

September 2015

Living Ratings of Digital Intelligence

Digital competence in the leading investment banks and M&A advisers*

In late 2008, investment banks faced the worst crisis in their history since the Wall Street Crash. Today, after nearly a decade of change the industry is transformed and its institutions are much stronger as a result. In this issue of Living Ratings we look at how the leading investment banks' and M&A advisers' digital communications have kept pace with this dramatic turnaround.

**#20
or higher**

14 of the sector's top 20 firms rank #20 or higher in our ratings

64%

An average score of 64% in our top 20 is one of the highest we've recorded across legal, professional services and financial services firms

Sector leaders' investment in digital shows the way. The rest play catch-up

A glance at the Living Ratings leaderboard (right) shows a clear correlation between industry ranking and high levels of Digital Intelligence. 14 of the top 20 firms rank #20 or higher in our ratings.

An average score of 64% in our top 20 is one of the highest we've recorded across legal, professional services and financial services firms. However, for the firms ranked below #20 there's a long way to go.

Industry Rank	Rank	Investment Banks	Score
3	1	Morgan Stanley	91%
1	2	Goldman Sachs	87%
4	3	Bank of America Merrill Lynch	84%
2	4	J.P. Morgan	82%
9	5	Deutsche Bank	76%
51	6	SEB	72%
18	7	Guggenheim Partners LLC	71%
7	8	Barclays	68%
28	9	SG Corporate & Investment Banking	66%
22	10	Macquarie Group	64%
10	11	UBS	61%
20	12	Allen & Co Inc	58%
5	13	Citi	57%
15	14	BNP Paribas	56%
17	15	Jefferies LLC	52%
8	16	Credit Suisse	51%
46	17	Mediobanca	50%
6	18	Lazard	47%
45	19	Scotiabank	46%
42	20	Blackstone	41%

*Selected from Dealogic's top Advisers on M&A by deal value, Jan 2014 to Aug 2015. Accountancy firms removed. Ratings undertaken in July and August 2015.

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To talk with our team about any of the facts in this study or organise a meeting to discuss your digital brand content and social media communications strategy please contact David King in London, Melanie Osborne in Hong Kong or Robert Calvanico in New York.

Digital communication a key component of banks' future success

Accenture's recent report, 'Top Ten Challenges for Investment Banks 2015' notes that with banks' average return on equity having dropped from between 15 – 25% pre-2007 to less than 10% today, the sector is no longer the profit generator it once was.

10%

Average return on equity has dropped to less than 10% today

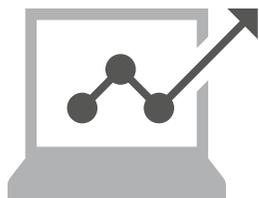
The report identifies specific attributes as crucial for investment banks' future success.

- Readily available talent
- Fit-for-purpose technologies that complement the business model
- Effective communication with both the market and clients



Readily available talent

It's clear that websites and social media can play a key role in achieving this. Firms that fail to invest in fit-for-purpose digital communication face a long and potentially unwinnable game of catch-up.



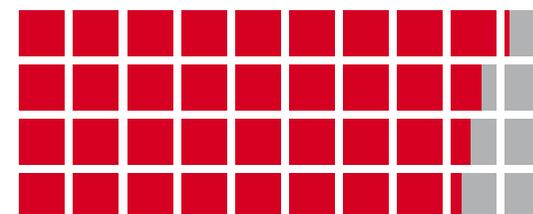
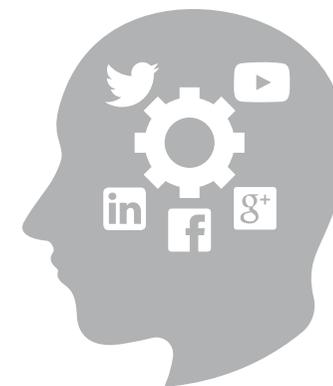
Fit-for-purpose technologies that complement the business model



Effective communication with both the market and clients

Defining digital intelligence

Unsurprisingly perhaps, the top four firms in our study comprise the four leading firms in Dealogic's top investment banks and M&A advisers. As befits their industry status they achieve some of the highest scores we've recorded since we started Living Ratings of Digital Intelligence in 2010. Their digital channels – across web and social media – represent a commanding presence and a complete user experience. They score highly across our extensive rating criteria and define the essence of Digital Intelligence.



