A comparative look at financial startups and mature companies to see what kind of role public relations plays for these organizations

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"I confirm that the work contained in this dissertation is my own, and to the best of my knowledge it contains no work that has previously been published. All sources of information have been referenced according to University of the Arts guidelines using the Harvard Referencing System."

**Signed: Ian Gustav Ahlberg**                                    **16th of May, 2016**

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# Table of Contents

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## Abstract

**Purpose** – This piece of research will look at how the retail banking industry has been affected by the new wave of start-ups. The aim of this paper is to look at key start-ups in the financial sector, and compare them with more established companies, with the aim of seeing if there are any key differences in how they conduct public relations activities. Considering themes such as the relationship between banks and public relations, trust in the banking industry and how these new entrants are changing the banking industry, the researcher will try and understand the complex relationship between these different themes.

**Design/Methodology** – The researcher toke a interpretivist, inductive and qualitative approach to study, opting to carry out in-depth, semi-structured interviews with public relations professionals working at both established companies and in start-ups.

**Findings** – This piece of research has found that new entrants into the marketplace are faced with a crowded and noisy marketplace. The start-ups are not comfortable using expensive and time-consuming public relations tools. They find creating trust the most difficult challenge of them all. The established companies are losing ground to these small start-ups that are chipping away at their customer base and they are responding with an active cycle of reflection and improvement that in some cases finishes with buying out the new entrants.

**Research limitations** – The number of interviewees it could recruit limited this piece of research.

**Practical implications** – Communicating in an open, selfless and creative way is beneficial to all current and future practitioners. A corporate social responsibility program helps to make the communication efforts of an organisation more tangible and accessible.

**Originality/Value –** This specific topic is not very well covered in current academic literature, so the originality of this piece of research is high.

## Introduction

This piece of work will look specifically at how start-ups and mature companies communicate in the banking industry, contrasting them to each other to see if there are differences in the way they communicate.

Three research themes and objectives were set out for this piece of work:

- **Banks and PR –** What unique challenges do new entrants into the competitive financial market face? Have the established companies been losing ground due to loyalty issues?

- **Startups and Fintech –** Are there tools that the startup public relations practitioners are neglecting to us? Are the dominant players in the marketplace fighting these new entrants?

- **Trust and banking –** Is it difficult for new entrants to create trust? Are mature companies managing their trust well?

The choice for these three themes was influenced by the researchers personal experiences working in the financial sector, from the literature that was read for this work and from conversations with industry insiders. They represent the topics that are currently hot button issues in the financial sector, and thus they serve as good beacons to sail towards when putting together this piece of work.

The researcher will start with the literature review, where topics like relationship and image management, start-ups and fintech, company growth and trust will be looked at. In the methodology, a discussion will take place around contemporary research ideas and strategies. This will be followed by presenting the findings of the primary research and then a discussion will take place where the literature review will be contrasted with the findings from the

primary data. This piece of work will finish with recommendations for practitioners and researchers.

# Literature review

## Introduction

This chapter will introduce the reader to current and past literature covering a range of topics useful for understanding the purpose of this paper. Starting with the relationship banks have with public relations, how they use it to build and maintain relationships with clients, manage the image of their organization and keep their customers loyal. After that, we will look at start-ups, or early-stage companies, we will see what kind of role they play in the economy and specifically look at Financial Technology start-ups. Before finishing, we will try to understand what makes a company grow and analyse the human factor behind every organisation. The relationship between trust and banking will be looked at last.

## Banks and PR

> "Bankers […] are very good at managing money, fairly good at managing facilities, reasonable at managing people, and not so good at managing their corporate image." (Worcester, 1997, p. 146)

Public relations literature covers many industries and topics, in the banking industry, three themes are revisited more than others; relationship building (Durkin & Howcroft, 2003 and Molina, Martín-Consuegra, & Esteban, 2007), image management (Worcester, 1997 and Bravo, Montaner, & Pina, 2009) and customer loyalty (Bloemer et al., 1998; Molina, Martín-Consuegra, & Esteban, 2007 and Berlii et al., 2004).

## Relationship management

Building and maintaining relationships with customers is the cornerstone of any business, but in the banking industry, it takes on an important role. In the 70s and 80s, new legislation encouraged competition and an improvement in the quality of service that bank customers receive, effectively exposing the retail

banking sector to increased competition from each other by breaking up the oligopoly that preceded it (Howcroft, 1998). Because of this, banks started placing more value on retaining long-term relationships with customers (Carrington et al. 1997), Molina, Martin-Consuegra and Esteban (2007) noted that nowadays, most financial service providers trust that conscientious customer service will be more important for consumer satisfaction than lower prices in those activities where there is a direct relationship between companies and consumers. This will make it harder to win customers over with just better deals.

## Brand loyalty

Loyal customers not only increase the value of the business, but they also enable it to maintain costs lower than those associated with attracting new customers (Armario and Castro, 1999). It is important to distinguish between repeat buying and loyalty - compared to an inertia situation where the consumer passively accepts a brand, a true brand loyal consumer is actively involved with his or her favourite (Berlii et al., 2004).

Research into customer loyalty has focused primarily on product-related or brand loyalty, whereas loyalty to service organizations has remained underexposed (Gremler and Brown, 1996). Service loyalty is more dependent on the development of interpersonal relationships as opposed to loyalty with tangible products (Berry, 1983). In the services context, intangible attributes such as reliability and confidence may play a major role in building or maintaining loyalty (Dick and Basu, 1994). Henning-Thurau et al. 2002 found that loyalty is driven by three groups of benefits: confidence benefits, social benefits, and special treatment benefits.

## Corporate image

In 1969, MORI carried out the first corporate image study in the banking industry (Worcester, 2013), since then we've defined corporate image as "the net result of the interaction of all experiences, impressions, beliefs, feelings and knowledge people have about a company" (Worcester, 1970).  In highly competitive sectors like banking, corporate image represents an asset that allows firms to differentiate and increase their success chances (Bravo, Montaner, and Pina, 2009).

At present, the corporate image of banks is heavily reliant on their corporate social responsibility programs (Castelo and Lima, 2006; Souiden et al., 2006), which make their intangible services (Vargo and Lusch, 2004) more relatable to the consumer (Brady et al., 2005)

## Start-ups and FinTech

> "Companies less than five years old account for all of the net growth in our country between 1980 and 2005."
>
> President Obama quoted in Whitehouse.gov (2014)

Start-ups are often the first companies to see a niche in the market and set about to further developing it. Davila, et al. (2014) stated that groups seeking major changes in society often see the early-stage company sector as a key catalyst for those changes—clean energy start-ups, for example have been highly promoted by groups seeking major reductions in fossil-fuel consumption. Carlson and Usher (2015) found that for-profit digital news start-ups backed by large investors, venture capital, and technology entrepreneurs have taken on an increasingly significant role in the journalism industry. Local Motors, a radically new kind of car company has revolutionized the way cars are designed and manufactured (Mettler and Williams, 2011). Astebro, Bazzazian and Braguinsky (2012) wrote that there has been a dramatic increase in the number of spin-offs generated by universities over the last 40 years, in some universities more that 30% of graduates start their own company after graduating.

Start-ups pop up in different sectors and play an important role in the economy. But if so many are being created, some must fail. Palmquist (2015) described the harsh reality of the start-up ecosystem, where 65% of jobs created were cannibalized by other start-ups in five years time, and 34% of revenue generated by new firms in five years comes at the expense of their competitors. Revenue and headcount destruction is a major part of early-stage company dynamics in all the countries and industries Davila et al. (2014) looked at in their research on the start-up ecosystem.

## Fintech

Fintech (short for financial technology) companies are trying to reinvent the system that broke in 2007 (Economist, 2015b). In 2014 firms in this sector attracted $12 billion of investment, up from $4 billion the year before (Economist, 2015a).

In fintech, the consumer side of the market is particularly active. Retail customers are especially enjoying lower fees and lower interest rates by using mobile wallets, mobile payment apps and online lending platforms. The fintech start-ups providing these services have seen a rising adoption curve, especially among millennials (Desai, 2016). According to Beardsley and Nash (2015) globally, marketplace-lending platforms are forecasted to see loan issuance grow at a 51% between 2015 and 2020. In the Eurozone, there is empirical evidence to show that SMEs (Small to Medium size Enterprises) place increased importance on non-bank lending and the institutions providing it (Kraemer-Eis and Lang, 2012). The Economist (2015b) reminds us that these companies are doing business nowhere near the trillions of dollars regular banks loan out yearly, arguing that even though they are doing hefty amounts of business, the entrenched banks are doing much better. Fintech companies face unique challenges when growing, especially in relation to the regulations and laws they face, Justin Hall, a prominent San Francisco venture capitalist summed this up nicely by saying that

> "Not only are start-ups required to learn local laws and regulations, but their networks are usually not as robust, so it's much more difficult and time-consuming for them to work their way up to the relevant decision-makers. Many times, they're unable to do so, handicapping their ability to expand into other jurisdictions." (Hall, quoted in Desai, 2015)

In many cases, this handicap prevents companies from expanding and creating new jobs.

## Understanding start-ups and SMEs

> "Growth is an important issue […]. Growth is often seen as an important performance measure that gives insight in the vitality and competitiveness of

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the company. For start-ups, growth in the first years is often a prerequisite for survival. "                     (Gibcus, de Jong-t' Hart, and Kemp, 2006, p.4)


Small and medium sized enterprises (SMEs) are an important job generator (Carree & Klomp, 1996), in the European Union, they account for over 99 per cent of all enterprises and 60-70 per cent of employment (OECD, 2009). Understanding how these companies grow serves two purposes, because they use fintech services more than other sectors, and because start-ups are SMEs themselves. A multitude of studies in various masteries have looked at what determines a firms' growth. The researcher will now look at some of these studies and see if they can tell us the important factors that influence a firms' growth. Audretsch and Feldman (1996) determined the importance of location for different types of industries; they found that firms concentrate together to increase growth. Small firms come together into specialized niches, while larger firms need to be located in a cosmopolitan region (Duranton and Puga, 2001).

And when comparing smaller and larger firms, we can see that smaller firms grow faster than larger ones (Calvo, 2006 and Yasuda, 2005). Audretsch et al. (2004) have written that smaller firms grow faster because they need to reach the size of minimum efficiency, that is, the point where long-term costs are minimized, and production efficient (Perloff and Carlton, 2003).

For public relations professionals working with early-stage companies, it's important to consider how best to communicate not only with the outside world, but with the people in charge of the company too. Start-ups, compared with large companies, are characterized by a strong emotional connection between the owner and the firm (Chan and Foster, 2001). This means that some characteristics of the founder(s) will strongly guide not only the type of firm that will be formed but also the way it will be managed (Bridge, O'Neill and Cromie, 1998), important when setting up a campaign for internal or external stakeholders, this means it's imperative to know what types of people will be working in start-up settings. McClellands' (2010) Need for Achievement Theory explained that human beings have a need to succeed, accomplish, excel or achieve. Entrepreneurs are driven by this need to achieve and excel. According to Mohar, Singh and Kishore risk taking

and innovativeness, need for achievement, and tolerance for ambiguity had positive and significant influence on entrepreneurial inclination (2007). Entrepreneurs do not cause change but exploit the opportunities that change creates (Drucker, 1993). He further says, "This defines entrepreneur and entrepreneurship, the entrepreneur always searches for change, responds to it, and exploits it as an opportunity"(p. 27-28). Eckhardt and Shane (2003) say that "an individual may have the ability to recognize that a given entrepreneurial opportunity exist, but might lack the social connections to transform the opportunity into a business start up. It is thought that access to a larger social network might help overcome this problem" (pp.333). For public relations professionals, it's thus important to realize the effect and entrepreneurs personality has on the company, and how best to help him/her to grow the company by leveraging their traits.

## Trust and banking

> "An essential part of the definition of trust is the expectation that the loss if trust is broken will be much greater than the gain when trust is maintained; otherwise, the decision to trust would be simple economic rationality"
>
> (Hosmer, 1995, p. 390)

Consumer trust is an important factor in practically all business-to-consumer interactions and a crucial aspect of electronic commerce (Grabner-Kräuter and Faullant, 2008). Trust lies at the heart of the relationship between the public and the banking industry (Li, 2001; Leiser, Bourgeois-Gironde, and Benita, 2010). The survival of financial institutions depends on the public's willingness to trust their actions (Coombs and Holladay, 2002). Roy and Shekhar (2010) established that trust in competence and trusts in integrity were the key measurements of trust in the banking sector. Competence concerns the banking industry's skills and abilities (Sung and Kim, 2010); integrity involves the sector's character, fairness and credibility (Belanger, Hiller, and Smith, 2002). Bankers who are seen to lack integrity are likely to be perceived as dishonest and seeking only selfish gain (Poppo and Schepker, 2010).

Scholars have defined three characteristics of trust: Ability, Benevolence and Integrity (McKnight and Chervany, 2002; Mayer, Davis and Schoorman, 1995). Ability means that a trustor believes that a trustee has the power to do for him/her what needs to be done. Benevolence is the extent to which a trustee is believed to want to do good to a trustee, aside from and egocentric profit motive. Integrity means that a trustor believes that a trustee makes good-faith agreements, tells the truth, acts ethically and fulfils promises. McKnight and Chervany (2002), identified another important characteristic of trust, predictability, while Mayer, Davis and Schoorman (1995) asserted that trust must go beyond predictability, because one does not trust the other party who is highly predictable to ignore the needs of others and act in a self-interested fashion. Kim, Prabhakar and Park (2009) have said that it's important for banks to actively reduce the perceived risk of doing business online, and to increase trust in their services by educating users on their policies on data protection and how issues that might arise are taken care of.

Chau et al. (2007) noted that dispositional trust was of special importance in the initial stage of building a new relationship, thus it's important for a start-up to gain trust. It is also essential to note that trust plays a bigger role in e-commerce applications, where the degree of uncertainty of economic transaction is higher than in a traditional setting (Grabner-Kräuter, 2002). These two points come together to mean that trust building and maintenance are vital to start-ups, especially so because they are more often than not online platforms.

Nelly Trevinyo-Rodríguez (2007) interestingly found that integrity is normally not evaluated on an individual level (a bank employee) but on an organizational and even sectorial level. This shows us that the banking industry is very connected, and that nothing takes place in a vacuum. So it is important to note that the sector has collectively come together to increase trust after the Great Recession, and set up Project Merlin.

> "Initiated in February 2011, 'Project Merlin' is perhaps the first sign of an integrated response to image-related issues on the part of the UK banks. Under Project Merlin, four of the nation's largest banks (plus the Spanish based Santander bank, which has extensive operations in Britain)

have    committed themselves to providing 'greater transparency', more help for
small businesses, more lending in general and greater contributions to
regional economies and community projects. A primary aim of this
(government backed) project is to help restore public confidence in the
banking sector." (Bennett and Kottasz, 2012, p. 140)

# Methodology

## Introduction

In this chapter we will discuss the different research methods that a researcher can
use when putting together a study. It will look justifying the way primary research
was carried out for this study, the sampling used, the design of the primary research,
its' limitations, and validity of the findings. The author has found the research onion
(Figure 1) very helpful when considering all these areas.

