

COMPACT BANK

BANKING FOR THE FUTURE

A BRAND
REPOSITIONING
WITH A
DIGITAL CORE

OBJECTIVE

- Reposition ComPact Bank to feel younger and more tech-savvy, while respecting its 150 year heritage and contemporary reliability
- Attract new, younger millennials who expect outstanding service and ensure current customers do not feel alienated and consider new services to be added value



BANKS NEED TO:

- Simplify operations
- Amend product offer
- Put customers first
- Move into new areas

Source EY, Innovate like Fintech



30%

By 2020 a third of banks' revenue could be taken by non-banks

Source: Accenture



THE LANDSCAPE

PAYMENTS REVOLUTION

- Payments Service Directive (PSD2) on the horizon granting access to third parties to banks' customer data
- Rise of mobile payments, blockchain



CHALLENGER BANKS

- N26 granted German banking licence in 2016
- Fidor Bank is a digital-only, Munich based start-up challenger bank

Source Fintech News





CUSTOMERS

93%

want transparent and understandable banking products

80%

of switching customers said that if their problem had been resolved quickly - they'd have stayed

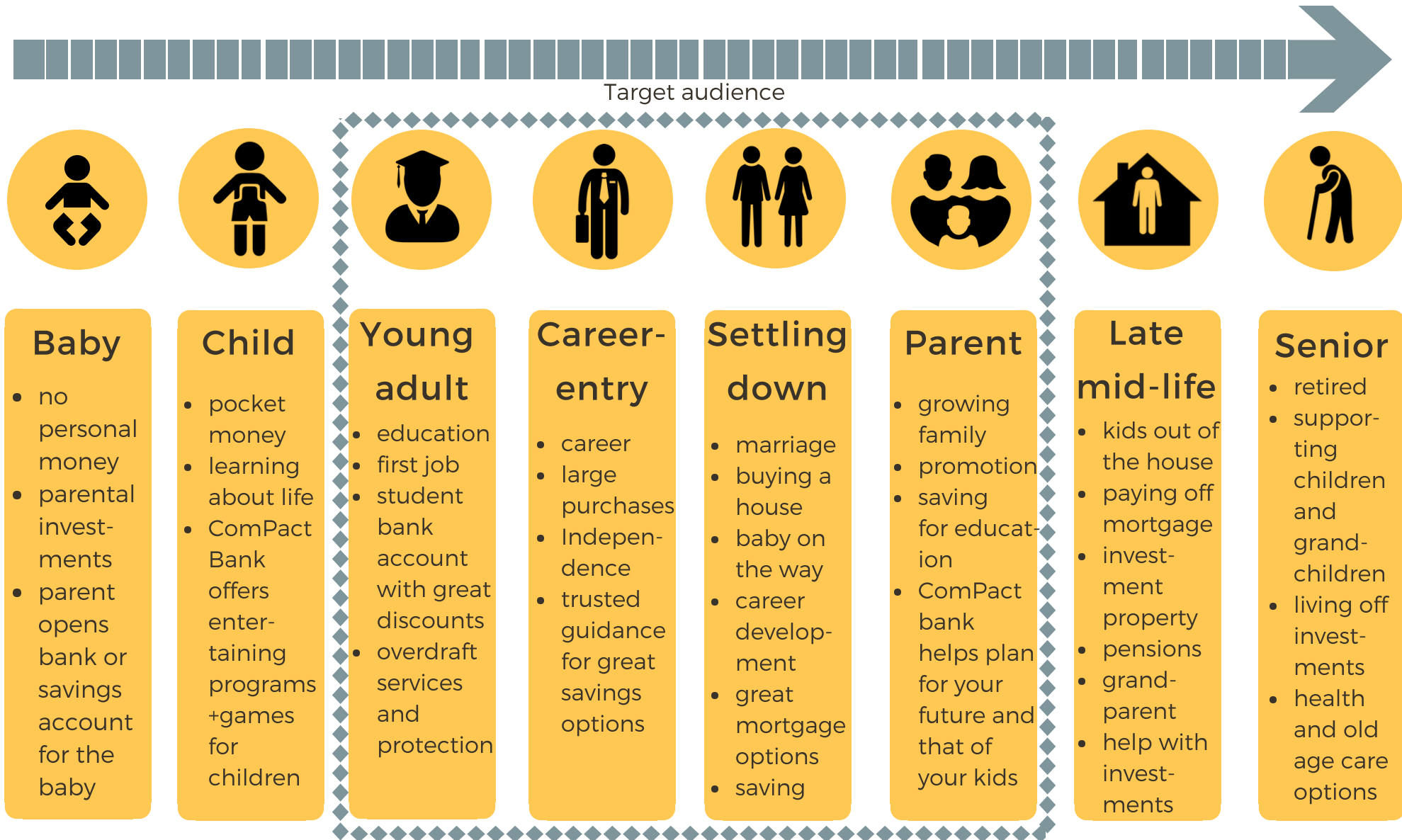
67%

would consider switching because their bank is too expensive

THE CUSTOMER LIFECYCLE

CRADLE

GRAVE



PERSONAS

PROFILES AND PROFITABILITY

Target
audience

Current
customers



Ulrike

- Newly qualified dentist (24)
- No savings at present
- Not a current customer
- Would be moving into the profitable stage

Helmut & Ilse

- Baby on the way
- Young professionals (29, 30)
- Anxious about the future
- Looking for a house
- Profitable customers

Hans

- Entrepreneur (39)
