

BRAND REBUILDING AFTER SCANDAL

THE MARKATEERS





OUTLINE

- Corporate Overview
- Past and Present Advertising Strategies
- Research Overview
- Target Market
- Competitors
- Marketing Communications Objectives
- Message Strategy
- IMC Components
- Measures of Success

BACKGROUND

HQ: San Francisco

FOUNDED: 1852

LOCATIONS: 8,700
branches in more than 40 states

PRODUCTS & SERVICES:

- Asset management and trust
- International services
- Commercial financing
- Investment banking
- Securities and markets
- Treasury management



CORPORATE OVERVIEW

STRENGTHS

- Gained a lot of popularity from Buffett's long-standing interest in it's stock
- Limited use of derivatives to hedge or speculate by using borrowed money
- Has the most offices and deposits in the US

WEAKNESSES

- Last September agreed to pay \$185 million fine to settle claims of illegal sales practices
- The CEO believes they had an incentive program that drove the wrong behavior and put too much pressure and stress on employees

OPPORTUNITIES

- Millennials are demanding more transparent, responsive and honest treatment from banks
- They need a "netflix model" of banking

THREATS

- Physical banking expected to decrease 20-50% of the next decade and this could be a threat or opportunity depending on if Wells Fargo will use it as an opportunity to innovate
- Financing construction of the Dakota Access Pipeline is leading people to reconsider their business with the company

PROBLEM OVERVIEW

THINGS FAILING AT CUSTOMER SERVICE

WELLS FARGO

THE STORY

Yesterday, Wells Fargo's board **put out a report card** on how the company handled its massive sales scandal. It got an F.

WHAT HAPPENED HERE?

Last year, it came out that Wells Fargo had spent years opening **millions of bogus accounts and credit cards** without customers' permission. This was to meet ambitious sales goals. The company was fined \$185 million and former CEO John Stumpf was shown the door. And yesterday, the company's board released the results of its own investigation. They're pinning a lot of the blame on a former sales exec, saying she misled the board about how widespread the cheating was. And that Stumpf looked the other way. Now both execs are being forced to give back tens of millions of dollars in compensation.

theSKIMM

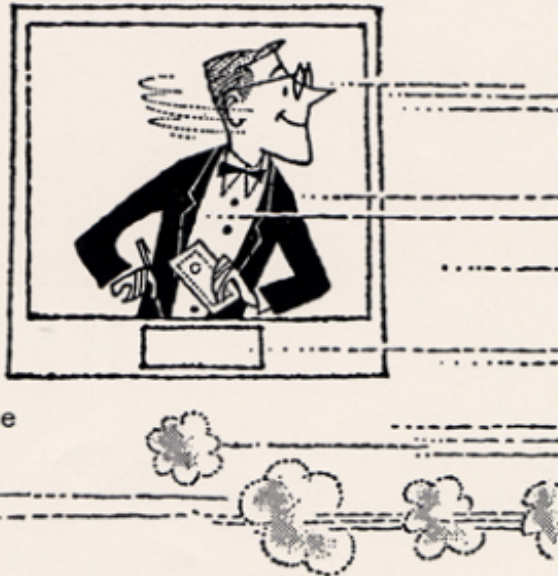
Wells Fargo is one of the largest banks in the US. This has done nothing for the industry that's still struggling to recoup its image - almost 10 years after the financial crisis.

(The Skimm, April 11, 2017)

PAST AD STRATEGIES

The fast way to bank
Use our Drive-in Window!

No need even to
get out of your car!
Do your banking
at our handy
drive-in window.
Make deposits,
cash checks, get change
in a jiffy!



WELLS FARGO BANK
AMERICAN TRUST COMPANY

Morgan Hill Office: 2 South Monterey Street

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Wells Fargo Bank American Trust Co., 1961

Wells Fargo Corporate Archives

Wells Fargo is in a new stage.
Want to come along?

Wells Fargo Bank started winning the West in 1852.

Now it has 219 offices, 7,500 employees, more than four billion dollars in assets. And it's moved into the world of automation, with one of the most sophisticated computer programs in banking.

They're good people to know—and to know you.

That's why you should tell your corporate story in BUSINESS WEEK. You'll reach subscribers like President Richard Cooley, six Senior Vice Presidents, 134 executive subscribers in all.

One way to reach them is with BUSINESS WEEK's "Pacific Coast Edition." It has more than 71,000 Western management subscribers.

But if you use the national edition, you'll influence financial men throughout the business world. BUSINESS WEEK's 530,000 subscribers include more than 6,100 executives in the nation's fifty largest commercial banks—a majority of banking decision-makers.

If you want the majority decision, use:



SELL AT THE DECISION LEVEL



Wells Fargo Bank, 1967

Wells Fargo Corporate Archives

PAST AD STRATEGIES

Wells Fargo

was: the company that shipped more gold to the East in the last century than anybody else;

is: the bank that pioneered electronic data transmission of corporate lock box information;

the employer of Pancho Villa as a mule driver bringing silver down from the mines of Durango, Mexico;

Lola Montez's guard on her travels in the Mother Lode Country;

the company that owned and operated the greatest stagecoach empire in history;

the only bank with securities-processing and

the bank that helped design and implement a comprehensive cash concentration system for the U.S. Postal Service;

custody capabilities on both east and west coasts;

the nation's 11th largest bank, with assets of over \$12 billion.

