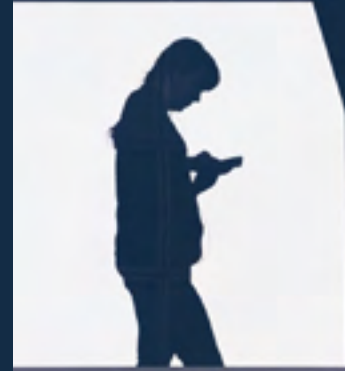


2020 | TOTAL EXPERT

State of the Financial Marketer

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Introduction

WHAT MATTERS TO TODAY'S CONSUMERS IS CUSTOMER EXPERIENCE

Financial institutions can no longer expect to win customers or members through the sheer power of their brand or broadscale name recognition.

This is not exactly news to banks and credit unions: in 2018, an Accenture survey found that **74 percent of banks** ranked customer experience as their number-one priority – ahead of sales origination, regulatory compliance, and operational cost reduction. That's an encouraging number. It shows that financial institution leaders understand that today's financial services consumers no longer compare their bank and credit union experience to experiences at other banks and credit unions – they compare it to every other experience they have.

In other words, consumers are comparing financial services experiences to experiences with Amazon, Netflix, Apple, and Uber. They're comparing customer service, convenience, and humanization.

So how are banks and credit unions stacking up? To answer that question, we surveyed nearly 200 leaders from banks and credit unions. We asked about their use of personalized marketing, as well as their implementation of data and technology, and how that enables personalized marketing at scale in the digital age.

The results of the survey illustrate that many banks and credit unions are missing key opportunities to use the data they have to cultivate the kinds of human experiences that will inspire people to become customers or members for life. In this report, we'll look at our findings and offer concrete recommendations for how banks and credit unions can improve their current practices for better customer and member outcomes.

Study Demographics: Who We Surveyed

Of the leaders we surveyed, **53 percent** work at banks and **47 percent** at credit unions (see Figure 1). Those organizations had assets ranging from less than \$500 million (20 percent) to \$1 billion-plus (39 percent) (see Figure 2).

While 65 percent of respondents identified themselves as marketing leaders, we also received responses from people in sales and business development, IT and operations, administration, loan origination, compliance, and elsewhere in these organizations (see Figure 3).

While we saw some variation in responses between banks and credit unions, what stood out to us were the things these organizations had in common:

FIG 1: INSTITUTION TYPE

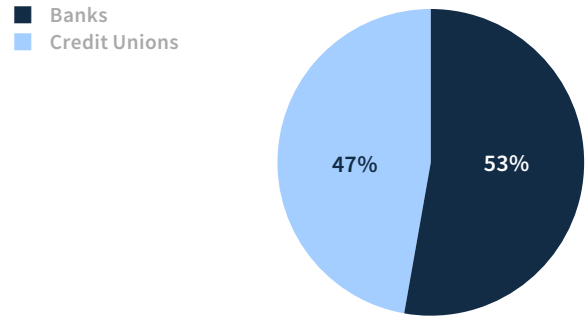


FIG 2: ASSETS OF SURVEYED ENTITIES

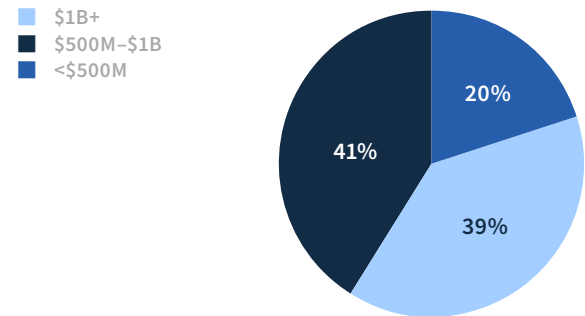
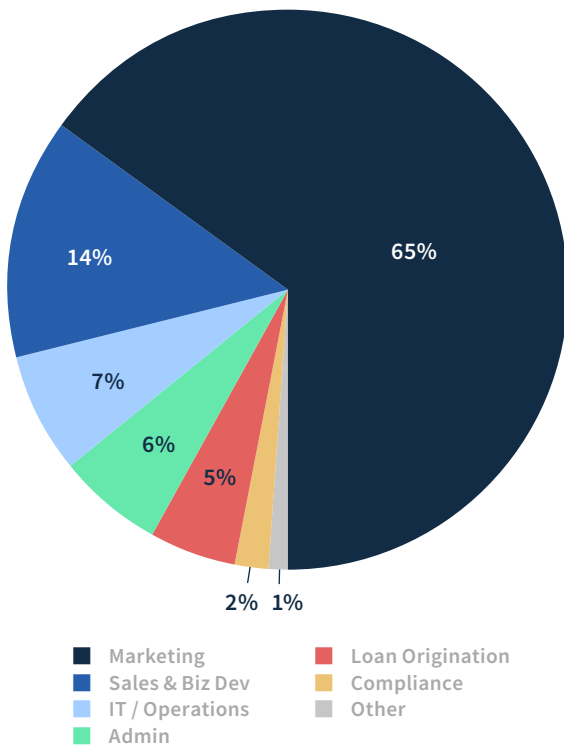



