

Fair4All Finance Segments

Marketing & Brand Awareness

Deepening understanding of people in financially vulnerable circumstances

16th November 2022

Who is speaking today



Becca Rowe – Fair4All Finance



Tom Johnson – Trajectory



Michelle Lane – Fair For You

Purpose of today

To help organisations **shape their marketing strategy and delivery around their growth objectives, particularly where they are looking to grow into certain segments**

For what purpose?

- **Build financial resilience** by delivering targeted, well designed products that serve customer needs
- **Diversify portfolios** to balance the spread of risk and increase margins of income to improve sustainability and deliver wider impact across the market
- **Develop differentiated marketing plans** to communicate and connect with existing and new customers as individuals rather than than homogenous group to those who are financially vulnerable.

Background to the Segmentation

Target audience definition

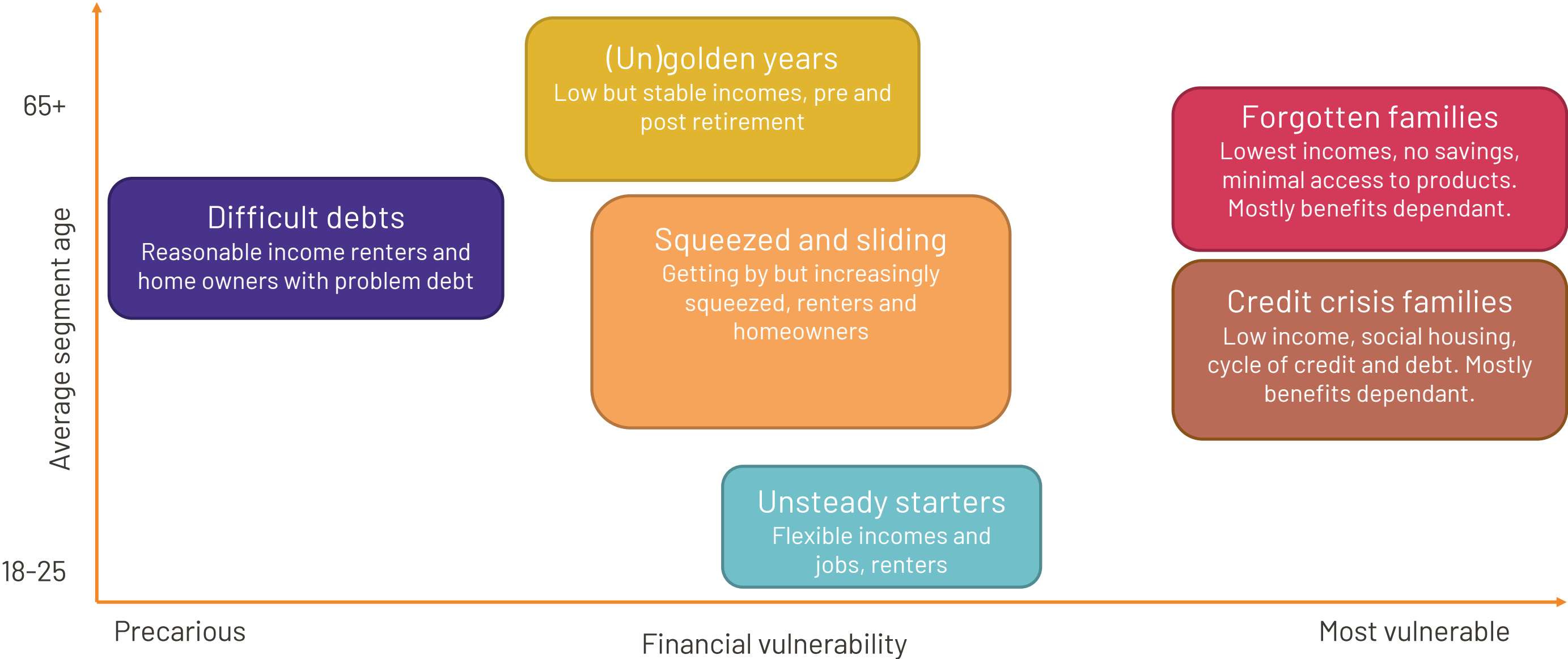
**We have defined the
target audience as
those who are
financially
vulnerable**

At least
17.5m

UK adults in
financially
vulnerable
circumstances

Segments of those in financially vulnerable circumstances

Six segments show the breadth of financial vulnerability – the size of the box represents the size of the cohort