WELLS FARGO BANK-INNOVATORS SINCE 1852

Wells Fargo Bank, 1970s

Wells Fargo Corporate Archives

INNOVATION

In its advertising strategies, Wells Fargo has always taken pride in its innovation as a bank and its influence over the banking industry.

PRESENT AD STRATEGIES



INNOVATION

Current strategies have been consistent by still focusing on the company's innovation and influence over the banking industry.

SECONDARY RESEARCH

53%

of millennials do not think their banks offers anything different from other banks

71%

of millennials said they would rather go to the dentist than listen to what a banker has to say

1 in 3

millennials express no feeling of customer loyalty in regards to their own bank

**OVERALL, MILLENNIALS DO NOT TRUST LARGE BANKING SYSTEMS
AND SEE THERE IS A NEED FOR INNOVATION IN THE CURRENT
BANKING SYSTEM**

TARGET MARKET

OUR TARGET MARKET IS YOUNG PEOPLE AGED 18-34.

The Millennial generation is either beginning to be or in the early stages of becoming financially independent from their parents. This means that they will be exploring their financial options regarding:

- loans
- banking
- investments
- insurance
- wealth management



PRIMARY RESEARCH

WE CONDUCTED INTERVIEWS WITH WELLS FARGO CUSTOMERS ABOUT THEIR OPINIONS AND EXPERIENCES WITH THE COMPANY.

“

*I have **never had considerably great service** at Wells Fargo, always on hold or talking only with an automated system. After all the controversy with them helping to finance the Dakota Pipeline, I saw this as a **good time to switch banks** and invest my time and money with a company which was more in line with what I think a bank should be. A bank that I can **trust**.* - Nina Rice, 21, Student at the University of Colorado Boulder

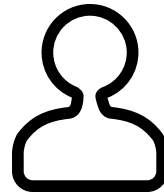
”

*I **haven't heard of anyone switching** from Wells Fargo. My whole family has it and seems to **really like it**. I have never had any real problems either. It seems like they could have been more upfront with the public about what happened, especially since some employees were saying that executives were lying. I think they should have been **more transparent** with what occurred so that people could know why accounts were made and can **be sure it won't happen again** because they have a full understanding.* - Christina Catchpole, 21, Student at the University of Georgia

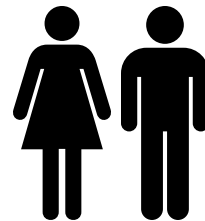
PRIMARY RESEARCH

WE ALSO CONDUCTED A SURVEY TO LEARN MORE ABOUT THE MILLENNIAL GENERATION'S PERCEPTIONS OF THE BANKING INDUSTRY

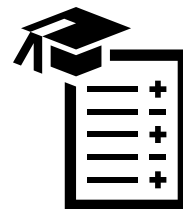
WE CREATED A QUALTRICS SURVEY WITH 12 TOTAL QUESTIONS AND DISTRIBUTED IT THROUGH SOCIAL MEDIA PLATFORMS AND EMAIL.