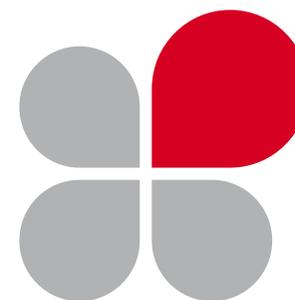
91%: Morgan Stanley

87%: Goldman Sachs

84%: Bank of America Merrill Lynch

82%: J.P. Morgan

Morgan Stanley. A clear first among equals



One of the four firms, Morgan Stanley, goes even further and actually redefines Digital Intelligence. Despite the relatively small difference in the scores there's a significant gulf in what they achieve. Because while Goldman Sachs, Bank of America Merrill Lynch and J.P. Morgan present a level of Digital Intelligence that we'd expect from three industry titans, Morgan Stanley show us the future with a host of surprises; in words, in pictures, in structure and in navigation, in everything they do. To find out more see 'Case studies' on page six.

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The North-South digital divide

There's a clear gulf in performance split between the firms that made our top 20 and those ranked from #21–#50. Many in the lower bracket are failing to differentiate themselves through:

- Client-centric user experience
- Relevant branded content
- Consistent visual branding
- Clear messaging.

There are a couple of notable exceptions though. SEB, ranked 51st in the sector punch well above their weight, coming at #6 in our ratings and Mediobanca, ranked 46th in the sector seal the #7 spot.



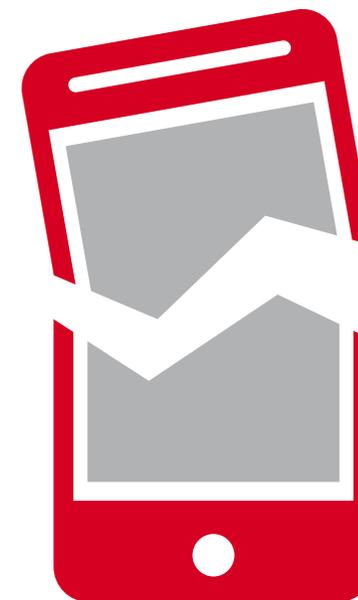
Investment banks rated #1-#20	Investment banks rated #21-#50
70% scored 100% for website functionality	3% scored 100% for website functionality
70% take a client-centric approach to structure and content	53% take an 'About us' approach to structure and content
90% use Twitter	76% no Twitter
60% use Responsive Web Design	90% no Responsive Design
90% have a functioning search	55% had a functioning search
65% feature social media links on their homepage	13% had social media linked on their homepage
90% feature dedicated graduate content	34% had no graduate content
85% use LinkedIn	51% use LinkedIn
40% cross-fertilise their social media and website	0% cross-fertilise their social media and website
70% offer a client app	21% offer a client app
85% passed Google's Mobile-Friendly Test	13% passed Google's Mobile-Friendly Test

42% of investment banks are failing a growing mobile audience

The internet continues to change the way people go about their lives. According to the Office for National Statistics*, in 2015 over three quarters of adults in Great Britain used the internet every day, or almost every day (78%) and a similar proportion (74%) accessed the internet "on the go" (away from home or work). This is a trend that is set to continue in 2016. However, the investment banking sector is failing to respond to this trend.

These firms risk alienating the growing number of people who use their smart phone or hand-held device to browse and research the web.

SOURCE: ONS: Internet access – Households and Individuals 2015



In 2015 over three quarters of adults in Great Britain used the internet every day, or almost every day

Studies in success

On page six we've highlighted three case studies that offer useful insight into how digital content and social media communication can form a key part of any investment banks' corporate communications suite.

Five digital challenges for investment banks

#1: Deliver the client-first promise



In common with many other firms in the financial and professional services sectors, investment banks talk passionately about how clients are their No. 1 priority – “Clients come first” is a familiar mantra. However, the rhetoric is rarely evidenced in website structure and content; ‘About Us’ is the key driver for nearly half the firms we rated. Social media content and messaging focuses mainly on firms’ achievements such as new hires or industry awards.