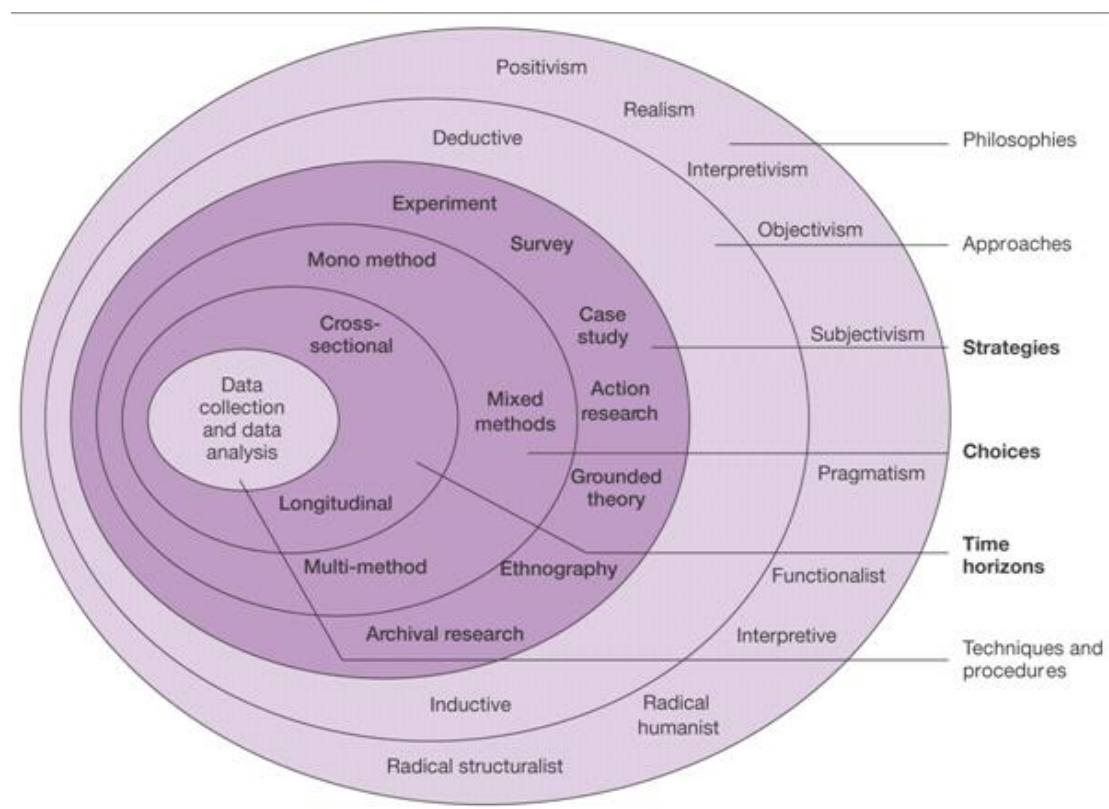

**Figure 1**: Research Onion, from Saunders et al., 2009

## Research philosophy

Working its way in from the outer layers of the onion, this paper has taken an
interpretivist philosophy towards research. Klein & Myers (1999) considered that the

foundation for interpretive research is that knowledge is gained, or at least filtered, through social constructions such as language, consciousness, and shared meanings. Rowlands (2005) said that in addition to the emphasis on the socially constructed nature of reality, interpretive research acknowledges the intimate relationship between the researcher and what is being explored, and the situational constraints shaping this process. Saunders et al. (2009, p. 115-116) suggested "The social world of business and management is far too complex to lend itself to theorizing by definite 'laws' in the same way as the physical sciences". Because every organization is different, and so is every public relations practitioner, it is difficult, if not impossible to rely on equations and laws when researching in the context of this paper. That's why this paper has taken an interpretivist approach, it will set out to explore the subject area and try can learn valuable lessons from practitioners in the field.

## Research approach

There are two approaches one can take when researching, deductive and inductive. Deduction owes much to what we would think of as scientific research (Saunders et al., 2009). It is the dominant research approach in the natural sciences, where laws present the basis of explanation, allow the anticipation of phenomena, predict their occurrence and therefore permit them to be controlled (Collis and Hussey, 2003). Deduction entails the development of a conceptual and theoretical structure prior to its testing through empirical observation of the facts out there in the world through data collection, it begins with abstract conceptualization and then moves on to testing through the application of theory so as to create new experiences or observations (Gill et al., 2010). Deduction dictates that the researcher should be independent of what is being observed, which allows for better control of the test conditions, and rigorous following of the hypothesis (Saunders et al., 2009).

The emergence of social sciences in the 20th century led to social science researchers being wary of deduction, they were critical of and approach that enabled a cause-effect link to be made between particular variables without an understanding of the way in which humans interpreted their social world (Saunders et al., 2009). Researchers in this tradition are more likely to work with qualitative data and to use a variety of methods to collect these data in order to

establish different views of phenomena - theory would follow data, rather than vice-versa (Easterby-Smith et al., 2008). Theory that inductively develops out of systematic empirical research is more likely to fit the data and is thus more likely to be useful, plausible and accessible, especially to practising managers (Partington, 2000).

The research carried out in this piece of work will take a deductive approach, as it will allow for the collection and analysis of data in a format that is more suitable for the task at hand. Further on in this piece of work, the researcher will use pattern matching to understand the data generated. The researches has prepared a set of objectives and propositions from the theory (see the literature review) that will serve as the framework the research will rest upon. Pattern Matching will help the researcher in three ways (Saunders et al. 2009):

It will give the researcher a clear framework to research around.

It will help when sampling, as the researcher will be in a position to identify the number and type of organisations that need to be accesses.

The literature review will help shape the data collection questions from participants.

Using the literature review, the researcher has identified three objectives that they wish to research:

- **Banks and PR – What unique challenges do new entrants into the competitive financial market face? Have the established companies been losing ground due to loyalty issues?**

- **Startups and Fintech – Are there tools that the startup public relations practitioners are neglecting to us? Are the dominant players in the marketplace fighting these new entrants?**

- **Trust and banking – Is it difficult for new entrants to create trust? Are mature companies managing their trust well?**

## Qualitative and Quantitative methods

When conducting research, there are two schools of thought, qualitative and quantitative. These two approaches to research are not opposites of each other, they represent different end of a continuum (Newman and Benz, 1998). Silverman (2010) noted that the qualitative and quantitative distinction seems to assume a fixed preference or predefined evaluation of what is good, and what is bad, but in reality, these methods serve the needs of the research question. Creswell (2009) added that often times the distinction between qualitative and quantitative research is framed in terms of using words rather than numbers, or using closed-ended questions, rather than open-ended ones.

The quantitative approach is objective in nature, concentrating on measuring phenomena, including the collection and analysis of numerical data and statistics (Collis and Hussey, 2003). According to Bryman and Bell (2011) quantitative research has a higher validity as it follows a rigid structure that can be repeated and is more reliable as it is less subject to the biases of those collecting the data. Flick (2015) noted that quantitative research takes a linear approach, where you start from theory and end with a validation based on testing that theory.

Qualitative research on the other hand, is oriented towards exploring and discovering what is new (Flick, 2015). It is more subjective in nature and involves examining and reflection on perceptions in order to gain an understanding of social and human activities (Collis and Hussey, 2003). In qualitative research, sampling decisions are taken during data collection, and interpretation of the data begins immediately with the first batch of data, then from analysing this data, the researcher can arrive at a new decision, for example, who should be interviewed next (Flick, 2015). Flick (2015) goes on to sum up qualitative research nicely, saying that the aim is to develop a theory from empirical material and analysis, where the starting point is a preliminary assumption about the issue at hand.

This piece of work will take a qualitative approach to research, favouring exploring the subject at hand and understanding the human actors and the

decisions they make. It is worth noting, that this same research could be carried out using quantitative methods, using data to understand the differences in communication between young start-ups and more mature companies.

### Primary and secondary data

Saunders et al. (2009) have noted that secondary data can form a core part of the research undertaken; it is both qualitative and quantitative data that has been gathered by someone other than the researcher. It could be raw data, this is data that has not been processed, or it can be compiled data, which has received some sort of selection and formation (Kervin 1999). This compiled data ranges anywhere from books, journals and magazine articles to newspapers. The main advantage of using secondary data is that it saves resources in particular time and money (Ghauri and Grønhaug, 2005), and because this data has already been reviewed, edited and looked through, it is likely much higher-quality than could be obtained by collecting the researchers own data (Stewart and Kamins, 1993).

In this piece of work, secondary data was gathered for the literature review, which gave an overview of the contemporary research going on in fields relevant to this piece of work. Because a deductive approach has been taken, the literature review has greatly shaped the questions the primary data will try to answer. In the sections below where the data gathered will be analysed, secondary data form the literature review will be look at side to side with the primary data.

For gathering the primary data in this piece of work, semi-structured interviews will be used. Kahn and Cannell (1957) defined interviews as purposeful discussions between two or more people. According to Healey (1991), there are two types of interviews, standardised and non-standardised. Standardised interviews use questionnaire based on a predetermined and standardised set of questions, they are more of a questionnaire that instead of being administered via the internet, post or mail are carried out face to face (Saunders et al., 2009). But non-standardised interviews are sometimes referred to as "qualitative research interviews" (King, 2004). In these interviews, the researcher has a list of themes and questions to be covered, which may vary from interview to interview (Saunders et al., 2009). In these interviews the interviewee can talk freely about events, behaviour and beliefs in relations to the topic (Saunders et al., 2009), allowing the interview to

feel more like a conversation, than an interrogation. Silverman (2007) has said that these types of interviews add significant depth to the data obtained, they lead the discussion into areas that had not previously been considered but which can be significant to the understanding formed, they help to address the research question and objectives, or they can create new ones.

## Justification of the chosen paradigm

 In the next three sections, we will discuss the tactics used in the research carried out for this paper, linking contemporary research literature with this piece of work.

## Semi structured interviews

 For the purposes of this paper, semi-structured interviews were chosen as the primary data-gathering tool. This was done because semi-structured interviews have a few advantages over other data-gathering tools - they provide balance between structure and openness, analysis of answers is facilitated by the structure of interviews and with prompts and probes roughly equivalent coverage can be achieved (Gillham, 2005). Johnson (2001) has stated that in-depth interviewing seeks "deep" information and understanding, these deep understandings are held by the real life members of participants in some everyday activity event or place, and the interviewer seeks to achieve the same level of deep understanding as the member or participant. This deep understanding can reveal how common-sense assumptions, practises and ways of talking partly constitute the subjects interests and how they are understood (Johnson, 2001). Johnson (2001) goes on to say interviewing provides the researcher with deeper information and knowledge than is sought in surveys, focus groups and informal interviewing. In the case of this paper, this means that the same questions are asked from all those involved, these questions are developed to make sure they are focused on the topic and to insure all necessary information is gleaned from the respondent, the researcher will prompt supplementary questions to make sure all sub-areas of interest are covered (Gillham, 2005). These parameters serve as the track under the train that is this piece of work, we when boarding do not know the destination, but the tracks keep us from veering off.

## Email interviews

According to Morgan and Symon (2004), an email interview consist of a series of emails each containing a small number of questions, rather than one email containing a series of questions, the emphasise that email interviews are advantageous because they allow both the interviewer and the interviewee to reflect on questions and responses prior to providing a considered response. See the appendix for the questions sent out by email (Appendix items 9 and 10).

## Telepresence interviews

During the recruitment phase it became clear to the researcher that telepresence technology, such as Skype and Google Hangouts had to be used to interview subjects not based in London. This was done because of time and financial constraints. It would be foolish to fly to Portland or New York to carry out an interview. Using telepresence can facilitate more open and honest responses, in particular where sensitive issues are discussed (Sweet, 2001). Some researchers argue that interviewing participants online such as through web conferencing is unlikely to achieve the same high levels of interactivity and rich and spontaneous communication that can be obtained with face-to-face interviewing, whilst others say that after the initial invitation to participate it is possible to build up considerable rapport (Saunders et al., 2009).

## Sampling and recruitment

When choosing a sample for research, Johnson (2001) reminds us that all those persons who are members of some scene or community or who participate in some activity are not equally valuable as informants because they differ greatly in their intelligence, knowledge and ability to reflect on the past. He (Johnson, 2001) goes on to say that the best informants are ones who have been thoroughly enculturated in the setting or community, have recent membership to the community, have interest in helping the researcher and have the resources to do so. Marshall and Rossman (1996) clarified by saying that random sampling is inappropriate for qualitative research due to the fact that if a true random sampling was selected, the characteristics of the population should be known, which is rarely possible in a complex qualitative study. Because of the narrow area of research, this

piece of work will rely on non-probability sampling, which relies on subjective judgment to select participants (Theaker and Yaxley, 2012).

The paper will use three methods to narrow down and select an appropriate sample from the population. Quota sampling (Theaker and Yaxley, 2012) will be used to select participants based on variables; in this case, they should be public relations practitioners. Purposive sampling will help to narrow down the participants even more by choosing them for a specific reason (Theaker and Yaxley, 2012); in this case, for being public relations practitioners who work in the banking industry, both in the start-up scene and in more mature companies. And to guarantee as many participants as possible, the snowballing method (Theaker and Yaxley, 2012) will be used to identify new participants by asking the network of existing participants if they have any colleagues that would be interested in helping the researcher.

The issue of sample is ambiguous in all non-probability sampling techniques, and unlike probability sampling, there are no rules (Saunders et al., 2009). The sample size is dependent on the research objectives, in particular what it is that needs to be found out, what will be useful, credible and achievable with the resources at the researchers disposal (Patton, 2015). He goes on to say that in purposive sampling the participants selected need to be information-rich. In relation to sampling size, Flick (2015) says that sampling is complete when the "theoretical sampling" of a category or a group of cases has been reached, meaning no new information emerges. Guest, Bunce and Johnson (2006) found that the optimal amount of interviewees was twelve, after twelve no new information emerged.

For the purpose of this piece of work, the researcher aimed to interview ten public relations professionals, all working in the banking industry, with five of them working with established big brands and five working with start-ups. That sample would be of a decent size, and would cover both sides of the industry segment. Because the author works in a banking industry start-up, they could leverage their professional network to get participants. Social media and email were used to reach out some participants, especially overseas. In the beginning, the researcher carried out a Skype interview with one participant in the United States, (Appendix item 3) this was a very productive interview and the researcher decided to carry on using telepresence technology. Following on from this, two participants in

the UK were interviewed in the same way (Appendix items 2 and 5). Unfortunately none of the other participants were able to be interviewed like this, mainly because of timetabling issues, where either the participant or the researcher were not able to agree on a time to carry out the interview. Because of this, e-mail interviews were carried out with the rest.

## Research design

When designing the interview, this researcher found Gillham (2005) to be incredible useful, he emphasises that the interview must have a developed focus on which it operate with a degree of precision, which nonetheless produces openness on the level and range of responses from the interviewee. One of the strengths of the semi-structured interview is that it facilitates an element of discovery, whilst the structured focus allows analysis in terms of commonality. The main task set upon this researcher is to develop questions that are relatively distinct form each other, which, as the interview progresses tap into something different (Gillham, 2005).