FIG 3: RESPONDENTS BY DEPARTMENT



- **27 percent** offer minimal personalization in their marketing – or none at all.
- **65 percent** don’t use their organization’s data as often as they should – and 19 percent don’t use any data-driven insights. What’s more, only nine percent of organizations report having centralized data, meaning data that’s stored in a single place for anyone who wants to use it to make business decisions.
- **Fewer than half** of organizations use customer journeys to organize their marketing efforts.
- Banks and credit unions struggle to encourage customers and members to **download and use their mobile apps**.

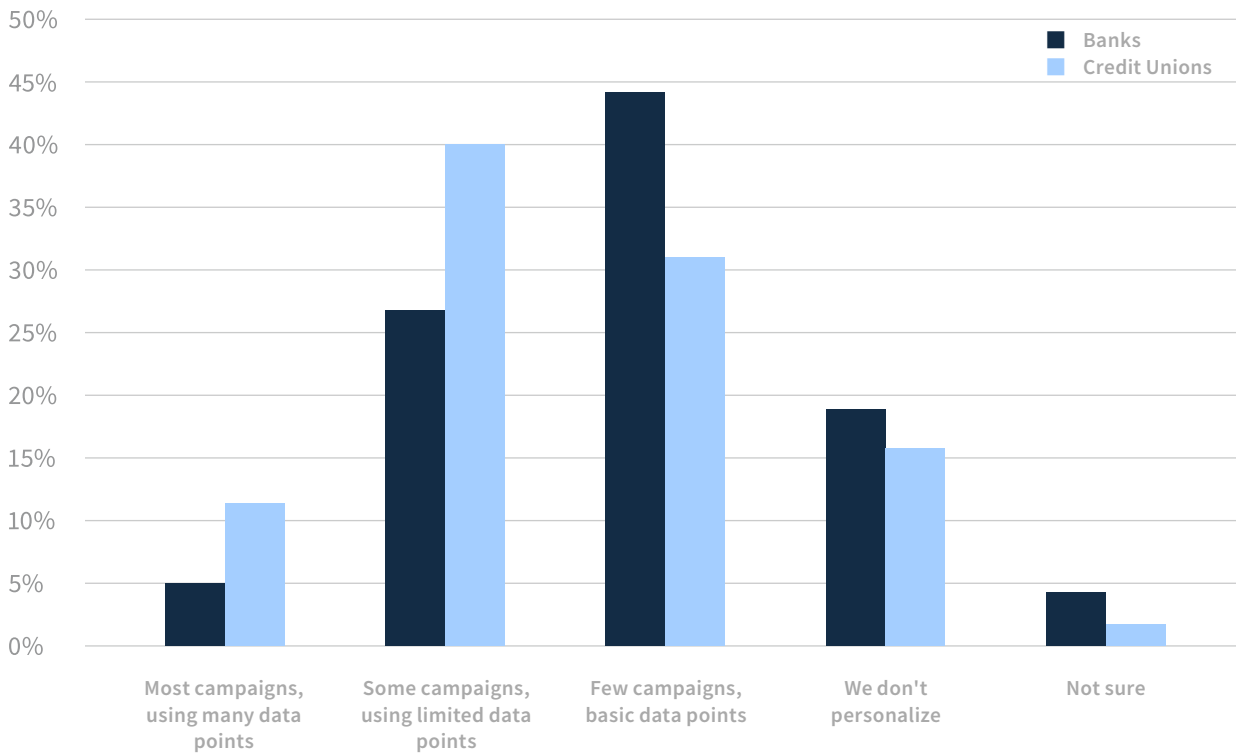
Read on for insight into what these findings mean and for strategies to improve customer experience by leveraging data to create automated, personalized interactions at scale.



