

Understanding business relationships in the banking and insurance category

2023



Relationships matter

Over the years, we have compiled extraordinary evidence that stronger relationships build stronger business because they:

- produce higher quality, more effective work
- are more cost-efficient
- build valuable shared knowledge
- motivate staff to go the extra mile for each other
- bridge the gap between corporate cultures
- expand the scope of work
- instil more trust.

It's clear, then, that team relationships are important, both internally and with external stakeholders.

But how are these business relationships affected by their marketing category? And how can teams in the banking and insurance category improve?

“Strong respect for agency process and understanding of what’s required to get the best work out of the agency.”

Financial services agency lead

Categories matter

Client-agency team relationships are significantly influenced by the marketing category in which they operate.

Each marketing category possesses unique characteristics, challenges and dynamics that directly impact how clients and agencies interact and collaborate.

Consumer banking & insurance

The highly regulated and sensitive nature of this category places extraordinary pressures on the relationship between clients and agencies.

On the positive side, the complex and competitive landscape of consumer banking and insurance demands close collaboration between clients and agencies. The constant need for innovative strategies to attract and retain customers fosters a sense of shared purpose and mutual investment in success. The regulatory constraints also necessitate a deep understanding of compliance, creating opportunities for agencies to showcase their expertise and add value.

Conversely, the intricacies of the banking and insurance industry can lead to negative effects on client-agency relationships.

The conservative nature of these sectors may hinder agencies from implementing cutting-edge campaigns or taking creative risks, which could breed frustration and stagnation. Moreover, the heavy focus on risk management might result in clients adopting a cautious approach, leading to overly conservative strategies and missed opportunities for growth.

Additionally, the cyclical and seasonal nature of consumer banking and insurance can lead to erratic workloads, affecting agency performance and potentially straining relationships. Moreover, the financial nature of the industry may lead to greater scrutiny of budgets and ROI, placing added pressure on agencies to deliver tangible results.

About this report

This report is based on our experience advising some of the world's leading marketers and agencies in the banking and insurance category. It is part of a series focusing on business relationships in 11 of the product and service categories we have evaluated.

The analysis is extracted from a database of more than 26,000 evaluations Aprais have conducted globally over the past two decades.

Our quantitative evaluations use a 100-point scale that enables us to create accurate benchmarks for comparison, trends and insights.

We also analyse the qualitative comments entered with each evaluation to provide context to the scores.

This report will examine team characteristics that set the best teams apart from the rest. It will cover both marketers and agencies in the banking and insurance category.

Banking and insurance versus all categories

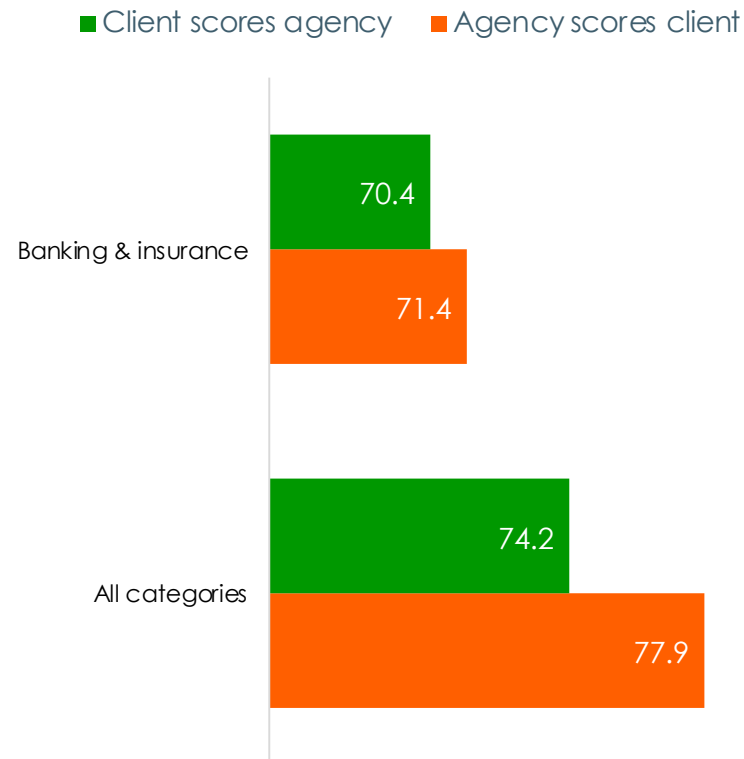
Across all categories and most regions of the world, our data shows that agencies score their marketer clients higher than clients score their agencies when assessing their relationships.