To achieve this, the researcher set about creating two sets of questions, one for public relations practitioners working with/in the start-up industry (Appendix item 10) and the other for practitioners who work for/in more mature financial sector companies (Appendix item 9). Both sets of questions would follow the same layout:

- Starting with two general questions about the banking industry and the difficulties and obstacles practitioners face when communicating in the financial marketplace. These questions are meant to warm the interviewee up to the topic and serve as good background information for the researcher.
- These would be followed by two questions that deal with how financial institutions are using public relations to help their businesses grow. In the case of start-ups, these would focus on how public relations can be used to help expand the company, and if there are any unique communications challenges the companies face. For more established company communicators, these would deal with the relationship the institution has with its' customer and with loyalty.

- In the third part of the interview, the discussion will move on to start-ups and fintech. For start-up professionals, these would focus on the tools they use when communicating for their brand. For more established communicators, this part of the interview will cover if the mature companies are combatting these new entrants, or embracing them.

- In the final part of the interview, the researcher will focus the discussion on trust and banking, the same question will be asked from both groups of participants, which deals with trust creation. Then the start-up professionals will be asked to think about the difficulties they may face when nurturing trust in their companies, while the communicators representing more mature companies will reflect whether in recent years trust in big institutions is waning.

Theses topics will help the researcher gain insight into the sector and answer the objectives set out for this piece of work.

## Limitations of the research

This piece of work has limited scope due to a pair reasons. Firstly, because of the researcher encountering personal circumstances that prevented them from starting the interviewing process in a timely manner, only seven participants were interviewed. As discussed above, the amount of interviews that should be carried out to get a good sample of responses should be around twelve (Guest, Bunce and Johnson, 2006).

Second, at the onset of this piece of work, the researcher planned on conducting face-to-face interviews and telepresence interviews, because of scheduling and location problems, only three interviews were carried out via telepresence technology (Appendix items 2, 3 and 5), the other four (Appendix items 1, 4, 6 and 7) were completed through email. In the sections above, a discussion was carried out that outlined the pros and cons of these approaches.

## Validity, objectivity and reliability

Making sure that the results answer the research objectives set out at the start of this piece will test the validity and objectivity of this piece of research. Punch (2003) has summed this up nicely by agreeing that validity means whether the data represents what we say it represents, he also goes on to say that the core of validity is that the responses gained should be able to answer the question(s) researched. The reliability of the study is tested when the same data appears when measurements are repeated under the same conditions (Robson, 2007). But the reality of qualitative data is that it relies on the interpretations of the researcher (Daymon and Holloway, 2002). All in all, this means that it is important for the researcher to present the finding as clearly as possible, and making sure that the research process is transparent.

# Findings

## Introduction

This chapter will present the findings that were created using the methods detailed above. All of the interviews can be found in their unedited, unthemed form in the appendix (Appendix items 1-7). This chapter will present the findings by grouping them together into themes, corresponding to the objectives of this study. The responses are presented here in an edited form, this allows the reader to go through the findings easier, as everything is organised. It should be noted that analysis of the findings would take place in the next chapter. As a guide each subheading will point the reader to the theme discussed followed by responses from the participants. The responses will be presented in order of "popularity", with the most mentioned coming first.

## General

### Mature companies

The practitioners working for mature companies all mentioned that there is too much noise in the current communication marketplace

*"Too much noise leads often to no one listening"* – LS (Appendix item 1)

*"There are so many people trying to vie for the attention of the consumer. It's not only banks. It's the supermarket down the road, the tube, the restaurant, the shop, everyone is trying to get their message across, so it's hard for us because we need to somehow differentiate ourselves from all the noise that surrounds the consumer"* – JC (Ai. 2)

*"There's just that there's proliferation of products. It seems like when I think of retail banking, whether it's-- there's a couple of big banks and there's a couple of stand-out start-ups, so I guess it's just cutting through the noise."* – LN (Ai. 3)

The practitioners went on to say how the size of the mature companies offers them an advantage when communicating

*"We can use all these different channels to drive home the same message so that whenever the customer's looking at communication that's sent out by us, it always says the same things. It's consistent."* – JC (Ai. 2)

*"Because of our size, we can offer really good international connection - we're in all continents. A customer can be with us, go into an office in Hong Kong, and still get the same service as they do in London or in Paris or in New York."* –JC (Ai. 2)

*"You have so much track record that it's really hard to judge you because you have hundreds of products. Whereas, if you're a start-up, you have one, maybe two, maybe three [products], and no track record, so reporters are-- all they have is scepticism."* – LN (Ai. 3)

Practitioner LS had ideas about how technology helps start-ups

*"These large banks wield tremendous power, which make it difficult for smaller firms attempting to compete with them directly. However, where smaller firms can get a foothold is with the technology advances, namely mobile apps offering niche services or reaching specific consumer segments."* – LS (Ai. 1)

They went on to talk about the niches startups fill

*"Wherever smaller financial tech companies can find a niche offering for banking consumers, will be where most of the opportunities exist."* –LS (Ai. 1)

They described how dissatisfaction is driving consumers to startups

*"This has left many consumers wary of big banks and wanting alternatives such as credit unions, co-ops, etc. Small firms that can find opportunities in consumers' dissatisfaction, stand a much better chance to create a banking service or product alternative to what's currently not being addressed or provided by the larger banks."* – LS (Ai. 1)

Going on to add that beating the noise is best done with well-targeted communication

*"I can look to very specific micro messages and / qualitative data to personalize the messages I'm attempting to communicate. Very often this approach is useful when a relevant message must be relayed and it must be meaningful in ways the other messages are not."* – LS (Ai. 1)

Practitioner JC pointed out how consumer trust is a big obstacle in the way of a prospering start-up

*"I think that there are a couple obstacles. The first is going to be gaining consumer trust, for sure. Because in our industry, that's the most important thing. [...] It's very ethereal, so it's hard for customers to understand how we are better than another bank or a smaller company. The biggest obstacle, I think, is getting that consumer trust and being able to be confident in your own services so people [...] come to you."* – JC (Ai. 2)

They went on to explain how differentiation could be the key to beating the noise that's out there

*"We need to somehow differentiate ourselves from all the noise that surrounds the consumer, […] we need to create trust. […] You need to be communicating in a set way so people know what to expect from you."* – JC (Ai. 2)

Practitioner LN pointed out how good public relations seems natural and effortless

*"That's just good PR. Good PR is making it seem natural, even if it's dedicated campaigning, right? […] Effortless."* – LN (Ai. 3)

### Start-ups

One of the main issues the start-up practitioners mentioned was the low brand awareness that they have encountered, and how it handicaps their communication efforts

*"There's a lot of competition, and the most important thing for us to get is trust with the customers. That's the key element. […] All the big companies have been around for such a long time, so they have more trust with the customers. […] Obviously the difficulty is in getting our message across, to reach the right audience. As a start-up we need to engage with the customers much more than a regular big company, this all comes back to creating that trust. It's quite hard for us to keep customers with us, because the bigger companies can offer better deals to our customers, sometimes we just can't fight them."* – LB (Appendix item 4)

*"Because we don't yet have the kind of brand awareness that the big companies do, we are always looking for ways to get media coverage. It's really important for us that people know about us and know that the insurance services we provide are better, cheaper and more transparent. […] But talking to someone who hasn't got a clue about us, they just go "huh?" So the obstacle this domination presents is that it's hard to even get your voice heard. The marketplace*

*we're in is so crowded means that we sometimes feel like we're yelling into a well."*
– JM (Ai. 6)


*"This handful of big companies really dominates the media landscape, so we find it difficult to break that monopoly they have. Every message we send has to deal with introducing our brand, the big companies don't have to do that"* – RG (Ai. 7)


Practitioner CG mentioned how the company he works for finds it really important to differentiate them


*"It's really important for us to differentiate ourselves from what the bigger companies are offering. […] We're trying to really take our own route and differentiate ourselves - show them we're technologically oriented, easily accessible and transparent for the customer. We need to create that understanding with the customer. We're different, you know. We're not the old guard. We're not doing things like they've been done for 50 years. We're changing things up. So they know where to go for the better deals we need to tell people that because we don't have these legacy systems that the big guys do, we can offer them the same or even better service for much less money."* – CG (Ai. 5)


They also mentioned how they find it important to send out targeted messages, using specific databases and services


*"We need to really be able to find the people that we need to communicate to, which is actually getting easier with Facebook and Twitter and Instagram. All these platforms where you can really focus your message to the people that you want to reach. […] And this way we get more bang for our buck, because we can have one overlapping-- overarching campaign, and smaller parts of it are really targeted toward really specific groups and individuals. […] [Using] stuff like Sysmos, Gorkana, we can really talk to specific industry insiders, to specific journalists and make sure that our message goes to correct people - we're*

*looking at one group of individuals. We're seeing what kind of message they want, and what would work best for them, and then we're sending that out."* – CG (Ai. 5)

Practitioner JM told the researcher about the difficulties they face communicating with the media

*"It's hard for us to even get our voices heard. So we here at the office have to be constantly thinking about ways we can hijack the news agenda and use it to our advantage. For example we tried to get our brand more visibility during the mayoral race, but it just didn't work because we don't have the networks to reach the journalists we want to reach. I don't think anyone gets their story heard from just sending a press release anymore."* – JM (Ai. 6)

Finishing this theme is practitioner RG with two points; the difficulty they face when trying to get new customers and how social media content promotion is holding them back

*"Consumers in this sector are really set in their ways, so it's just hard to make them consider another service provider. They just open their account, and carry on. And it's hard to mess something up with a current account so people aren't motivated to leave."* – RG (Ai. 7)

*"It's hard to establish a foothold on social media, people are so inundated with information, so it's hard to get people to listen to us, without paying Facebook or Twitter of course. I think that's another issue we have, the big companies have so much more capital so they can just buy their way up the content tree. With our limited budget, [...] we need to be really creative!"* – RG (Ai. 7)

## Banks and PR

### Mature companies

All three practitioners from mature companies had something to say about loyalty to banking. JC talks about how banks feel that they've lost loyalty, even if they haven't lost customers, and the other two practitioners chime in by saying that they believe customers weren't loyal in the first place - they just didn't have another choice

*"They might still be our customers, but they're just not as invested into our brand as we would like them to be. I think this is one of the reasons we're seeing so many new entrants into the marketplace, is because we've lost the trust [...] people are willing to go outside of our ecosystem to buy products and services."* – JC (Appendix item 2)

*"I believe the recent news stories about questionable bank practices and policies have lessened customers' loyalty at the same time I believe many customers remain with these banks because they may perceive banks as being the only option; customers may in fact feel powerless"* – LS (Ai. 1)

*"I don't know that I necessarily feel any loyalty to a banking brand, but they sure do a good job of making it easy to use their services. [...] It's interconnected. You're locked into this one ecosystem and it doesn't even feel like I'm locked into it because they make it convenient. [...] That infrastructure, that's a huge advantage."* – LN (Ai. 3)

The practitioners went on to talk about how the relationship management model is changing with the online world and increased competition

*"The relationship-management model is shifting to address the needs of a growing consumers' reliance on mobile devices. The traditional bank lobby, the teller line and the bank tellers are not relevant as they once were. From a PR perspective, it's more of an opportunity to communicate on behalf of banks exactly how customers can begin shifting and changing their perception of their*

*neighborhood branch. The changes underway now have been evolving over the past few years and will culminate into a very relationship oriented experience for banking customers"* – LS (Ai. 1)

*"I think we've got a lot more competition. So we have to build a relationship with our customer. It's making sure that we don't lose those relationships, because they're so important to us, because these are people that are really invested into our brand emotionally and also financially. So I think the relationship management model is changing, because there's companies that can try and push themselves in and take away our customers."* – JC (Ai. 2)

Practitioner JC also talked about how start-ups are chipping away at the banking industry

*"We're seeing this happen a lot more where-- let's say, a person does their everyday banking with us, but then they buy insurance products from a smaller company or they do international money transfers with a start-up. They're chipping away at some of the products we offer. We need to somehow make sure that our communication shows that it's always better for the customer to stay with us and keep them in our ecosystem where we can provide them services."* – JC (Ai. 2)

They continued by saying how putting the customer first will make sure they stay with the company

*"The biggest disappointment people can get is bad customer service. We here at the comms team can work as hard as we want and make people believe in what we say and in the brand. But they can have just one bad experience with an insurance product, and they decide they've had enough. Even though they've been with us for 30 years, they're going to go somewhere else to buy that insurance product or do their money transfers. It's really important for us to really drive home that every time a customer interacts with us, they have to go off feeling better about themselves. We really need to focus on doing selfless service, where we think*

*about the customer first and us after. Because in the long run, that's what counts."* – JC (Ai. 2)

*"It all comes back to us having to really be consistent in our message and also transparent. We're really trying to push forward with this idea of creating a transparent banking system"* – JC (Ai. 2)

LS made a poetic note about public relations and storytelling

*"PR [has the] ability to help share and tell a story whether it be from the banking industry's perspective or from some alternate grassroots perspective of Fintech offering customers a new and different way of conducting banking business. Regardless of the perspective/viewpoint each of the sectors can use PR to communicate specific messages about their business, product/services to consumers to sway consumer support and loyalty over time."* – LS (Ai. 1)

LN added to the discussion with good points about how corporate bureaucracy can hold back PR, how small companies have nothing to lose and all to gain and how smart public relations maneuvering can help turn a bad story around

*"All these legacy costs [are] more of a challenge for the incumbents, the incumbent misses a lot of opportunities because of the big legacy, corporate bureaucracy. You see it in social media. You need two or three or four layers of approval. The person who's, let's say, supposed to be a spokesperson is disengaged because of it, and it's watered down, whereas start-ups maybe there's one person. And you're more engaged, and you can see it. It's more of a conversation."* – LN (Ai. 3)

They added that this is a

*"Lack of resistance to things that could be a risk, maybe, or that big organizations, they might perceive it a business risk. If you have no-- if*

*there's no perception of you in the market place, then, you have nothing to lose." –*
LN (Ai. 3)

*"I'm thinking of at least one or two clients where, what started out as negative media coverage, since they were small, that they weren't lucky-- you might, from a big company, get no response to it or, "Let's just leave it alone. Let's just hope it goes away." But small start-ups will lean right in to that and follow up with the reporter and say, "Well you didn't even ask [us] for a comment."  I've had clients that took negative coverage and parlayed it into three-minute interviews on CNBC because they just-- it was on fair coverage, and they got to tell their side of the story. The biggest impediment to a start-up is the journalist that just doesn't care about this stuff." – LN (Ai. 3)*

The same practitioner chimed in on how paid content does not work for financial services

*"Have you heard of SoFi? […] When I see their banner ads on Facebook or LinkedIn, I almost feel like they lose a degree of credibility. Most other people probably don't, so maybe that gives them a degree of visibility that they otherwise wouldn't have had. But I don't think that gives them credibility. I think there's no organic credibility associated with banner ad to me you cannot […] like an endorsement. You can't put a price on it. It's priceless. Endorsement, third party credibility, media, social media, consumer focused publications for retail banking stuff [that works]" – LN (Ai. 3)*

### Start-ups

 When thinking about entering new jurisdictions, most of the start-up professionals had something to add to the discussion

