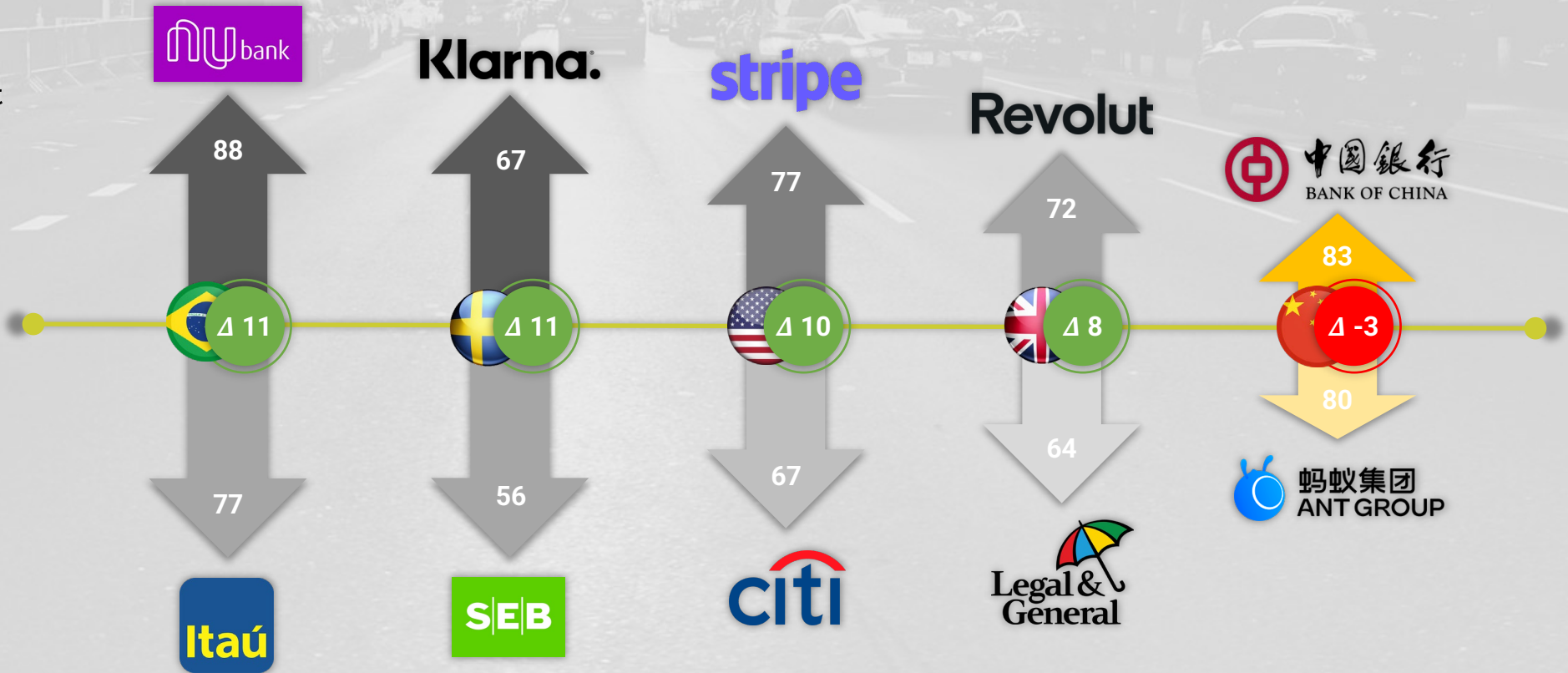
The bottom of the list includes several banks that have recently experienced intense public scrutiny and negative media coverage like Deutsche Bank, Danske Bank and Credit Suisse.