- Owns numerous properties and investments - wants to maximise returns
- Responsible for his mother, who is in a home
- Profitable customer

Anna

- Teacher (48)
- Divorcing
- Empty nester but with financial responsibilities for adult sons
- Anxious about future
- Profitable customer

STRATEGY



**WE'RE A TRUSTED FRIEND
FOR TODAY, TOMORROW.
FOREVER**

A LIFETIME RELATIONSHIP

- Trustworthy, reliable and fully supportive during life's ups and downs
- Always here, always on for you - digital service and product options
- To help you decide, to understand the world, to cradle you when you are weak and to celebrate your successes

**ALL OF THIS ADDRESSED THROUGH TANGIBLE
PRODUCTS AND SERVICES**

CONTENT

TRUSTED FRIEND POSITIONING



HERO

- Strong emotional connection
- 'Soap-opera' style ad campaign
- Friendly mentor character
- Key milestones
- Video heavy strand
- Provides differentiation and highlights select products
- Mass reach
- See, Think and Care stages



HUB

- Regular content
- Deep dive into topics raised by Hero content
- Product focused video content
- Practical illustration
- Text based take-aways
- Behind-the-scenes content brings the bank to life
- Do and Care stages



HELP

- Guidance
- Video core but backed up with text
- Guru/friend positioning
- Content by experts and user-generated
- Social media, hosted on website, Youtube channels and placed via PR
- Future of persona/business finances
- Think, Do and Care stages

MARKETING FRAMEWORK

EARNED

PR
Social
Search
Investor relations
Influencers

SHARED

PR
Social
Content
Charity partnerships

PAID

Search
Influencer
Mobile, Local & Social
Display
PLAs & CSes
Performance Video
OOH, TV





