

Finance and national newspapers: creative report

Maureen Duffy, NMA, uses research to show how finance ads in newspapers are failing to connect with their target consumers

A CREATIVITY DÉFICIT is hampering the performance of advertising in the financial services sector. While advertising in many consumer product categories is catching up with new thinking to harness the brand-building power of national newspapers, the approach to the financial services category is lagging behind.

The Newspaper Marketing Agency (NMA) tested quantitatively 100 ads from financial services companies in the main newspaper and its sections. We compared the results against the norms for the 2006 NMA effectiveness study, in which newspaper ads in six brand campaigns were designed to work with the TV ads and the results were tracked by Mülward Brown.

The effectiveness test results, which can be considered as demonstrating best practice for newspaper ads, are far ahead of the current norm for advertising in the four finance categories we studied -

mortgages, insurance, credit cards and personal loans (see Figure i).

The testing of finance ads was part of a major piece of research into financial services advertising in national newspapers. It involved quantitative research and qualitative research among more than 6,000 consumers. The quantitative testing of the newspaper finance ads validates the qualitative research findings, that finance ads are not connecting with consumers.

The consumer mindset

The scale and complexity of the market in financial services has bred confusion among consumers, who feel less connected to financial companies and are wary of being sold products they don't need or cannot afford.

They face a barrage of marketing messages, most of which are price-led. Price is certainly an important consideration, but customers place as much, or even more,

value on emotional factors such as trust, company reputation and approachability.

That partly stems from a lack of trust in financial providers. The research, carried out before the run on Northern Rock - a bank caught up in the sub-prime-related credit famine - found that fewer than half of newspaper readers recently active in the financial services marketplace believe that the companies can be trusted. Most think they are not interested in helping the consumer.

Against this background, brands have a very real role to play in influencing financial product purchase decisions. With the need to build brand values vital in securing consumers' confidence - and ultimately their business - national newspapers are an important potential ally for brands.

Readers see their newspapers as a personal friend, trusted and valued as informative, thought-provoking and entertaining. A newspaper is not just an information source, read in a rational frame of mind - it moves and sways its readers on an emotionally engaging journey. The newspaper context is well suited to brands, a context that allows them to capture the attention of active and engaged consumers.

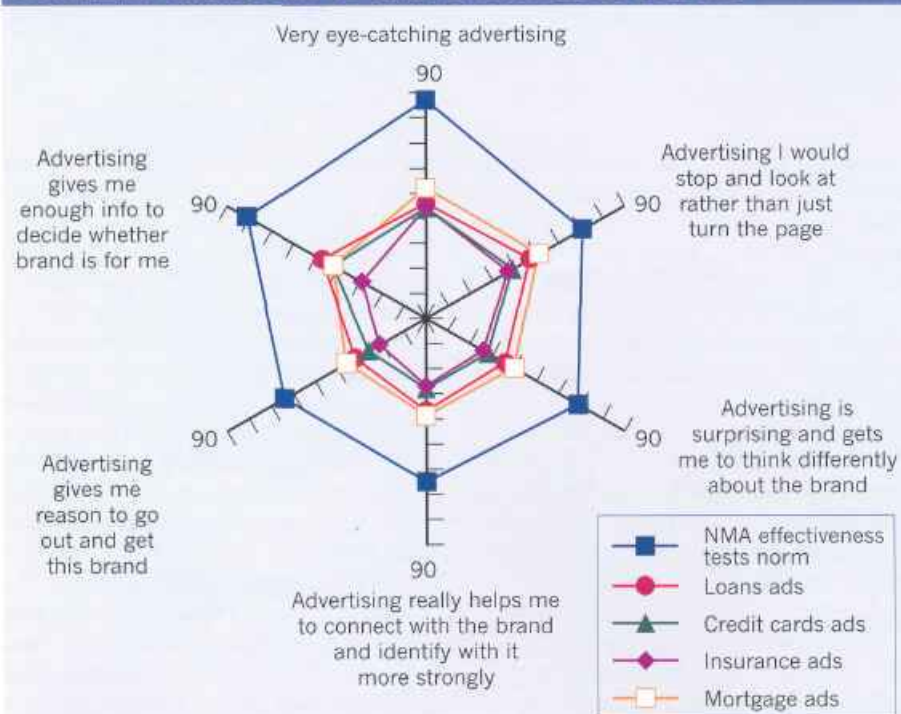
And yet advertisers in the finance category rarely tap into this frame of mind. Mostly they simply present readers with a mass of facts and figures cluttered into a small black-and-white space. People who are buying financial products are having quite enough trouble decoding the market without having to decode the ads as well.

Current financial advertising - what is going wrong?