The FinTech Advantage

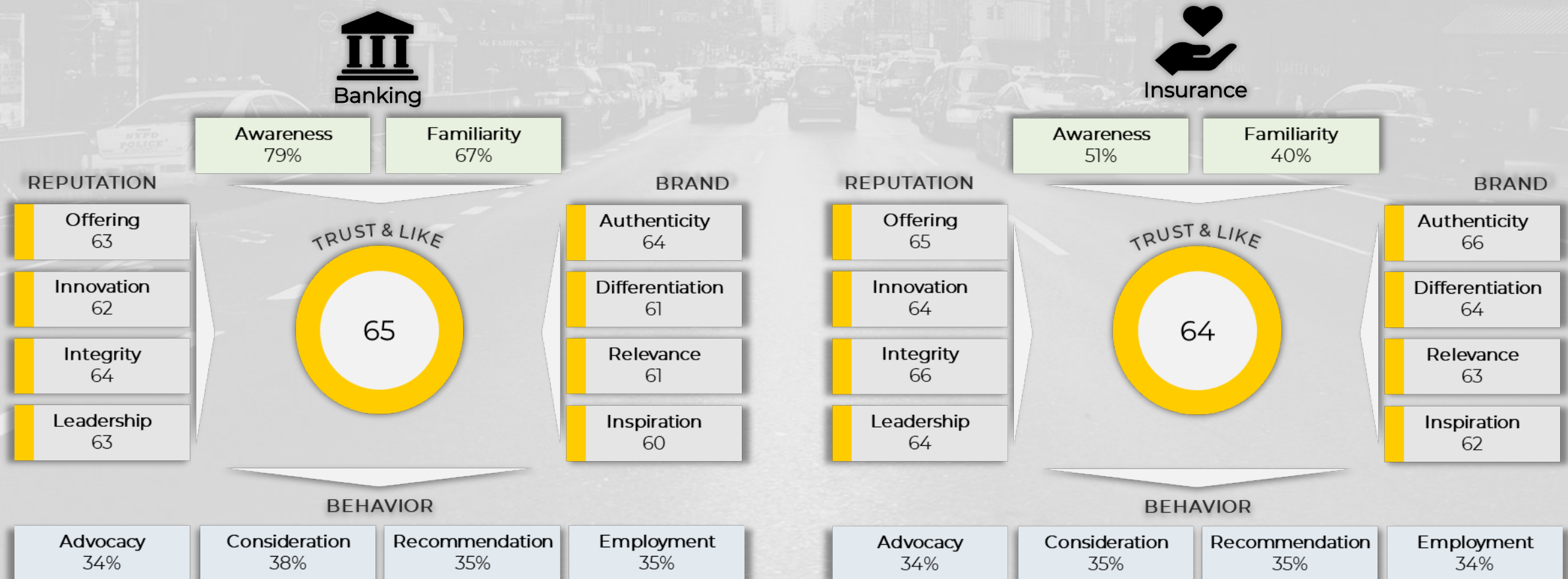
In addition to leading banks and insurance companies worldwide, this report also includes results of the world's 10 largest FinTech companies. The addition of these companies was meant to explore whether the FinTech sector is disrupting the traditional financial industry not just commercially but also reputationally. The results indicate a clear "yes": with a Trust & Like Score lead of 10 points on average (except in China), FinTech proves to be a real threat – eschewing the troubled reputational legacy of the financial industry and charting a new path when it comes to shaping stakeholder perceptions.

Difference in Trust & Like Score between the highest scoring FinTech company and the highest scoring bank or insurance company.



Global Industry Perceptions

As seen before, both sectors are quite similar when it comes to public perceptions – with a near-identical average Trust & Like Score on a global basis. But full perception profiles reveal some important differences: banks are significantly more well-known than insurance companies with higher Awareness and Familiarity levels, but they are seen as less innovative, authentic and differentiated. Despite this, banks enjoy a slightly higher level of Consideration (purchase intent) and Employment (employer attractiveness), indicating a slight commercial edge over their peers in the insurance sector.