*"So we haven't started expanding anywhere yet. [But] all of our work is concentrated on getting new customers in the demographics we want" – RG* (Appendix item 7)

*"I think expanding is always difficult, no matter big or small. First of all we need to conduct research on the marketplace, looking at the competition, seeing how the marketplace is. […] We are more creative, personal with the customers, we engage with them face-to-face, in a fun and engaging way. The big companies are more boring!"* – LB (Ai. 4)

*"I think PR can help immensely when expanding though, we can really get the key stakeholders on-board with the brand, this means we can help the company expand quicker, because the audience is open to it!"* – JM (Ai. 6)

Half of the practitioners focused on the importance of having a driven team

*"When we're entering a new marketplace-- or, I'd rather say when we're trying to look at new groups to get to use our platform, it really helps that we're such a small team.*
*I work with people who are driven, who know what they want, are willing to work hard. […] I'm working with people who really want to do stuff, who want to change. We've got that drive and the person that really want to do it and that helps so much. It's so easy for us to expand our team, and try and get more diversity"* – CG (Ai. 5)

*"There are some unique challenges we face inside the team as well. People working in small start-ups have to be really driven, ambitious and hardworking, so we find that when we do our PR work, people from other departments want to get involved. And my team get's involved with other departments work as well."* – RG (Ai. 7)

Another half elaborated more on the difficulties of getting people committed to their brand

*"Everyone is so used to the bank they're with, so they don't even consider using someone else. For some reason it's hard to make people understand that all we're offering you is better than what you have now! […] So the unique*

*challenge for us is getting people on board with the brand and using it." –* JM (Ai. 6)

*"I think that social media following is quite hard, it's difficult to get new followers because many people don't know our brand yet. The bigger banks have many different platforms where they can reach customers." –* LB (Ai. 4)

## Start-ups and Fintech

### Mature companies

The third theme of questions provided the practitioners from mature companies food for thought in regards to embracing the start-ups and how that should be done

*"You know, in banking, I think they're (the dominant players in the marketplace) just trying to do it on their own. You see BBVA, right, bought Simple? Getting taken up by an incumbent is a pretty attractive prospect, right? And it's a great way for an incumbent to maintain market share if you think the start-up is really going to present a threat. I think in financial services it seems like it's less combative. Established companies know that start-ups could easily disrupt them. It's more, "How do we co-op them?" We'll do what they're doing in-house" –* LN (Appendix item 3)

*"I also believe they may look to new entrants as less of a competitor and more of an opportunity to absorb or buy them in order to be able to remain innovative and dominant in the marketplace." –* LS (Ai. 1)

*"I think that's where we're headed, is that we have a bigger customer base, and we can really flex our market power and help these start-ups as well. So it would be a mutual relationship where they get more customers and more turnover, and we can still keep people in our ecosystem. I do think it's really important to embrace these new companies that are entering the marketplace. Because like I said,*

*this (start-ups popping up) shows that we're doing something wrong, and we need to improve. […] We really recently been thinking about partnerships with the smaller start-ups and trying to create a relationship"* – JC (Ai. 2)

*"As far as I'm concerned it doesn't matter how they do it or where they come from, if that keeps them up and running. I mean, they're not exclusive to the banks. They're just-- they're open for business with them. That's a good thing."* – LN (Ai. 3)

Practitioner JC noted how their company is reflecting on how they can improve their services to keep customers happy

*"We know that-- if the customer, for some reason, feels that they have to leave our ecosystem, then there's something we're doing wrong, and we need to reflect on the products and services we offer. […] We don't target any of these newer entrants. We try to learn from them and really see that if they're popping up, that means we could be doing something better"* – JC (Ai. 2)

And LS made a point that carries on from the one above nicely

*"I think the dominant players <u>will</u> actively combat new entrants to retain its leadership positions in the marketplace.  This will be determined by how successful the new entrants are in gaining within the market. I do know that bank directors and banking oriented trade publications are addressing the issue around Fintech with more veracity, as Fintech becomes more clever in its product/service offerings, I suspect banks will act swiftly to create its own Fintech enabling."* – LS (Ai. 1)

### Start-ups
 All of the start-up professionals agreed that the tools they're using haven't changed as their company grew

*"I think they haven't really. We're still doing the same thing. It's just having*
*a bigger impact. […] I don't think the tools have changed for us. We still use social*

*media a lot. Yeah. I don't think they've changed that much, to be honest."* – CG (Appendix item 5)

*"The platforms we use are still the same, but the way we use them to engage is changing. We're constantly coming up with new ideas. We need to constantly reflect on the methods we used. Reflection and analysis is the key in PR."* – LB (Ai. 4)

*"Our tools haven't really changed much, we've found that we have this core set of tools we use all the time, and then we sometimes use other platforms when we need to do a big push."* – JM (Ai. 6)

*"From my experience, we're still using all the same tools we always have. I think this will change when we get bigger, get more budget and so on."* – RG (Ai. 7)

The professionals also mentioned that either because of costs or size, they find it difficult to use some public relations tactics

*"Well, there are a couple of things that we can't do, like more traditional media relations aspect. It's hard for us to really get into TV and newspapers because we're still so small [...] Now that we've done our crowd-investment and that we've really got a lot of people backing us up, we've got big coverage from that, but we're really focusing on new media and on social media."* – CG (Ai. 5)

*"Yes, we find it hard to get coverage in big publications, just because we're still so small and young."* – RG (Ai. 7)

*"Some things that are just too expensive for us. For example, I don't have the budget to put on a big event that will generate loads of coverage. But then I think that because of our small size, that won't work for us either. It's important for use to not go too crazy and bite off more than we can chew."* – JM (Ai. 6)

The start-up professionals need to get creative and find cost-effective ways of working

*"We're always trying to make the most with limited resources. We find media databases like Gorkana really useful; because we can leverage the contact they give us for more coverage. And if used well, they are really cost-effective."* – LB (Ai. 4)

*"I did find the CIPR toolkit and the programs they offer really useful. Everyone on my team has accreditation and I think it's such a cost-effective way of training our staff."* – RG (Ai. 7)

Practitioner LB brought up how public relations is a creative business

*"I don't think there's anything we don't use. There's always something we can do! And if we don't have the necessary tools, we can think of new and creative solutions. Let's not forget that PR is all about thinking outside the box. We're always trying to make the most with limited resources."* – LB (Ai. 4)

And CG illustrated the fast-paced world public relations is finding itself in

*"If it isn't working, because everything is so fast, we can just change it in 10 minutes. If we see that we put out an Instagram post and we're not [...] really getting our community involved that much, then we just delete it. And then you think of another approach that might work better."* – CG (Ai. 5)

## Trust and banking

### Mature companies

When asked if the banking industry has lost consumer trust in recent years, all of the professionals working with mature companies agreed that yes, it has. They also gave ideas about how to regain this trust

*"Yes, or at least that's what everybody keeps telling us [laughter]. If perception is reality, then sure, the financial services industry has lost a ton of credibility. How do they regain it? Time, […] fees and transparency."* –LN (Appendix item 3)

*"I believe the banks are already working hard to regain trust by offering segments of society harmed by banks, low interest loans, small business resources, and a myriad of other financial help they might not have otherwise been offered. Additionally, these large banking sectors are clever about its use of PR, making sure to hire professionals to communicate the exact messages they want the public to "consume" in order to begin reshaping perceptions. Banks are making good use of nonprofit organizations and other niche groups to help fund and then communicate and advertise its activities within the community in order for the public consume these messages and reimagine the bank sector they've come to mistrust."* – LS (Ai. 1)

*"Yes, I think that we have lost trust in recent years. Like I said, after 2008, everything kind of went bust. We just need to really learn from the mistakes that we did back then, look back, reflect on ourselves, and move forward with it, because there's also no point in being stuck in the past. […] I think that it is really important for us to stay transparent, invested in our brand. If we know that what we're doing is good, and we're providing the best services to our customers, then that's all we need. And diversifying our portfolio so that we have brands in the [NAME REDACTED] group that communicate a different way. […] That's also really important, that we have these offerings for customers that they can really still be in our ecosystem, but get the service and the style of banking that they really want."* – JC (Ai. 2)

Some other ways of gaining trust were mentioned

*"Transparency, good communication. […] That's a lot of what my work in the internal comms department consists of, is really trying to drive home the message of our brand, our ecosystem, and making sure that every employee of the company's as emotionally invested into the company as we are here at head office."* – JC (Ai. 2)

*"Customers and how customers are serviced and aided. I also believe that having fail proof security measures in place are crucial for creating trust in banking. If customers aren't entirely comfortable that their bank can protect their assets against security breaches, banks can't expect customers to have trust or loyalty."* – LS (Ai. 1)

*"Another area growing in importance is the manner in which banks conduct their international trade, investments, etc., impacts customer's trust. […] Today, customers are just as savvy about world situations and global strife. They know that powerful and large companies such as banks, help support or dismantle them"* – LS (Ai. 1)

Practitioner LN mentioned the idea of how transparency in banking can sometimes look forced

*"But how do you regain trust? I think transparency in retail banking looks like we were forced to provide this regulatory correct document demonstrating our fees right? It doesn't feel like a warm thing. How do you demonstrate warmth and trust? I mean, I would just say it's a hard thing to do, but cut your fees and do so in a way that seems warm. take one on the chin, and say, "We're going to drop your fees" […] You might as well take something that you know you're inevitably going to have to do, cut the fees, and do it in a way that looks like a warm trustful thing. And you're going to see that and be like, "Wow, these guys are the best!""* – LN (Ai. 3)

*Researcher: "Because this industry is so heavily regulated, do you think that is like a-- does that hold back transparency? Or do you not think so?"*
*LN: "No. It just formalizes transparency, the Security and Exchange Commission has a website called EDGAR. Every filing by every public company or mutual fund or exchange-traded fund is there for the viewing. But no consumer is going to go there and look for that because it's too confusing. It's not so much, "Is it available?" It's presenting it in a way that people care to see, and then doing*

*apples-to-apples comparison. At the end of the day, financial services are commodity services, right? So you compete on price, and you compete on perception"* – LN (Ai. 3)

### Start-ups
When talking about trust, all the start-up practitioners agreed that it's very hard to win

*"Consumers find it hard to trust a company that's only been around for a few of years. This is especially true when it comes to financial services; everyone wants a service provider that is well known, trusted and safe. So for us, we are proud of our customers service experience and of our good prices, and that's the thing we promote to the outside world all the time!"* – JM (Appendix item 6)

*"It's more of a problem when we try and go after people that are from an older generation, because they are so used to doing things the old way, we have to really prove ourselves to the older generation and the people that are used to going to Barclays, or HSBC, or Lloyds, or Santander. And to the newer generation, we just have to show them that we're better than everyone else, and we're cheaper, more effective, efficient."* – CG (Ai. 5)

*"Like all other new companies, we deal with this problem all the time. In banking, when people haven't heard your name, you're nobody. It's a serious challenge for us. But with time, good customer service and reputation management this will all change!"* – LB (Ai. 4)

*"Because we're so young, we really need to give ourselves time to conquer this marketplace. Trust only comes with time, and we need to work our asses off to build deep connections with our customers. Once people are on board with our brand, they tend to stay and trust us."* – RG (Ai. 7)

All of the practitioners stressed the importance of a handful of idea, openness, transparency, integrity, customer service and reputation management

*"Openness, transparency, integrity. Relying on these three things is so important in creating a wholesome and trustworthy brand. And that's what we want in our business because these people, when they come to a bank-- nothing we do exists in the physical world, really. You can't touch the money you put into your bankcard. And that's why it's so important to have that trust and that integrity and that transparency, so that the customers know that when they give us their money and they ask us to take care of it, that we're going to do a good job."* – CG (Ai. 5)

*"Transparency is a big deal for us, so is customer service and the price as well. But I think transparency and price also have a flipside, if you're too cheap, people will start to think something is going on, maybe their data is not handled correctly, maybe the service isn't really all that great. And I think it's also good to not be too transparent with what you're doing, sometimes people like to have a sense of mystery and luxury to their financial services. The people who need Coutts know what it is, the people who don't, don't"* – JM (Ai. 6)

*"Maintaining the same message across all channels is really important. Consistency and customer service forms the core of any endeavours to build and maintain trust. The personal touch is really important. We need to be active listener and always try and do our best to solve any issues. Trust is such a personal thing; it is created with every one of our customers individually."* – LB (Ai. 4)

Practitioner RG mentioned how they have a referral program that has worked really well

*"I think that reputation management is really important in banking. Also, getting our customers to do the work for us has really helped us.  It's always better to hear from your friend or colleague, and then we piggyback on their trust. We've found that our referral program has been really good in creating new*

*customers, and customers that stay, and go on to bring new people on board." –* RG (Ai. 7)

Practitioner CG mentioned how the bad reputation the banking sector has is good for the start-ups

*"I think it actually affects us in a positive way because so many people are tired of the old guard. After the big crash, people are looking for ways to get away from that closed loop that was created by these big companies, and I think that's why we exist. […] We work for our customers. They don't work for us. […] Nothing is closed. Nothing happens behind our backs." –* CG (Ai. 5)

They also mentioned how the mature companies are giving them clients

*"I think we're chipping away. Every time a customer has a bad experience with one of the big guys, they come to us and that's really how we're going to grow and get there and become big. At the moment, every customer is a battle for us." –* CG (Ai. 5)

## Discussion

### Introduction

For the final part of this research project, the researcher started by looking at the primary data gathered (the interviews) and the literature review. Because both of these were structured in the same way, covering the same topics, it will be easier to understand what kind of relationship the literature has with the real world. Matching ideas from both the literature review and the primary data with each other, to either reinforce the literature review, or the findings from the interviews, allows the researcher to better illustrate the objectives of this study. This type of analysis is part of the pattern matching method, whereby the researcher looks for patterns or themes from the primary data that either reinforce or undermine ideas from the literature review.

### *Relationship management*

Molina, Martin-Consuegra and Esteban (2007) noted that nowadays, most financial service providers trust that conscientious customer service will be more important for consumer satisfaction than lower prices in those activities where there is a direct relationship between companies and consumers. JC (Appendix item 2) agreed, stressing the importance of selfless service, putting the customer first and the company afterwards, saying that that's what counts in the long run. CG (Ai. 5) agreed and pointed out that because the newer companies don't have the legacy infrastructure holding them back, they can offer the same of even better service for less money. But LB (Ai. 4) pointed out that because the mature companies have more power over the marketplace, they can offer the customers a better deal then they sometimes can. The practitioners form the mature companies made a note about how the relationship-management model is changing because of the digital age, and with banking moving online, the model is moving from one-to-one (branch manager to customer) to brand-to-many (public relations department to followers) (LN, Ai.3).

### *Brand loyalty*

JC (Ai.2) talked about how important it is for mature companies to not lose long-term relationships with their customers, because of how invested those people are to the brand, both financially and emotionally, this agrees with Berlii et al. (2004) who said that a brand loyal consumer is actively involved with his or her favourites, this involvement in some cases translates to the consumer creating new customers for start-ups, like in the case of RG, (Ai. 7) who mentioned how their referral program works well because their brand is "piggybacking" on the trust the referee has with their referral. Berlii also noted how it's important to distinguish between brand loyalty and repeat buying, where a consumer is just doing the same thing from inertia or "because I always have", RG (Ai. 7) said that a lot of the times, consumers in the banking industry are very set in their ways and just do what they've been doing for a long time, meaning they're not brand loyal, just a repeat buyer. Berry (1983) noted that service loyalty is more dependent on the development of interpersonal relationships, practitioner LB (Ai. 4) agreed saying that consistency and customer service forms the core of any endeavours to build and maintain trust with the personal touch to customer service being very important.

