
Talking to your customers

How financial services can speak the language of retail investors



Is it time to **radically** improve your customer comms?

Warning – this paper may make you afraid. These words are a call to action, a blast of chilled air into cosy offices, or maybe the first wisps of smoke that suggest your building is on fire. This is a warning of what’s going to come if you don’t start to improve right now.

Let this heart-warming sentence be an inkling of what you’re up against:

‘Some folks... kind of helped us out on the ground and made introductions so we could sort of plead our case.’

Sounds nice, doesn’t it?

Note the use of the word ‘folks’ and that simple ‘helped us out’ and the emotive ‘plead our case’. If I say this was a startup talking, you’d think: ‘Oh bless, those creative young millennials! Trying to improve the world for everyone ... let’s give them all the help we can’.

This startup was Zenefits. According to author **Corey Pein**, when Utah regulators accused it of violating consumer protection rules, Zenefits flew into town with ‘some folks’ that included five professional lobbyists and one former exec director of the Utah Republican Party. But Zenefits made itself sound friendly, accessible and kinda cool.

Take the example of Uber, the global app-based minicab service, which has taken on the authorities (that once licensed and insured minicabs in the interest of keeping the public safe) and has mainly won. An estimated 2 million drivers across the world now work for Uber – without having to answer to the official regulation that existed before.



Trusting the tech

You need to know that, generally, millennials don't care about the regulatory upset; they have embraced Uber (regular Uber and Lyft users are most likely to be aged 16–34). The app was founded and run by people in t-shirts with young faces; people who chat in everyday language; people who are 'one of us'. And perhaps most importantly, millennials trust Uber.

They trust the brand, trust the app, trust the customer reviews, trust that little red dot on a screen heading towards their door. A licence from City Hall means nothing to the under-35s, but knowing they are logged on with an app and being tracked by GPS is totally reassuring.

If you think this has no bearing on the financial services industry, think again.



"A swarm of new and hungry fintech companies is vying to look after your customers' money"

Fear the fintechs

A swarm of new and hungry financial-technology (fintech) companies is vying to look after your customers' money. The fintechers want to put banking, saving and, yes, investing literally into their customer's hands – via their phone screens. They want to ensure everyone is only a tap, scroll, or swipe away from their last or next financial transaction. The very near future is a place where you can manage **every aspect of your finances** – saving, spending, investing – as easily as ordering dumplings from Deliveroo.

Showing their FAANGs

At Davos, the threat of the likes of Facebook and Amazon becoming active in financial services gave **the masters of finance sleepless nights**.

Amazon looks set to **venture into investment funds**, and it's worth knowing that research house Bernstein has found that 41% of **Amazon's 100 million Prime customers** would choose an Amazon retirement account.

Robo-advisory services like Alibaba's Ant Financial already have AUM of US\$345 billion. And just to give you a sense of the scale, Ant Financial has 1 billion customers – that's five times more than Citigroup.

The giants and the startups are coming.



Simplicity wins

Ease of use is not the only appeal of PayPal or ApplePay; it's also the simple chat and the one-tick clicking away of all that tricky and complicated stuff. Do you agree to the T&Cs? Yes, click. Get an **N26** current account without 'a scrap of paperwork'.

Do you want a 'buy now, pay later' four-month 0% plan with PayPal Credit or a 'split the bill' three-month payment option on your TopShop purchase with payment provider **Klarna**? Well, it's just another little clickety click away.

These providers have bent over backwards to make their offerings so simple and friendly. They're talking to you one to one in the private confines of your personal digital universe. There's no queuing at the branch for these short consumer loans, no form-filling, no eyeballing the bank manager. Instead, there's an excited 'Yay! You're pre-approved!'

They're chatting up your customers

When the fintech startups come for *your* customers with their shiny but simple tech vehicles and their one-paragraph friendly explanations, they may very well get them.

And the giants who have worked for decades to build customer brand loyalty online – PayPal, Apple and Amazon? When *they* come to get your customers, they too are going to win. Because they know every customer, know exactly what they want to invest in, because their research is infinite. They know what you bought your toddler, now 18, for his third birthday.

Above all, these companies all talk to their customers like old friends. And the customer, who has spent more time online than anywhere else other than asleep in bed, feels like they *are* old friends.

The customers of the future are going to trust big tech brands or little startups that sound like their best friends over the distant, corporate, mainstream bank or investment company. Blame the financial crisis of 2008. That didn't exactly give the 'big, bad boys' of finance a good name. Trust in financial service providers is **still low**.



How to fight back

Get to know, *really know*, your current and future customers

■ 'You can never go far wrong by thinking like a new customer'— Richard Branson

Female customers, young customers, customers from diverse backgrounds, customers who don't want equities (or even a pension plan), digitally savvy customers, cynical customers, self-employed, part-time, career-breakers, creatives, people who do their own research and make their own decisions. These are important financial services customers, now and in the future. It's time to stop ignoring them.