AUDIENCE

OWNED

Website
Social channels
Content
Brand journalism
ECRM



DIGITAL STRATEGY

	 SITE	 DIGITAL	 MOBILE	 SOCIAL
SEE	<ul style="list-style-type: none"> • Relevant landing page • Content hub • Social media newsroom • Chatbot to engage 	<ul style="list-style-type: none"> • Targeted promos • Display • Influencer Marketing • PR • Video 	<ul style="list-style-type: none"> • Targeted promos • Display • Influencer • PR • Video 	<ul style="list-style-type: none"> • Display • Influencer (evaluations, reviews) • Video
THINK	<ul style="list-style-type: none"> • Content hub • Social media newsroom • Influencer marketing (evaluations, reviews) 	<ul style="list-style-type: none"> • Email-marketing • Retargeting • Influencer marketing • PR • Video how-tos • Content 	<ul style="list-style-type: none"> • Targeted promos • Display • Influencer marketing • PR • Video advice 	<ul style="list-style-type: none"> • Display • Influencer • Social customer service • Digital PR • Chat bot
DO	<ul style="list-style-type: none"> • Buy functionalities • Real-time support (inc bots) • E-banking • Digital tools 	<ul style="list-style-type: none"> • Targeted promos • Influencer • Comparison sites • Digital PR 	<ul style="list-style-type: none"> • Buy functionalities • Mobile web App/App • E-banking, mobile payments etc • Customer service 	<ul style="list-style-type: none"> • Influencer • Social customer service - direct to website/branch • Social media apis
CARE	<ul style="list-style-type: none"> • Content hub • E-banking with live chat • UX surveys • Market/money trackers 	<ul style="list-style-type: none"> • Comparison sites • Digital money monitoring tools • Thought leadership • Content hub 	<ul style="list-style-type: none"> • Buy functionalities • Social media APIs • Newsroom • Real-time support • E-banking 	<ul style="list-style-type: none"> • Influencer • Social customer service • CB owned social channels
	HUB, HELP	HERO, HELP	HERO, HUB HELP	HERO, HELP

SEARCH

1

SEO

- Technical and content site audit
- Content keyword integration
- Products/service relevancy on landing page
- Website optimisation
- SEO team working closely with content, social and PR teams

2

PAID

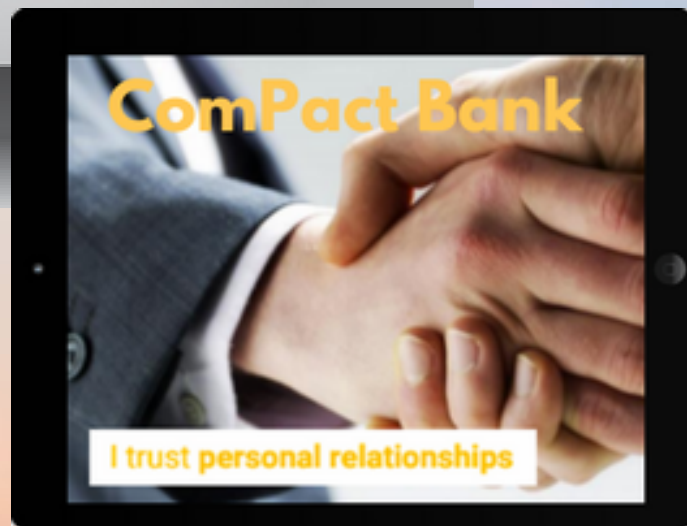
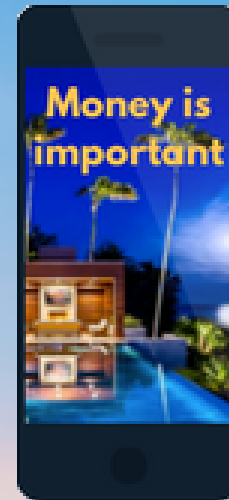
- Adword Keyword Planner
- Long and short tail keyword bidding (exact and broad match modifiers)
- Ad relevancy (device, location and time)
- Programmatic buying
- RLSAs through site navigation and consideration stage
- Ad copy
- Creative to change according to audience

3

EARNED

- PR coverage to drive organic search results
- Influencer outreach
- SEO optimised key messages included in all press materials
- YouTube search strategy

DISPLAY ADS



Sample Creative

The display ads will include:

- Text ads
- Static and animated image ads
- Rich media and video ads

We will use prospecting, RTB and retargeting to attract potential customers and drive conversion.

For current and potential customers it is used to build awareness and create engagement.