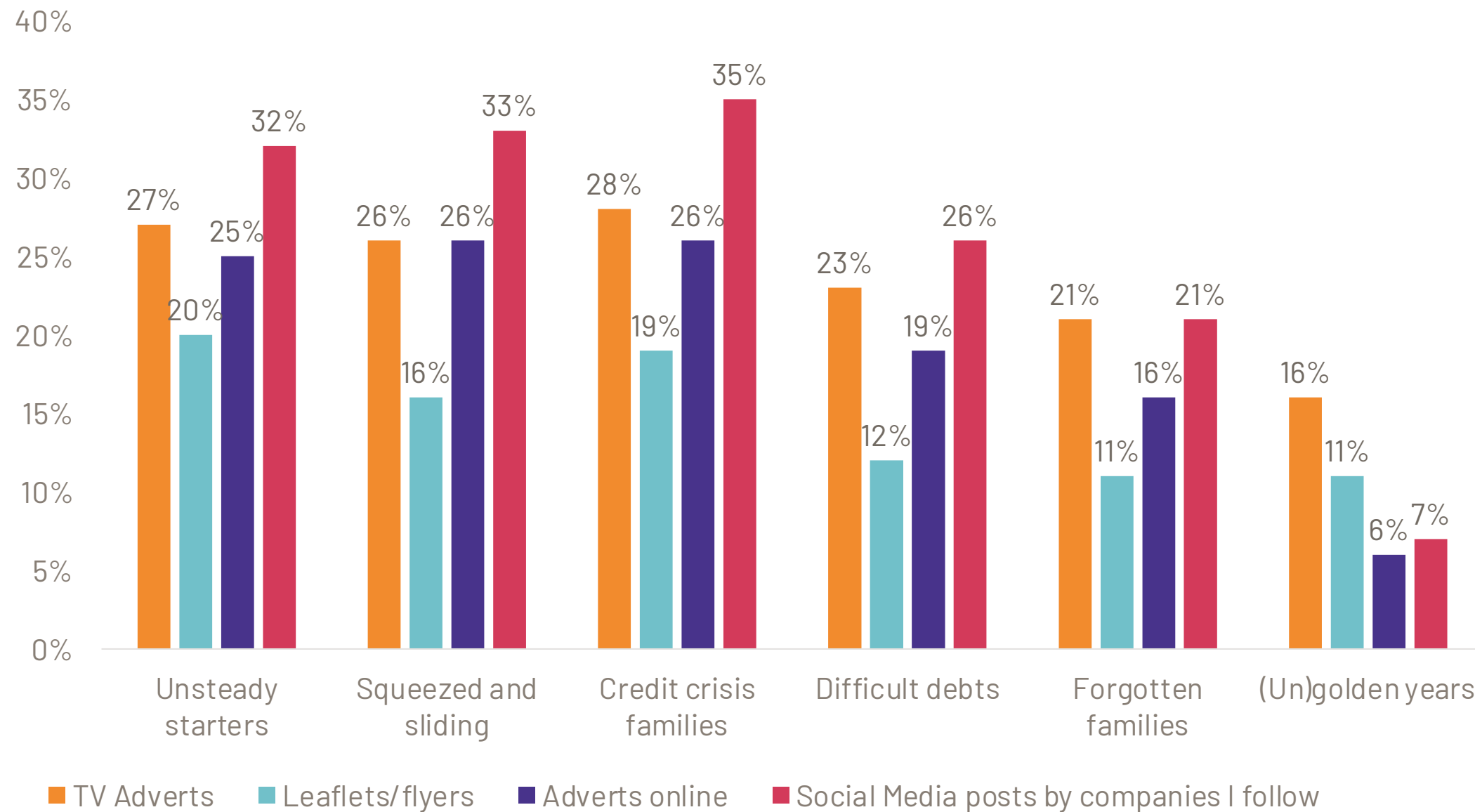
Comparisons at a glance

Credit/debt source	1.3m people Unsteady starters	3.9m people Squeezed and sliding	3.5m people Credit crisis families	2.2m people Difficult debts	3.6m people Forgotten families	3m people (Un)golden years
	18-34	25-44	25-44	35-44	25-54	45+ (inc 60+)
	Renting (private or a room from friends/family)	Mortgaged and renting families	Social housing	Private renters, some mortgaged	Social housing	Social housing, some homeowners
	HH income £25k+	HH income £30k+, inc £50k+	HH income <£25k	HH income £25-£50k	HH income <£20k, many <£10k	HH income <30k
	Zero hours contracts or part time work	Salary plus child benefits	Benefits and some part time or zero hours	Salary plus child benefits	Reliant on benefits, some carers	State pension (some private pension), some still in work
	Arrears Overdraft (unarranged) Credit card	Credit card Overdraft Buy now pay later	Arrears Owe to family/ friends Credit card Overdraft Catalogue debt	Credit card Overdraft Personal (unsecured) loan	Arrears Credit card Owe to family/ friends Catalogue debt Benefit overpayment	Credit card repayments
	Debt has increased over last 12 months	Debt has increased over last 12 months	I am struggling to repay the debt that I owe	I have been in debt for the last 12 months	I am struggling to repay the debt that I owe	Generally feels on top of any current debt

Findings

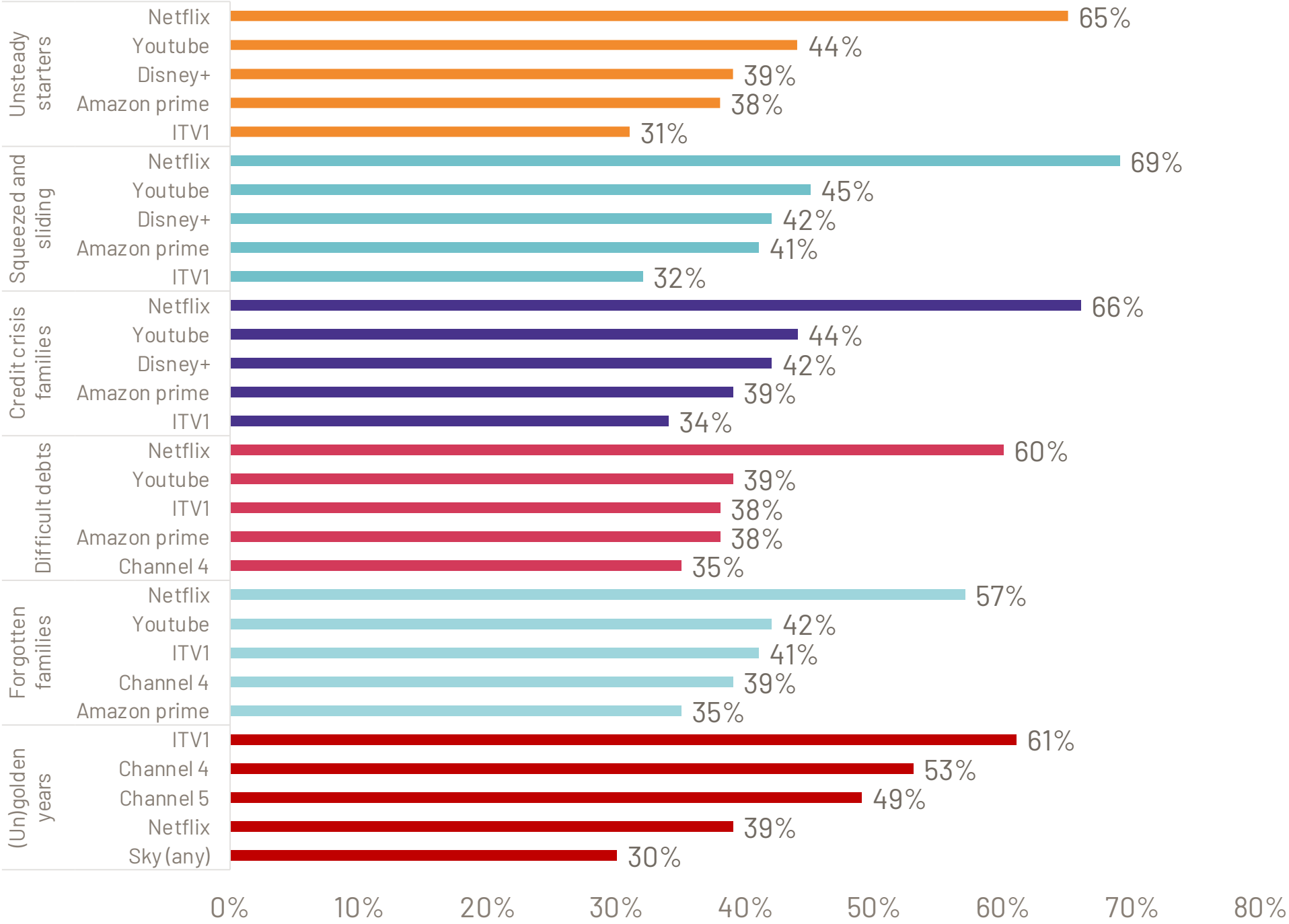
Attention paid to different sources

Overall, how much attention would you say you pay to information you see in the following places? - All saying a high level of attention (Online Survey, n=3165)