Practitioner CG (Ai. 5) agreed with Dick and Basu (1994) who said that in the services context, intangible attributes such as reliability and confidence may play a major role in building or maintaining loyalty.

Henning-Thurau et al. 2002 found that loyalty is driven by three groups of benefits, with one of them being special treatment benefits, LN (Ai. 3) said that a good way of keeping customers loyal is cutting fees for long-time customers, he noted how this can be done in a warm and trustful way, especially because the mature companies are facing competition due to fees anyway, so even when they're dropping fees to stay in competition, they can make it seem like a goodwill gesture, and gain consumer loyalty.

At present, the corporate image of banks is heavily reliant on their corporate social responsibility programs (Castelo and Lima, 2006; Souiden et al., 2006), which make their intangible services (Vargo and Lusch, 2004) more relatable to the consumer (Brady et al., 2005). Practitioner LS (Ai. 1) agreed with this, saying that banks are making good use of nonprofit organizations to help communicate their activities within the community in order for the public to reimagine the banking sector they've come to mistrust. Practitioner CG (Ai. 5) said how they're using their corporate social responsibility program by getting employees to personally work with charities, creating trust, a sense of community and integrity. They pointed out how this differentiates themselves from mature companies because they don't "just shove money in peoples' faces and call it CSR".

### Trust and banking

When it comes to trust, the start-up practitioners all pointed to their age as being the factor that inhibits customers from trusting them. The literature review did not mention age as one of the characteristics tat defines trust, actually the characteristics that the authors mentioned all have nothing to do with the age of the company. Interestingly, this points to a disconnect between the literature and the reality.

Kim, Prabhakar and Park (2009) have said that it's important for banks to actively reduce the perceived risk of doing business online, and to increase trust in their services by educating users on their policies on data protection. Practitioner LS (Ai. 1) agrees saying that it is important for banks to communicate how they safeguard their customers assets this creates trust and loyalty. Nelly

Trevinyo‑Rodríguez (2007) found that integrity is evaluated on an organizational and even sectorial level, but practitioner CG (Ai. 5) said that when the consumer is failed by one of the big banks, they come to the start-ups and that's how the start-ups grow. This would mean that consumers don't think of the new companies as being bunched together with the big dominant players.

Chervany (2002), identified an important characteristic of trust, predictability, and JC (Ai. 2) agreed, saying that communicating in a set way, where people know what to expect from you, is really important when creating trust.

Just like Bennett and Kottasz (2012) mentioned how the banking industry is coming together to improve their reputation by giving out more loans, helping regional projects and small communities, LS (Ai. 1) noted how they are offering financial help to downtrodden communities in an effort to increase consumer trust and goodwill towards the banking industry.

### Start-ups and Fintech

Davila, et al. (2014) stated that groups seeking major changes in society often see the early-stage company sector as a key catalyst for those changes – it is clear from all the interviews with the start-up practitioners that they believe they are changing the banking industry and benefitting society. Practitioner LS (Ai. 1) noted how these small companies are finding niches in the marketplace and using those opportunities to their advantage.

Desai (2016) noted how the technological advantages the start-ups are providing are mainly used by millennials, CG (Ai. 5) agreed by pointing out that customers "they do best" are millennials.

Hall (quoted in Desai, 2015) shined a light on how difficult it is for start-ups to enter new jurisdictions because they don't have the networks necessary to succeed. This point was illustrated nicely by practitioner JC (Ai. 2), who talked about how being a customer of the bank they work at is so convenient because they have offices all over the world. The researcher would like to point out that this is a very dated way of looking at things, when your bank "branch" is located in an app on your phone, you can do your banking anywhere with an internet connection.

The literature review talked a lot about how in start-ups the staff have an emotional connection with the firm (Chan and Foster, 2001), and this was validated by CG (Ai. 5) who described how everyone he works with has an emotional connection to their brand and how that makes it easier for they to work together.

Audretsch and Feldman (1996) determined the importance of location for different types of industries; they found that firms concentrate together to increase growth and this was corroborated by RG (Ai. 7) who said they had recently worked together with another start-ups on a shared campaign in London and how this was possible because they're so close together.

Mohar, Singh and Kishore pointed out that risk taking and innovativeness, need for achievement, and tolerance for ambiguity had positive and significant influence on entrepreneurial inclination (2007), RG (Ai. 7) agreed, saying that people working in small start-ups have to be really driven, ambitious and hardworking. Drucker (1993) said how entrepreneurs are always searching for change, responding to it and exploiting it as an opportunity and CG (Ai. 5) bounced off of that idea by saying they work with people who have got drive and who want to change the world.

## Conclusion and Recommendations

### Introduction
This chapter will marry together the primary and secondary data, to weight them against the objectives of this study. Recommendations will be made for further research.

### Banks and PR
*What unique challenges do new entrants into the competitive financial market face? Have the established companies been losing ground due to loyalty issues?*

New entrants are faced with a couple challenges; they need to be prepared to face the decades old giants of the banking industry head on, they need to communicate in a way that cuts through the noise of this crowded marketplace and they have to be prepared to make every moment count. They are helped along in this

because of the strength of their teams; the hard working, driven and ambitious individuals that want to change the world are the best people to face this challenge.

The established companies have started to lose ground ever since the Great Recession, consumer were wounded and that wound has not stopped bleeding. The participants that were interview pointed to the importance of transparency, selfless service and quick thinking as the traits that will help to heal the wounds.

It is of importance to note that these big companies will buy out many smaller companies with big ideas in the future. Many participants noted this as a way for the big companies to stay at the top.

## Startups and Fintech
### *Are there tools that the start-up public relations practitioners are neglecting to us? Are the dominant players in the marketplace fighting these new entrants?*

The new entrants into this marketplace are not comfortable using more expensive and time-consuming tools of the trade such as event or traditional media relations. They find using social- and new media more agreeable. They also pointe out that the media landscape is dominated by the incumbents and this makes it harder for them to communicate using these channels. The start-ups will find that using creative solutions, cost-effective tools and the fast news-cycle to their advantage will see them flourish.

When starting this piece of work, the researcher assumed that the incumbents aren't doing anything to fight this surge of new entrants, acting like a sleeping giant. But the reality is very different. Participants talk of a constant cycle of reflection and improvement, where the incumbents are seeing what these new entrants are bringing to the marketplace and improving their own services to match the ones provided by the start-ups. Like noted above, one of the ways the incumbents are "fighting" these new entrants is by simply absorbing them.

## Trust and banking
### *Is it difficult for new entrants to create trust? Are mature companies managing their trust well?*

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For the new entrants, creating trust is the most difficult challenge they face. Consumers find it hard to trust their capital with companies that haven't been in the marketplace for a long time, when consumers don't know your names they don't trust you. But hope comes in the form of openness, transparency, integrity, selfless service and careful reputation management. These are the core traits of a successful and prosperous Fintech start-up.

For the incumbents, the battle to regain the good-will they lost in 2008 is an uphill one, but just like for the new entrants, they need to put their best foot forward and swing with a heavy hand. Many practitioners mentioned the benefits of a strong corporate social responsibility program, one that is based on an actual will to do good for the community, and that doesn't just serve as another tool for public relations.

## Recommendations

The researcher recommends that future research into the topic recruit more practitioners to respond, every new person bring a new set of ideas and experiences to the table and these will benefit the research.

For practitioners the take-home would be to foster a creative, open and selfless community in their practise. All respondent and the researcher agree that this will greatly benefit the practise of public relations and the banking industry.

# Appendices

## ITEM 1 – Interview with LS

The banking industry is dominated by a handful of big companies. From a Public Relations perspective, what kind of obstacles does this present to smaller firms trying to establish a foothold?

1. These large banks wield tremendous power, which make it difficult for smaller firms attempting to compete with them directly. However, where smaller firms can get a foothold is with the technology advances, namely mobile apps offering niche services or reaching specific consumer segments. Especially as the need for customers to make personal visits inside banks has dropped significantly, this creates numerous opportunities for smaller firms. Specifically, wherever smaller financial tech companies can find a niche offering for banking consumers, will be where most of the opportunities exist. Over the past 8-10 years, the media has reported extensively on the variety of ways the big banking companies have been complicit in predatory lending policies, exorbitant bank fees, discrimination, and not providing customers equitable access to loans and other crucial banking products and services. This has left many consumers wary of big banks and wanting alternatives such as credit unions, co-ops, etc. Small firms that can find opportunities in consumers' dissatisfaction, stand a much better chance to create a banking service or product alternative to what's currently not being addressed or provided by the larger banks.

What are the difficulties you face when communicating in a crowded marketplace?

2. Too much noise leads often to no one listening. Usually, when one is bombarded with messages in a space where so many are distributing communications, it can naturally lead to tuning out the commotion. Or, if targeted already has a trusted resource or resources, that target will refer to those trusted sources and few others. As a PR professional, I have experienced this often but can look to very specific micro messages and / qualitative data to personalize the messages I'm attempting to communicate.

Very often this approach is useful when a relevant message must be relayed and it must be meaningful in ways the other messages are not.

Do you think the classical relationship-management model that's pursued in banking is changing? How does this affect PR?

3. Yes, it is. The relationship-management model is shifting to address the needs of a growing consumers' reliance on mobile devices to conduct business. The traditional bank lobby, the teller line and the bank tellers are not relevant as they once were.  Instead, banks are deciding how to utilize their real estate and staffing to better service customers when they enter the bank for help with mortgage loans and investment products. From a PR perspective, it's more of an opportunity to communicate on behalf of banks exactly how customers can begin shifting and changing their perception of their neighborhood branch.  The changes underway now have been evolving over the past few years and will culminate into a very relationship oriented experience for banking customers, unlike what they've experienced before. PR will help shape these opinions especially when highlighting the perspectives of bank presidents, tellers, or loan managers working in the 21$^{st}$ century compared with just say 15 to 20 years ago.

Do you feel that customers are becoming less loyal to big banks? If so, how does this affect PR?

4. Yes, I believe the recent news stories about questionable bank practices and policies have lessened customers' loyalty in many ways, at the same time I believe many customers remain with these banks because they may perceive banks as being the only option; customers may in fact feel powerless and are not at all sure of alternatives where they'd feel safe conducting business and protecting their financial assets.  PR is impacted in its ability to help share and tell a story whether it be from the banking industry's perspective or from some alternate grassroots perspective, or of course from the viewpoint of Fintech start ups offering customers a new and different way of conducting banking business.  Regardless of the

perspective/viewpoint each of the sectors can use PR to communicate specific messages about their business, product/services to consumers to sway consumer support and loyalty over time.

Do you think the dominant players in the marketplace should try and actively combat new entrants? If so, are they doing that?

5. I think the dominant players <u>will</u> actively combat new entrants to retain its leadership positions in the marketplace.  This will be determined by how successful the new entrants are in gaining within the market.  I cannot imagine big banks will sit idly by.  I do know that bank directors and banking oriented trade publications are addressing the issue around Fintech with more veracity, which is evident in recent reports and articles in bank trade publications and within the financial section of news dailies.  As Fintech becomes more clever in its product/service offerings, and as consumers are more willing to use these offerings, I suspect banks will act swiftly to create its own Fintech enabling its customers access to the traditional products and services it has always provided, as well as, offering them their Fintech services as well.

Should establish players in the marketplace embrace these new entrants?

6. I believe they will. I also believe they may look to new entrants as less of a competitor and more of an opportunity to absorb or buy them in order to be able to remain innovative and dominant in the marketplace.

What do you think are the tools that are most effective in creating trust in banking?

7. Customers and how customers are serviced and aided. I also believe that having fail proof security measures in place are crucial for creating trust in banking.  If customers aren't entirely comfortable that their bank can protect their assets against security breaches, banks can't expect customers to have trust or loyalty. Another area growing in importance is the manner in which banks conduct their international trade, investments, etc., impacts customer's trust. Toward the mid to late 1980s, bank customers

implored their banks to divest from South Africa's apartheid, a system supporting legalized exploitation and marginalization of its people. They placed tremendous pressure on the banks to divest, which led to numerous banks choosing to do just this. Today, customers are just as savvy about world situations and global strife. They know that powerful and large companies such as banks, help support or dismantle them, but customers also know that with the help of the media, they can sometimes influence large companies to change its business practices if it means improving conditions in remote villages within foreign countries.

Do you think that the banking sector has lost the consumers trust in recent year? If so, how can this trust be regained?

8. Yes, they have as described earlier. I believe the banks are already working hard to regain trust by offering segments of society harmed by banks, low interest loans, small business resources, and a myriad of other financial help they might not have otherwise been offered. Additionally, these large banking sectors are clever about its use of PR, making sure to hire professionals to communicate the exact messages they want the public to "consume" in order to begin reshaping perceptions. Banks are making good use of nonprofit organizations and other niche groups to help fund and then communicate and advertise its activities within the community in order for the public consume these messages and reimagine the bank sector they've come to mistrust.

## ITEM 2 – Interview with JC

Transcript of interview with JC:

| | |
|---|---|
| IGA 00:00 | Hey, I just want to first start by finding out more what are you doing? Where do you work? Just give us a brief overview. |
| JC 00:11 | Sure, I've been working at [NAME REDACTED] for the last two years. I work in the comms team. I mainly do internal comms, actually. And I've been working my way up the company. I'm really happy there. I went to uni around these parts, so I know the industry and the people in it pretty well. |
| IGA 00:30 | So the first question is, the banking industry is dominated by a handful of big companies. From a public relation perspective, what kind of obstacle does this present to smaller firms trying to establish a foothold? |

JC 00:49    I think that there are a couple obstacles. The first is going to be gaining consumer trust, for sure. Because in our industry, that's the most important thing, is that we deal in services, which means that customers don't really see what we offer them. It's very out there. It's very ethereal, so it's hard for customers to understand how we are better than another bank or a smaller company. So that's the biggest obstacle, I think, is getting that consumer trust and being able to be confident in your own services so people understand that and come to you. I think that's the biggest obstacle.

IGA 01:34    Do you think it's easier for big corporations to gain this trust rather than new and just established businesses?

JC 01:42    I think so, yeah, because we can really leverage our power. So we have this many followers on Facebook, Twitter, Instagram. We can use all these different channels to drive home the same message so that whenever the customer's looking at communication that's sent out by us,

it always says the same things. It's consistent, and the customer trusts us because we've been with them for such a long time.

IGA 02:08    What are the difficulties you face when communicating in a crowd marketplace?

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JC 02:17       What are the difficulties? First off, for sure, it is that there are so many people trying to vie for the attention of the consumer. It's not only banks. It's the supermarket down the road, the tube, the restaurant, the shop, everyone is trying to get their message across, so it's hard for us because we need to somehow differentiate ourselves from all the noise that surrounds the consumer and do it in a way that isn't so funny or easygoing. Because like I said, we need to create trust and I don't think that in financial services you can create that trust through a really low, tonal voice and that kind of stuff. You need to be communicating in a set way so people know what to expect from you.