Readers sift through their papers to decide what they are going to read. With each ad being given an initial two-second glance, typical finance ads are not making a welcoming or interesting impression. Our research showed that nearly a third of newspaper readers in the market for financial products actively look for information in their paper. But the ads are so poorly constructed that only 10% notice them.

Tonally, the ads also fail to draw the reader in. They often sound desperate and look impenetrable because of the sheer*-

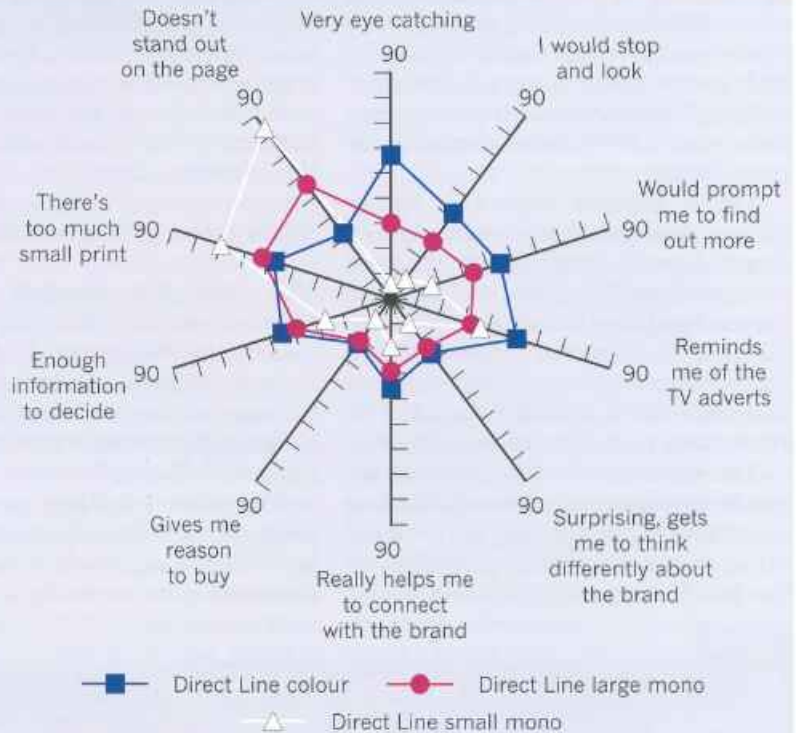
FIGURE 1
Newspaper finance ads vs NMA effectiveness test ads



Source: BMRB Online - regular newspaper readers who have acquired or renewed home or motor insurance within the last six months, or acquired or renewed a mortgage, loan or credit card within the last 12 months and had some responsibility for choice of financial provider. On average, each of the ads was seen by c200 people.

FIGURE 2

Response to insurance advertising – Direct Line



Source: BMRB Online – regular newspaper readers who have acquired or renewed home or car insurance within the last six months, and had some responsibility for choice of financial provider (sample per ad 182–226)

volume of copy and numbers. Small print suggests to consumers that the ads are hiding something, and the branding is often unclear.

There is widespread scepticism about headline offers. Many people think that if they call the company they will be told that the offer does not apply to them. Effectively, they are being lured into providing the company with a selling opportunity, thereby reinforcing their negative impressions.

The ads are failing to engage consumers with any insight or to tell them anything about the company, the service they can expect, or why the product or service is better than any other.

Making a decision on a financial product

The concentration on price messages in newspaper advertising fails to reflect the emotional factors that are important in

the buying decision. For example, 94% of those buying home and car insurance say good customer service is important. Other emotional factors, such as a company that has a good reputation (93%), a good understanding of their needs (91%) and is friendly and accessible (89%), are cited more often than getting the lowest price (83%).

Enter the retailers

The balance of practical and emotional concerns among consumers suggests that there is an especially strong opportunity for the financial products that are increasingly on offer from high-street retailers.

People associate their regular retailer with both good value and good service, and say they would be prepared to buy its financial products. The way seems to be clear for retailers to leverage their brands into the financial services marketplace, though the NMA research suggests that

they need to increase awareness among their customers of what is on offer and how they can find out more.

As well as the ads from mainstream providers, the research tested 22 ads for financial products from four retailers – Tesco, Sainsbury's, Marks & Spencer and the Post Office. Overall the consumers deemed these ads to be less appealing than the 'normal advertising' from the retailers. The performance varied greatly, with the Post Office and Sainsbury's being relatively successful, and M&S trailing behind.

The newspaper opportunity

Consumers use newspapers as a starting point to get to know the market and how it operates. It helps them understand the category. They then go on to create a shortlist of options. Newspapers provide them with phone numbers and website addresses to take action. As one consumer in the qualitative research put it, 'The



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companies would be missing out if they weren't there. We have more time to take them in. By being in my paper it means that they are interested in my business.'