Having focused for so long on stock-market investing, long-term wealth accumulation and pensions – and with a bias towards white, male customers over 45 in full-time, steady jobs – the asset management industry will have to adapt enormously to the demands of its new and future customers.

Not going after the new customer will mean losing out to all those competitors who are. Not to mention losing out to all the other ways that these potential customers are finding to make their money grow: angel investments, buy-to-let property, peer-to-peer lending, art, gold, bitcoin, corporate bonds and so on.

New products, new services, new approaches and new technology will all be needed to keep on attracting new customers.

What do your customers really want? It's time to talk to them and ask. Maybe women want something more flexible than a pension? Maybe self-employed people don't want to take any risks with their investments? Maybe those 27-year-olds working lucrative 14-hour days plan to retire at 35?

How can you attract a much wider range of customers? And how do you explain exactly how your products can work for them? With much better comms.



Talk to your customers like a trusted friend

Talk inclusively – so everyone can understand. Language is one of the most obvious ways a company has to build relationships with new and future customers. Relationships build trust. If you want someone's money, they are going to have to trust you.



Lose the jargon and the small print

Fairer Finance launched a '**spare us the small print**' campaign that showed how some insurance companies were printing 30,000 word terms and conditions, while other companies had managed to get the same information down to 7,000 words.

That's not bad, but as mentioned earlier, the challenger bank N26 aims to let you open an account without 'a scrap of paperwork'.

In the future, that may be what every customer expects.

Get company-wide support for much better comms, otherwise legal, compliance, risk or senior management will continue to ruin the concise and clear message your in-house writing team creates.

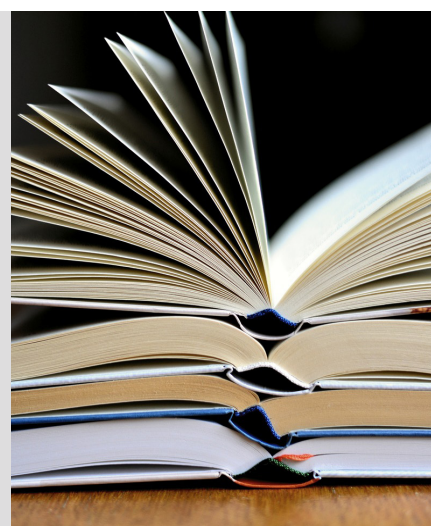
Be open always

Foster open and honest communication with every customer to overcome their scepticism about the financial services industry.

Explain every product and every step very well and yet succinctly.

Offer value, education and information, not just a sales pitch.

Strip away the mystique surrounding your products. In a world where anyone can trade **foreign currency** or buy **alternative investments** and where every personal finance website is **calling out high charges, rip-offs and underperforming funds** – big companies will have to do better and be so much more transparent.



Lose the hubris

Customers are less interested in your centuries of history, decades of experience and product development than you may think. They want to know about what's relevant to them.

The companies that communicate well

Within the financial services industry at present, which companies are excelling at communicating with their customers?

We've looked through many brochures and websites to bring you examples of the kind of writing that puts customers first. Perhaps unsurprisingly, US providers, plus the new kids on

the block – challenger banks and the latest digital platforms – are coming out on top.

So what are they doing right?

We've given this topic a great deal of thought. Here are our **seven guiding principles** for creating writing that customers will find easy to digest.

1. Be clear

What is the main purpose of the material you are writing? What is the most important point? Give this proper consideration. Be as clear and focused as possible.

Once you've decided what the primary focus of the writing is, stay on message! Don't get bogged down in details, asides, extra points or side issues.

Aim for sparse elegance in your writing. Convince compliance to also keep their messages clear and short.

“

Here, NS&I's website presents information on interest rates as a straightforward Q&A:

What is the interest rate?

0.75% gross/AER

We calculate the interest daily and add it to your bank account on the 5th of each month, or the next working day if the 5th is a weekend or bank holiday.

What would the estimated balance be after 12 months based on a £1,000 deposit?

A £1,000 deposit would earn £7.50 interest after 12 months, if the current interest rate stayed the same during the 12 months.

”

**Copylab
likes**

Q&A formats are usually a helpful way to break information down. The example gives customers a concrete picture of the sums involved.



2. Stick to what is essential

Be brutal with all material that isn't essential. If there's more to say on a related point, put it into another section or link to a different page. Keep your writing clear, uncluttered and on topic.

US index-tracker giant Vanguard excels at pared-down explanations. This is from its UK website, www.vanguardinvestor.co.uk:

“

If you're new to investing, then an ISA is likely to be a sensible place to start. That's because ISAs are flexible and tax efficient – you can get your money out at any time and you won't pay capital-gains tax or income tax on your investments.

Please note that ISA eligibility and limits are set by the government and can change. You can find the most recent rules and limits on the HMRC website.

”

**Copylab
likes**

This is brief and helpful. Plus it links to HMRC for further info instead of taking valuable space to repeat this information.