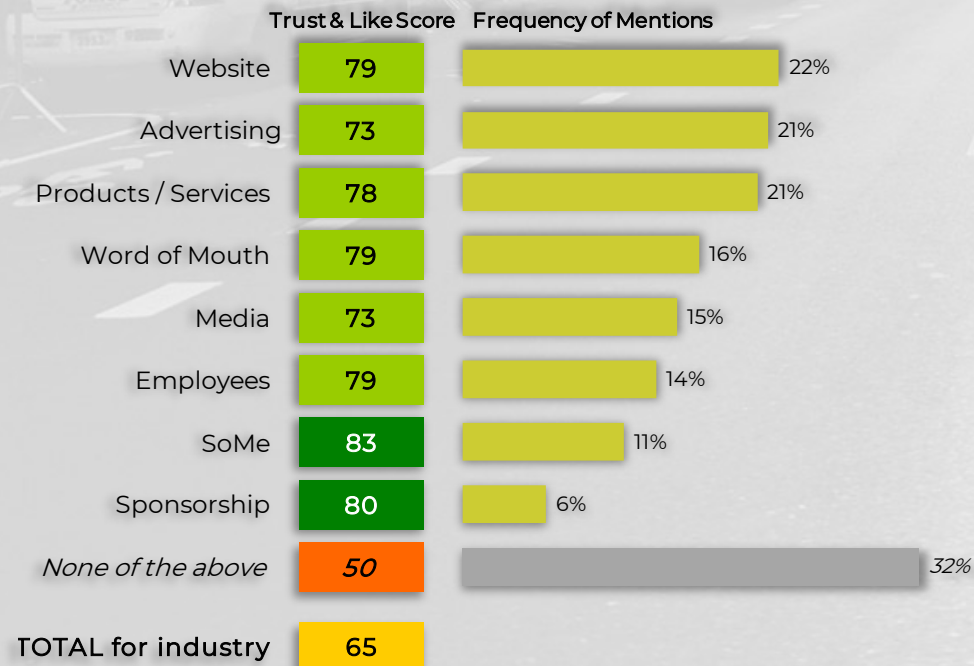


Touchpoints

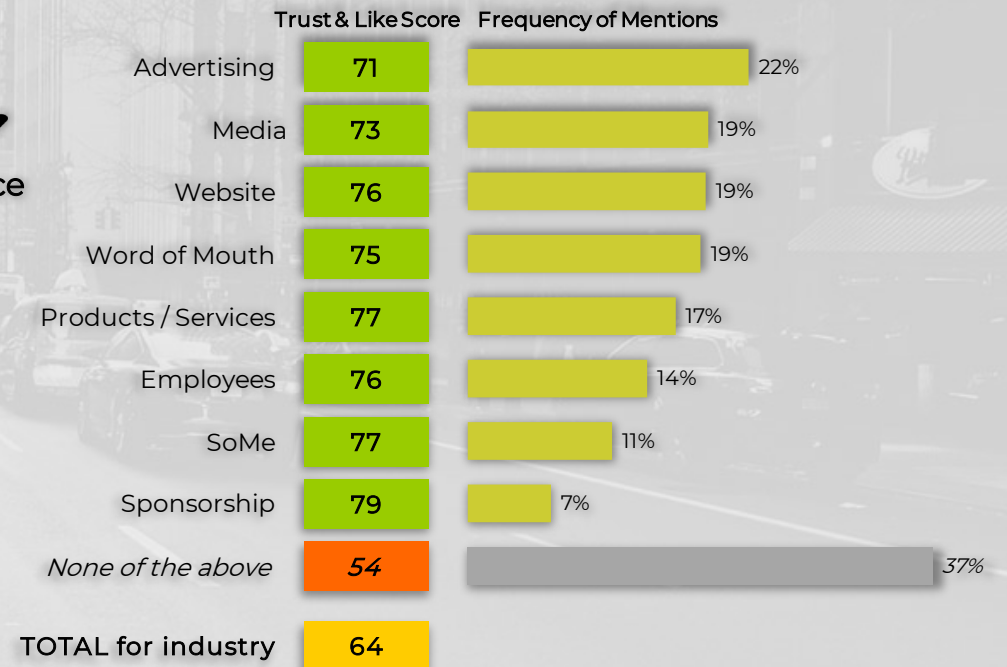
Breaking down the Trust & Like Score by the point of interaction between respondents and the industry's companies reveals even more about the industry and the difference between the two sectors. As expected, companies in both sectors enjoy much more positive perceptions among people who interact with them – through any channel – compared with the roughly 1/3 of the population that does not. But the spread of scores between those who do not interact and those who do is much higher for banks than for insurance companies.



Banking



Insurance



This suggests the reputational impact of stakeholder engagement and interaction is much greater for banks, especially when it comes to their Social Media channels which appear to be tremendously effective – though of a relatively low reach. It also shows that perceptions of insurance companies, whose digital channels also seem effective, are less polarized. Lastly, product users – or in other words customers – are more positive than most others, which is indeed positive.

Trust & Like Score by Professional Segments

Further exploration unravels additional insights – the most surprising of which is the fact that many relevant stakeholder groups are in fact quite positive about banks, with an average Trust & Like Score in the high tier among students, business decision-makers and financial professionals. Another interesting revelation is the stronger Employer Brand banks have compared to insurance companies – both students and HR professionals rate them much higher, showing a clear advantage when it comes to attracting talent.