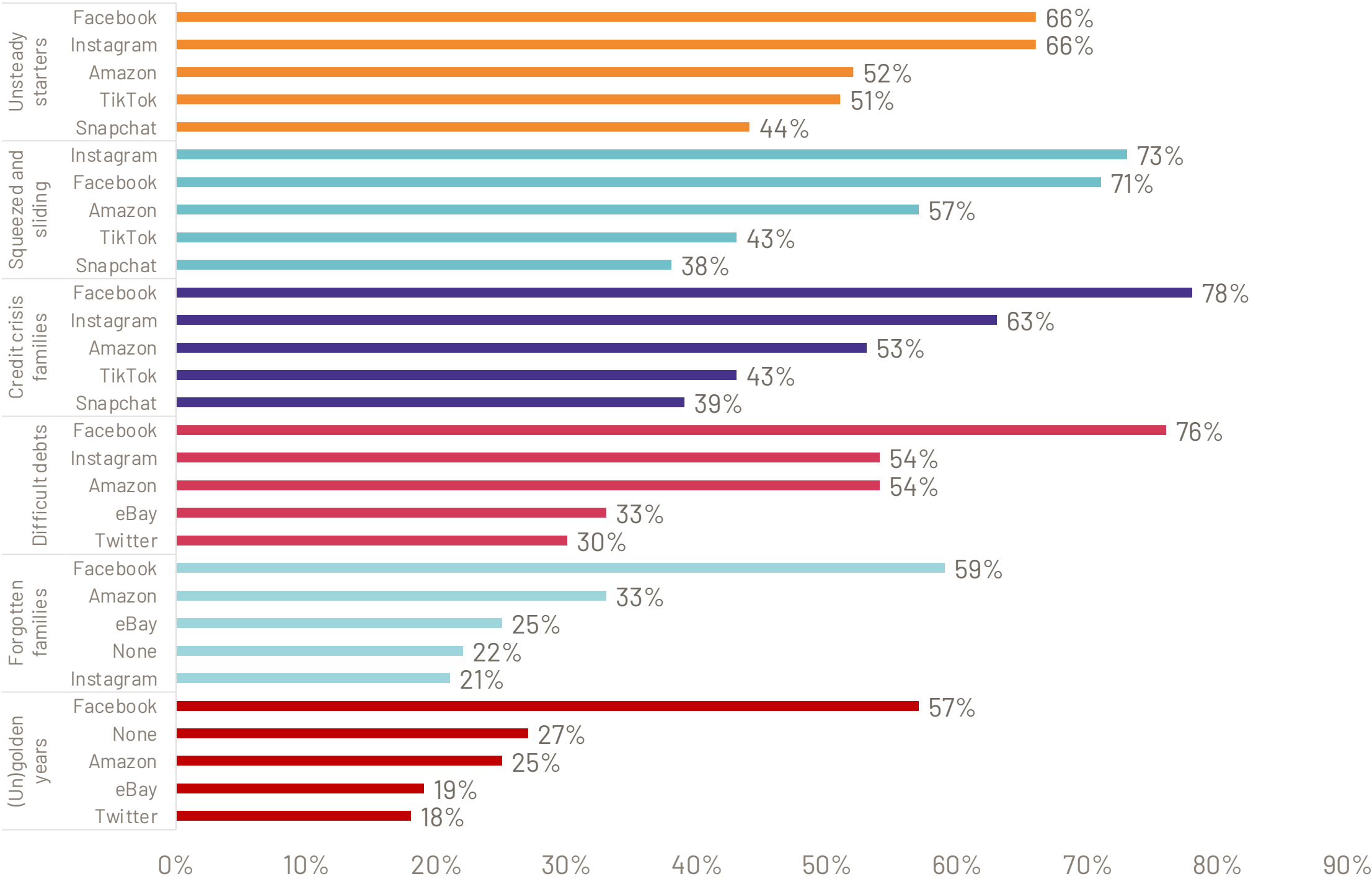
Channels watched

Most watched channels in the past week (online survey, n=3,165)
(commerical channels only)



Social Media Used

Most used social network/websites - at least weekly (online survey, n=3,165)



Sources of Help

	Unsteady Starters	Squeezed and Sliding	Credit Crisis Families	Difficult Debts	Forgotten Families	(Un)golden Years
Information websites	33%	38%	28%	37%	31%	40%
Family	40%	39%	36%	33%	30%	21%
Comparison sites	23%	30%	26%	36%	26%	32%
My bank account	24%	30%	21%	29%	23%	33%
Friends	30%	29%	28%	24%	23%	13%
Banks / Building societies	19%	26%	20%	21%	17%	25%
TV programmes	16%	17%	16%	18%	16%	22%
Online forums	20%	19%	15%	20%	14%	6%
Debt advisors / council services (e.g. CAB)	17%	13%	19%	15%	17%	12%
None of the above	8%	9%	17%	15%	21%	22%
Colleagues	11%	12%	8%	8%	4%	5%
Local services (e.g. job centre, council)	10%	7%	11%	6%	7%	4%
Credit Union	6%	6%	6%	6%	5%	2%
Charity / religious institution	6%	4%	4%	5%	4%	3%

What does this mean?

- **Messaging should reflect customer needs and priorities.** This could improve the match between the ways each segment wants to interact, and the channels that are available.
- **Multi-channel approach is essential.** Partnering with brands or influencers that the different segments already engage with to promote services could significantly improve engagement and conversion at the acquisition stage.
- **Information websites and price comparison websites remain popular sources** across segments for finding out information. Price comparison sites are a good route to reach different segment groups, when the right operational model is in place
- **Consider referral partnerships** to reach those in (Un)golden years, Credit crisis families and forgotten families, who are less likely to be online. Working with local authorities, housing associations, citizens advice and debt advice services could offer a connection to those most vulnerable and excluded.

Perceptions of Financial Services

47%

of people say they generally trust financial services – ranking the UK 18th out of 27 countries (Edelman, 2021)

"I trust them [high street bank] as far as you can trust a bank... it's a tricky word. For me trust is someone who is looking out for your best interests"

(Depth Interview, **Squeezed and sliding**, Female)

"[Financial services are] grabblers, meaning they take all without thinking about who they are taking from...it is all computerised and you are a number rather than a person"

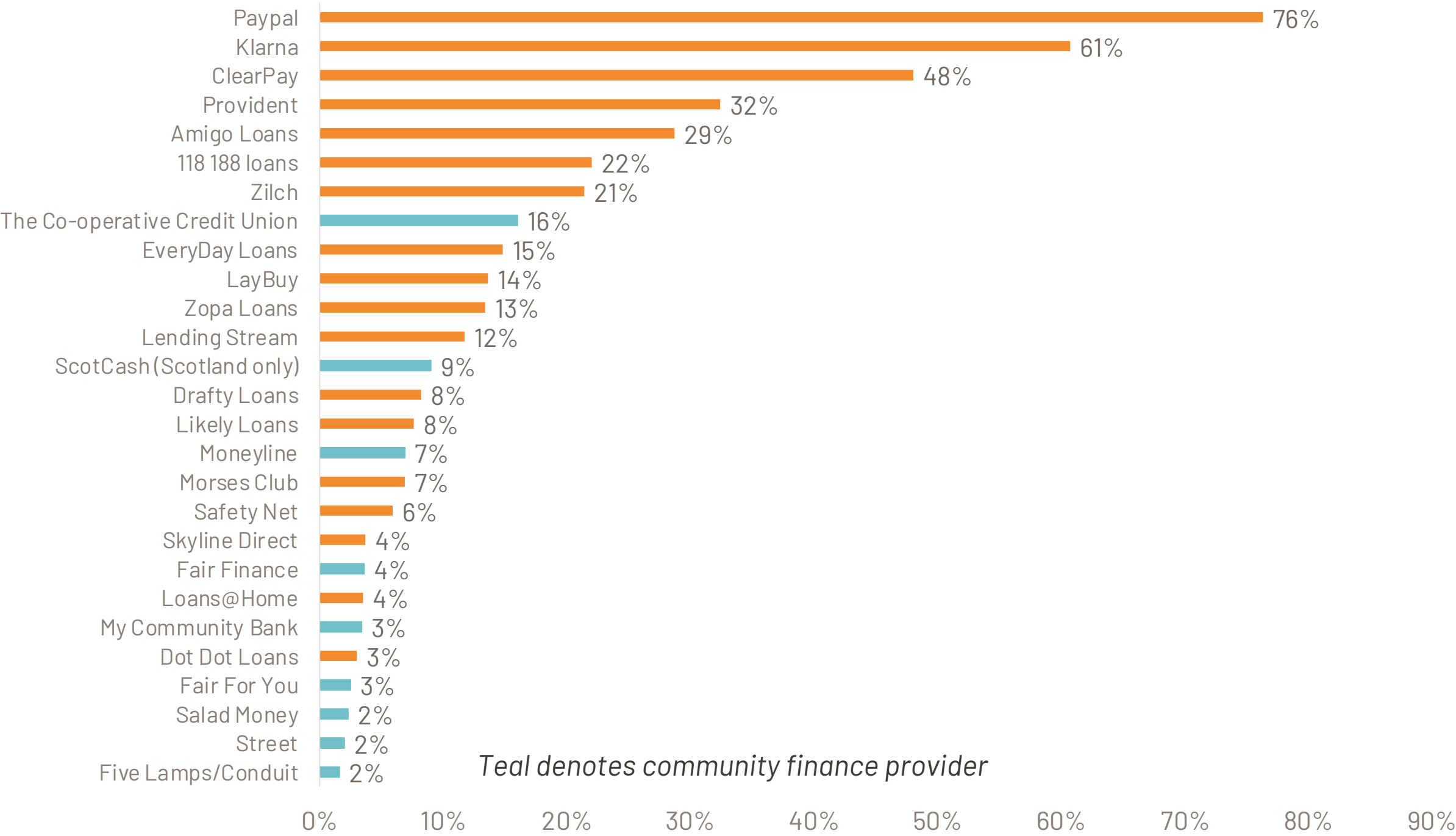
(Depth Interview, **(Un)golden Years**, Female)