96 Respondents



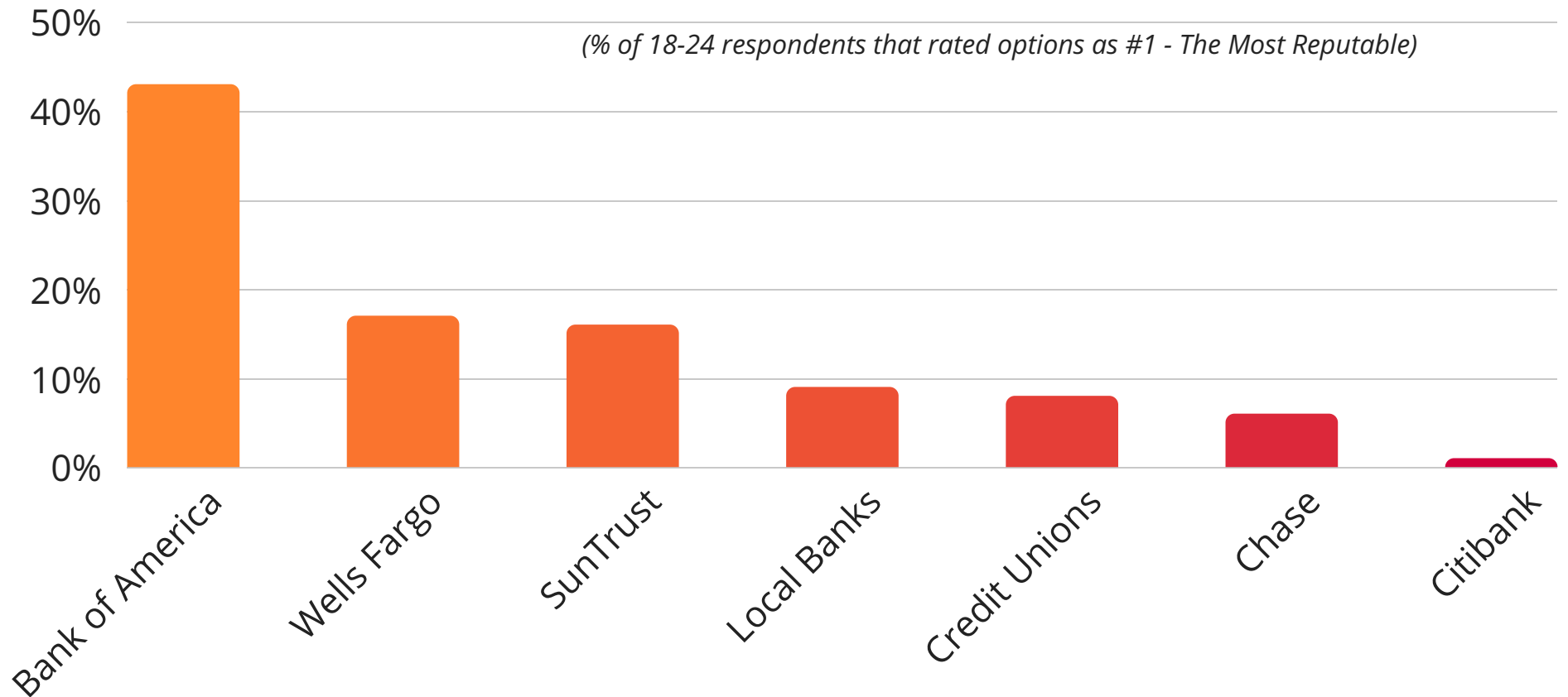
16% Male
84% Female



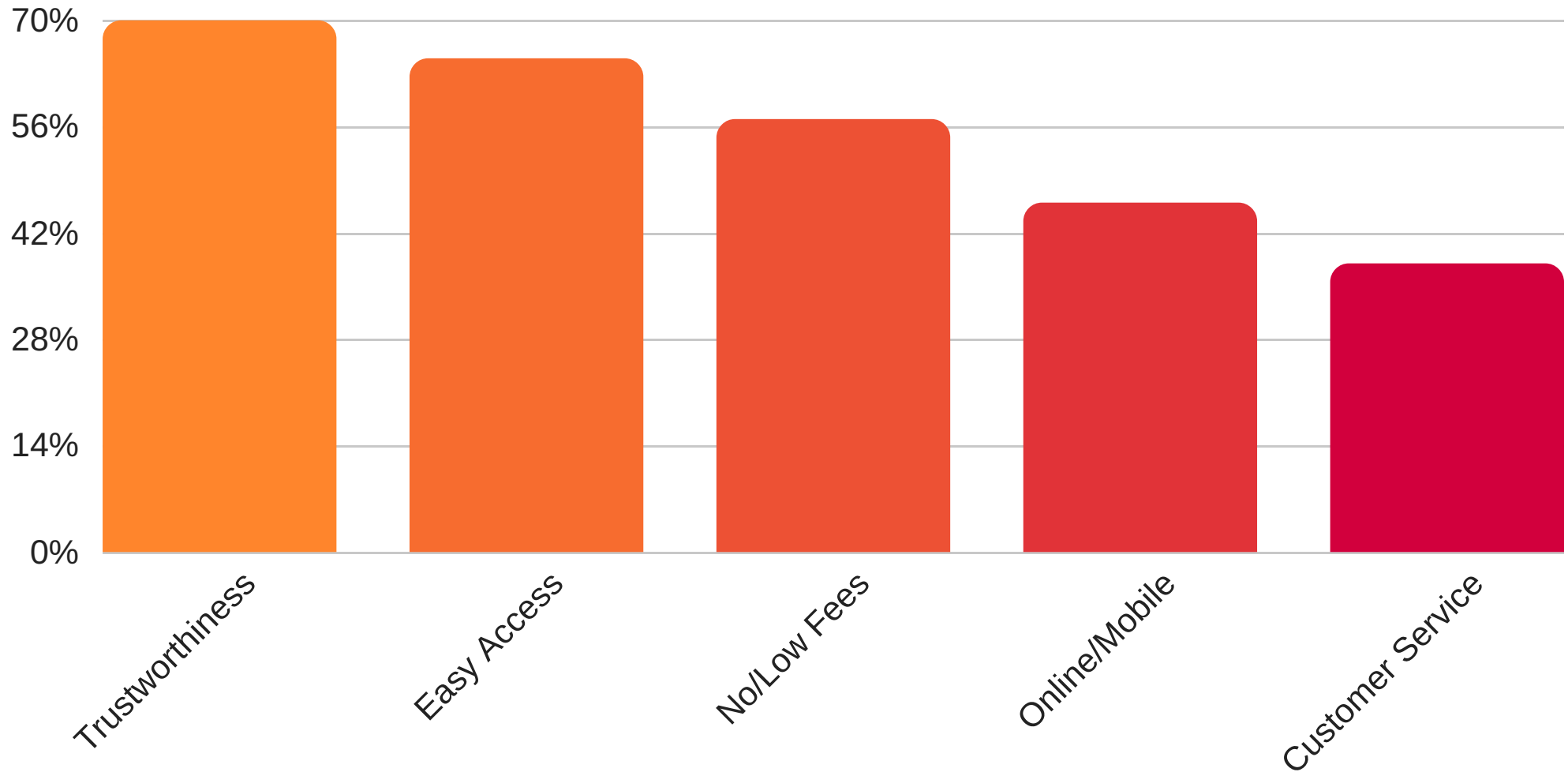
93% were 18-24 years old

SURVEY RESULTS

WHICH BANKS, IN YOUR OPINION, ARE THE MOST REPUTABLE?