Banking



Students/
Talents



Government/
Regulators



NGO/NPO



Business Decision
Makers



Financial
Professionals



IT & Software
Developers



Marketing/
Comms/ PR



HR/
Recruitment



Insurance



Students/
Talents



Government/
Regulators



NGO/NPO



Business Decision
Makers



Financial
Professionals



IT & Software
Developers



Marketing/
Comms/ PR



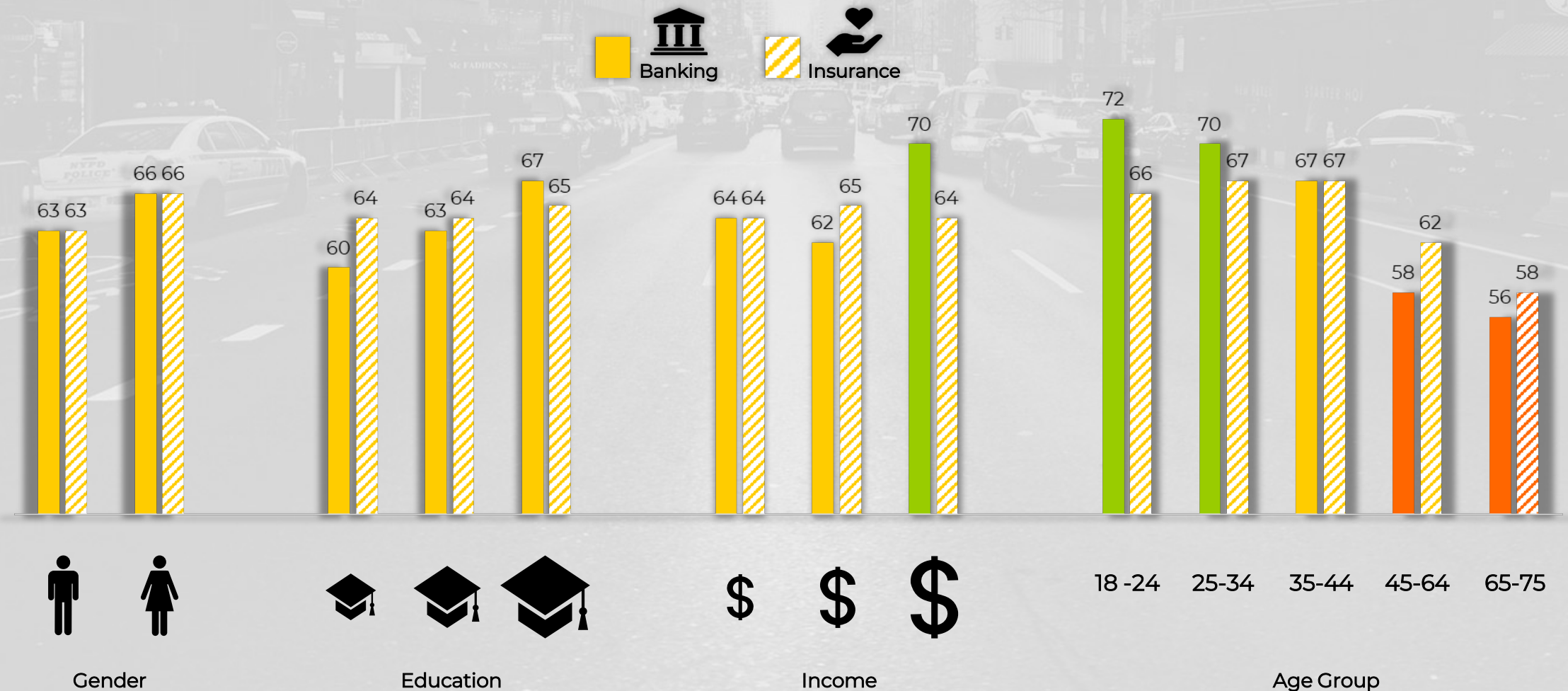
HR/
Recruitment



Above scores represent data-cuts based on demographic and professional segmentation of responses

Trust & Like Score by Demographic Segments

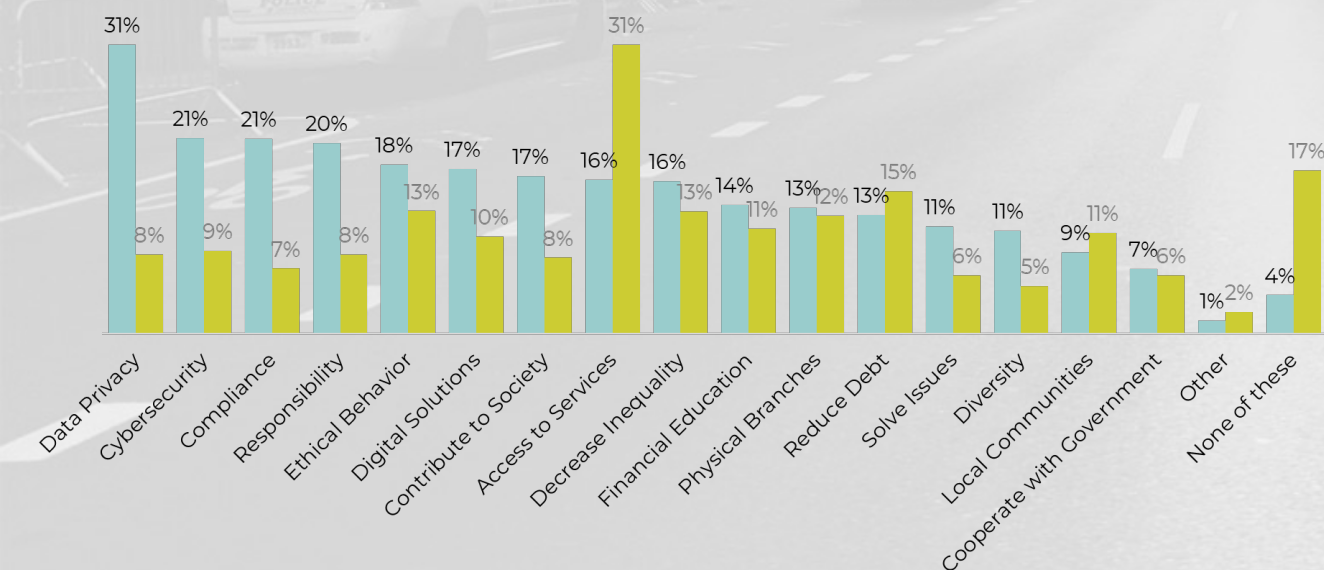
From a demographic perspective there is a pattern of declining reputation with age, which is quite common across many sectors. Interestingly though, it is much more apparent among banks than among insurance companies – with scores ranging widely from a high of 72 among the youngest to a low of 56 among the oldest. The variance of scores for banks is also higher across education and income levels, compared to insurance companies who experience more steady reputation levels – again indicating higher reputational volatility for banks.