3. Be logical

Organise information so that it flows in a logical order. Ideally, it should follow a time sequence.

Virginmoney.com sees itself as 'a customer-focused disruptor', which intends to take market share by offering 'service and value'. Here is the website copy on drawing your pension:

“

How can I access my pension savings?

You don't have to decide any time soon, but when you do reach age 55, the good news is that recent rule changes mean you have more flexibility than ever before.

You can continue to contribute until you choose to retire or:

- Ⓢ **Withdraw all your savings** – up to the first 25% is tax-free.
- Ⓢ **Leave your savings untouched until you need them** – they could continue to grow in the meantime.
- Ⓢ **Flexibly access your savings**, enabling you to access cash, secure income and income drawdown.
- Ⓢ **Use your pension pot to buy a secure retirement income**, typically known as an 'annuity'.
- Ⓢ **Transfer free of charge to another pension provider** – useful if you are combining pension pots or you want withdraw cash as and when you need it.

”

**Copylab
likes**

This is short and straightforward. It slices through much of the waffle usually written on this topic.



4. Keep it simple

'Never use a long word where a short one will do.' George Orwell was right. Aim to use language that is as straightforward as possible. Keep sentences short and in a simple structure. Concrete examples or case studies can help readers grasp more complex ideas.

Another blinding piece of simplicity from Vanguard's UK website, www.vanguardinvestor.co.uk:

“

From the 'overview on investing'

Some people say investing is complicated. We don't think it has to be. In fact, we think successful investing rests on four simple principles:

Goals Balance Cost Discipline

”

**Copylab
likes**

We like the way they address the fear of 'complicated' and break the information down. You can click onto each of these four principles to learn more.

5. Keep it short

Copy should be as short as possible because life and attention spans are ... brief!

“

From N26, one of the newest banks on the block:

A full UK bank account with features that make sending, saving and managing your money easier than making a cup of tea.

Open current account

”

**Copylab
likes**

The short copy on each page underlines the message that there is nothing complicated here.

6. Target your customer

There is increasingly a case for being very specific about who you are writing for: younger customers or older customers; those beginning their investing life; those wanting to tap into their pensions or pass on their assets; customers with children and customers without.

If customers can be broken down into smaller groups, communication can be tailor-made for them and therefore be much more effective.

How do you find out what this group of customers wants? Go and talk to them. Invite them to engage online. Where are they getting their financial information? What are their overriding concerns, fiscal problems and financial goals?

“

Ellevest, a US asset manager that focuses on women:

Studies show that women reinvest 90% of their income into their families and communities, more than twice the percentage men do. In fact, consulting firm McKinsey finds that the global economy could be between \$12 trillion and \$28 trillion larger in 2025 if women were employed at the same rate, in the same roles, with the same pay as men. \$28 trillion??? That's bigger than the gross domestic product of any single country on this planet...

”

**Copylab
likes**

Note the unassuming, conversational style. This is how you would explain it to a friend. The entire website reads like a conversation with a friend who's empowered and well informed.



7. Cheerlead! Be your customer's champion

Your customers and potential customers should come to you and be inspired to join up and spread the word. They'll do this if they think you're the best for them. So never underestimate the power of championing your customer.

Be friendly, helpful and informative. Sound like your customers and be like your customers. Constantly put yourself in their shoes: what do they want? What do they need? How are you going to help them as much as possible?

Staving off competition from the big online brands, as well as the hungry new fintechs, is going to involve concerted effort combined with a dynamic and direct approach.

Octopus, a boutique asset manager, is determined to make sure customers can understand even its most specialist products:

“

We'll never let complexity win.

The best companies and products make your life simpler, not harder. Why should financial services be any different?

If we haven't got it right, please let us know.

”

**Copylab
likes**

Flagging up the complication and asking customers to get in touch if they don't understand is great communication.



Is it time to transform your customer comms?



Make the business case for improving every aspect of your customer communications and get company-wide buy-in.

Break the task down into manageable projects.



Get expert help if appropriate.



Consider every aspect of your comms from the ta-dah 'front of house' to the least-visited webpage, from the T&Cs to every single customer letter.

How can Copylab help?

Copylab is a specialist financial communications agency. We can support the creation of content for your customers in three ways:

1

Review your project

We can assess all your customer communications, from your website to your brochures to your letters, and let you know how you can improve – from quick and easy wins to a company-wide communications overhaul.

2

Use our writers

We have writers from diverse backgrounds with many different areas of expertise. All are trained to communicate highly effectively with customers. Understanding our clients' tone of voice and translating jargon into 'plain English' are crucial elements of our job.

3

Let us train your writers

We're delighted to share our wide knowledge with your writing teams. Our short courses, packed with practical information and exercises, will quickly make a difference to the quality of your communications. We can train teams together, or offer small-group or one-to-one tuition.

Please **get in touch** to find out more.

Contact us

Ask us to review your communications and find out how much better they could be.

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