"Lenders have never reached out or offered any support, wouldn't appreciate a lender reaching out it would feel like money grabbing, as if they were making sure we could still pay them"

(Depth Interview, **Squeezed and sliding**, Male)

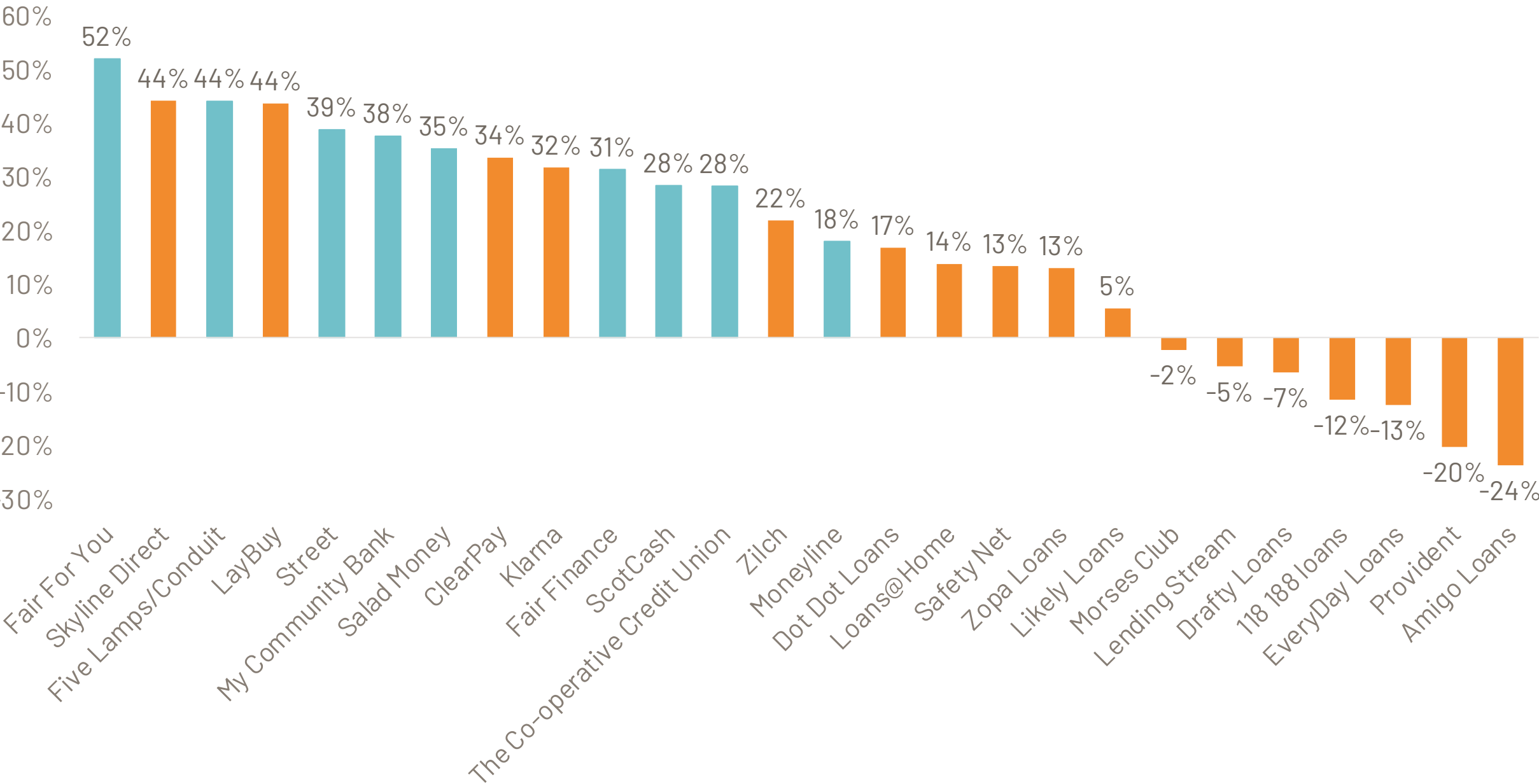
Brand Awareness

Which, if any, of the following organisations have you heard of? (National organisations)
(Online survey, n=3,165)



Favourability towards providers

Favourability of organisations (all who've heard of the organisation), net. (Online Survey, n=varies)

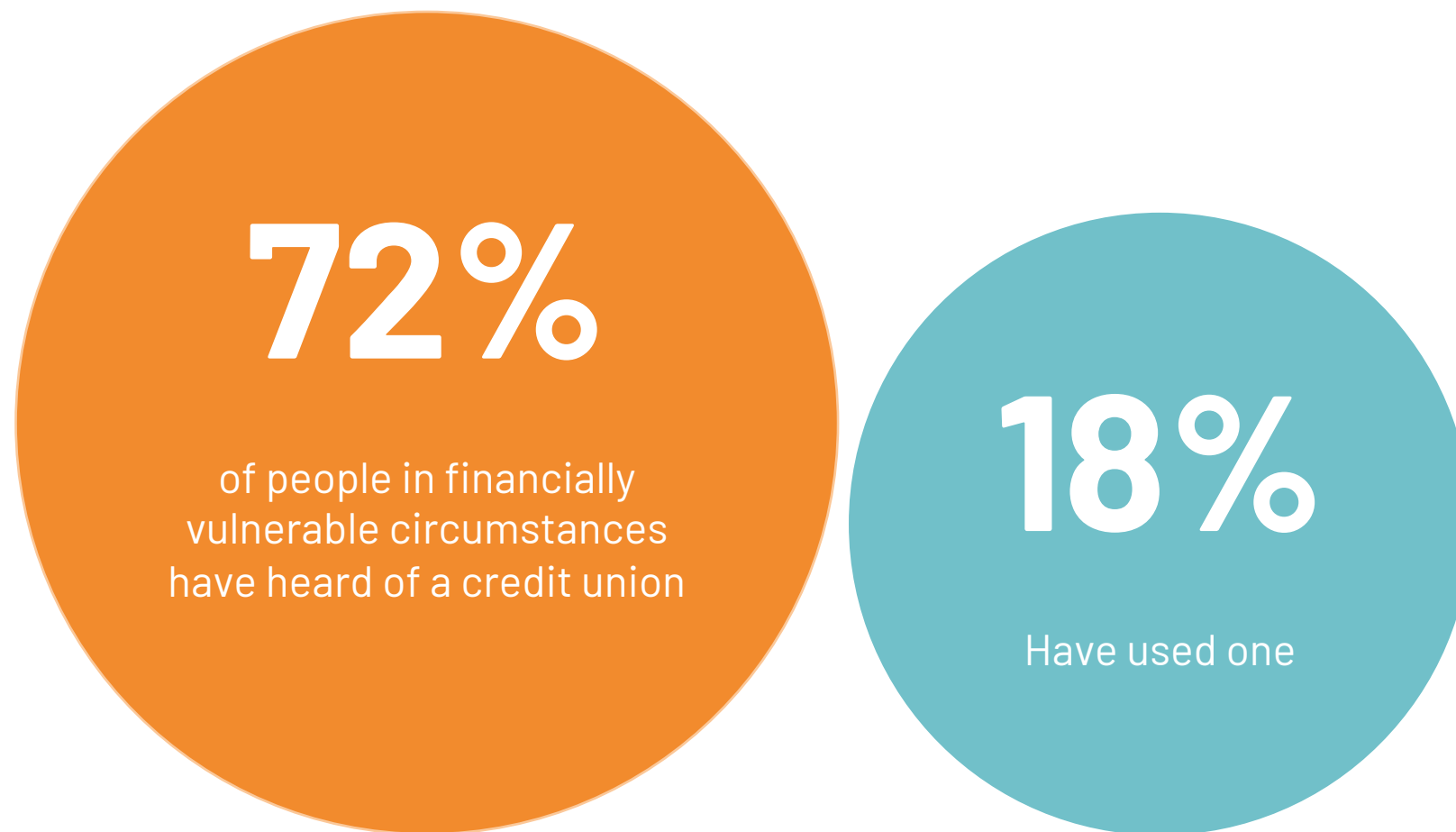


Teal denotes community finance provider

What does this mean?