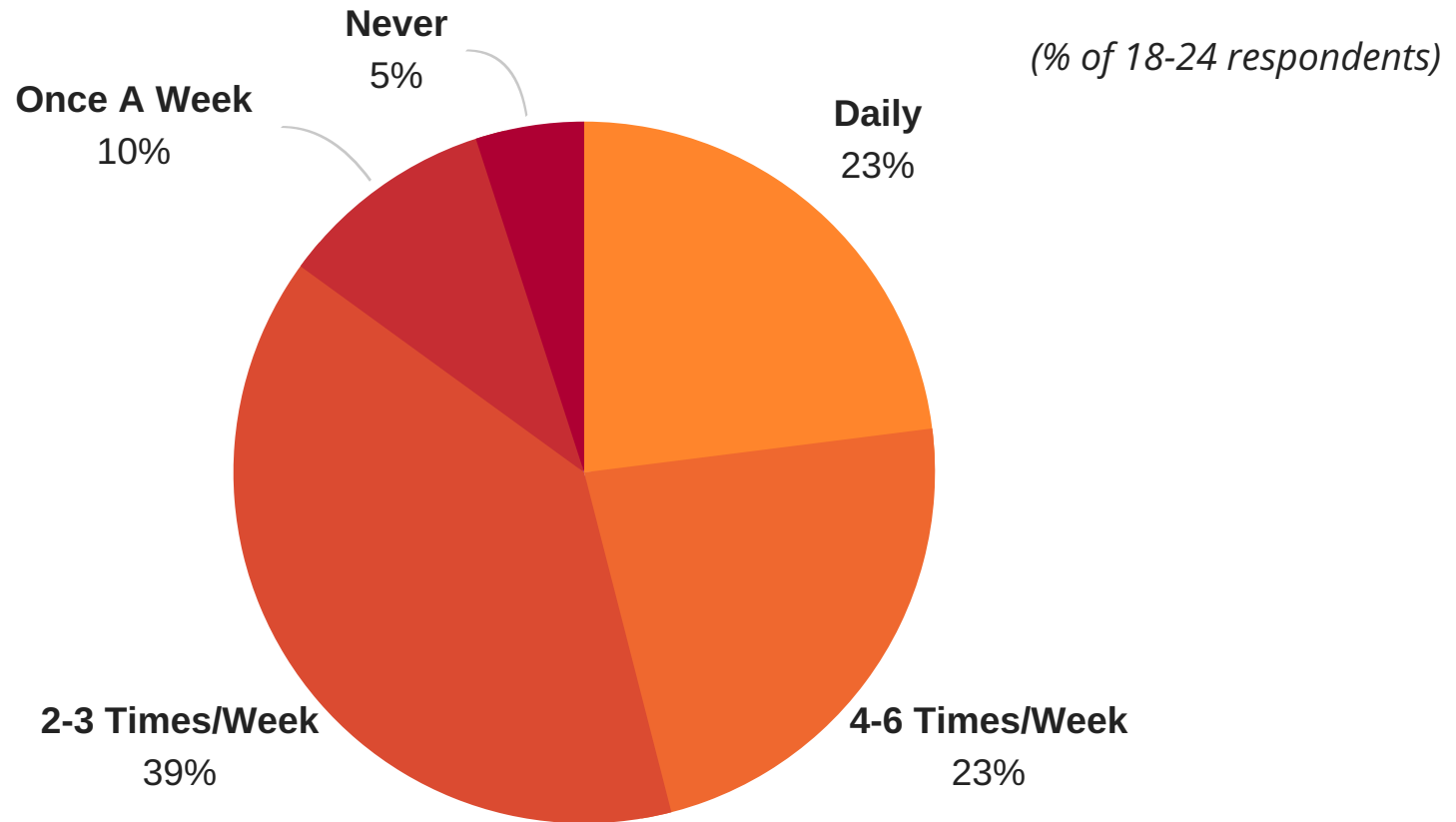


WHAT ARE YOUR TOP 3 FEATURES WHEN CHOOSING A BANK?