IGA 03:16       What do you think makes [NAME REDACTED] unique and different from other banks in this kind of area?

JC 03:25       I think because of our size, we can offer really good international connection - we're in all continents. A customer can be with us, go into an office in Hong Kong, and still get the same service as they do in London or in Paris or in New York. So that's, for sure, really, really differentiating thing. From a communication standpoint, I think that we take a really safe, guarded, and trusting tone with our customers. So we can really build that sense of security around our brand.

IGA 04:03        This is more about banks and PR. So do you think the
                 classic relation management model that's being pursued
                 in the banking sector is changing? How does this affect
                 PR?

JC 04:20         Do I think that the classical relationship management
                 model pursued by banking is changing? I think
                 so because we've got, first off, a lot more competition.
                 And I'm not even talking about startups. I'm talking
                 about any size company. There are so many bigger
                 companies as well. So we have to again, build a
                 relationship with our customer, and this is what
                 everything we do here is about. It's making sure that-- we
                 have customers that have been with us for 40, 50 years.
                 We don't want to lose those relationships, because they're
                 so important to us. Not only because they generate
                 money for us, but also because these are people that are
                 really invested into our brand emotionally and also
                 financially. So I think the relationship management
                 model is changing, because there's companies that can
                 try and push themselves in and take away our customers.

JC 05:22                Also, we're seeing this happen a lot more where-- let's say, a person does their everyday banking with us, but then they buy insurance products from a smaller company or they do international money transfers with a startup. So we see that they're chipping away at some of the products we offer. And we need to somehow make sure that our communication shows that it's always better for the customer to stay with us and keep them in our ecosystem where we can provide them services. Because from our perspective, that's the safest and most efficient way of doing it.

IGA 06:01             What do you think is the key to maintaining these customers, not only in banking, but in all other services?

JC 06:12    I think it is good customer service, first off, because the biggest disappointment people can get is bad customer service. We here at the comms team can work as hard as we want and even make people believe in what we say and in the brand. But they can have just one bad experience with an insurance product, and they decide they've had enough. Even though they've been with us for 30 years, they're going to go somewhere else to buy that insurance product or do their money transfers. So I think that it's really important for us to really drive home that every time a customer interacts with us, they have to go off feeling better about themselves. We really need to focus on doing selfless service, where we think about the customer first and us after. Because in the long run, that's what counts.

IGA 07:12    Actually, I have a related question coming up. Do you feel that customers are becoming less loyal to big banks? If so, how does this affect PR?

JC 07:26      For sure, after 2008, we made some mistakes, and we affected loads of lives with our mistakes. So I think after that, a lot of customers have become less loyal. And that might not even reflect in them going to another institution and-- they might still be our customers, but they're just not as invested into our brand as we would like them to be. I think this is one of the reasons we're seeing so many new entrants into the marketplace, is because we've lost the trust where people are willing to go outside of our ecosystem to buy products and services. So I think that it has really dented trust. How it affects PR? Again, it all comes back to us having to really be consistent in our message and also transparent in how we've handled the situation. We're really trying to push forward with this idea of creating a transparent banking system where customers can come to us with any questions and problems, and we do our best to solve them. Also where they know that if anything like 2008 happens again, they know that [NAME REDACTED] will really take care of them and won't let them down.

IGA 08:54      You mentioned something about new entrants, and the following questions related to that. So do you think the dominant players in the marketplace should try and actively combat new entrants? And if so, are they doing that?

JC 09:11      You're asking if we're doing something to combat these new companies? We're really not trying to-- I think especially after 2008, we're not going to do that, because that might seem very-- big company taking on the little guy. So we really recently been thinking about partnerships with the smaller startups and trying to create a relationship where we're not afraid of them taking our marketplace. Because we know that-- if the customer, for some reason, feels that they have to leave our ecosystem, then there's something we're doing wrong, and we need to look inside and reflect on the products and services we offer. From a public relations standpoint, I don't think there's ever a situation where it's good to be aggressive towards anyone. It always leaves a bad taste in people's mouths, especially in the banking business.

JC 10:11      I don't think that's a way of creating trust in our brand. At least, I know that we don't target any of these newer entrants. We try to learn from them and really see that if they're popping up, that means we could be doing something better.

IGA 10:31     So you believe that communicating with them and maybe working with them is the key?

| JC 10:39 | Yes, I think so. I think that's where we're headed, is that we have a bigger customer base, and we can really flex our market power and help these startups as well. So it would be a mutual relationship where they get more customers and more turnover, and we can still keep people in our ecosystem. |
|---|---|
| IGA 10:56 | The next question was actually really relevant to that, but I'm still going to ask. So you think it's-- as established player in the marketplace, you think it's important to embrace the new entrants? |
| JC 11:12 | Yes, I do think it's really important to embrace these new companies that are entering the marketplace. Because like I said, this shows that we're doing something wrong, and we need to improve. |
| IGA 11:24 | Should we move on to the topic about the banks and trust? So the next question is, what do you think are the tools that are the most effective in creating trust in banking? |
| JC 11:39 | Transparency, good communication. As in, we need to also train our frontline people to be able to talk to people in a transparent and nice way. That's a lot of what my work in the internal comms department consists of, is really trying to drive home the message of our brand, our ecosystem, and making sure that every employee of the company's as emotionally invested into the company as we are here at head office. |
| IGA 12:14 | Do you think that the banking sector in general has lost the customer trust and loyalty in recent years? If so, how |

can this trust be regained?

JC 12:32      Yes, I think that we have lost trust in recent years. Like I said, after 2008, everything kind of went bust. We just need to really learn from the mistakes that we did back then, look back, reflect on ourselves, and move forward with it, because there's also no point in being stuck in the past. Now, it's been eight years since that happened, and the economy is already recovering. So I think that it is really important for us to stay transparent, invested in our brand. If we know that what we're doing is good, and we're providing the best services to our customers, then that's all we need. And diversifying our portfolio so that we have brands in the [NAME REDACTED] group that communicate a different way. So if you look at how [NAME REDACTED] deals with customers, totally different from what we do here. And I think that's also really important, that we have these offerings for customers that they can really still be in our ecosystem, but get the service and the style of banking that they really want.

IGA 13:53      Thank you very much for your information and for your time.

JC 13:59      Your welcome. Thank you so much.

## ITEM 3 – Interview with LN

Transcript of interview with LN

| | |
|---|---|
| IGA 00:00 | So I'm going to start the recording. Here we go. So let's start by talking a little bit more generally about the banking industry and public relations. So it's dominated by a handful of big companies both here and in the US, so from a public relations perspective, what kind of obstacles does this present to a smaller firm that is trying to establish a foothold? What do you think? |
| LN 00:25 | I think across, whether it's retail banking, lending, asset management, it seems like the trend is always that, at least on the media side, journalists tend to   take the incumbent's perception or view of the market at face value, whereas the startup has to prove it. |
| IGA 00:55 | Okay, yeah. |
| LN 00:58 | And it's kind of funny. I don't know necessarily what the retail banking corollary would be, but in asset management, you actually have a performance track record, right? |
| IGA 01:11 | Yeah. |
| LN 01:11 | So, if you're a big, multi-billion dollar or trillion dollar asset manager, you have a ton of track record, right? |
| IGA 01:22 | Yeah, yeah. |
| LN 01:23 | And, in fact, you have so much track record that it's really hard to judge you because you have hundreds of |

products. Whereas, if you're a start-up, you have one, maybe two, maybe three, and no track record. So reporters are-- all they have is skepticism. They have nothing to offset that. It's really just that that's just sort of the nature of being a start-up.

| | |
|---|---|
| IGA 01:52 | And then what do you think are the main difficulties that small companies might face, and also big companies might face, when they're communicating in a crowded marketplace? |
| LN 02:06 | There's just that there's proliferation of products. It seems like when I think of retail banking, whether it's--   there's a couple of big banks and there's a couple of stand-out start-ups, so I guess it's just cutting through the noise. And I think that's--   I guess it helps to have a dedicated PR effort, but it does seem like sometimes you get firms that just... You know what? I think that's just probably a perception. That's just good PR. Good PR is making it seem natural, even if it's dedicated campaigning, right? |
| IGA 02:56 | Yeah. |
| LN 02:58 | Effortless. |
| IGA 02:59 | Effortless communication. And then, do you think that the classical relationship management model that's being pursued in banking is changing, and do you think that that has any effect on public relations? |

LN 03:17        Oh yeah, absolutely. I don't know about you, but I don't particularly care about going into a branch. The hardest thing for me to accept has been that I no longer need to go to a branch to deposit a check. I'm done. I've gotten over that. I mean lending, I can-- if I need to-- if it's an auto loan or whatever it is, I can do that without ever meeting anybody face-to-face. In fact, besides a home mortgage I don't think I've ever done really any lending stuff face-to-face.

IGA 03:56        Okay. All right.

LN 03:56      A generation ago, that's the only way you did it. So, I don't even know that that's necessarily-- that would probably be more of a challenge for the incumbents because they have all these legacy costs if they need the support or figure out how to dispose of. And, I don't know-- I don't know if this is getting too far off track, but I think the big legacy, corporate bureaucracy is probably-- in a more direct PR sort of way. That really-- the incumbent misses a lot of opportunities because of that. I've seen that firsthand. You see it in social media. You need two or three or four layers of approval. The person who's, let's say, supposed to be a spokesperson is disengaged because of it, and it's watered down, whereas start-ups maybe there's one person. Maybe there are two before a Tweet or a LinkedIn post or blog post gets out of the door. Often times it's just one. Maybe they understand the regulatory limitations but they aren't scared of them. They adhere to them, but that's okay. You don't have to shut everything down because of them. And you're more engaged, and you can see it. It's more of a conversation as opposed to just, "We know we're supposed to be here so we'll just give it a minimal amount of effort."

IGA 05:47      So would you say that the conversation that used to take part in bank branches face-to-face with your manager has moved online, and is now being done on Twitter or Facebook and those kinds of channels?

LN 06:03      Yeah. I guess to some degree. It's not necessarily one-to-one. It's one-to-brand, or the people behind the brand   to

many, and I think that if you can still have the same sort of voice. You don't have to give the pitch a thousand times you can give it once to a thousand people, and that's   efficiency and productivity right there, right? Multiplier effect, whatever you want to call it. And that same sort of, let's call it, start-up-- it's a lack of resistance to things that could be a risk, maybe, or that big organizations, they might perceive it a business risk or a perception risk. If you have no-- if there's no perception of you in the market place, then--

IGA 07:03          You have nothing to lose.

LN 07:06          Yeah. Right. I actually-- I'm thinking of at least one or
                  two clients where, what started out as negative media
                  coverage, since they were small, that they weren't lucky--
                  you might, from a big company, get no response to it or,
                  "Let's just leave it alone. Let's just hope it goes away."
                  But small start-ups will lean right in to that and follow up
                  with the reporter and say, "Well you didn't even ask them
                  for a comment."  I've had clients that took negative
                  coverage and parlayed it into three-minute interviews on
                  CNBC because they just-- it was on fair coverage, and
                  they got to tell their side of the story. There are plenty of
                  reasonable journalists that will recognize that they told a
                  one-sided story. I mean, not all of them are going to be.
                  But to me, there are two sides to it. If a journalist is
                  willing to cover that space then they're probably willing
                  to cover it from both sides. The biggest impediment to a
                  startup is the journalist that just doesn't care about this
                  stuff.

IGA 08:26          That's good. So do you feel that consumers are becoming
                  less loyal to the big establishment that's running the
                  banking industry, and does this affect the PR? Is this why
                  we're having all these start-ups coming up because after
                  2008, people are less loyal to the big brands and are
                  looking for something new?

LN 08:54      I don't know that I necessarily feel any loyalty to a
              banking brand, but they sure do a good job of making it
              easy to use their services. Chase, JP Morgan Chase, will
              push a credit card on you. Citizens Bank, which used to
              be owned by RBS but got spun out recently-- you're
              getting pummeled. Wells Fargo.   It's interconnected. At
              Wells Fargo I have my 401k from work, I have my
              mortgages, it's like--

IGA 09:35     You're locked into this one ecosystem basically, is what
              you're saying?

LN 09:38      That's right, and it doesn't even feel like I'm locked into it
              because they make it convenient. When I log on I never
              set up, "Oh, here's my mortgages and here's my 401k."
              It just-- I guess it's linked to my social security number
              or something. They're all right there for me. So that
              infrastructure, that's a huge advantage. I'm sure it's
              expensive, but they're making some sort of custodial fee
              or administrative fee on my 401k, servicing fees on my
              mortgages.   There's lots of scale there, you know?

IGA 10:13     Okay, and then this is--

LN 10:15      That's not so much a PR issue as a business issue though.

IGA 10:17     Yeah. Do you think, as PR professionals, we can
              somehow make people understand that they don't have to
              use that big bank for their 401ks and their mortgages,
              and they can instead go to a different service provider
              that has better fees or that's faster, more nimble?

LN 10:40      I absolutely think-- not only do I think we can, I think
              that that will be the case. But when I see a-- have you

heard of SoFi?

IGA 10:52          Yeah.

LN 10:53          When I see their banner ads on Facebook or LinkedIn, I almost feel like they lose a degree of credibility. I know them from reading about them in the media, right?

IGA 11:04          Yeah.

LN 11:04          Most other   people probably don't, so maybe that gives them a degree of visibility that they otherwise wouldn't have had. But I don't think that gives them credibility. Do you know what I mean?

IGA 11:15          Okay, so is it because they are using social media to do that? Or why do you think that is?

LN 11:23          I think it's because they're using sponsored ads.

IGA 11:25          Okay. All right.

LN 11:26          I think there's no organic credibility associated with banner ad, you know what I mean?

IGA 11:34          Yeah [chuckle].

LN 11:34          Or more of a news feed ad or whatever it is. So to me you cannot--   like an endorsement. You can't put a price on it. It's priceless. Really, it's figuring out how to get that, and I know TransferWise, it is, maybe it is in that a little bit of a different marketplace, but I don't know. Endorsement, third party credibility, media, social media, consumer focused publications for retail banking stuff. I don't know. How else do you touch people?

IGA 12:22          Well that's-- most people are trying to figure that out. So, do you think that the dominant players in the market

place should try and actively combat the new entrants? And if so, do you think they're doing that?

LN 12:40  You know, in banking, I think they're just trying to do it on their own. You see BBVA, right, bought Simple?

IGA 12:57  Yeah.

LN 12:59  There are plenty of start-ups with established company funding. I have no illusions about any suggested firm being taken out by anyone. What's the one-- you hear her ads all the time? Alexa von Tobel with LearnVest, I think it was, right?

IGA 13:21  Okay, yeah.

LN 13:25  Those are the success stories, right? You might think that they're going to grow to be a multi-billion dollar organization, or that will be their latest evaluation. But honestly, getting taken up by an incumbent is a pretty attractive prospect, right?

IGA 13:41  Yeah, yeah [chuckles].