Industry Issues

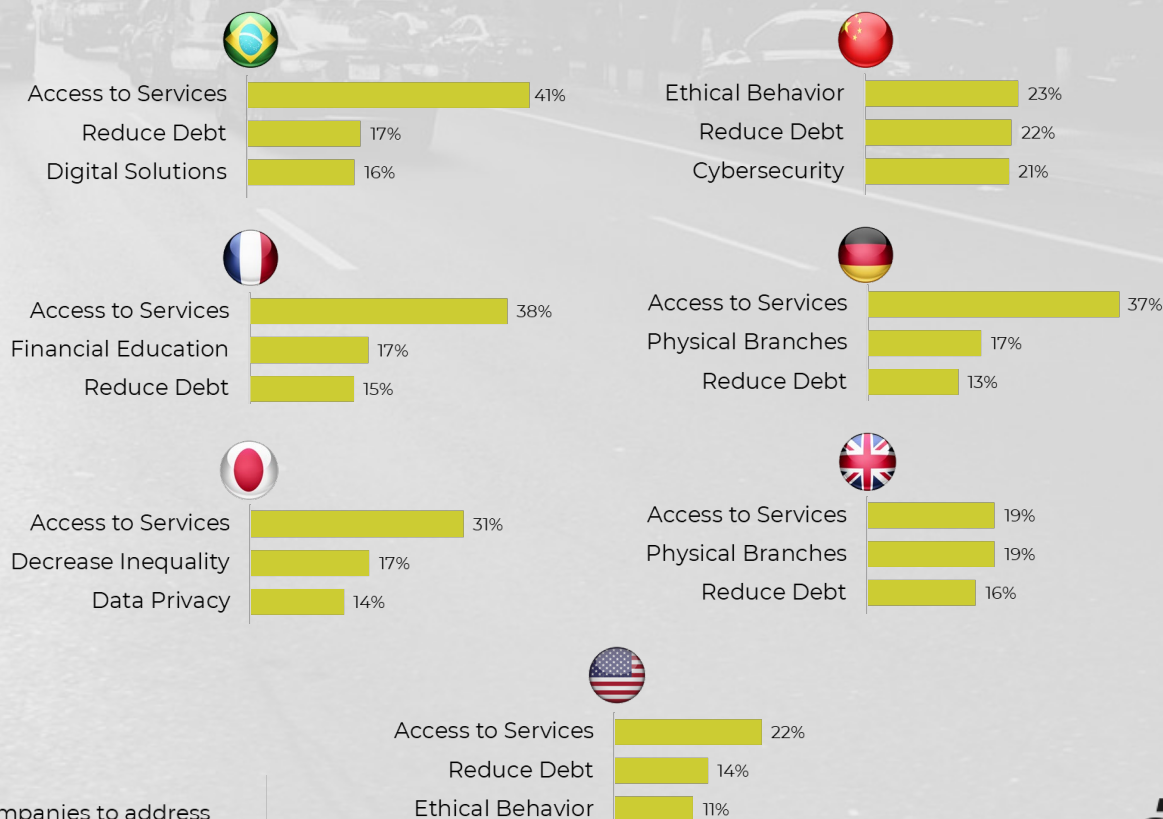
When it comes to public concerns around the financial industry – data privacy reigns supreme, globally and across each market. However, this is an area where people are quite satisfied with their banks and insurance companies, suggesting the industry is doing a good job at it. Where people are less satisfied is accessibility – they feel prices are too high, and this bothers them more than anything else (except in China, where people are more unhappy about unethical behavior by their banks and insurance companies). These results present somewhat of a dichotomy: as an industry people want financial institutions to focus on data privacy, but when thinking about their own bank they care most about costs.