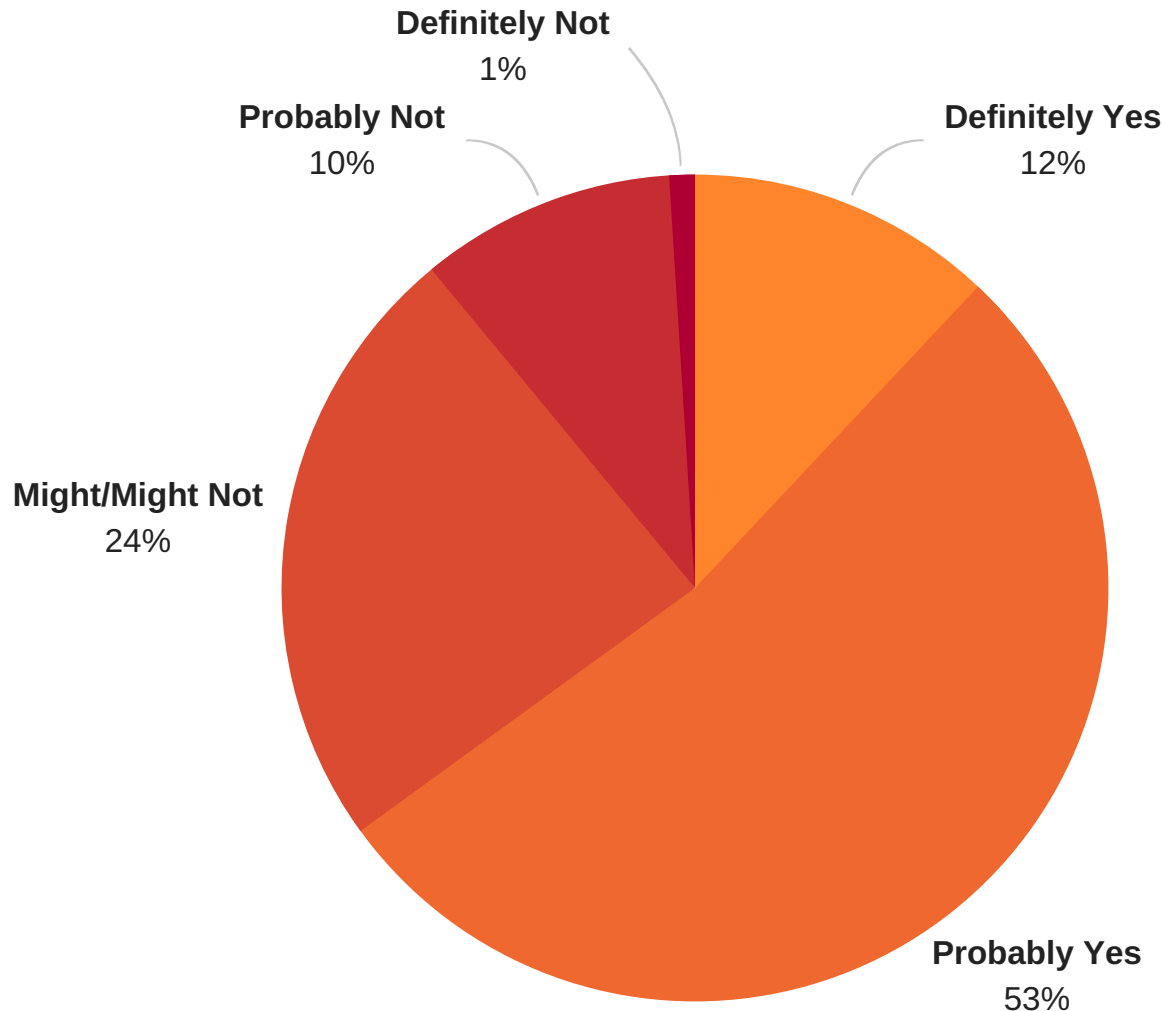
(% of options 18-24 respondents included in Top 3 features)

HOW OFTEN DO YOU USE YOUR BANK'S MOBILE APP OR ONLINE BANKING SYSTEM?



NO ONE RESPONDED "MY BANK DOES NOT HAVE AN ONLINE SYSTEM OR MOBILE APP." THIS TELLS US THAT SIMPLY HAVING A MOBILE APP/ONLINE BANKING SYSTEM IS **NO LONGER GOOD ENOUGH.**

