Rebuilding Trust And Engaging Millennials,Key For The Future Of Investment Services

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Although the economic tide seems to be turning, three cultural trends are heavily affecting the financial services investment industry: trust, millennials and choice.

Mintel Comperemedia, a service that provides direct marketing competitive intelligence, found that these three trends are having an impact across all financial services firms.

A lack of trust continues to be a challenge for financial institutions, as only 28% of Mintel respondents say they trust the financial services industry in general and 43% trust their bank to do what is best for their customers.

Since consumers are wary of the motives of these companies, much of the trust that many brands enjoyed over decades has eroded and that will have to be re-earned.

â€œBanks and other financial services companies need to concentrate on rebuilding their images,â€• notes Susan Wolfe, VP of financial services at Mintel Comperemedia. â€œThe key to these efforts will be increased transparency and a two-way dialogue between the company and customerâ€¦itâ€™s about the relationship and a good place to start is with the unsuspecting Millennial generation.â€•

Millennials, those aged 22-35, are growing up in a much different world from that of their predecessors. Investment firms typically ignore this younger group, but they are living through a recession and it will likely change the way they see the financial world.

The recession has created a frugality and a conservative approach to investing among this group that they are likely to carry with them throughout their lives.

Despite Millennials being less worried than older generations, over half are still concerned about having enough money to retire one day. Meanwhile, nearly four in 10 Americans in the Gen X, Baby Boomer and Swing Generation groups say they donâ€™t think they will ever be able to retire.

According to Susan Wolfe, the overwhelming number of choices that consumers have is also an issue for the investment world: â€œToo much choice can lead to anxiety and paralysis, which results in consumers doing nothing as they are afraid to make a bad decision and choose the wrong product. Financial companies need to push investment options in a way that instills trust and simplifies the message.â€•

Source: Mintel Comperemedia

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