What are the most important issues for financial companies to address?



■ Most important issues for financial companies to address
■ Unhappy about at current bank/insurance company

Top 3 Issues by Country

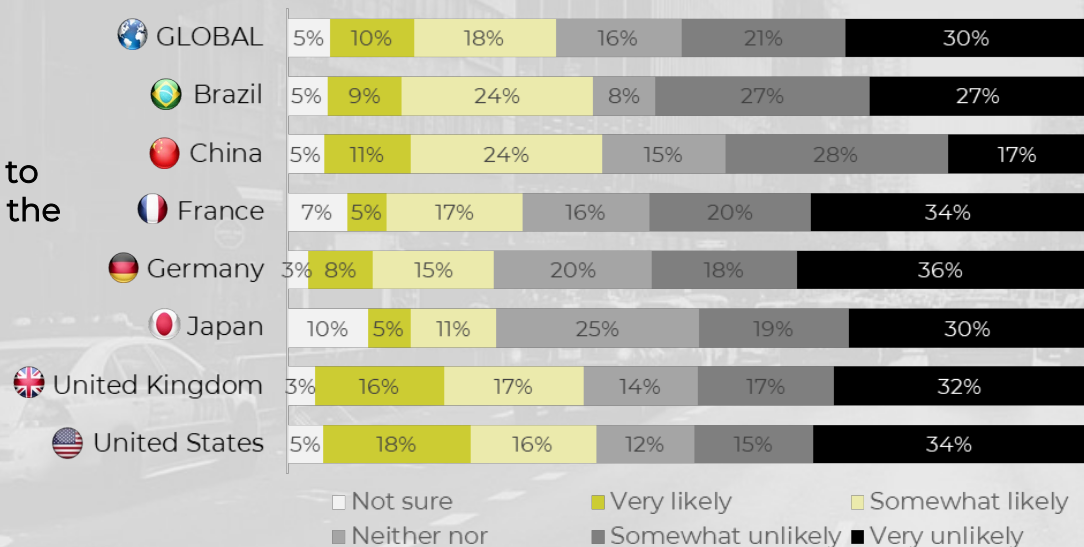


Loyalty and Churn



Banking

How likely are you to leave your bank in the next 12 months?

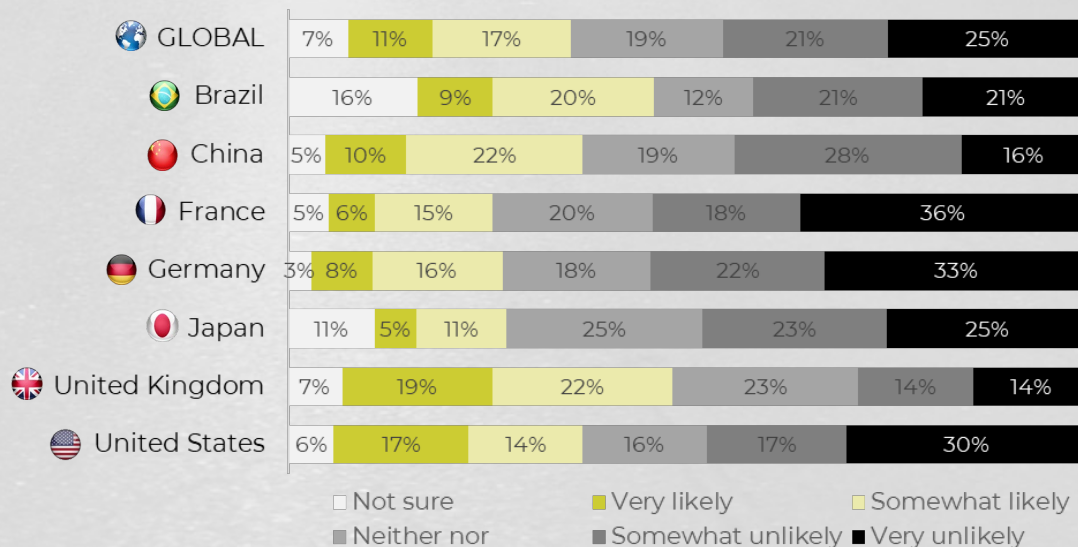


Keeping in mind people's concerns around industry issues, and the areas of dissatisfaction with their own banks, it may come as a relief for the industry to see the majority of respondents indicating an unwillingness to switch banks.

Only 10% of respondents globally claim they are very likely to switch their bank in the next year – with 30% claiming they are very unlikely to do so, a favorable ratio for the industry. This ratio, however, is less favorable in countries like the UK and the US where 16% and 18% of people are very likely to switch, respectively. It is also less favorable in Brazil, where only 17% claim they are very unlikely to do so.