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LN 13:42 And it [coughs] excuse me - and it's a great way for an incumbent to maintain market share if you think the start-up is really going to present a threat. But all the time you hear about-- and this is no mistake, nothing is ever a mistake in the media, right? JP Morgan Chase has been doing a big push about their start-up lab, or their technology lab. In a totally different location on the other side of the city, "Oh look at-- look." It looks like Google inside and you have your free drinks and food. You can go to Bloomberg's headquarters and it feels like a start-up even though they're pushing 40 years at this point. It's supposed to feel entrepreneurial, but I guess the question is-- that's not really the question, right [laughter]? The question is, what is a-- to me, I think in financial services it seems like it's less combative. Established companies know that start-ups could easily disrupt them. If they're coming at them, they're not coming at them in a public way. It's more, "How do we co-op them?" We'll do what they're doing in-house, because they know, and they suffer from it. Everything that US and I'm guessing, in the UK, they suffer a huge reputation problem. It's not like you are going to talk down somebody who is charging lower fees--

IGA 15:22 Exactly. Yeah.

LN 15:23 --and doing things in an efficient way. Are you familiar with robo-advisors?

IGA 15:30 Yeah. Yeah. In financial services. Yeah.

LN 15:32 Yeah. It's like how can you argue with ten basis points?

IGA 15:37        Yeah, exactly.

LN 15:38         And I never have to worry about it again. When my
                 adviser was at best, charging me 1%, and at worst,
                 charging me 5% up front, another 5% to get out. It's
                 highway robbery. And you're seeing it in regulation,
                 too. The Department of Labor just-- the US Department
                 of Labor just finalized a fiduciary rule for all, basically
                 all, qualified retirement plans. I think they actually had
                 already had one. They kind of kicked it to some degree,
                 but   it's a good thing. It's great for the me and yous of
                 the world who have to invest for retirement.

IGA 16:28        Yeah, and then you talked a lot about these bigger
                 incumbents buying out the smaller firms that are coming
                 up, so do you think that this is how it should happen?
                 Should the bigger players embrace the new entrants? For
                 example, if you look at TransferWise, they're now
                 working with banks and they've released their own API
                 so that banks can put TransferWise into their own money
                 transfer services. So TransferWise is still doing the
                 transfer and getting the fee, but you're not leaving
                 your bank website and their ecosystem while you're
                 doing that. Do you think that this is a good way of
                 embracing these new entrants?

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LN 17:15    If transfer service is slow-- flows are everything. So, you
            need money to move through your entity to generate
            revenue. So yeah, as far as I'm concerned it doesn't
            matter how they do it or where they come from, if that
            keeps them up and running. I mean, they're not exclusive
            to the banks. They're just-- they're open for business with
            them. That's a good thing.

IGA 17:43   All right. So a lot of literature talks about trust and the
            relationship a customer has with the bank being based on
            trust because you know all of these services are very--
            they're not very tangible, so you need a lot of trust in the
            organization that you're giving your money to. What do
            you think are the tools that are most effective in creating
            this trust in a financial institution?

LN 18:17    Fees and transparency.

IGA 18:18   Okay, good. And do you think that the banking sector
            has lost it's consumer trust in recent years? And then how
            should they regain it if they have lost it?

LN 18:33          Yes, or at least that's what everybody keeps telling us [laughter]. I don't really feel it so much, and to be perfectly honest I think   individuals are just as responsible for the crisis as banks were. It's not like anybody put a gun to your head and said, "Take out this five-year adjustable rate mortgage [laughter]." All right, fine, I'll accept that line of thought. If perception is reality, then sure, the financial services industry has lost a ton of credibility   How do they regain it? Time. It's just--

IGA 19:12         So do you think that--

LN 19:14          I'm sorry.

IGA 19:15         No, you go ahead.

LN 19:18    The unemployment rate in the US is at-- we're at quotable full employment, right? Wages are increasing. Things aren't so bad, and I feel like, you get a few years of things being back to normal. And I have to say, I live in the North East. It's a totally different world from the cornfields of Kansas [chuckles]. Out there, I think people might still be angry, I don't know. But how do you regain trust? I think transparency in retail banking looks like we were forced to provide this regulatory correct document demonstrating our fees right? It doesn't feel like a warm thing. How do you demonstrate warmth and trust? I mean, I would just say it's a hard thing to do, but cut your fees and do so in a way that seems warm. If you have loyal customers, I don't know, take one on the chin, and say, "We're going to drop your fees or we're going to raise your-- we're offering above-market CDs to people who have been customers for a certain amount of time."

LN 20:49    Honestly, the way I look at, and I think primarily about asset management, if you're charging an investor an above-market rate, by virtue of the fact that they have been your client for a long time, and you just don't think about it. But you're going to get fee pressure from start-ups anyway. You might as well take something that you know you're inevitably going to have to do, cut the fees, and do it in a way that looks like a warm trustful thing. "You've been a loyal client of ours for X number of years. We're going to cut your fees."   And you're going to see that and be like, "Wow, these guys are the best," as opposed to waiting until-- I would think doing something like that would have a direct correlation to client retention. And if you were looking-- if you have a way of tracking attrition, which I'm sure they do, you would probably see it level off.

IGA 21:55    But from a communications perspective you mentioned transparency as being a very important thing. Because this industry is so heavily regulated, do you think that is like a-- does that hold back transparency? Or do you not think so?

LN 22:19            No. It just formalizes transparency, and so, anybody can go to the SEC-- the Security and Exchange Commission has a website called EDGAR. Every filing by every public company or mutual fund or exchange-traded fund is there for the viewing. You can find out what your gross and net expenses are. You can find out who the underlying managers, any costs, balance sheets from publicly traded companies, cash flows and income, whatever you want, name your statements. But no consumer is going to go there and look for that because it's too confusing. It's not so much, "Is it available?" It's presenting it in a way that people care to see, and then doing apples-to-apples comparison.

IGA 23:13           Okay, all right, that's good.

LN 23:16            If you're doing international transfers, how much does it cost and how fast is it compared to a competitor? At the end of the day, financial services are commodity services, right? So you compete on price, and you compete on perception. That's all you have.

IGA 23:39           Good. That's it for my questions. Thank you.

LN 23:46            Sure.

IGA 23:48           Do you want to add anything on your own?

LN 23:53            First, if and when you're finished, I-- being so much PR, but just the enabling of start-ups-- you know what exchange traded funds are, right? ETFs.

IGA 24:04           Yeah.

LN 24:05            I think it's a much bigger market in the US than it is in the UK and Europe, but-- and again, asset management.

That's what I think about. That sort of stuff-- there's a multiplier effect. Back in the day, if you started a mutual fund, you needed to get signing agreements with every broker, dealer or adviser that was going to sell, right? Now you can start an ETF, get a ticker, and then market that to the public, and go through any discount brokerage online and buy it. They'll tell their adviser, their adviser doesn't have to have an assignment agreement with you. I don't know what the corollary is in retail banking, but technology itself-- it's sort of like technology side by side with the regulatory acceptance of products like that

Creates an opportunity. Those are marketing channels that didn't exist because the products didn't exist.

LN 25:13      When I think of retail banking, there aren't necessarily new products. It's still the same setup. Things people need. Whereas I know it's a co-mingled investment product, but it's delivered in a different way. So I think recognizing that there might be new modes of delivery for similar types of products that open up opportunities to do that one to a thousand communication. So, I don't know, and I guess the only thing I would think-- you know that area better than I do maybe. If there's a corollary there, it would be worth-- that would be something that I would think is worth digging into. It's pretty obvious in ETFs, at least in the US, it opens up an entire new channel that-- you've seen, they've gone from zero in what, 1992, to, I don't know, there were probably a couple dozen 15 years ago. Another 1,500 of them, trillions of dollars--

IGA 26:20      Changing hands, yeah.

LN 26:22      If you look at product flows, they're coming right out of active mutual funds and going right into passive ETFs. It's one of the most obvious trends in financial services. I don't-- I think there's probably some sort of corollary in other financial services verticals, but I'm not familiar with them enough to know.

## ITEM 4 – Interview with LB

The banking industry is dominated by a handful of big companies. From a Public Relations perspective, what kind of obstacles does this present to smaller firms trying to establish a foothold?

1. There's a lot of competition, and the most important thing for us to get is trust with the customers. That's the key element. Trust is so important to us because the customers trust us with their money, reputation plays a key role in our market, and it creates trust. All the big companies have been around for such a long time, so they have more trust with the customers. Trust is central to any communications they send out.

What are the difficulties you face when communicating in a crowded marketplace?

2. Obviously the difficulty is in getting our message across, to reach the right audience. As a startup we need to engage with the customers much more than a regular big company, this all comes back to creating that trust. We need to get new customers whilst maintaining the loyalty of existing customers. It's quite hard for us to keep customers with us, because the bigger companies can offer better deals to our customers, leveraging their market power. Sometimes we just can't fight them.

What are some of the unique communication challenges you face as a young company?

3. I think that social media following is quite hard, it's difficult to get new followers because many people don't know our brand yet. The bigger banks have many different platforms where they can reach customers.

Have you found entering new jurisdictions difficult, if so, can PR help when expanding?

4. I think expanding is always difficult, no matter big or small. First of all we need to conduct research on the marketplace, looking at the

competition, seeing how the marketplace is. We have unique opportunities; we are more creative, personal with the customers, we engage with them face-to-face, in a fun and engaging way. The big companies are more boring!

Have your communication tools changed as the company grew over time?

5.  The platforms we use are still the same, but the way we use them to engage is changing, we're constantly progressing, trying to reach new audiences. Coming up with new ideas. Change comes with experience and we need to constantly reflect on the methods we used. Reflection and analysis is the key in PR.

Are there any elements of the public relations toolkit that you neglect to use or just prefer not to, because of your size?

6.  I don't think there's anything we don't use. There's always something we can do! And if we don't have the necessary tools, we can think of new and creative solutions. There are so many tools that have been used for so long, so obviously they work. Different models and tools are really helpful. But let's not forget that PR is all about thinking outside the box. We're always trying to make the most with limited resources. We find media databases like Gorkana really useful; because we can leverage the contact they give us for more coverage. And if used well, they are really cost-effective.

What do you think are the tools that are most effective in creating trust in banking?

7.  Maintaining the same message across all channels is really important. Consistency and customer service forms the core of any endeavours to build and maintain trust. The personal touch is really important. We need to be active listener and always try and do our best to solve any issues. Trust is such a personal thing; it is created with every one of our customers individually.

Have you found it difficult to get people to trust your organization, considering its' age and size?

8. Yes, like all other new companies, we deal with this problem all the time. In banking, when people haven't heard your name, you're nobody. It's a serious challenge for us. But with time, good customer service and reputation management this will all change!

## ITEM 5 – Interview with CG

Transcript of interview with CG:

| | |
|---|---|
| IGA 00:05 | Hello Chris. Thank you for taking time for this interview. So should we get started? |
| CG 00:06 | Yes. |
| IGA 00:07 | The first question is, the banking industry is dominated by a handful of big companies. From a public relations perspective, what kind of obstacles does this present to smaller firms trying to establish a full hand? |
| CG 00:22 | I think it's really important for us to differentiate ourselves from what the bigger companies are offering. So we know that we don't want to bite off more than we can chew. We don't want to try and do everything and not be good at anything, if you know what I mean. So we're trying to really take our own route and differentiate ourselves - show them we're technologically oriented, everything is based on the app, everything is easily accessible and transparent for the customer. So that's a really big part of our corporate ventures. We need to create that understanding with the customer. We're different, you know. We're not the old guard. We're not doing things like they've been done for 50 years. We're changing things up. |

IGA 01:09          Okay. So who is, then, your target audience? Who you believe is your target audience and how you think is the most effective way to reach them.

CG 01:20           Our target audience is millennials, so people aged 20 to 35.  Most of our users are actually male. So, we've kind of started going that way. Better educated, have enough of a disposable income, but also they're really savvy with their technology use and their financial services use. So they know where to go for the better deals and all this type of stuff. So that's also one of the key points of our communication that we do is, we need to tell people that because we don't have these legacy systems that the big guys do, we can offer them the same or even better service for much less money. So we don't charge as much for doing transfers for card maintenance fees - for all these type of fees - just because we don't have any other legacy. We don't have offices. We don't have big server farms. Everything's in the cloud. So it's cheaper for them, and it's also easier for us to manage that.

IGA 02:29           Okay. So what are the difficulties you face when communicating in a crowded marketplace?

CG 02:38    We need to really be able to find the people that we need to communicate to, which is actually getting easier, I'd say, with Facebook and Twitter and Instagram. You know, all these other platforms where you can really focus your message to the people that you want to reach. So, I can literally go onto Facebook and say, "I want to talk to guys age 22, living in East London, who ride bikes and like to do, I don't know, knitting on their weekends." We can really hone in to those specific markets that we're targeting. And this way we get more bang for our buck, because we can have one overlapping-- overarching campaign, and smaller parts of it are really targeted toward really specific groups and individuals. And this way we can tailor each communication that we send out to that specific group. And I think it's easier for us to do that because we're such a small team, so I don't have to go through ten people to out out a Facebook post or to send out a Tweet. It's much more laid back and it's much more easier to do things that way, because I don't have that big overbearing boss on me.

IGA 04:04    So, you believe that social media is really helpful to reach your targets and your target audience. But some people might argue that, yes, social media is accessible, but how can you make sure that this message you are trying to send through actually reach this person - your target audience - but also makes him act the way you intend to?

CG 04:34    So, like I said, because we can really hone in on our targets, we can tailor the communication so that it works

better for them. We look at it like this: doing one big campaign is kind of like shooting a machine gun at like 20,000 people. You're going to hit a couple of them, but you won't have much of an impact. But when you tailor our communications using all these tools, stuff like Sysmos, Gorkana, we can really talk to specific industry insiders, to specific journalists and make sure that our message goes to correct people. And then we're kind of taking a sniper approach, where we don't even look at the other people. We're looking at one group of individuals. We're seeing what kind of message they want, and what would work best for them, and then we're sending that out. And I think that social media really helps with that. You can do big things and you can have a campaign that runs all over the UK, but I don't think that will be as useful as having these super targeted ones.

IGA 05:53      Okay. Have you found entering new jurisdictions difficult, and if so, can PR help with expanding?

CG 06:05     When we're entering a new marketplace-- or, I'd rather say when we're trying to look at new groups to get to use our platform, it really helps that we're such a small team. I work with people who are driven, who know what they want, are willing to work hard. I worked in this big companies where, yeah, you've got a team of 20 people, but all they want to do is come to work, faff around, go for lunch, spend their company credit card, and then faff around at work again. Well, at the moment, I'm working with people who really want to do stuff, who want to change. So when we're looking at new markets to engage, we've got that drive and the person that really want to do it and that helps so much. And also from a PR's perspective, we can-- it's so easy for us to expand our team, and try and get more diversity, and see who are the people that we need to hire that will work best for us.

IGA 07:15     Should we move onto another question? Have your communicational tools changed as the company grew over the time?

CG 07:26        Have our tools changed? I think they haven't really.
                We're still doing the same thing. It's just having a bigger
                impact. New media has really changed the way PR
                works, and I'm able to talk to journalists that are across
                the pond in America without having to fly there, or
                without having to schedule the stuff. So it's really
                changed it. I don't think the tools have changed for us.
                We still use social media a lot. Yeah. I don't think they've
                changed that much, to be honest.