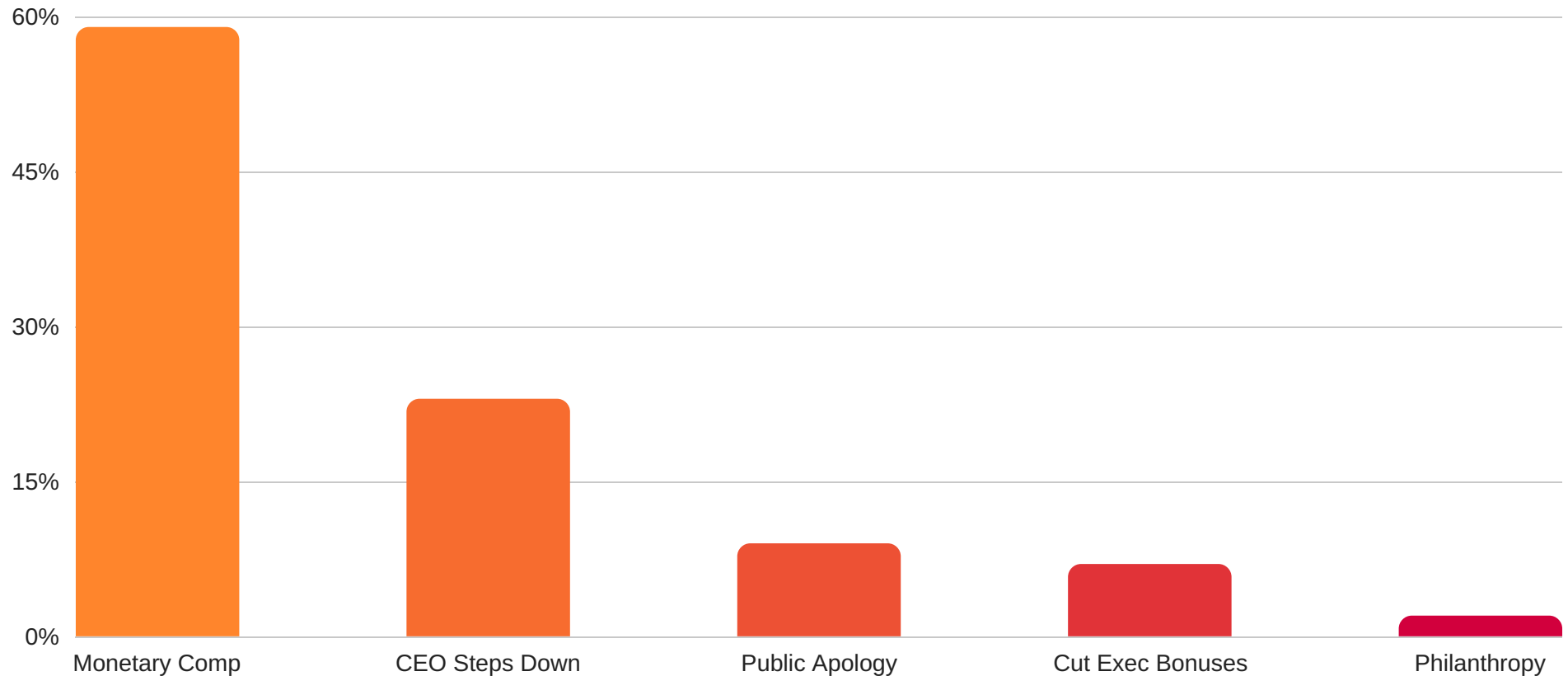
DO YOU TRUST LARGE BANKING INSTITUTIONS?



**65% RESPONDED
POSITIVELY** ABOUT
TRUSTING LARGE
BANKING
INSTITUTIONS.

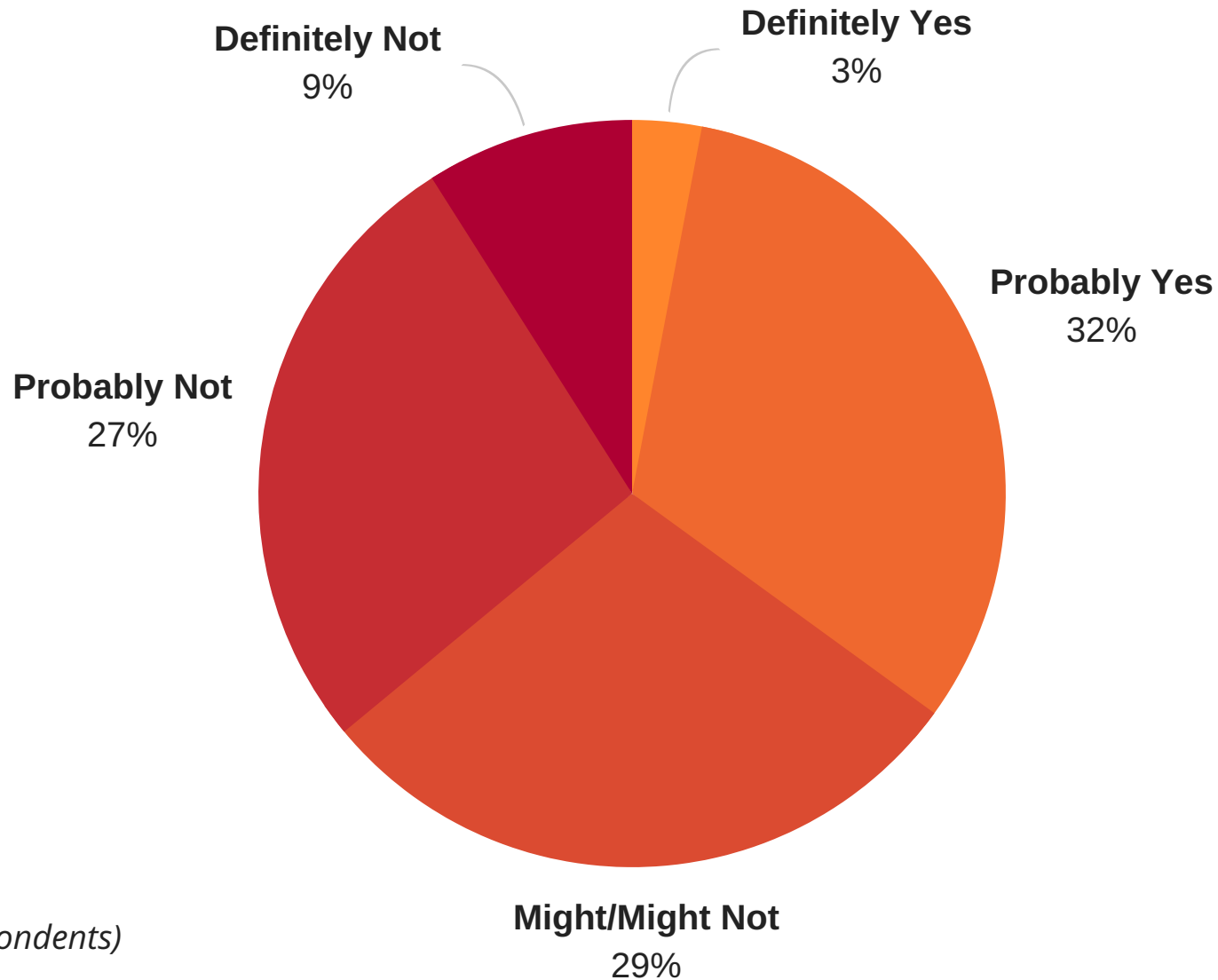
(% of 18-24 respondents)