The global average across all categories for marketers scoring their agencies is 74.2, whereas agencies score their clients 77.9.

Generally, we find that businesses in less-regulated categories like non-alcoholic drinks and confectionery tend to have more positive views of their relationships than those in more technical and regulated categories such as healthcare and, as is evident in the chart opposite, banking and insurance.

This chart shows that, although overall scores are lower than the all-categories averages, there is greater alignment in the scores given by each party to the other.

This is a positive thing, considering that a perfect relationship should result in the same score for both parties. Few relationships are perfect, however, and in the case of client-agency, many are not equal.



Team characteristics – functional disciplines

At Aprais we use two main concepts to identify, compare and improve team characteristics:

- **Functional disciplines:** On-the-job skills, using one's knowledge effectively and readily in execution or performance.
- **Behaviours:** The way in which teams conduct themselves or behave.

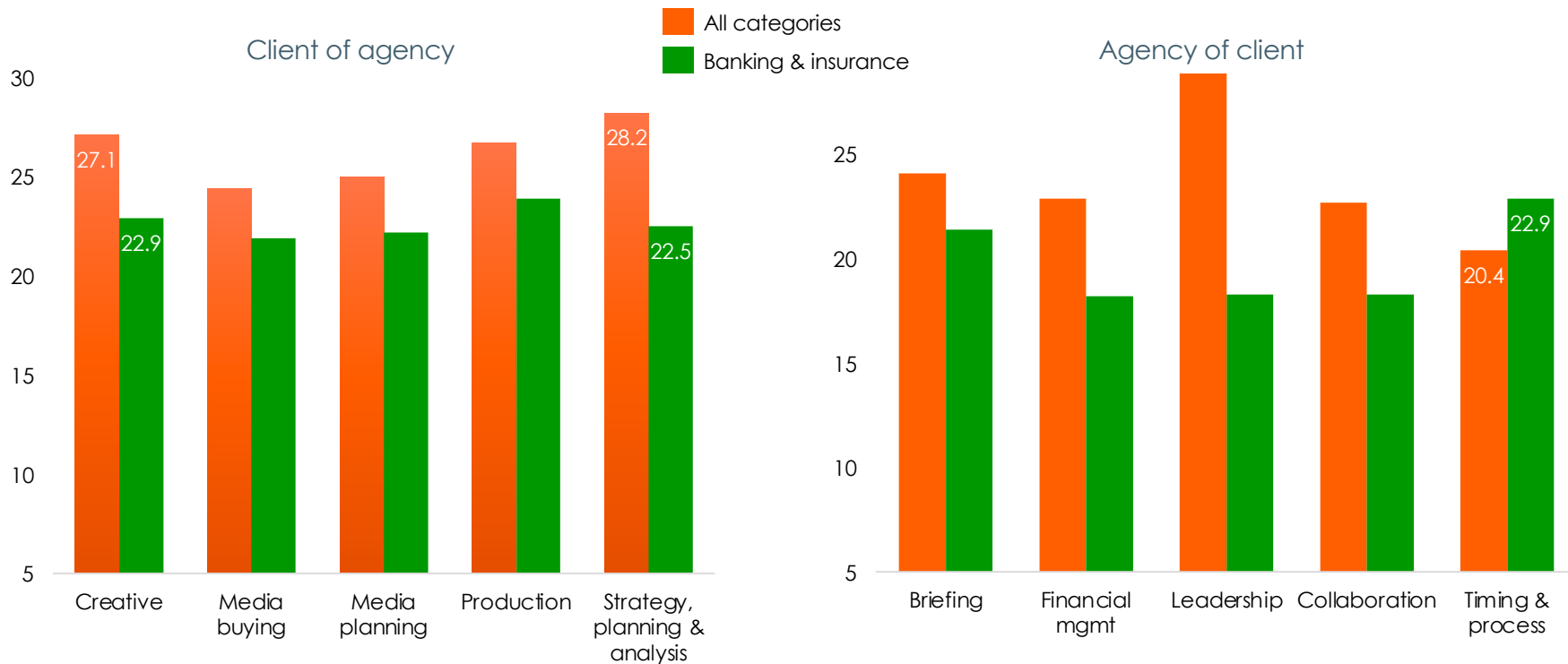
The charts below show the gap in scores between the top 10% and the bottom 10% for a selection of disciplines, and compare the gap in banking and insurance with the all-categories average.