- Don’t just say you’re client-centric; prove it.

#2: Content is a powerful asset; don’t neglect it



Investment banks are engaged in a battle for the brightest and the best talent, and the biggest and the best clients. If their websites, social media, microsites and blogs are the weapons in their armoury, content is the ammunition.

- Audience-centric, creative, engaging and substantive content is the single thing that can unite and enhance all the different digital channels
- Over 90% of the firms we rated failed to meet these criteria.

Take away the snappy headline and a simple fact remains; for content to be effective it needs to connect with the task at hand and that’s to engage, inform and inspire an intelligent and sophisticated audience.

#3: If you want to attract the brightest and the best, look like you mean it



Firms will say they are looking to attract the brightest and the best people but on some of the evidence available we question if they really mean it. Graduate content is often underwhelming; lip-service at best. Dull, complex application processes and job searches are a disincentive to explore further and reflect badly on a brand. Remember this is a digital savvy generation you are talking to.

- An investment in graduate content really is an investment in the future; take a look at Goldman Sachs’ ‘Make an Impact’ app for example
- Over a third of the firms we rated feature no dedicated graduate content.

#4: Articulate the value you offer



PwC’s 2014 report, ‘How financial services lost its mojo – and how to regain it’, states that the number of customers who trusted their investment bank stood at a dismal 15%. The study points out that this lack of trust affects all financial services sectors, not just banking, reflecting a generalised malaise across the industry. George Stylianides, Financial Services Risk and Regulation leader at PwC, comments; “The lack of trust in the financial services sector partly reflects a failure of providers to articulate the value they are offering, leading to suspicions that their overwhelming priority is to make short-term profits.”

- Websites and social media channels offer new ways for banks to explain the services – and the value – they provide. They can play a key role in encouraging customers to voice their aims, aspirations, expectations, and responding to them in a timely and transparent manner.

SOURCE: PwC Research. Published on 02 October 2014.

#5: Build for the growing mobile audience



A website with responsive web design ability adjusts to fit the actual screen size of the device that people are using to view it. Think of screen content as liquid in a cup or a bottle – the content, the text, titles and the images actually move so that they fit within the size of that specific screen, whether it’s a tablet or an iPhone or a Mac or a PC desktop. Responsive web design delivers some very important business benefits too:

- Multi-device adaptation
- Easy maintenance
- Improved SEO
- Higher customer conversion
- Increases mobile sales leads
- Seamless user experience.

Clearly the arguments in favour of responsive design go way beyond simple aesthetics. So why are so few using it? And of those that are, why are so many failing Google’s Mobile-Friendly Test?

Company selection & Living Ratings criteria

Our company selection was defined by Dealogic's Top 200 Global Investment Banks by M&A deals. Our research and analysis was undertaken in August 2015. Our analysts undertook detailed analysis and ranking of the top 50 firms using 45 rating criteria across the eight categories listed below.

Website functionality



The quality of search functionality and responsive design. In addition, we apply Google's Mobile-Friendly test to measure the capability of a website to deliver an effective mobile experience.

SSL certification



Using Qualys™ SSL Labs to grade SSL certification.

Social media presence



The number of platforms a firm is using for social media, sharing, blogs and client apps.

Web brand content



The client-centricity, presentation and originality of web content and its alignment with a firm's brand.

Social media brand content



The client-centricity, presentation and originality of social media content and its alignment with a firm's brand.

Twitter frequency



The frequency of a firm's Tweets.

Twitter response



The time taken to respond to a tweeted enquiry about graduate trainee opportunities.

Social media PRISM



Measuring precision, reach and influence of social media output.

#1 Living Ratings Case Study

Morgan Stanley

www.morganstanley.com

A total score of



“A site that’s borne out of a desire to disconnect from the perceived wisdom around what people need from a website.”