AFTER A SCANDAL, WHICH REPARATIONS WOULD MOST EFFECTIVELY WIN YOUR TRUST BACK?



(% of 18-24 respondents)

WOULD YOU CONSIDER USING A BANK THAT WAS INVOLVED IN A SCANDAL, IF THEY HAD TAKEN MULTIPLE REPARATION MEASURES?



(% of 18-24 respondents)

RESEARCH HIGHLIGHTS

MOST REPUTABLE	BANK OF AMERICA
MOST IMPORTANT FEATURE	TRUSTWORTHINESS
MOBILE OR ONLINE USE	23% USE DAILY
TRUST IN LARGE BANKS	65% POSITIVE RESPONSES
MOST EFFECTIVE REPARATIONS	MONETARY COMPENSATION
USE A BANK INVOLVED IN SCANDAL	35% POSITIVE RESPONSES

COMPETITORS

Wells Fargo's main competitors are JP Morgan (Chase), Bank of America, Citigroup (Citibank) and US Bancorp (U.S. Bank).

J.P.Morgan



usbancorp

**WELLS
FARGO**

(2015 Reports)

	JPM	BAC	C	USB	WFC
Market Value (\$ Billions)	255.71	187.98	178.10	80.28	297.52
Beta	1.02	1.07	1.25	0.91	0.94
EPS (\$)	5.54	0.96	4.15	3.13	4.11
P/E	12.44	18.65	14.14	14.47	14.06
Dividend Yield	2.53	1.10	0.33	2.23	2.58

MAIN OBJECTIVE

REGAIN AND
EARN THE
TRUST BACK
OF YOUNG
PEOPLE

Scandal scared a lot of younger consumers away

Need to show them that we have changed and why they should choose us

Need to increase innovation and working FOR our customers



Mr. Fellows videos

Watch as Mr. Fellows helps you through your financial aid journey.



College — time to build good credit



Paying for
college?

Find Out More

Calculate
college
costs.

Launch



MESSAGE STRATEGY

GENERIC MESSAGES WITH RATIONAL APPEALS



Become the most innovative bank to put consumers first and appeal to young adults again



“Putting You First”: Invest in our employees to give our customers the best possible service. For example, higher education and training



Ensure the public knows that monetary compensation has been paid and the stepping down of CEO means a new, transparent future for Wells Fargo

IMC COMPONENTS

ADDRESSING THE PAST

ACCORDING TO OUR RESEARCH, WELLS FARGO SHOULD IMPLEMENT:

APOLOGIES

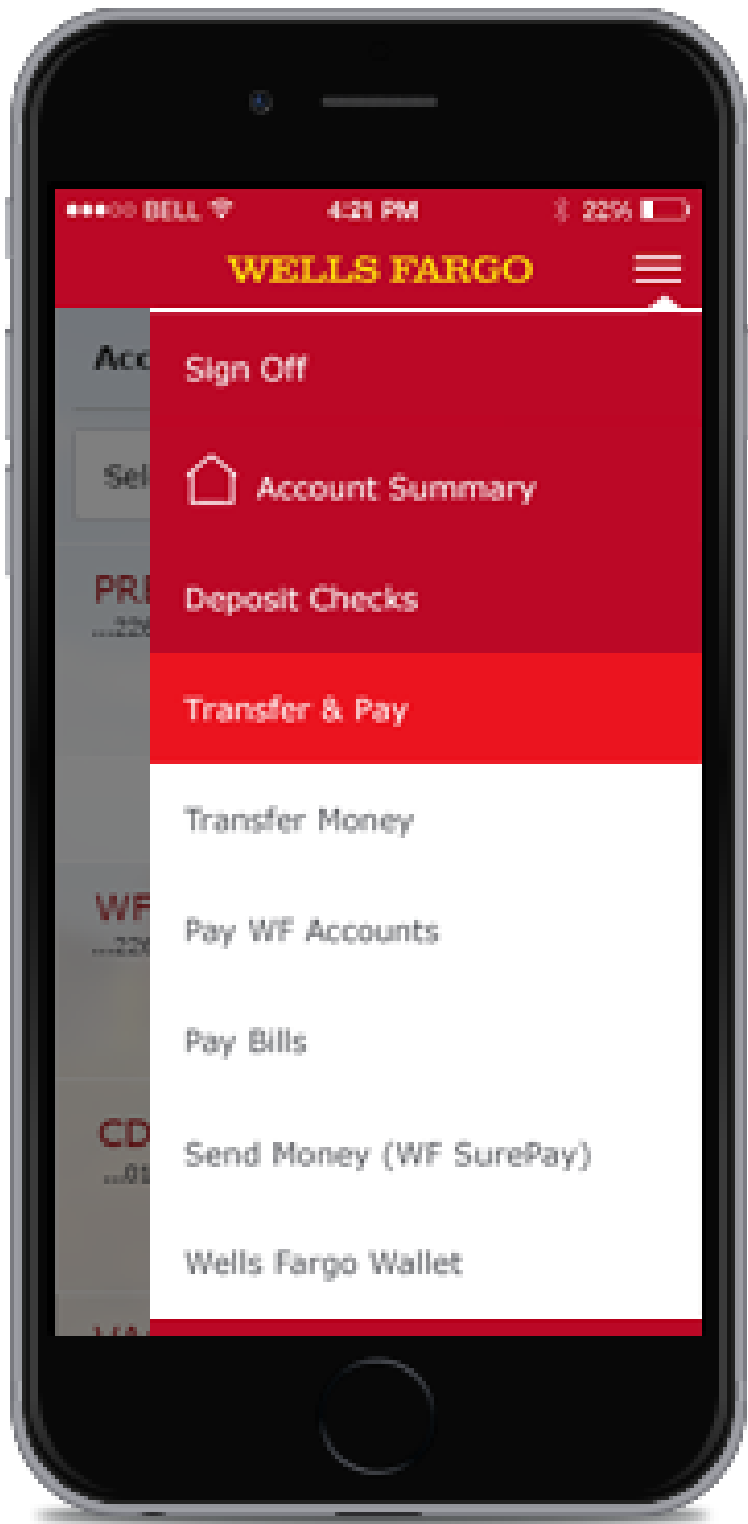
Wells Fargo has already released apology statements, which is the first step in taking responsibility for the issue.

MONETARY COMPENSATIONS

59% of our 18-24 year old respondents believed that monetary compensation to the wronged customers was the #1 way to gain consumer trust back.

INCREASED TRANSPARENCY

Our interviews revealed that consumers believe that Wells Fargo needs more transparency about all aspects of their business practices after the scandal.



MOVING FORWARD

"Invest with us because we invest in you."

Wells Fargo will invest in:

- Increased education and training to ensure employees of all levels are aligned with company goals and values
- Advanced R&D for more sophisticated technology for the online banking system and mobile app to foster innovation

CONTINUE USE OF TRADITIONAL MARKETING CHANNELS (BILLBOARDS AND MAGAZINES) AND SIGNIFICANTLY INCREASE DIGITAL MARKETING ADVERTISING.

Sample Google Adwords Search Ad

Wells Fargo Investing - The Banking
Innovation Leader

Ad www.wellsfargo.com

Invest with us because we invest in you.

CAMPAIGN DURATION: 6 MONTHS

Sample Facebook sponsored
advertisement targeting millennials
specifically through content marketing

Suggested Post



Wells Fargo
Sponsored · 🌐

👍 Like Page

Need a loan, but don't know where to start? Let us help you. Check out our various loan services today!



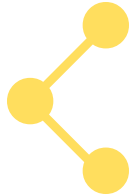
Everything you need to know about applying for a loan

Applying for your first loan can be scary. Let us make it a little easier! Here is everything you need to know.

WELLSFARGO.COM

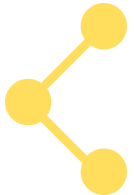
[Learn More](#)

MEASURES OF SUCCESS



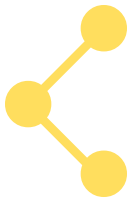
TRACK SOCIAL ANALYTICS

Hootsuite and similar tools allow us to see the growth of engagement on our social media platforms.



CLICK THROUGH RATES ON GOOGLE ADWORDS

Click through rates and ROI will tell us how successful our campaign is monetarily.



ANALYZE GROWTH RATES FOR NEW INQUIRIES AND ACCOUNTS

Sales and new account measures will allow us to see how profits have grown from prior to the campaign to during.

CAMPAIGN SUMMARY

"Invest with us because we invest in you."

Suggested Post

 **Wells Fargo**
Sponsored · 🌐

 Like Page

Need a loan, but don't know where to start? Let us help you. Check out our various loan services today!



Everything you need to know about applying for a loan
Applying for your first loan can be scary. Let us make it a little easier! Here is everything you need to know.

WELLSFARGO.COM [Learn More](#)

Wells Fargo Investing - The Banking
Innovation Leader

Ad www.wellsfargo.com

Invest with us because we invest in you.

Target Market: 18-30 year olds

Strategy: Increase education and training for employees & produce leading innovation for mobile and online banking

How: Both traditional and digital advertising, but focus on targeted digital marketing through social media platforms and AdWords

Duration: 6 months

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