What does this tell us?

The height of the bars indicates the extent of opportunity for poor-performing teams to close the gap on their best-performing rivals.

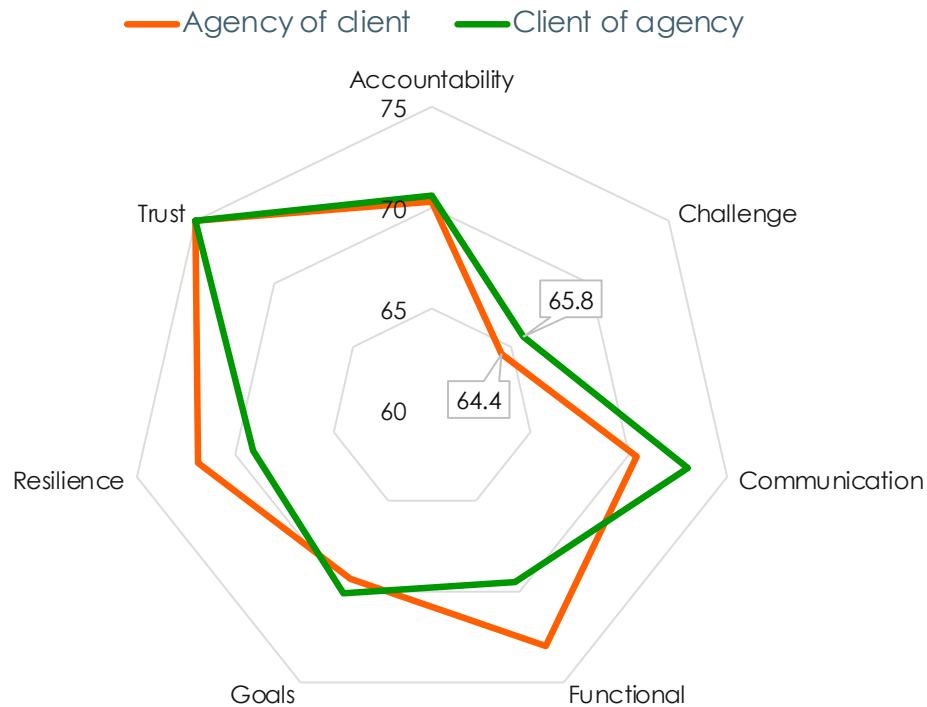
The gaps between the top and bottom 10% of clients and agencies in this category are smaller than the all-categories averages. Even in critical areas like creative (22.9) and strategy, planning & analysis (22.5), the gap is narrower compared with other industries.

While clients perform well in leadership, there is clearly room to improve timing & process management (22.9) when compared with the equivalent gap for all categories (20.4).



Source: All-categories 26,000 Aprais evaluations.

Team characteristics – behaviours



Accountability – Sets and takes responsibility for actions.

Challenge – Uses initiative to challenge the status quo and does not allow conflict to go unaddressed.

Communication – Regular dialogue to ensure facts are shared in a timely fashion.

Functional – Competence to do the day-to-day work.

Goals – Clear objectives are in place, information is shared, the team is stretched and success measured.

Resilience – Can withstand and bounce back from a crisis.

Trust – The team is trusted to deliver and behaves with integrity.

Through rigorous analysis of our extensive database, we have defined seven behaviours that have the greatest influence on team performance¹.

This chart compares the behaviours of each team in the banking and insurance category.

Typically, agencies score their clients higher, but take note of where there are greater or lesser differences between the two.

Trust is often the highest-scoring behaviour.

Goals, communication and

challenge have lower scores for marketers than for agencies. This is unusual and may indicate current or potential tensions.

The low performance in the challenge behaviour is a wake-up-call to both marketers (64.4) and agencies (65.8).

¹ Reports: Seven behaviours that set the best teams apart from the rest.

In summary

The marketing category in which a client operates significantly affects the client-agency team relationship. Understanding the unique characteristics, challenges and dynamics of each category is crucial for building strong and successful partnerships.