What works?

A good ad can boost a brand's value to the consumer. It can give information quickly and clearly, in a tone that matches the reader's mood and feelings. It can help them make sense of the market and it can convey why that brand stands out in the cacophony of competing voices.

As in any market, consumers value simple, well branded Communications that tell them the end benefit. They respond well to visually distinctive ads that spark their interest. And, where an advertiser uses two or more media, they want to be able easily to see the connection between the ads.

In finance advertising, it is important to present clearly a website address and a freephone number, so that potential customers can see how to take the next

steps. Most people in the marketplace visit a website after noticing newspaper advertising. Some phone, and some visit a branch. Newspapers are effective in sending financial product buyers to look at websites, something that is often not being picked up by current ad measures.

Colour and size

Colour plays a significant role, helping ads to catch the eye and persuade readers to stop and look instead of just turning the page. Consumers see colour as evidence that advertisers are, 'making the effort'. Brand colours help to reinforce the emotional connections with the brand.

Colour is reinforced by size. A large ad has more impact than a small ad, which can end up struggling for attention against a stronger ad, which might even be from a competitor. Large colour ads outperformed all other ads across the market.

The three Direct Line ads (see Figure 2) give an effective demonstration of how size and colour can help a brand connect

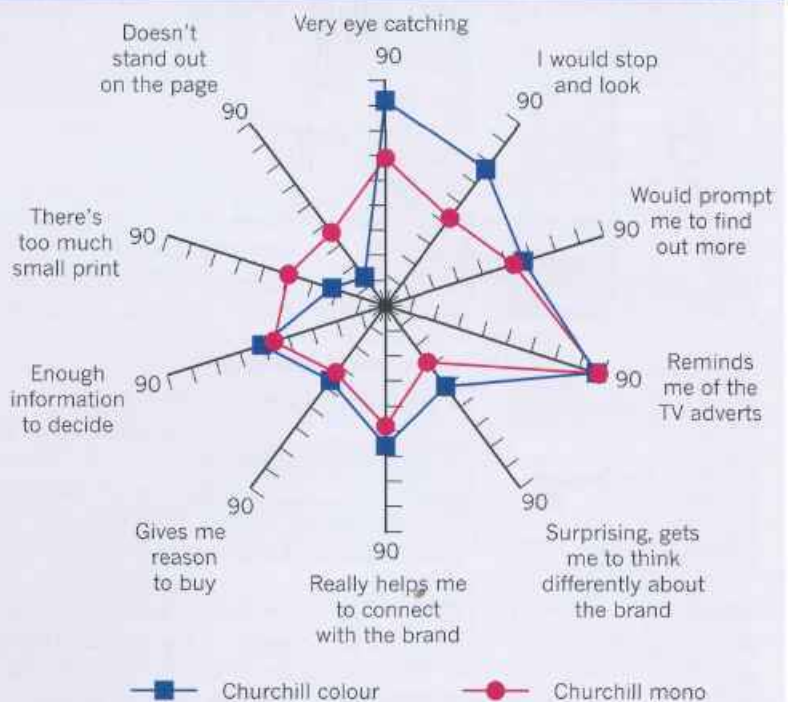
with consumers. The content of the three ads is identical, and the positioning of the two larger ads is identical. The colour ad was ranked 31st out of the 100 we tested, and the large mono ad came in 10th.

The small mono ad simply shrinks the content, so the ad scores high on the 'too much small print' measure. Its placing demonstrates how smaller ads risk having to compete for attention with stronger ads, sometimes from a competitor. The ad was ranked 88th out of 100.

Strong branding

The impact of colour is reinforced by strong branding, especially if a brand icon, device or logo is particularly recognisable. It helps consumers to place the brand clearly and to know if the advertising is relevant to them. Where branding is clear, readers will often skip over the ad, or get frustrated at having to decipher its relevance when they could be spending their time reading something else.

FIGURE 3
Response to insurance advertising – Churchill



Source: BMRB Online – regular newspaper readers who have taken out or renewed home or car insurance within the last six months and had some responsibility for choice of financial provider (sample per ad 182-226)

The Churchill ad (see Figure 3) was created by the NMA by adding colour to a mono ad. The combination of the strong brand icon and the brand colour combined to make the ad the second best performing of the 100 finance ads we tested. The very similar mono ad was ranked 14th.

As the spidergram shows, the brand icon ensures that the ad forces recall of the TV campaign for 87% of consumers tested. But many more people found the colour ad eye catching and say they would stop and look, so the colour ad is able to deliver its messages to more people than the mono.