Living Group

An awesome achievement

The team at Morgan Stanley have created a website that’s redefined the future of the genre in so many ways – and made it look effortless. Such is the level of thinking behind it that it makes phrases such as ‘client-centric’ and ‘user experience’ sound inadequate. It’s a site that’s borne out of a desire to disconnect from the perceived wisdom about what people need from a website. This site is a success because it’s been constructed from first principles. Morgan Stanley’s website values how other people think and shows how they can add value.

Navigation is key to success.

It leads with ‘Ideas’ and ‘People’. ‘Ideas’ is a collection of inspiring stories such as ‘Capital Creates Hope’, and ‘Helping Athletes Keep Financial Futures Bright’. ‘People’ is one example of why the site’s a success. It avoids the obvious trap of showcasing Morgan Stanley’s talent. It’s all about the most important people; us, their audiences. To prove it they put ‘Students & Graduates’ – the future of Morgan Stanley – first.

Twitter

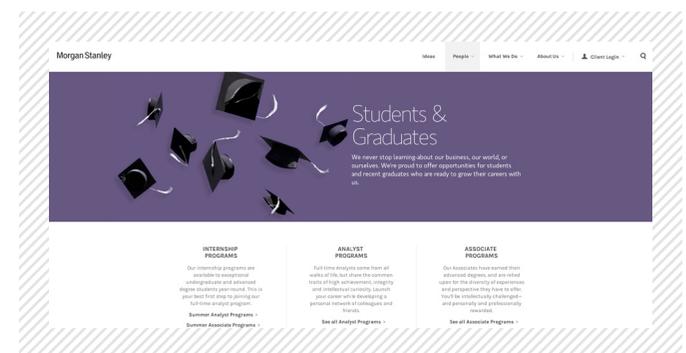
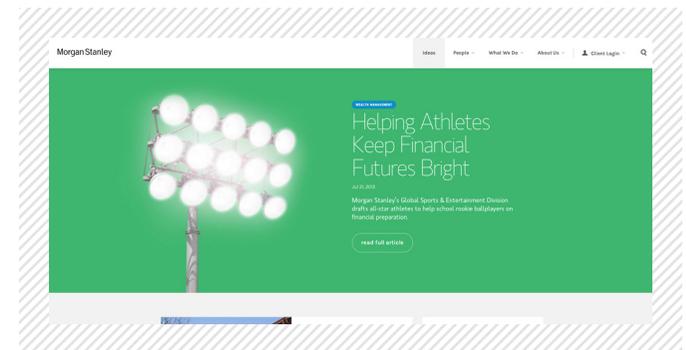
@MorganStanley tweets the latest investment news, analysis and expert opinions and links you to beautifully presented original web content that’s enhanced by smart design, typography and relevant info-graphics. Interested in what’s happening right now in today’s investment markets or ‘How Morgan Stanley helps clients support their favorite causes & take part in more efficient charitable giving?’ Connect with them now.

LinkedIn

“Morgan Stanley Mobilizes Capital” is the promise on their LinkedIn home page. Emphasising their role in helping governments, corporations, institutions and individuals around the world achieve their financial goals their LinkedIn pages cover a range of relevant insights in words and pictures. The channel focuses on every aspect of their business and their brand from ‘Celebrate #WomensEqualityDay’ to ‘Are Equities Providing a ‘Full House Buying Opportunity’. There’s a wealth of material at their disposal yet they present it calmly and coherently. Not an easy thing to do.

YouTube

Leading with stunning video to support their #CapitalCreatesChange series Morgan Stanley’s dedicated YouTube channel offers a rich collection of outstanding video. Whether it’s ‘Working at Morgan Stanley’, ‘Giving Stories’, or Wealth Management Solutions’ Morgan Stanley have it covered in class.



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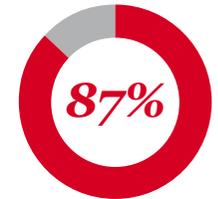
 **Website:**
www.living-group.com

#2 Living Ratings Case Study

Goldman Sachs

www.goldmansachs.com

A total score of



“A benchmark for all that’s outstanding in a corporate website.”