Banking and insurance is a tough-scoring category compared with others. Yet although overall scores are lower, there seems to be greater alignment in the scores given by clients of their agency and agencies of the client.

Another interesting difference in this category is the relatively small difference between the best and worst (top and bottom 10%). This suggests that it is better to repair a relationship than replace it with a new agency, because the difference may be marginal.

Marketers in this category should aim to improve their timing & process management, along with a number of behaviours including goals and communication.

Both marketers and agencies need to improve the challenge behaviour. This is particularly difficult for agencies operating in cultures where a master-servant relationship dominates.

The consumer banking and insurance category is positively influenced by the need for expertise and collaboration but can also be negatively impacted by regulatory constraints, risk aversion and financial scrutiny.

“Planning not only understands the business, it challenges us as clients to think and takes discussions to the next level, challenging the status quo, contributing to the creation of robust strategies that build towards business and communication objectives.”

Financial services marketer

Building stronger teams

How agencies can do better

1. Become a subject-matter expert in the category. In a world of generalisation, specific industry knowledge is valued.
2. Know the criteria that won you the business. Measure and monitor them to ensure you keep up with the client's expectations.
3. Make sure the team is aware of the criteria for good performance and is challenged to deliver on them.
4. Be enthusiastic about the client's business. People who are interested and engaged in a brand or category are likely to deliver better work.
5. Acknowledge and respect client members at all levels. Problems at a junior level can become senior headaches.
6. Be courageous and transparent. If you disagree, say so. All good relationships are built on trust.
7. Tackle issues before they become problems. Regular and frequent client-agency evaluations provide an objective platform for open dialogue.
8. Never be complacent. Think of all the other agencies who would love your client.
9. Have a 'can do' attitude. But if you say 'yes' be sure to deliver. If you deliver on your promises, the client is more likely to accept those times when you have to say you 'cannot'.
10. Good work is the best insurance. Effective solutions seal partnerships and provide great momentum and stickiness in a relationship.

How marketers can do better

1. Set mutually agreed, realistic and quantifiable objectives.
2. Instigate a regular 360° review of progress against these objectives.
3. Push for directness, trust and chemistry between the agency and client teams.
4. Make sure there are equally talented people on both sides who are motivated by shared incentives and principles.
5. Demand ongoing, transparent feedback in both directions.
6. Always respond to work with the positive first. Get cycles of positivity going, then turn the conversation to more critical feedback.
7. Empathise with their pressures. Care about the issues and celebrate their achievements. Forgive them their foibles and try to see things from their point of view.
8. Give agencies the opportunity to get under the skin of your business. Allow them to immerse themselves in every aspect of your operation. Enable them to understand your culture and openly share information and intelligence with them.
9. Create an atmosphere of excellence. Demand excellence. Inspire excellence. Recognise excellence and reward it.
10. Encourage your agencies to work together. Relationships that are better orchestrated can deliver substantially better performance.

Other reports

This report is one of a series focusing on how team relationships are affected by marketing category.

The first report introduces the topic.

The other reports each focus on an individual category and cover the behaviours and disciplines that set the best teams apart from the rest in that category.

1. Automotive
2. Banking & insurance
3. Confectionery
4. Food
5. Healthcare
6. Drinks (non-alcoholic)
7. Personal care
8. Petcare
9. Retail
10. Telecoms
11. Wine, beer & spirits

Download the report for your category [here](#).

Understanding business relationships in the food category

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Understanding business relationships in the petcare category

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Understanding business relationships in the automotive category

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Understanding business relationships in the healthcare category

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Understanding business relationships in the retail category

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Understanding business relationships in the banking and insurance category

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Understanding business relationships in the (non-alcoholic) drinks category

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Understanding business relationships in the telecoms category

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Understanding business relationships in the confectionery category

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Understanding business relationships in the personal care category

2023



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Understanding business relationships in the wine, beer and spirits category

2023



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About Aprais

We are the global pioneers in building stronger business relationships.

Since we established the category 20+ years ago we have advised the world's leading marketers and agencies on more than 26,000 evaluations, with multiple clients in over 70 countries, in 13 languages.

This has enabled us to build a large bank of data that allows companies to accurately compare their business relationships with those of their peers.

Contact us

Request a free consultation for your organisation: aprais@aprais.com

Learn more: www.aprais.com

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