In the insurance industry churn is a bigger concern with only 25% of respondents claiming very low likelihood to switch. This is especially an issue in the UK, where over 40% of the public claims to be somewhat or very likely to switch their insurance provider in the coming year – a warning sign for the sector there.

The financial industry has long been known for low satisfaction contrasted with customer loyalty due to perceived high switching costs. But with the advent of FinTech and the growing competitiveness of the market, these figures may suggest more churn on the horizon.



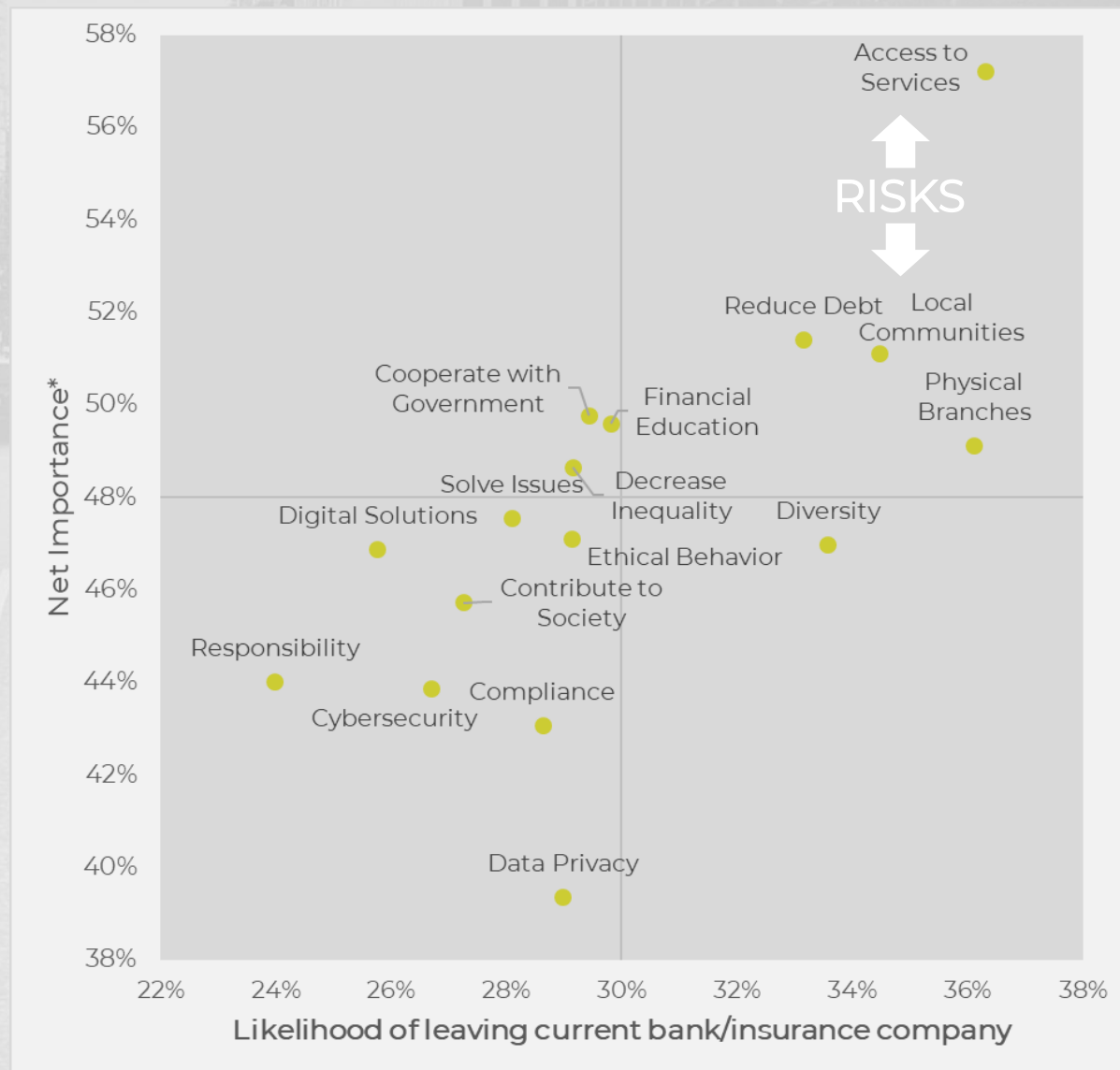
Insurance

How likely are you to leave your insurance provider in the next 12 months?

Reputation Risk

Combining all datapoints on issues, dissatisfaction and churn intent allows us to pinpoint the biggest risk areas for banks and insurance companies – not only when it comes to their reputation, but crucially also regarding their business results. The graph on the right clearly shows that the more people care about an issue – both on a general industry level and when it comes to their own bank or insurance company – the more likely they are to churn. And the biggest risk in this regard, by far, is the issue of lack of perceived access to services, or in other words: affordability.