Living Group

www.goldmansachs.com: The go-to URL

For some years now this has been the go-to URL when citing a benchmark for all that’s outstanding in a corporate website. Its influence stretches far and wide in the world of corporate communications and although it’s often imitated it’s rarely been bettered. The way it helps users navigate via mega-dropdown menus, and combines imagery, digital real estate, typography and storytelling is simply beautiful.

High quality, proprietary insight

Its creators clearly understand the value of promoting the firm’s high quality, proprietary insight above all else. The home page is a great example of how a firm can present the breadth and depth of its thinking to all its audiences –big business, small business, graduates – in a single page, without appearing to prioritise one over another. Interestingly for the leaders in our study they’re a rare example of a firm that prefers a mobile site over a single, responsive website. A small, but telling weakness is its preference for the ‘About Us’, ‘What we do’, ‘Our thinking’ structure in its navigation. But this is a site that does so much so well.

Graduate app

Goldman’s ‘Make An Impact’ app is designed to help graduates through the recruitment process – from the early stages of researching the firm to preparing for their first interview. It’s “Your tool for the job search process.” It’s the most creative app in the sector; a brilliant investment in the future:

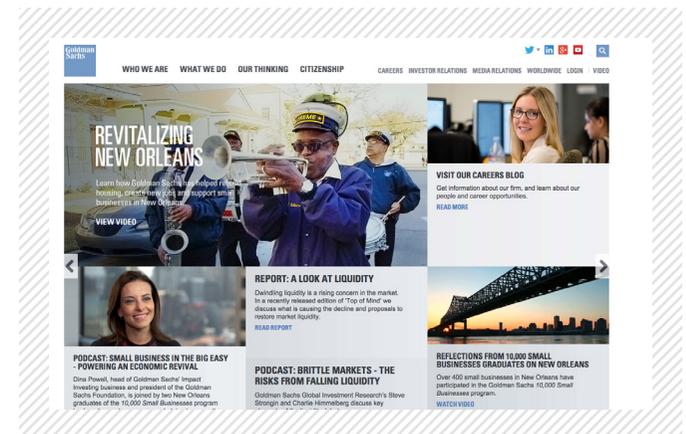
- Learn about the people and the positions and divisions Goldmans hire for
- Access tips to help prepare for a job search and improve resumes or cvs and interview skills
- Read tweets and Careers blog posts and access their LinkedIn page
- Measure and track progress “to see how prepared you are to make an impact”

Google+

With 200k+ followers, it’s primarily aimed at a graduate audience. Stand out features include ‘How to make the most of a summer internship’ and ‘be a stand out intern’. At a time when Google are reconsidering the future of + Goldmans understand how to use it well.

Twitter

One of several Twitter accounts including @GSCareers, @GS10KWomen and @GS10KSmallBiz, @GoldmanSachs is the primary company Twitter account. It features a simple but stunning graphic header image and offers snapshots of, and links to, the latest in global and local economic progress, firm news, and thought leadership content on their website. By the way are we alone in noting the vulgarity of the \$GS ‘cashtag’?



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#3 Living Ratings Case Study

Bank of America Merrill Lynch

www.boaml.com

A total score of **84%**

“Where simplicity and intelligence drive the user experience.”

Living Group

www.boaml.com: The epitome of modern web design

Bank of America Merrill Lynch’s website epitomises modern website design; it’s responsive, simple and streamlined. Its dynamic structure allows the user to browse a wide range of branded content with ease. This is a rarity in the sector.

A new approach to navigation

The standout feature is the absence of traditional navigation. Everything stems from the search function. Responding to user interest is at the heart of the experience. It does this with the help of some impressive functionality. The ‘saved content’ and recent history functions allow articles to be bookmarked for later viewing. In-page share buttons allow users to circulate content to social media and email with the click of a button – extending the lifespan and circulation of some great content.