- **Opportunity to differentiate between community finance and other finance providers.** Those that had used or were members of credit unions or customers of community finance providers were generally positive, so conveying positive case studies and independent reviews creates impactful messaging. In addition, talking about the not for profit status and reinforcing the local/physical presence of providers could also negate some of the cynical attitudes.
- **Partnerships with trusted brands** or influencers could be used to deliver marketing messages more effectively. The research found audiences can be cynical or dismissive of messages from organisations they do not recognise or already follow. Additionally widening use of independent reviews in advertising and reinforcing the local/physical presence of providers would help to build trust
- **Focus on specific segments.** Squeezed and sliding and Difficult debts are customers who historically have been sourcing prime or near-prime products and services so there is a clear opportunity to target these two groups for specific awareness raising of community finance providers as an alternative.
- **Online interactions need to be user friendly and simple to use** to overcome both trust issues and those less confident with online channels. This is particularly true for older segments.

Credit Union Awareness



Main reasons for not using them:

"I don't know what they do"

"I don't think they're for me"

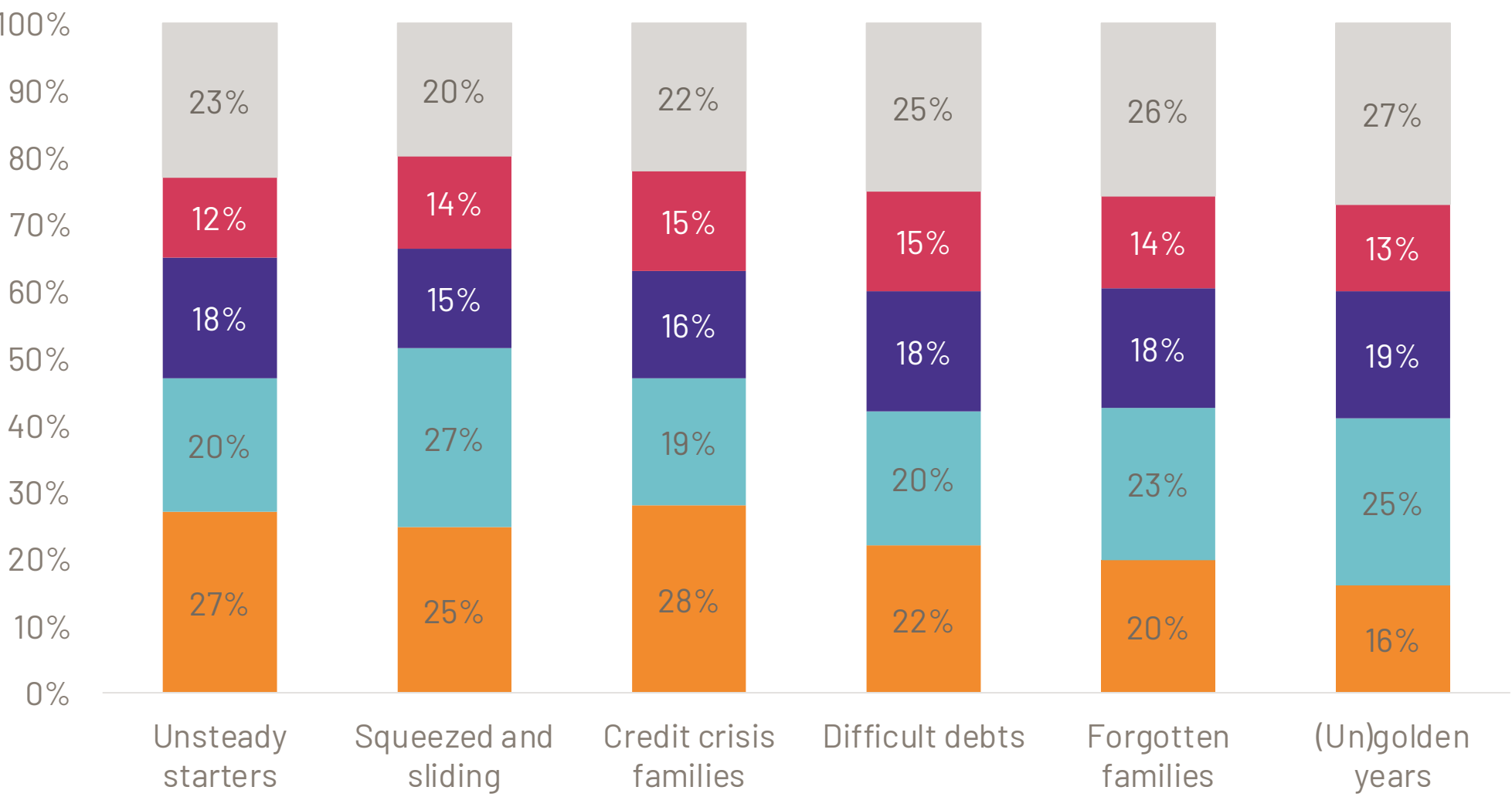
"[On credit unions] are they for debt recovery?"

(Hall Test, **Unsteady starters**)

Credit Union Branding

Imagine you see a new provider of loans and savings accounts - what name/style would be more appealing to you? (Online Survey n=3,165)

None of the above Community Finance Not-for-profit Bank Community Bank Credit Union



What does this mean?

- **Raising awareness of the community finance sector is critical.** Brand activity is often longer term, and hard to measure the impacts of, in a shorter period. Partnerships with other organisations that serve target customers can be instrumental, especially where the partnership is with a trusted brand.
- **Current customers are huge asset.** Community finance providers can leverage their positive favourability through activities like loyalty schemes, refer a friend, real customers talking about great service, customer ambassadors online / in communities, and customer reviews prominent in communications and early in the acquisition journey.
- **Clear concise marketing should explain what credit unions offer and what they do as part of the messaging.** While membership is an overwhelmingly positive aspect, it could sound like a barrier for people who are first seeing credit union messaging, and this should be considered in the user journey and in marketing materials.

Introduction: Fair for You

Changing lives through better lending.





Challenges

- Competing with big brands – and even bigger budgets
- Low brand awareness
- Demonstrating how we're different – in less than 15 seconds
- Reaching the right audience, with the right message, at the right time



Fair for You multi-channel marketing approach

TikTok & Offline Media Campaign Trials



TikTok Trial

Channel diversification trial July – October





Challenge

Reaching our audience through relevant channels within budget.





Hypothesis

Diversifying our online media mix will decrease disruption, offer budget efficiencies and increase overall reach.