BUDGET

BREAKDOWN

Content (7m)

- TV (6m)
- Social (250k)
- PR (250k)
- Creative development (500k)

Digital Display (1m)

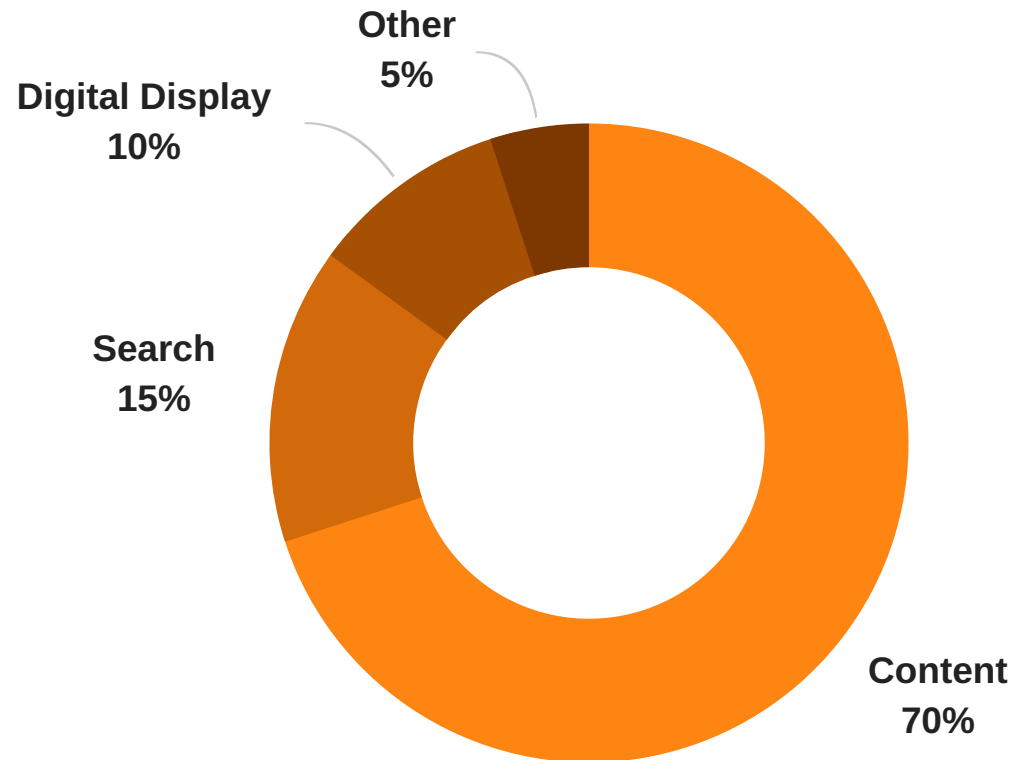
- Programmatic display (750k)
- Creative development (150k)

Search (1.5m)

- Technical audit (150k)
- Web optimisation/development (350k)
- Programmatic Search (1m)

Other (500k)

- Product user testing, development optimisation (300k)
- Contingency (200k) - in-campaign optimisation



Slide One: Objective

In a competitive and challenging marketplace, ComPact Bank is seeking to lead the way in technological innovation for the future and grow its market share, penetrating new consumer groups and retaining existing customers. As the third largest bank in Germany, ComPact Bank is a major player in the sector, with a product portfolio that covers consumer and commercial categories including retail and commercial financing, investment banking, asset management and private banking.

Credibility within the sector is poor, with scandals rocking competitor banks and a rocky outlook for the financial sector during the last decade. This is where ComPact Bank has strength; its heritage and trusted credentials enable it to retain a strong market position. However, the business cannot rely solely on retention and with other external factors, namely market disruption from start-ups and technological solutions impacting on acquisition of new, younger customers, ComPact Bank has felt it needed to respond by investing heavily in its digital infrastructure to ensure a frictionless and digitally competitive position is maintained moving forward. Market relevance is key coupled with retention of existing brand strengths.

ComPact Bank has briefed Squared agency to develop and execute a brand repositioning campaign that enables the business to lift overall brand awareness and favorability, shift tone to future focus, promote new banking features and ultimately attract new customers without alienating existing ones.