IGA 08:06       And using these kinds of tools, how would you reflect
                how effective they are? What is your strategy on
                reflecting whether this tool or some kind of strategy
                worked and if you should carry on with that or should
                you change something? What is your basic steps to make
                sure that what you used to use-- what tool you use, is
                effective?

CG 08:41      So, we've got an internal system for really making sure that we get the most bang for our buck. We really try and just see if what we're doing is working. And if it isn't working, because everything is so fast, we can just change it in 10 minutes. If we see that we put out an Instagram post and we're not really getting as many likes and comments, and we're not really getting our community involved that much, then we just delete it. You can do that in the snap of a finger and it's gone, and then you think of another approach that might work better. So we've got our own internal ways of looking at it.

IGA 09:36      Are there any elements of public relation toolkit that you neglect to use or just prefer not to because of your size?

CG 09:46      Well, there are a couple of things that we can't do, like more traditional media relations aspect. It's kind of hard for us to really get into TV and newspapers because we're still so small, so we don't have that news hook that they really want. Now that we've done our crowd-investment and that we've really got a lot of people backing us up, we've got big coverage from that, but I think that we're really focusing on new media and on social media, and also online news sources and those kinds of things.

IGA 10:33    Okay. The other couple of questions I want to ask is connected with the trust and banking. What do you think are the tools that are most effective in creating trust in banking?

CG 10:48     I think a good corporate social responsibility program is really important. We really want to show our customers and our community that we give back. And I think because of their reputation that the banking industry has, that is one of the best tools that we've got in out arsenal to really make sure that-- first off, that we've got new customers, because they can see that we're giving back to the community. We're working with charities. Our guys are going out every weekend and going to soup kitchens and going to churches and stuff like that. And that means that we get new customers. And also the customers that we have at the moment, they see that we're not like Barclays and we're not some big company that's just shoving money into people's faces and calling it corporate social responsibility. We're actually going down there. We're doing things. We're helping the community. That really creates trust, because they can see that we're really wholesome and we create this sense of integrity about ourselves - that we're not just some guys that are taking your money and then doing something with it behind their backs. Everything is open. Everything is transparent, and we take that kind of approach to everything that we do here. I think it also helps that the team I work in is so driven, entrepreneurial and everyone has a huge emotional connection with what we're doing here! We're really proud to work in this team and that makes it so much easier for us to take on the big guys!

IGA 12:18     But would you agree with the statement that the banking industry and the reputation the banking industry has does

affect your company?

CG 12:31    I think it does. I think it actually affects us in a positive way because so many people are tired of the old guard. After the big crash, people are looking for ways to get away from that closed loop that was created by these big companies, and I think that's why we exist. It's because people have really gotten tired of the old guard bullshit and they want something new, something fresh, something that's different and something they can trust, and something that just works for them - not something that they work for, you understand what I mean. We work for our customers. They don't work for us. When they give us their money, they know that we're going to do everything we can to, first off, keep it safe and also to make it grow. And we're going to give them the tools so they know how they can save more and save better and so they can see exactly what is happening. Nothing is closed. Nothing happens behind our backs. And that's really how it's going to change. I think we're chipping away. Every time a customer has a bad experience with one of the big guys, they come to us and that's really how we're going to grow and get there and become big.

IGA 13:57    Comparing you to the big guys. The key in getting trustworthiness of your customers is openness and transparency, right?

CG 14:06      Yes. Openness, transparency, integrity. Relying on these three things is so important in creating a wholesome and trustworthy brand. And that's what we want in our business because these people, when they come to a bank-- nothing we do exists in the physical world, really. You can't touch the money you put into your bankcard. And that's why it's so important to have that trust and that integrity and that transparency, so that the customers know that when they give us their money and they ask us to take care of it, that we're going to do a good job.

IGA 14:54      Have you found it difficult to get people to trust your organization considering its age and size?

CG 15:00      Yes, we have. It's more of a problem when we try and go after people that are from an older generation, because they are so used to doing things the old way and going to a branch and talking to a branch manager, depositing your checks like that, doing all that kind of stuff. With the people we actually target - with millennials - who don't really see that. They actually, I think, trust us as a newcomer more than they do the old guard. So, I think that it's kind of a two-sided thing where we have to really prove ourselves to the older generation and the people that are used to going to Barclays, or HSBC, or Lloyds, or Santander. And to the newer generation, we just have to show them that we're better than everyone else, and we're cheaper, more effective, efficient. You know, we've got a better image, more trustworthy - all of that.

IGA 16:11      So then, are you planning to target this kind of old generation in the future, once you gain the trust of your

current target audience?

CG 16:22     I think that's a long ways off. I would love to be able to answer that, but at the moment, we are so busy trying to just, you know-- every customer is a battle for us. We're, at the moment, just going to do what we do best, and that's young people. And if we ever [chuckles], in the future, conquer this market, of course we're going to expand. Of course we're going to do our best to get those customers on board as well. But also, the product offerings that they're after are totally different. I think that will come once we start offering more products, because at the moment we really only do a current account. So I think that will change once our product offering gets bigger.

IGA 17:09    Okay. Thank you for your information. That was it.

## ITEM 6 – Interview with JM

The banking industry is dominated by a handful of big companies. From a Public Relations perspective, what kind of obstacles does this present to smaller firms trying to establish a foothold?

1. Because we don't yet have the kind of brand awareness that the big companies do, we are always looking for ways to get media coverage. It's really important for us that people know about us and know that the insurance services we provide are better, cheaper and more transparent. I think as PR professionals, when we work on one brand, it's easy for us to get really hyped up about the things we do. But talking to someone who hasn't got a clue about us, they just go "huh?" So the obstacle this domination presents is that it's hard to even get your voice heard.

What are the difficulties you face when communicating in a crowded marketplace?

2. Like I said above, it's hard for us to even get our voices heard. So we here at the office have to be constantly thinking about ways we can hijack the news agenda and use it to our advantage. For example we tried to get our brand more visibility during the mayoral race, but it just didn't work because we don't have the networks to reach the journalists we want to reach. I don't think anyone gets their story heard from just sending a press release anymore. That, coupled with the fact that the marketplace we're in is so crowded means that we sometimes feel like we're yelling into a well.

What are some of the unique communication challenges you face as a young company?

3. It's hard for us to get people to try us out! Everyone is so used to the bank they're with, so they don't even consider using someone else. For some reason it's hard to make people understand that all we're offering you is better than what you have now! So we really try and get people to use our platform, because we know that once they do, they're

hooked. Our founders have done an amazing job creating such a good service, so the unique challenge for us is getting people on board with the brand and using it.

Have you found entering new jurisdictions difficult, if so, can PR help when expanding?

4.  We haven't really expanded outside of London yet, so I don't have much to comment. I think PR can help immensely when expanding though, we can really get the key stakeholders on-board with the brand, this means we can help the company expand quicker, because the audience is open to it!

Have your communication tools changed as the company grew over time?

5.  Our tools haven't really changed much, we've found that we have this core set of tools we use all the time, and then we sometimes use other platforms when we need to do a big push. For example just a couple weeks ago we used Snapchat to get people to share their stories of when they need insurance most and the person with the best story we helped out by insuring them for free! We don't regularly use Snapchat, but after that campaign, we will start using it more! So I guess our tools have changed actually.

Are there any elements of the public relations toolkit that you neglect to use or just prefer not to, because of your size?

6.  There are some things that are just too expensive for us. For example, I don't have the budget to put on a big event that will generate loads of coverage and get big footfall. But then I think that because of our small size, that won't work for us either. It's important for use to not go too crazy and bite off more than we can chew.

What do you think are the tools that are most effective in creating trust in banking?

7.  Transparency is a big deal for us, so is customer service and the price as well. But I think transparency and price also have a flipside, if you're too cheap, people will start to think something is going on, maybe

their data is not handled correctly, maybe the service isn't really all that great. And I think it's also good to not be too transparent with what you're doing, sometimes people like to have a sense of mystery and luxury to their financial services. The people who need Coutts know what it is, the people who don't, don't.

Have you found it difficult to get people to trust your organization, considering its' age and size?

8. For sure! Consumers find it hard to trust a company that's only been around for a few of years. This is especially true when it comes to financial services; everyone wants a service provider that is well known, trusted and safe. So for us, we are proud of our customers service experience and of our good prices, and that's the thing we promote to the outside world all the time!

## ITEM 7 – Interview with RG

The banking industry is dominated by a handful of big companies. From a Public Relations perspective, what kind of obstacles does this present to smaller firms trying to establish a foothold?

1. This handful of big companies really dominates the media landscape, so we find it difficult to break that monopoly they have. Every message we send has to deal with introducing our brand, the big companies don't have to do that, everyone knows them. Consumers in this sector are really set in their ways, so it's just hard to make them consider another service provider. They just open their account, and carry on. And it's hard to mess something up with a current account so people aren't motivated to leave.

What are the difficulties you face when communicating in a crowded marketplace?

2. It's hard to establish a foothold on social media, people are so inundated with information, so it's hard to get people to listen to us, without paying Facebook or Twitter of course. I think that's another issue we have, the big companies have so much more capital so they can just buy their way up the content tree. We're trying to come up with solutions that are unpaid, but no one will hear about them without us paying for it! With our limited budget, every idea is held back because we can't go crazy with the things we do. That means we need to be really creative!

What are some of the unique communication challenges you face as a young company?

3. I've talked quite a bit about our challenges communicating with the outside world, but I think that there are some unique challenges we face inside the team as well. People working in small startups have to be really driven, ambitious and hardworking, so we find that when we do our PR work, people from other departments want to get involved. And my team get's involved with other departments work as well. Recently, we've found that it's quite easy for us to collaborate with other startups in the Fintech industry, we did a campaign together with TransferWise just a couple

weeks ago, and it helps that we're all just a stones throw away form each other. It's so easy to collaborate with other startups, because we're all in this together. I think this is interesting especially for the future. Ian you can remove this if it's off topic

Have you found entering new jurisdictions difficult, if so, can PR help when expanding?

4. We're still so new, so we haven't started expanding anywhere yet. All of our work is concentrated on getting new customers in the demographics we want, so I can't really comment on entering new jurisdictions.

Have your communication tools changed as the company grew over time?

5. Like I said in the above, we're still only in our first year. From my experience, we're still using all the same tools we always have. I think this will change when we get bigger, get more budget and so on. It's difficult to answer this question because we're still so young.

Are there any elements of the public relations toolkit that you neglect to use or just prefer not to, because of your size?

6. Yes, we find it hard to get coverage in big publications, just because we're still so small and young. But after graduating from LCC, I did find the CIPR toolkit and the programs they offer really useful. Everyone on my team has accreditation and I think it's such a cost-effective way of training our staff. Maybe because we don't have the funds to hire consultants we have to come up with new ways of training our staff.

What do you think are the tools that are most effective in creating trust in banking?

7. I think that reputation management is really important in banking. Also, getting our customers to do the work for us has really helped us. It's always better to hear from your friend or colleague, and then we piggyback on their trust. We've found that our referral program has been really

good in creating new customers, and customers that stay, and go on to bring new people on board.

Have you found it difficult to get people to trust your organization, considering its' age and size?

8. Because we're so young, we really need to give ourselves time to conquer this marketplace. Trust only comes with time, and we need to work our asses off to build deep connections with our customers. Once people are on board with our brand, they tend to stay and trust us.

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## ITEM 8 – Interview consent form

**Aim of the dissertation:**
The aim of the paper is to look at key start-ups in the financial sector, and compare them with more established companies, with the aim of seeing if there are any key differences in how they conduct public relations activities.

**Name and details of the researcher:**
Ian G. Ahlberg
Ba(Hons) Public Relations
London College of Communication, UAL
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Iangustav.ahlberg@gmail.com

Dear participant,

Please read the following information carefully, and feel free to ask any questions you may have about the research paper, interview process or unclear items listed below. Thank you for agreeing to participate in the study.

The aim of the study is to look at how start-ups communicate in the banking sector, comparing them to more mature companies to see if there are any differences in their communications process. The purpose of the interview is to gain insight into the workings of retail banking public relations. It is hoped the results will provide valuable insight into the areas being researched.

I confirm that I understand the purpose of this study,
I agree to be interviewed for the purpose of the study,
I agree to the interview being audio recorded,
I agree to the completed dissertation being electronically recorded and
I acknowledge that all information provided will be anonymised.

Name of the participant:
**Name goes here**
Agree to the terms (bold to indicate answer)

       YES         NO

Researcher, Ian G. Ahlberg

Agree to the terms (bold to indicate answer)

       YES         NO

## ITEM 9 – Mature company PR professional questionnaire

**General**

1. The banking industry is dominated by a handful of big companies. From a Public Relations perspective, what kind of obstacles does this present to smaller firms trying to establish a foothold?

2. What are the difficulties you face when communicating in a crowded marketplace?

**Banks and PR – What unique challenges are faced by new entrants into the competitive financial market. Have the established companies been losing ground due loyalty issues?**

3. Do you think the classical relationship-management model that's pursued in banking is changing? How does this affect PR?

4. Do you feel that customers are becoming less loyal to big banks? If so, how does this affect PR?

**Startups and Fintech – Are there tools that the startup public relations practitioners are neglecting to us? Are the dominant players in the marketplace fighting the new entrants?**

For financial PR professionals:

5. Do you think the dominant players in the marketplace should try and actively combat new entrants? If so, are they doing that?

6. Should establish players in the marketplace embrace these new entrants?

**Trust and banking – Is it difficult for new entrants to create trust? Are mature companies managing their trust well?**

7. What do you think are the tools that are most effective in creating trust in banking?

For financial PR professionals:

8. Do you think that the banking sector has lost the consumers trust in recent year? If so, how can this trust be regained?

## ITEM 10 – Startup PR professional questionnaire

**General**

1. The banking industry is dominated by a handful of big companies. From a Public Relations perspective, what kind of obstacles does this present to smaller firms trying to establish a foothold?

2. What are the difficulties you face when communicating in a crowded marketplace?

**Banks and PR – What unique challenges are faced by new entrants into the competitive financial market. Have the established companies been losing ground due loyalty issues?**

For Startup PR professionals:

3.What are some of the unique communication challenges you face as a young company?

4. Have you found entering new jurisdictions difficult, if so, can PR help when expanding?

**Startups and Fintech – Are there tools that the startup public relations practitioners are neglecting to us? Are the dominant players in the marketplace fighting the new entrants?**

For Startup PR professionals:

5. Have your communication tools changed as the company grew over time?

6. Are there any elements of the public relations toolkit that you neglect to use or just prefer not to, because of your size?

**Trust and banking – Is it difficult for new entrants to create trust? Are mature companies managing their trust well?**

7. What do you think are the tools that are most effective in creating trust in banking?

For startup PR professionals:

8. Have you found it difficult to get people to trust your organization, considering its' age and size?

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> ""“Not only are startups required to learn local laws and regulations, but their networks are usually not as robust, so it's much more difficult and time-consuming for them to work their way up to the relevant decision-makers. Many times, they're unable to do so, handicapping their ability to expand into other jurisdictions.”" (Desai, 2015)

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