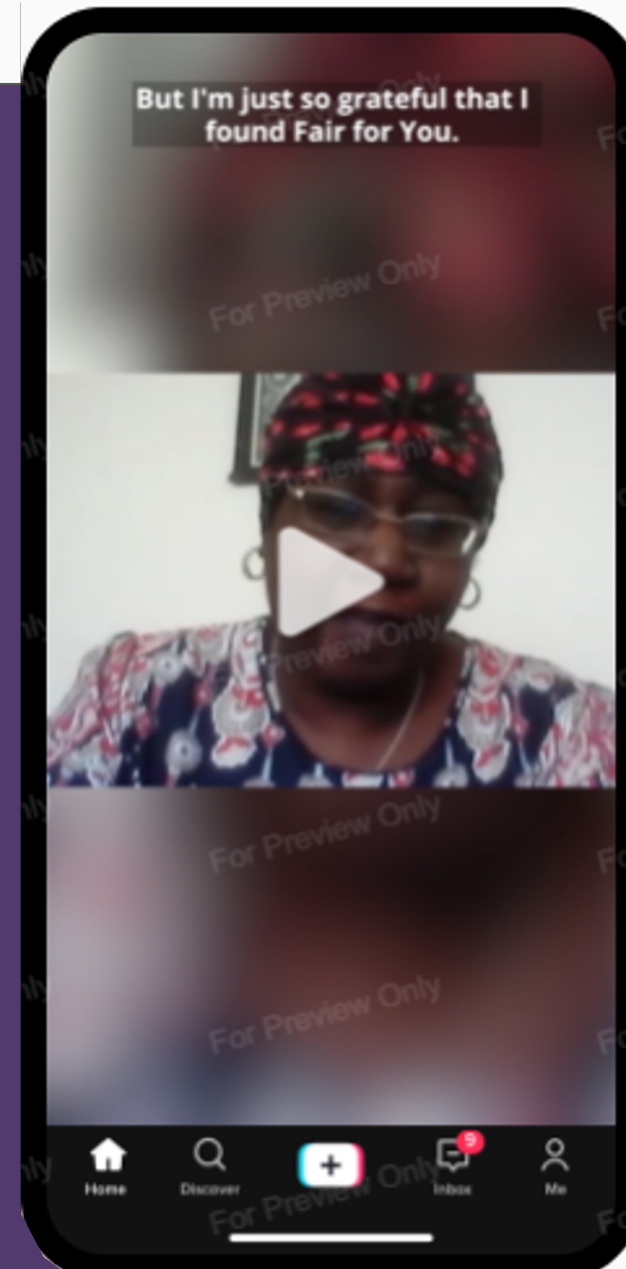
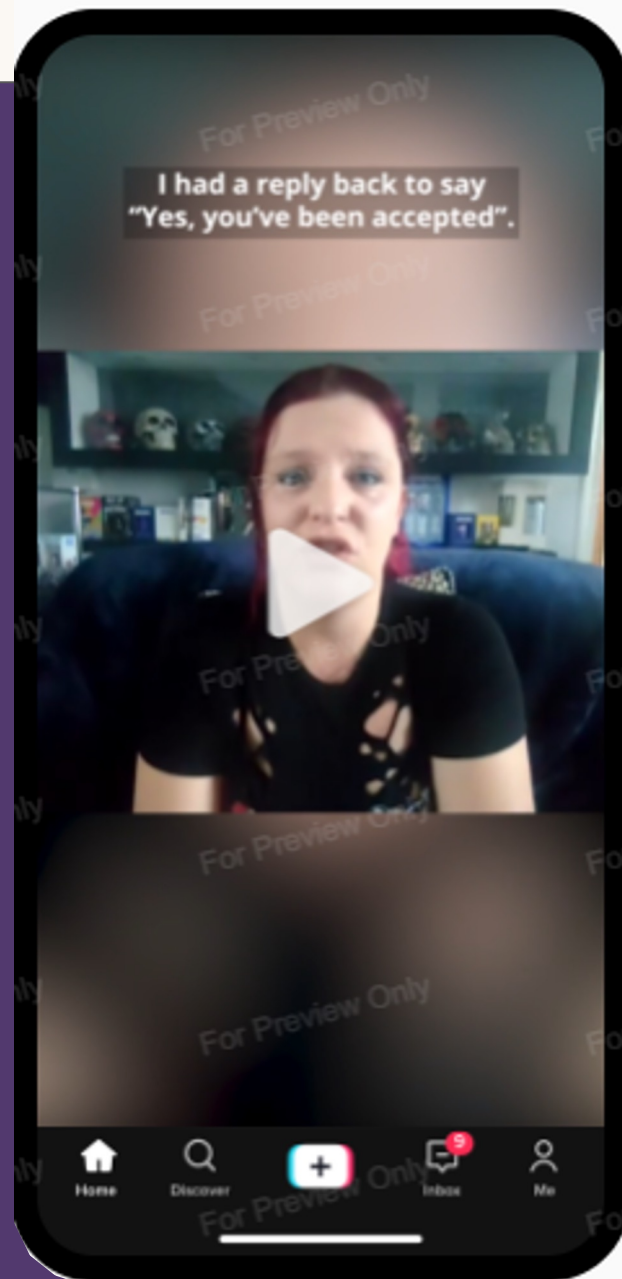




Aims

- Channel diversification to decrease single platform dependence
- Continue prospecting engagement with more efficiency
- Increased traffic to retarget through all channels



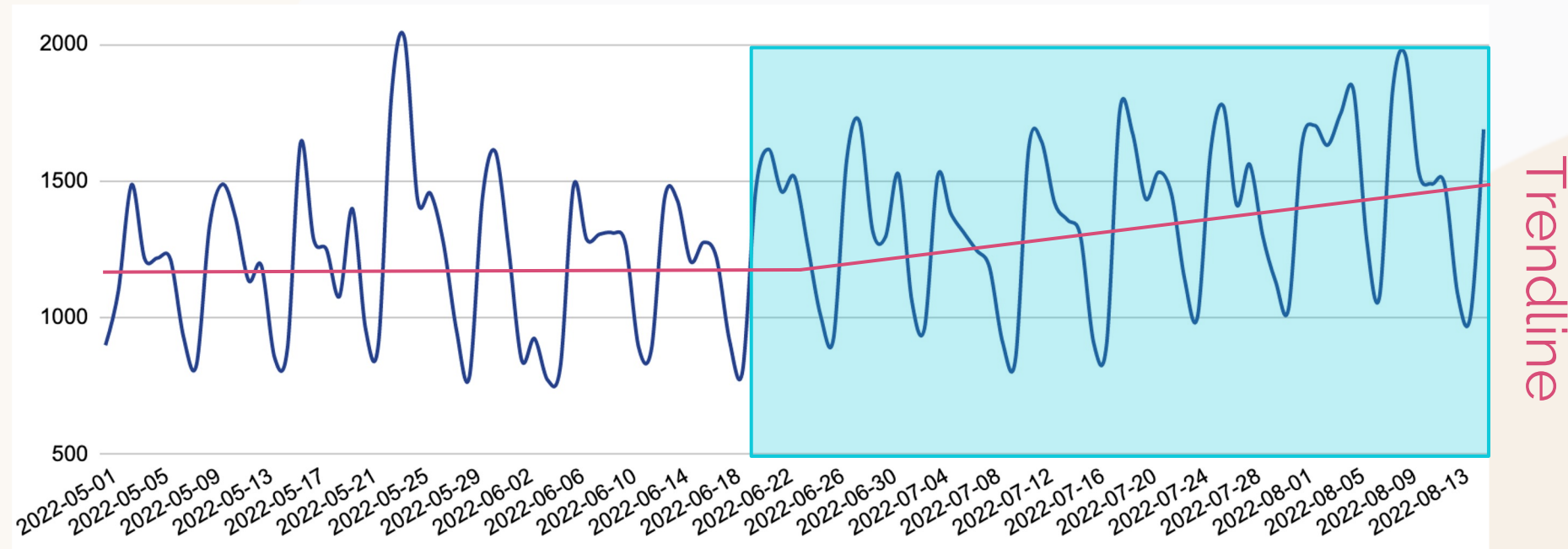


Overview

- Duration: 16 weeks (originally planned to be 10-12 weeks)
- Utilised existing creative assets from other channels – short customer testimonial videos
- Separate testing budget – other online advertising continued according to media plan