Slide Two: Research into Disruption

ComPact Bank wants to reposition the brand to become more future-focused. The financial industry is becoming increasingly more digitalized. Banks have witnessed an increase in online banking and fewer in-store customer interactions. Increased digitalisation has disrupted the financial market with companies like PayPal, Google, and Alibaba now offering financial services. Competition from these non-financial companies could erode 1/3 of traditional bank revenue by 2020 and, thus, pose a significant threat.

According to EY's global consumer banking survey, 'a rising tide of consumer interest in non-traditional banks and fin techs has made its mark on the industry. Traditional banks still 'own' the primary financial services provider territory for most customers but their relevance has begun to taper because of eroding trust levels, evolving customer expectations, and credible alternatives.' In short, disruptors have effectively set new standards for customer experience and agile innovation - such as outstanding UX and functionality, speed to access account information and range of comparable rates and fees available at client convenience whilst, at the same time, trust in banks has eroded and products and service solutions slow to evolve.

Banks cannot respond to these threats simply by becoming more digital. Utilising online platforms and closing branches will be inadequate. If they want to compete against companies, such as Alibaba and Paypal, banks must learn to play a more central role in the commercial lives of customers by helping customers make better financial decisions.

Slide Three: Customers

According to an Accenture study in 2017, only 23% of banking customers are digital only and it is clear that a personal and human-focused service is still extremely important even when delivered through digital platforms primarily; thus articulating a service blend is key and we will address this through our help content campaign.

53% of Germans use online banking currently but that trend is set to grow as mobile penetration increases and banks embrace appropriate digital transformation and embed it into the overall solutions and service infrastructure- therefore the campaign will need to show how digital is beneficial and enhances a human, live service - rather than replaces it. This becomes particularly pertinent when we note that onboarding is the most critical customer retention strategy there is and therefore our campaign needs to show that the investment in digital solutions enables the bank to deeply understand its customer needs and wants and make it easy for the customer to interact with the bank on any environment. Our help content will be aimed at offering assistance to customers of all ages to help them make smarter financial and life decisions.

First stat: Eurostats 2016

Second stat: GFK 2015

Onboarding: Genroe

Slide Four: The Customer Lifecycle

One of ComPact Bank's objectives is to retain existing clients – the average client is 39, unmarried, and without children - whilst acquiring new clients - particularly the young and tech-savvy. Squared Agency has undertaken a lifecycle analysis to test these audiences and have subsequently identified a core group of potential customers.

The banking journey can begin at any age; even before birth and can last beyond the grave. For example, families may inherit considerable sums and must decide whether to transfer or close the accounts. If a successful relationship is cultivated with the bank, customers may remain loyal throughout their lives. Squared Agency believes that Compact bank should focus on the young and tech-savvy as they have considerable influence on the lifecycle of all groups and therefore, deliver the strongest potential for ROI. For example, the parent (between the ages of 25 to 40) serves as the primary decision maker for their children's accounts and, thus, greatly influences their child's relationship with a bank. Individuals between the ages of 25 and 40 are most likely to deliver the highest margins for banks as they will purchase the greatest number of products at any one time, accumulate the largest debts, have responsibility for the most individuals, and have the broadest range of personal opportunities and life challenges in front of them.

Slide Five: Personas

Squared Agency has developed some key personas that represent our four target lifecycle stages.

Ulrike represents our young adult stage. She has recently graduated and despite significant debts, is seeking to stabilise her future finances. She requires a bank that provides trusted advice and

support for her financial future.

Hans represents our career-focused stage. Hans is a successful, young entrepreneur seeking cost effective commercial banking and asset management solutions for his business. He requires a bank that can help keep costs low and quickly provide loans for business investments. He is also responsible for his elderly mother and has assumed responsibility for her finances.

Hans and Ilse represent our settling down stage. They are career professionals with a generous joint income and are expecting a baby. They are actively looking for a larger home to accommodate their growing family. Ilse will assume responsibility for the family finances, whilst on maternity leave and is concerned about financial pressures if she does not return to work full-time.

Anna represents our older transition stage. She is getting divorced and has to split her assets with her husband of 18 years. They have two grown children that rely on their parents for financial support. She is worried about world economics and how they will further impact her finances.