A simple, focused proposition

Successful financial newspaper advertising employs a very simple and focused proposition. This is more than just communicating the rate - it is something on top of this, or a particular aspect of the rate that draws the consumer's attention.

ING Direct's campaign is a good illustration, as well as demonstrating the effectiveness of multiple executions in the newspaper context (see Figure 4). The ads put the benefits of the brand to the consumer one by one in a clear, direct way. The offer is differentiated, the interest rate is clear and the familiar brand colours aid recognition. The focus is on the benefits, and executions such as the 'headache tablet' show understanding of how the consumer is feeling in the marketplace.

Use of space adds clarity and emphasises that there is relatively little small print. The ads occupied four of the top 10 places in the 100 that were quantitatively tested.

Integration with TV

In general, the ads that performed best in the research were large colour ads with a link to the brand's TV campaign. However, in some cases, the image chosen for the newspaper ad does not reflect what the consumers take out of the TV ad, and the link is not made. This underlines the potential value of creative pre-testing, which is normal for TV ads but seldom done for newspapers.

The 13 NMA effectiveness tests run in 2005 delivered an average of 17% brand recognition. Creative pre-testing was added to the six campaigns in 2006, and they delivered an average of 34%.

Finance is not a special case

Some of the shortcomings of current finance ads may stem from an assumption that finance is different from other categories.

But ads in other categories also have to put over relatively technical information while meeting the challenge of wrapping that information in an emotional context. Motors is one such category, and one of the 2006 campaigns in the NMA's effectiveness tests shows how to balance the emotional and the rational.

The campaign for the Toyota Yaris was designed to include newspaper brand ads along with TV. The newspaper advertising consisted of multiple executions, each highlighting a benefit of the brand. The combination of newspapers and TV delivered 82% higher emotional connection with the brand than TV alone, and a 5% point increase in likelihood to consider the Yaris against 1% point for TV alone. Newspaper ads drove a 44% increase in unique visitors to the Yaris homepage - half that increase came from the papers' online version.

Implications

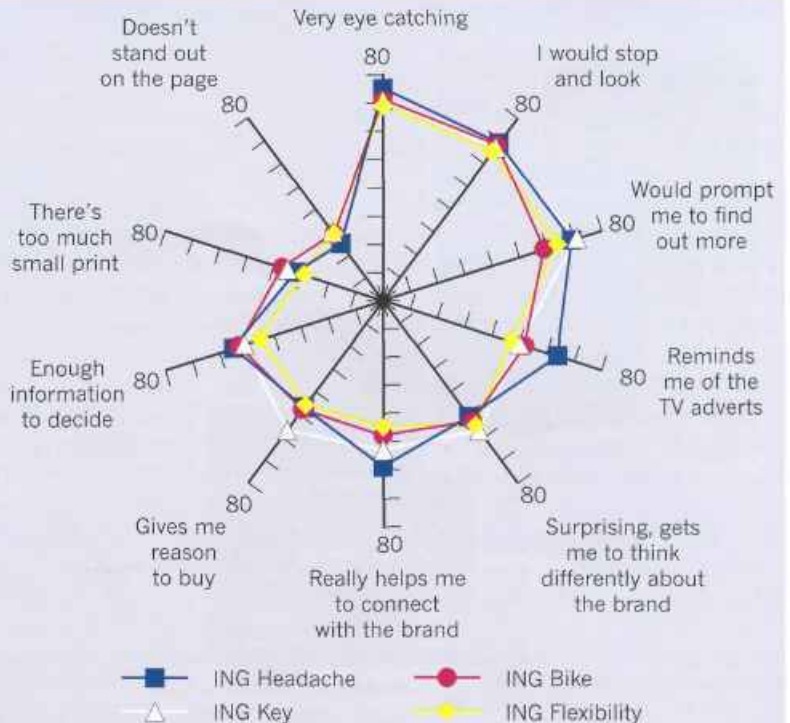
The biggest issue for financial providers in failing to produce Communications that engage consumers is that those consumers are left feeling that brands do not care about their business. Badly constructed and impenetrable advertising makes consumers feel that the provider will deal with them in a similarly unhelpful way.

Conversely, advertising that stands out and makes an emotional connection within the emotional environment of the newspaper suggests that a company will take care of its customers. And, within the rich context of that trusted and respected medium, the potential for financial services advertisers is huge.

More on newspaper advertising at WARC.com

FIGURE 4

Large colourful, visually engaging, simple, benefit driven, linked to TV



Source: BMRB Online - regular newspaper readers who have acquired a new mortgage or re-mortgaged and existing mortgage within the last 12 months, and had some responsibility for choice of financial provider (sample per ad 174-196)