Impressions



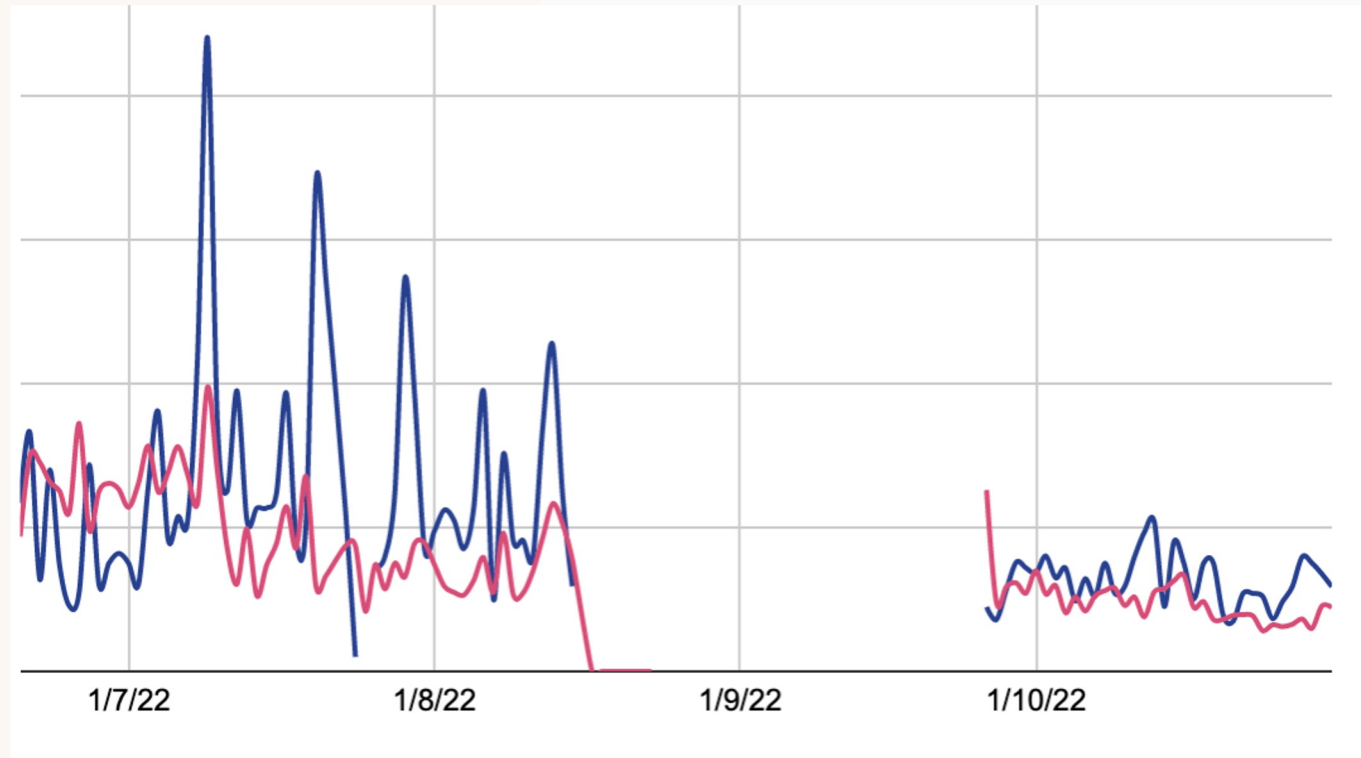
Trendline

Results

- Increased engagement and traffic with lower CPMs and CPCs
- Front-end efficiency showed positive and comparable overall CPA levels
- Conversion rates are increasing daily which is improving CPAs