Slide Six: The Strategy

Our overall campaign repositioning concept focuses on ComPact Bank being 'a trusted friend' who is always there to help you through life difficulties and transitions. It is a bank that has your future in-mind and focuses on the interdependencies within human relationships that enrich and shape our lives. The campaign positions ComPact Bank as one of those key relationships that deeply integrated into your life journey and never lets you down. Through banking with ComPact Bank, you can gain access to the information you need to make the best financial decisions for your future.

Key features of the campaign that will be highlighted are:

1. Banking for your future - a lifetime relationship as the core positioning
2. The overall nature of the relationship over a lifetime - trustworthy, reliable and fully supportive during the ups and downs of life
3. The availability of the relationship: like a best friend, always on, always there in whatever way you require them to be - highlighting digital service and product options
4. The purpose of the relationship - to help you make decisions, to understand and interpret the world around you, to cradle you when you are lost or weak and to celebrate your successes - all of this addressed through tangible products or services offered.
5. To help you make smarter financial decisions that protect your future

Slide Seven: Content

At the See, think and care stage, our Hero campaign focuses on building an emotional connection with the broadest range of our target consumer groups identified in our lifecycle. It will primarily be a soap opera style advertising campaign that highlights key personal and professional celebrations and challenges faced by our main characters - births, deaths, marriages, and commercial successes. In a series of major adverts, the bank will serve as a friend and help the main character's face or resolve their situations through its digital solutions. This campaign will highlight

ComPact's competitive edge.

During the Do and Care stages, Hub content explores these themes creating video content with more specific, detailed examples of how the bank supports individuals and characters at different life stages. This content provides both financial advice and thought leadership as well as detailed demos of the available products. This will position the bank as a true friend.

Our Help content focuses on useful guidance for current and future customers; primarily through videos. It positions ComPact Bank both expert and friend thus differentiate it from the competition providing entertaining and informative thought leadership. It will also allow people in similar situations to support and advise each other through user generated content about dealing with life challenges - through social media channels. The ultimate goal of this content, both user generated and expert commentary is to boost customers' financial confidence. These will be across consumers at the think, do and care consideration stages.

Slide Eight - Maximising the campaign - an integrated marketing communications strategy

To maximise our campaign, we'll use an integrated marketing communication strategy centred around video. Video content serves ComPact Bank's objectives for numerous reasons; for example, it creates stronger emotional connections to enhance relationships with existing and potential customers. It also enables customers to engage with our branded content when it suits them.

Our video content can be created in multiple formats for different devices and audiences. We will produce short 15 second mobile promos that engage and entertain consumers and longer 'how-to' and 'thought leadership' desktop pieces for our commercial clients.

Our video content, specifically hero and hub, greatly influences the customer journey by helping people understand the services and make better financial decisions.

Our hero content will undoubtedly be one of our biggest expenses, but we expect to receive a high ROI. Videos allow us to not only obtain higher engagement, acquisition and retention rates; but also boost the chances of being widely shared. It would be ideal for our video content, particularly our hero content, to go viral as this would fulfil ComPact Bank's objective of greater brand awareness. We will also use written brand journalism (with guest experts) to reinforce our video activity and traditional PR marketing methods.

Traditional marketing methods will include targeting national and business press with product launches, customer case studies, and corporate news as well as investor/analyst outreach to ECRM, social, etc. These methods will help achieve the greatest visibility possible.

Slide Nine: Digital Strategy

ComPact Bank aims to become a leader of future technological innovation. Due to customers' needs for transparent and understandable banking products, our digital strategy will provide a seamless personalised customer experience across all digital channels according to users'

individual behaviour and consideration stages (see, think, do and care).

As we intend to attract younger tech-savvy customers, a strong mobile marketing campaign that includes an extensive social media strategy will be used. For example, social media APIs and influencers will be used to appeal specifically to mobile users. We expect that our content, specifically video, will be widely shared on social media and our audience will be encouraged to engage and collaborate with this content. The mobile campaign will also include transactional functions, display ads, and a free UX tested app for mobile devices.

