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Digital Marketing Trends in the Financial Industry

A Profiles Whitepaper



This whitepaper is an analysis and forecast of Digital Marketing Trends within the Financial Industry.

Highlights Include:

- *Growing popularity of mobile and online banking*
- *The increasing use of social media for customer service initiatives*
- *Changing communication channels and marketing tactics*
- *Profiles' success in the financial industry*

Digital Marketing Trends within the Financial Industry

The numbers don't lie - mobile banking is a growing trend that threatens to overshadow its brick-and-mortar counterparts in the near future. The penetration of smartphone and tablet use by the average American is pushing forward the adoption of mobile finance management.

Growing Popularity of Mobile and Online Banking

New research from Aite Group, which provides actionable, strategic advice on IT, business and regulatory issues in the financial services industry, has forecast that the number of Americans using a mobile device to access their bank account will increase from 33 million in 2012 to 96 million by 2016 - an annual growth rate of 30 percent. More consumers than ever are turning toward their mobile devices to handle their finances. In fact, even older generations are getting on the online banking bandwagon, and for the first time ever the older-than-55 set prefer to do their banking online compared to any other method, according to the American Banking Association (ABA). In 2011, 57 percent of those 55 and older selected online banking, compared to 20 percent in 2010 as their preference.

"These survey results hammer home the point that retail banking has changed for good," said Nessa Feddis, ABA senior counsel and retail banking expert. "They tell us for the first time that customers of all age groups prefer the speed and convenience of conducting their banking transactions on the Internet to visiting their local branch or ATM. They also tell us that customers trust the accuracy and security of online banking."

As a result of the growing number of consumers turning toward mobile and online banking services, financial organizations are altering the way they do business and communicate to customers. Brick-and-mortar locations are closing, and the overall number of smartphone users forgoing traditional in-person banking for online, mobile or social solutions is increasing.

American Banker reports that the number of smartphone users in the U.S. is expected to increase from 105 million in 2012 to 174

million in 2016. The number of tablets on the market is expected to increase at an even greater rate, which is putting pressure on many financial institutions that haven't yet developed tablet-ready applications.

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Mobile bill payers are forecast to rise to 17 million by 2013 and 37 million by 2016, and remote deposit capture will increase from 3 million in 2012 to 7 million in 2013 and 16 million in 2016, according to American Banker. The use of personal financial management (PFM) software is no longer going to be a desktop or laptop connective solution - it is gaining ground in the mobile sphere as well.



Increasing use of Social Media for Customer Service Initiatives

The popularity of mobile banking and the prevalence of social media are fusing together. The readily available communication venues created in the social sphere allow for more business-to-consumer discussions. As a result, banks and other financial services are beginning to take advantage of social tools.

Approximately 90 percent of financial service organizations are expected to dedicate funds toward social media initiatives, according to Accenture. Banks are better able to meet customers' demands with the increasing diverse array of communication choices.

Over 42 percent of American adults are on social networking sites and are interested in engaging with their financial institution of choice in those spaces. Social media provides banks the opportunity to regain a more vital and personable presence in their customers' lives. By aligning social media with key business goals and customer service initiatives, a bank can improve its relationship with the average American for an increasing consumer base.

Banks focused on reaching consumers via social media avenues can take a wide range of approaches. Social media networks provide an ideal platform for customer service chat and help options, as well as a forum for making requests issuing complaints and expressing any concerns. A bank's trained staff can then answer a customer's question or provide a potential solution for the given situation.

Social media networks like Facebook and Twitter allow a bank to better distribute educational information about personal finance options and release financial news that may impact customers. By linking back to a company's blog from its social accounts, the company is driving traffic to key lead generation venues. What started as a curious customer clicking on a link about ATM safety could result in a new checking account being opened.

About 40 percent of financial service organizations are expected to dedicate 2 percent of their overall marketing budget toward social media endeavors and strategies. According to Accenture, more than 70 percent of banking firms have sectioned off a portion of their budget toward social media initiatives and by the end of 2012 this was expected to reach 90 percent.

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Marketing professionals have the opportunity to impact real change in the evolving industry of consumer banking. As the platforms and points of contact between businesses and customers continue to change, marketers will spearhead the development of creative strategies into a new age.



Changing Communication Channels and Marketing Tactics

As we've discussed, it's apparent that the financial industry is undergoing drastic changes. Mobile banking and the increasing presence of social media customer initiatives are driving a transition within the sector. As a result, traditional marketing strategies are hardly the right venue for attracting new customers and retaining old ones.

On Wall Street and at your neighborhood bank, public relations and marketing staffs are responsible for representing financial services companies to customers, clients, investors and the general public. Marketers aim to promote a company's reputation by branding the organization, products and services. The influence is so crucial that financial firms spend considerable amounts of money to promote their brands – even going so far as to sponsor big-name events and sports tournaments and put their name on stadiums and arenas.

Investment and consumer banks often employ their own in-house marketing and PR staffs. These communications professionals typically have years of marketing experience in the financial industry. Experience, when combined with creative strategies, has helped develop the future of marketing in the sector.