Twitter

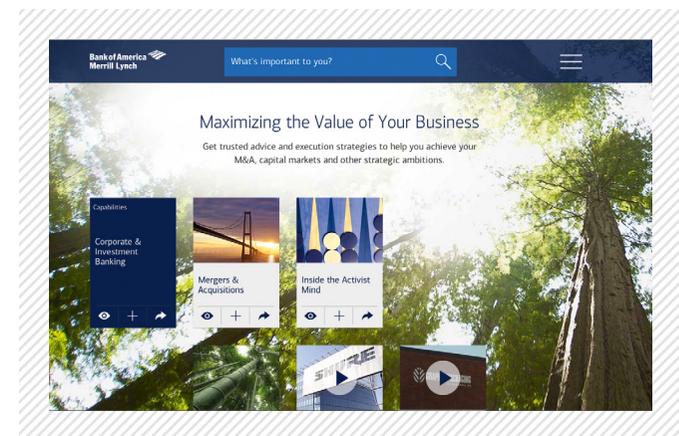
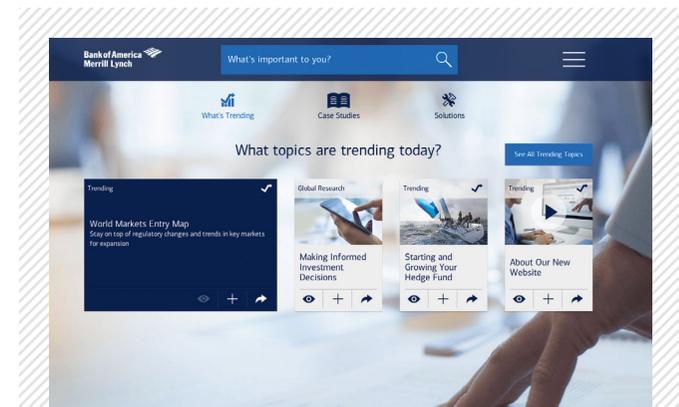
@BofAML regularly tweets to its 94,000 followers who benefit from a regular stream of highly graphic, intellectual content. Tweets feature a healthy mix of industry insight, thought pieces and topical video content, as well as broadcast announcements and business updates. It’s a notably balanced use of the channel where tweets never feel repetitive or gratuitous.

YouTube

Bank of America Merrill Lynch use their dedicated YouTube channel to stream a variety of intelligent insight on the latest industry issues. “The Hunt for Yield”, “Solutions for Growth and Expansion” and “Global Business Strategies” are playlists that feature in its library of over 85 slickly produced videos. Want to know the economic impact of millennials? Or the benefits of business centralisation? Then head over to BoAML’s YouTube channel now.

LinkedIn

A glance at recent updates gives a great overview of what represents ‘engaging content’. Bank of America Merrill Lynch’s LinkedIn updates feature thematic articles, comprehensive reports and summary reads; perfect for mobile and smartphone viewing. Updates are not only topical and relevant but each one is enhanced with considered information graphics using photography or illustrations. There’s room for improvement though; the same corporate introduction is seen across all their social media channels and is a missed opportunity for some impactful and channel specific messaging.



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Living Ratings of Digital Intelligence

Top 20: Digital Intelligence

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51	6	SEB	72%
18	7	Guggenheim Partners LLC	71%
7	8	Barclays	68%
28	9	SG Corporate & Investment Banking	66%
22	10	Macquarie Group	64%
10	11	UBS	61%
20	12	Allen & Co Inc	58%
5	13	Citi	57%
15	14	BNP Paribas	56%
17	15	Jefferies LLC	52%
8	16	Credit Suisse	51%
46	17	Mediobanca	50%
6	18	Lazard	47%
45	19	Scotiabank	46%
42	20	Blackstone	41%

Top 20: Web brand content

Industry Rank	Rank	Investment Banks	Score
4	1	Bank of America Merrill Lynch	100
3	2	Morgan Stanley	90
5	3=	Citi	80
9	3=	Deutsche Bank	80
1	3=	Goldman Sachs	80
2	3=	J.P. Morgan	80
19	3=	RBC Capital Markets	80
10	3=	UBS	80
42	9=	Blackstone	70
15	9=	BNP Paribas	70
8	9=	Credit Suisse	70
18	9=	Guggenheim Partners LLC	70
17	9=	Jefferies LLC	70
22	9=	Macquarie Group	70
23	9=	Nomura	70
45	9=	Scotiabank	70
49	9=	Stifel	70
7	18=	Barclays	60
26	18=	Credit Agricole CIB	60
28	18=	SG Corporate & Investment Banking	60