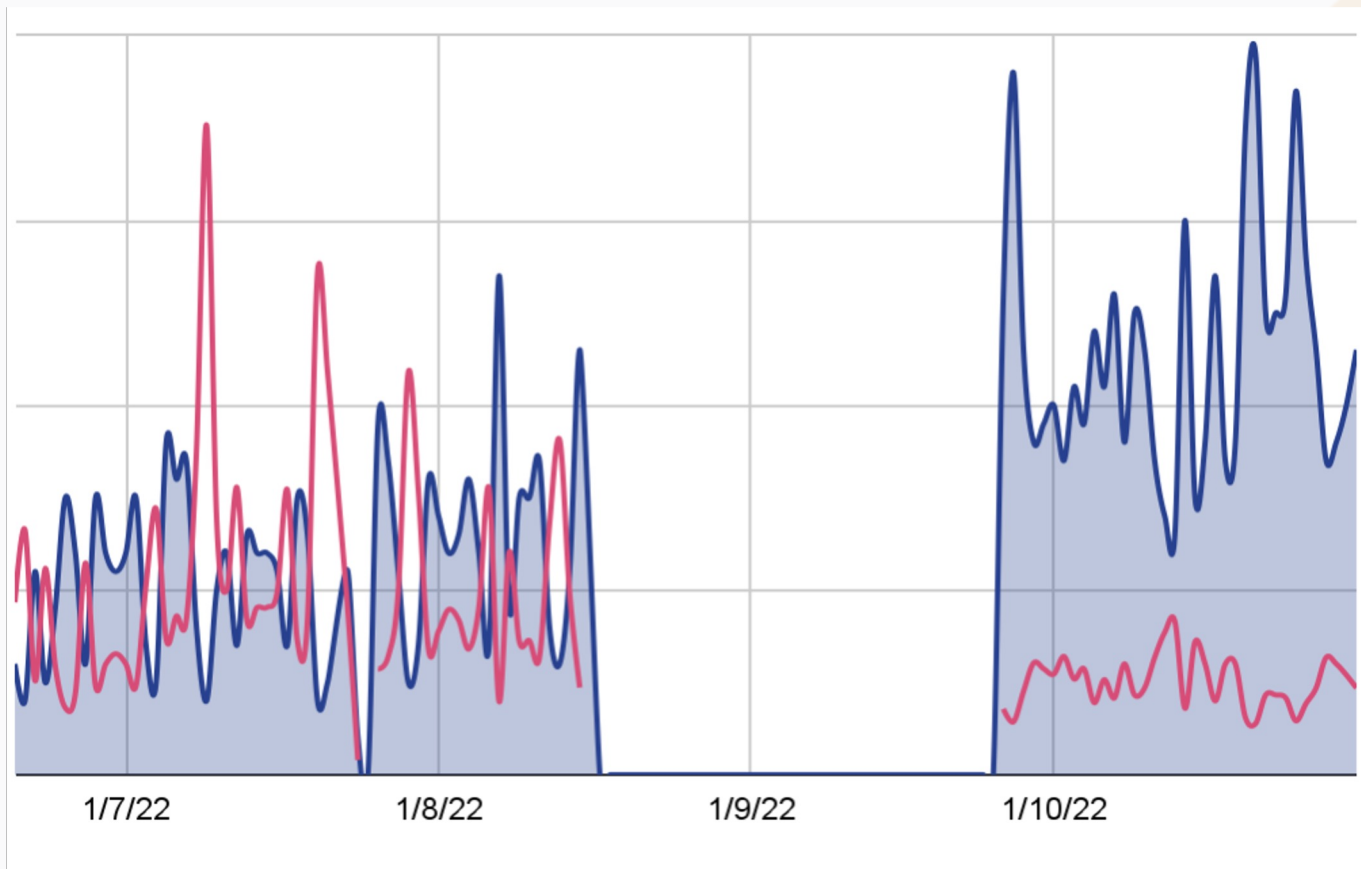


TikTok CPA



Meta CPA

Conversion

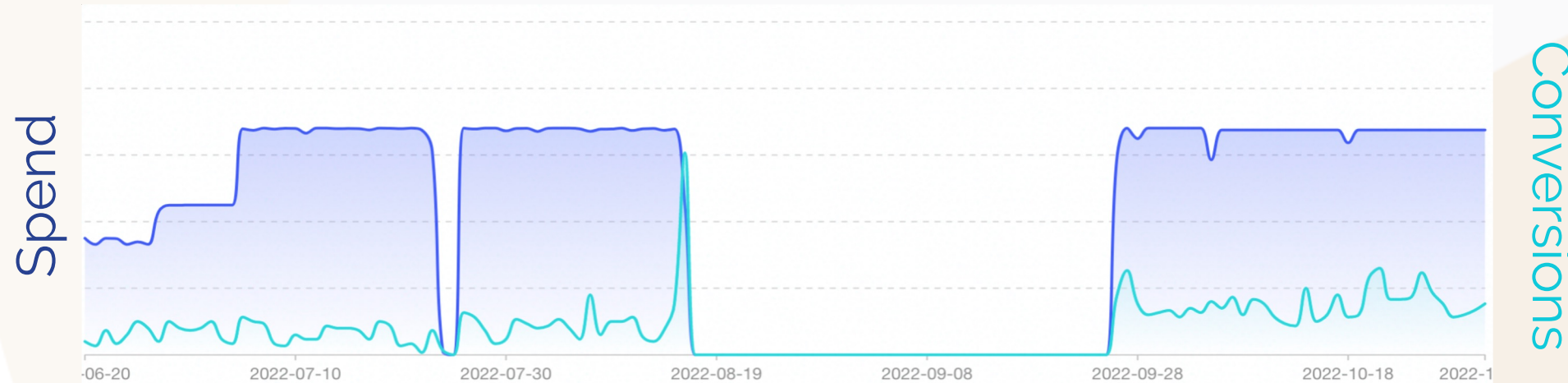


CPA

Considerations

- Mitigating circumstances caused an extended pause on activity which did affect the overall performance of this trial
- Seasonality impacts
- Given time CPA is likely to be in line with other platform performance





Key Takeaways

- As seen with other channels this platform needs time to learn – expect high CPAs and lower conversion numbers to begin with
- Assets from other paid online channels can be repurposed delivering better overall creative budget efficiency
- Regular creative refresh is needed to maintain engagement



Offline Media Campaign

Blackpool October–November 2022





Challenge

Seasonal impact on
application numbers
and CPA



Hypothesis

Directing budget towards brand awareness campaigns during lower interest periods will improve budget efficiency of lower funnel marketing activities longer term.





Aims

- Increase brand awareness in Blackpool area
- Develop a list of customers for online remarketing post-campaign





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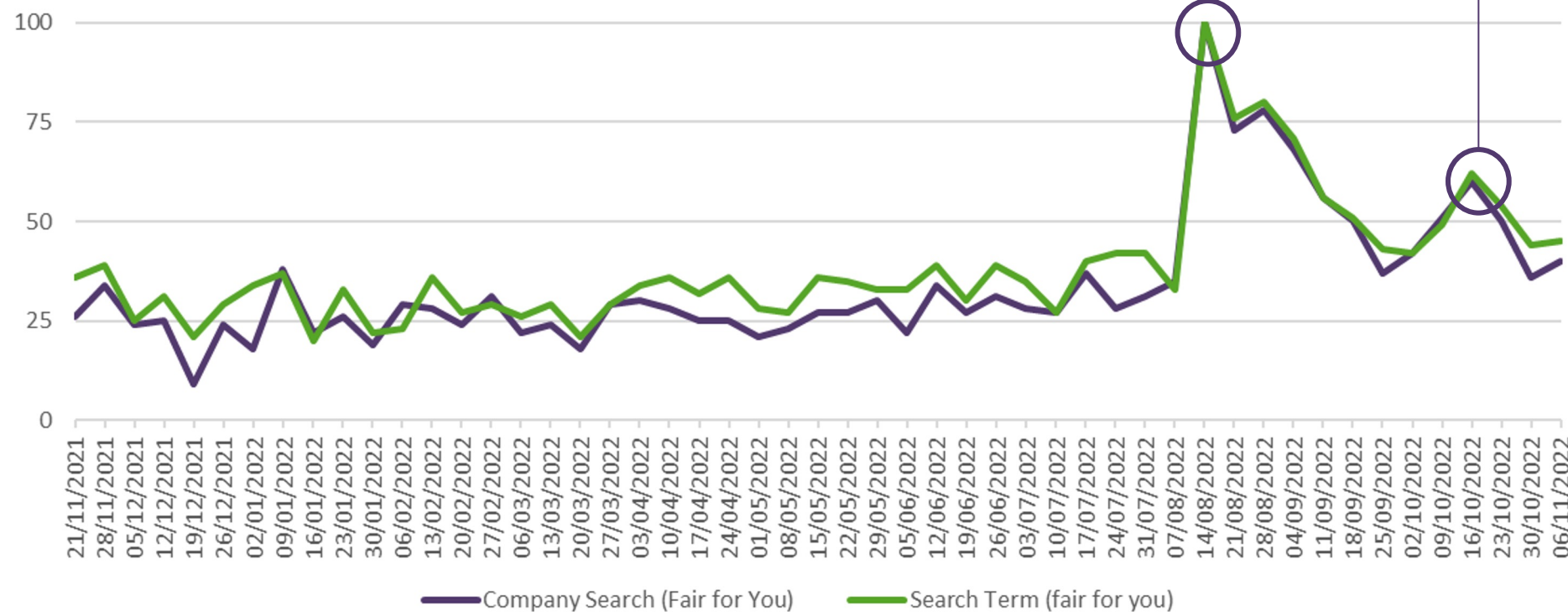
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Overview

- Duration: 5 weeks
- Area: Blackpool
- Audience: Low-income families
- Media:
 - Digital OOH (Digital Adshels)
 - OOH (Phone Kiosks)
 - Door drop leaflets



Google Trends Data (12 months)
Company Search vs Search Term



Early Results

- Encouraging engagement from campaign literature
- Engaged web traffic from Blackpool area
- Increased application numbers from Blackpool area vs 2021
- Increased searches in Google Trends data during initial few weeks of launch

Considerations & takeaways



- Ran slightly later than planned
- As with online channels – need to give it time to see full impact
- Harder to track direct impact – use a multi-channel approach to get full benefit
- Opportunities to maximise brand exposure through good PR

Fair4All Finance Projects

Awareness raising of community finance providers

Estimated
97%+

Of UK population not aware
of Credit Unions and CDFI's

Low awareness but **high satisfaction**
amongst customers using community
finance providers



Fair4All Finance are working with the team at Think Communications
on a **consumer facing PR campaign** to increase awareness of the
Community Finance sector

National
coverage



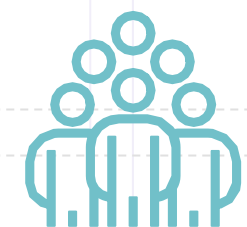
How credit unions and fair
finance lenders can stop
debt ruining your life



Over 180,000 Sheffield
residents 'financially
vulnerable' and at risk from
loan sharks



Young borrowers are more
likely to turn to high-cost
pay-day loans than
community lenders as 7.7
million under 35-year-olds
are financially vulnerable



Please share your case
studies and local growth
statistics

✉ Sam@thinkcommunications.co.uk

Q&A

Thank you

For any follow up questions, please contact

becca@fair4allfinance.org.uk