ComPact Bank will utilise digital tools, such as investment trackers, to provide personalised data about customers' spending trends. Traditional banks have the advantage of access to substantial data about customers' purchasing decisions. This data can be used to provide tailored advice available both via the website and app via chat bots and real people for 24/7 customer service.

25% of the digital efforts will be invested in digital marketing, where search, display and email marketing play an important role next to re-targeting and cross-platform initiatives. To additionally position and create trust in Compact, as the new everyday bank, we count on PR and user generated content.

Slide Ten: Search

Both paid and organic search ensures that our message is delivered to the right customer at the right moment. 93% of all online experiences begin with a search engine, so we will make full use of leveraging consumer online intent based on their consideration stage. Our campaign will use organic (SEO) and paid (PPC) techniques achieved through programmatic buying so that we can segment and target our audiences accordingly. Our paid campaigns will be based on different stages in customers' life transitions such as graduating, buying a new home or starting a family, or retiring. We will use a mixture of long-tail and short-tail keywords as well as RSLA's to capture customers that are searching for help and information on these different transition stages. These keywords can also be effectively monitored and optimised in-campaign to ensure that we are correctly capturing our intended audience.

To ensure our visibility, a thorough SEO analysis must be conducted on our online platforms. This will ensure that metadata, title tags, H1s and landing page content are fully optimised to achieve the best click-through results and ranking on Google. This SEO analysis must include a comparison to competitors and may reveal any keywords that could prove profitable. Based on this SEO analysis, we will then make any changes and/or create new landing pages to achieve the greatest results.

Slide Eleven: Display

Display advertising builds awareness of ComPact Bank's brand repositioning, creates engagement with content and converts target audiences using clear CTAs. We will target existing customers at different life-stages using CRM data, including historical product/sale, to determine the specific content categories audiences are shown.

For prospective customers and existing customers, we'll aggregate primary, secondary and third-party or direct media platform data - demographic, career status, income - cross-referenced with geographic, intent and device data to build our audience segments.

We will use two main tactics to drive our purchasing activity: real-time bidding networks, surfacing adverts in digital environments most appropriate to the target customer's micro-moment, and tags and analytics within our own sites to gather data and serve subsequent adverts.

During the See stage, we'll deploy a prospecting digital display strategy, harnessing video and rich media advertising, implemented primarily in search to aid acquisition of new customers that have not previously engaged with ComPact Bank.

During the Think stage, we'll use search display retargeting once an individual has visited our site to serve an appropriate advert to them, leveraging appropriate supplier site advertising space and signals of intent from potential consumers.

During the Do and Care stage, we'll use programmatic display advertising, based on user generated data with product and service CTAs specific to the customer's signals, to ensure that we retain those that are already engaged with ComPact Bank's products/services. Our adverts will be served on partner and contextual platforms deploying video and rich media.

Slide Twelve: Budget

As a key channel for repositioning ComPact Bank audiences, we will invest heavily in TV. The ad series will appear in people's homes across TV channels in Germany for a period of 3 months.

As we are producing a number of different adverts, the associated costs for developing and booking is £500,000.

To accompany the ad, numerous creative formats will be launched on ComPact Banks respective social media channels, whilst simultaneously PR-driven content will act as a key acquisition channel. This will total £500,000.

Throughout the TV airing, we will invest £1m into paid for search to generate CTR to the website to promote the visibility of the video content.

We also propose a full-technical audit and optimisation to improve the bank's SEO, which will cost £500, 000. Over time this will help improve the bank's visibility as well as click-through rates and content engagement on the website. We aim to make the website the go-to place for trustworthy and forward-thinking banking.

Digital display is another key channel for repositioning the bank. We will use programmatic to ensure that we reach the right audiences at the right time.

We have reserved £300,000 for product research. This will include user testing the various

products from the bank across all of the targeted audiences to further help develop and optimise the products/services.

The remaining £200,000 will be invested to optimise any of these channels based on real-time data and evaluation as time progresses.