Other perceived issues that may cause banks and insurance companies to lose customers are the growing dearth of physical branches, business practices that lead to increased consumer debt, and lack of focus on local communities. These seem to be far greater issues, and of higher commercial risk, than problems of data privacy and corporate responsibility in general.



* Net Importance is calculated based on the % of respondents who believe the topic is important and those who feel their current financial institution does not sufficiently address the issue.

Generation Question

Answering the question of how financial institutions can become more appreciated is not an easy task – but the data suggest that further engaging stakeholders, especially through digital channels, could help. Keeping a broad focus that encompasses both societal issues around data privacy, and more practical customer concerns around affordability, also matters. Banks need to reduce volatility and polarization in their reputation, while insurance companies should work on their employer attractiveness. Both can probably learn some tricks from FinTech companies in doing so.

In our previous reputation report of the industry in 2019 we found that the reputation of insurance companies was consistent across age groups, while for banks it varied, with scores creating a U-shape along the generations.

Trust & Like Score by Generation: 2019

	BANKS	INSURANCE COMPANIES	Δ
GENERATION Z (18-24)	66.0	65.7	-0.3
GENERATION Y (25-42)	63.1	66.0	2.9
GENERATION X (43-53)	58.0	64.7	6.7
GENERATION JONES (54-64)	60.2	65.8	5.6
BABY BOOMERS (65-73)	62.2	67.1	4.9

A similar analysis of this year's results shows that while perceptions of insurance companies remain consistent across age groups, they have become even more polarized among the generations when it comes to banks. The U-shape has made room for a straight-line decline in reputation from young to old.

Trust & Like Score by Generation: 2021

	BANKS	INSURANCE COMPANIES	Δ
GENERATION Z (18-26)	69.2	64.6	-4.6
GENERATION Y (27-44)	67.1	65.9	-1.1
GENERATION X (45-55)	63.1	65.0	1.9
GENERATION JONES (56-66)	61.8	63.0	1.2
BABY BOOMERS (67-75)	60.1	64.8	4.6

As a result, younger people are in fact more positive now about banks than about insurance companies, and the gap between the two sectors increases even more than before with age.

These numbers validate our conclusion from 2019, whereby the negative perceptions of the banking sector are to some extent driven by a generation-based bias, and younger people are much more positive towards the industry compared to their parents. This confirms, once again, the real opportunity for banks: **build a new reputational legacy with a new generation!**

Appendix I – Statements Explained

STANDARD MODEL STATEMENTS

Awareness	Percentage of respondents who are able to recall a company by name / logo (aided awareness)
Trust & Like	The extent to which the company is trusted & liked
Offering	Perceptions of products and services
Innovation	Perceptions of innovation
Integrity	Perceptions of responsible behavior
Leadership	Perceptions of overall leadership
Authenticity	Perceptions of honesty
Differentiation	Perceptions of standing apart from competition
Relevance	Perceptions of having a relevant purpose
Inspiration	Perceptions of being interesting
Recommendation	Likelihood of recommending
Advocacy	Likelihood of speaking positively
Consideration	Likelihood of purchasing products
Employment	Likelihood of considering as a place to work

TOUCHPOINTS

Advertising	Have been exposed to advertising or direct mail (online or offline)
Employees	Spoke with an employee or representative (sales, customer support, staff)
Media	Read about company in a newspaper, journal or magazine (online or offline)
Products / Services	Have purchased or used products and/or services
SoMe	Visited the social media channel, forum or blog
Sponsorship	Participated in a sponsored program or event
Website	Visited the website
Word of Mouth	Heard about company from someone not representing it, whose opinion I value such as a friend, family, acquaintance, expert or opinion leader

INDUSTRY ISSUES

Access to Services	Increasing access to financial services for all people and organizations
Compliance	Complying with laws and regulations around taxes, fair competition and
Contribute to Society	Stimulating local economies through good jobs with benefits
Cooperate with Government	Cooperating with public institutions, such as politicians or regulators
Cybersecurity	Ensuring the highest levels of cybersecurity of its operations
Data Privacy	Respecting data privacy and data security
Decrease Inequality	Helping decrease inequality and poverty
Digital Solutions	Offering smart and user-friendly digital solutions
Diversity	Securing gender balance, diversity and inclusion as an employer
Ethical Behavior	Ensure ethical and transparent selling and marketing of its services that do not
Financial Education	Stimulating financial education of the population
Local Communities	Supporting communities by donating money and local support
Physical Branches	Having physical branches with real personnel
Reduce Debt	Reducing current level of indebtedness of families and businesses
Responsibility	Investing responsibly in relation to environmental, ethical and social values
Solve Issues	Helping solve national and global issues



Published by Caliber
on 30 September 2021

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