Marketing Customer Information File (MCIF)

Marketers at financial firms were early adopters of the Marketing Customer Information File (MCIF). The tool acts as a database for all of a company's members and their accounts. Unlike other key data aggregators, it doesn't focus on the legal requirements of managing account transactions or lifting numbers. Instead, it acts as a silo of information and allows a market to gain actionable insight into the needs and desires of customers.

Due to the increasing digitization of how the average person conducts his or her life, banks and other financial institutions are able to accrue an immense amount of data. Analyzing all of this information has become the key to turning scattered pieces of information into solid trend maps.



New Customer Service Channels

New customer service channels have become one of the most significant marketing trends in the industry. The immersion of online chat applications has allowed financial experts to provide guidance and address questions that people may have. The Financial Brand reports that with online chat functions, what was once a one-sided conversation has now become a two-way conversation. This evolution allows customer service representatives to improve the interactive sales and service experience.

The conversation between customers and financial institutions have evolved so much that the State Bank of India allows individuals to text "unhappy" to a designated number and the company will respond to the complaint within 48 hours, according to The Financial Brand.



Consumer Engagement

Beyond the new technology offerings and customer service initiatives, financial institutions are learning that they can capture the interest of customers by creating engaging promotions. The national brand Wells Fargo had 10,000 people participate in an online charity promotion called Someday Stories. The campaign had people submit a 250 word story about how they would use \$100,000 to fulfill an individual's dream. People were even able to vote on the finalists' stories to select the winner.

Micro sites connecting promotions such as Someday Stories have become a key way for organizations to easily drive traffic to individual campaigns or interactive portals. By strategically linking the main corporate page to the promotion, customers are immediately directed to the correct site and do not have to hunt for the information, a donations page or an interactive game.

User-Generated Content

Another key trend in financial marketing is the emergence of user generated content. The term refers to material, print, photos or video that is produced by people other than those who work for or are contracted by the brand. User generated content has become tremendously popular in short-term social media campaigns. Marketers at financial organizations are hoping to make these opportunities one of the key tactics used to drive interest toward social media pages.

So far, banks have hosted blogger competitions, photo contests and make-your-own TV contests. The strategies have had mixed results, largely due to a brand's general reputation and how the campaign was implemented. As more marketers become more experienced with the strategy, the success rate should rise.



Mobile Marketing

Last, but certainly not least, in the upcoming marketing trends hitting the financial industry is the increased use of mobile marketing. We've already discussed the astronomical rise in the segment of the population who are using their mobile devices to manage their finances. The increased percentage of marketing funds and resources dedicated to mobile marketing strategies should not be a surprise then. Simple ads pushing savings or investment options, educational articles and links to reminder applications are all falling under the realm of marketing possibilities in the financial industry.

2013 is expected to bring considerable change to the banking and finance sector – resulting in key changes for marketers looking to advance their brand in new ways.



Profiles' Success in the Financial Industry

Overview

- **27%** of active client contacts in the Banking, Insurance and Financial Services industry
- **25 years** of combined experience, including partnerships with:
 - An international, Fortune 200 financial services corporation headquartered in Richmond, VA
 - An multi-billion dollar financial services holding company, headquartered in Baltimore, MD
 - One of the world's largest financial institutions, headquartered in Washington, DC
- **Services Include:** consulting from established thought leaders, optimized job titles & descriptions, market research of supply and demand and salary, a diverse method of sourcing candidates.

Sample of Digital Job Titles Placed with Financial Clients

- Affiliate Marketing Specialist
- Analyst, Customer Experience
- Art Director
- Business Analyst, Mobile Projects
- Change Management
- Communications Manager
- Communications Project Coordinator
- Copywriter
- Creative Director
- Desktop Publisher
- Digital Marketing Coordinator
- Email Project Manager
- Email Technical Editor
- Front-End Developer (HTML)
- HTML Production Specialist
- Instructional Design/ Developer
- Interaction Designer (IA)
- Interactive Marketing Project Manger
- Market Research Analyst
- Marketing Account Specialist
- Marketing Coordinator
- Marketing Project Manager
- Media Buyer
- Mobile Business Analyst
- Photography Coordinator
- Print and Web Designer
- Process Engineer
- Production Specialist
- Proofreader
- Senior Marketing Analyst
- Senior Proposal Writer
- Strategic Marketing Manager
- Technical Communications Writer
- Traffic Coordinator
- Training Facilitator
- User Experience Designer
- Visual Designer
- Web Content Administrator
- Web Content Manager
- Web Designer
- Web Producer
- Web/IT Project Manager

Client Testimonials in the Financial Industry

“Digital is the foremost development in financial marketing and will be for years to come. The companies that win the digital experience will win the most customers. What is emerging are two major marketing channels: broadcast and digital. Even those two are beginning to be combined into some kind of integrated digital experience. The financial industry, like most industries, must win the future on the digital battleground. Profiles brought to us two excellent contractor candidates on the E-mail Team who look to be very strong hires. I could not recommend Janna, Betsy and the Profiles company more highly.”

Senior Associate Copywriter, Brand Marketing

for an international, Fortune 200 Financial Services Corporation headquartered in Richmond, VA