Top 20: Social media presence

Industry Rank	Rank	Investment Banks	Score
15	1=	BNP Paribas	91%
8	1=	Credit Suisse	91%
9	3=	Deutsche Bank	73%
1	3=	Goldman Sachs	73%
2	3=	J.P. Morgan	73%
3	3=	Morgan Stanley	73%
10	3=	UBS	73%
5	8=	Citi	64%
18	8=	Guggenheim Partners LLC	64%
45	8=	Scotiabank	64%
23	11=	Nomura	54%
51	11=	SEB	54%
28	11=	SG Corporate & Investment Banking	54%
49	11=	Stifel	54%
4	15=	Bank of America Merrill Lynch	45%
42	15=	Blackstone	45%
26	15=	Credit Agricole CIB	45%
56	15=	Investec Bank	45%
17	15=	Jefferies LLC	45%
19	15=	RBC Capital Markets	45%

Top 20: Social media brand content

Industry Rank	Rank	Investment Banks	Score
4	1	Bank of America Merrill Lynch	100%
1	2=	Goldman Sachs	90%
2	2=	J.P. Morgan	90%
3	2=	Morgan Stanley	90%
51	5=	SEB	80%
10	5=	UBS	80%
9	7	Deutsche Bank	70%
22	8	Macquarie Group	70%
7	9=	Barclays	60%
42	9=	Blackstone	60%
40	9=	BMO Capital Markets	60%
18	9=	Guggenheim Partners LLC	60%
17	9=	Jefferies LLC	60%
15	14=	BNP Paribas	50%
5	14=	Citi	50%
56	14=	Investec Bank	50%
45	14=	Scotiabank	50%
46	18=	Mediobanca	40%
28	18=	SG Corporate & Investment Banking	40%
49	18=	Stifel	40%

Top 20: Social frequency

Industry Rank	Rank	Investment Banks	Score
4	1=	Bank of America Merrill Lynch	5
5	1=	Citi	5
9	1=	Deutsche Bank	5
1	1=	Goldman Sachs	5
2	1=	J.P. Morgan	5
3	1=	Morgan Stanley	5
19	1=	RBC Capital Markets	5
10	1=	UBS	5
42	9=	Blackstone	2
8	9=	Credit Suisse	2
18	9=	Guggenheim Partners LLC	2
22	9=	Macquarie Group	2
23	9=	Nomura	2
45	9=	Scotiabank	2
49	9=	Stifel	2
7	16=	Barclays	1
15	16=	BNP Paribas	1
26	16=	Credit Agricole CIB	1
17	16=	Jefferies LLC	1
28	16=	SG Corporate & Investment Banking	1

Top 20: Social media PRISM

Industry Rank	Rank	Investment Banks	Score
1	1	Goldman Sachs	83%
8	2	Credit Suisse	80%
5	3=	Citi	79%
9	3=	Deutsche Bank	79%
3	5	Morgan Stanley	78%
10	6	UBS	74%
19	7	RBC Capital Markets	71%
2	8=	J.P. Morgan	69%
45	8=	Scotiabank	69%
15	10	BNP Paribas	67%
7	11	Barclays	62%
4	12=	Bank of America Merrill Lynch	61%
42	12=	Blackstone	61%
18	14	Guggenheim Partners LLC	55%
49	15	Stifel	49%
23	16	Nomura	47%
22	17=	Macquarie Group	45%
44	17=	BTG Pactual	45%
40	19	BMO Capital Markets	44%
17	20	Jefferies LLC	43%

About Living Ratings

Living Ratings delivers evidence-based insight that enhances our understanding of our specialist sectors.

Living Group specialises in integrated branding and communications

We help clients in the financial, professional services, property and technology sectors to enhance their corporate brands, communications and reputations.

Our team integrates industry expertise and insight with award-winning creativity, cutting-edge technology and outstanding client service. The outcome is brand, design, digital and marketing communications that are engaging, relevant and get results.

Connect with us about planning or enhancing your digital communication

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