Limited Use of Personalization

When you log in to Amazon, you're greeted with a suggestion to pick up where you left off watching your current Prime Video binge, suggested products based on your recent behavior, and current discounts likely to appeal to you. This is the level of personalization is known as humanization and today's banking customers and credit union members crave it.

FIG 4: PERSONALIZATION OF MARKETING CAMPAIGNS BY ORGANIZATION TYPE




However, **27 percent of survey respondents** admitted their organizations do not personalize any of their marketing messages (see Figure 4). And while **65 percent** said they did use some personalization, the vast majority of that group limited its personalization to including first names on marketing materials.

That's a far cry from what today's leading brands offer.

On the one hand, it's encouraging that most financial brands are using at least some personalization. On the other, the fact that 27 percent are using none at all is alarming. In today's climate, failing to use any personalization will cause an organization to lose customers. Consider this example: a colleague of ours recently received an email from a major bank suggesting she open a savings account. The problem is, she'd already had a savings account with this bank for 12 years.

Naturally, she was annoyed – and other consumers likely would be too, in a similar situation. After all, today's consumers know that Gmail can auto-fill their sentences. They know that Facebook can put together a video of images to celebrate a “friend-iversary.” They know the technology exists to create deeply personal experiences, so when they have an insultingly generic experience, it becomes a trust issue, and they may just decide to take their business elsewhere.

This isn't purely hypothetical: a recent study of customer behavior found that **57 percent of today's consumers** have stopped doing business with a company because a competitor offered a better experience.



AS YOU CREATE THESE PERSONAS, REMEMBER THAT THE GOAL IS TO ACHIEVE A MORE **HUMANIZED WAY** OF DELIVERING YOUR SERVICES.

57%

of today's consumers have stopped doing business with a company because a competitor offered a better experience.



When creating personas, look beyond obvious and generic types: age, gender, marital status, etc.

So how can today's banks and credit unions recapture some of the personal, relationship-fueled financial management our grandparents got from their banks and credit unions? One way is to start by creating personas to segment, target, and deepen your understanding of customers and members. The good news is that 40 percent of banks and credit unions are already doing this, according to our survey (credit unions are doing slightly better than banks: 43 percent use personas, compared to 35 percent of banks).

As you create these personas, remember that the goal is to achieve a more humanized way of delivering your services – something that approaches the trust-based service delivery of yesteryear. When creating personas, look beyond obvious and generic types: age, gender, marital status, etc. Instead, consider the many data points you have on your customers and members to create personas that reflect the complexity and diversity of the real people with whom you do business. This brings us to our second significant finding.

Data Is Collected – But It's Scattered

Although many respondents indicated they have a CRM and / or marketing automation tools (i.e., the tech necessary to collect the kind of user data that would power large-scale humanization), most still consider their data to be siloed in various systems (see Figures 5, 6, and 7). This makes it extremely difficult to view holistically and use it to glean critical insights about customers and members.





FIG 5: USE OF CRM

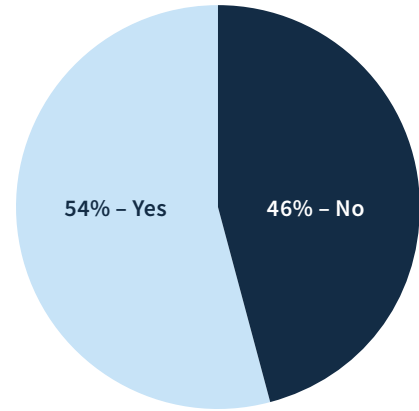


FIG 6: MARKETING AUTOMATION PLATFORM

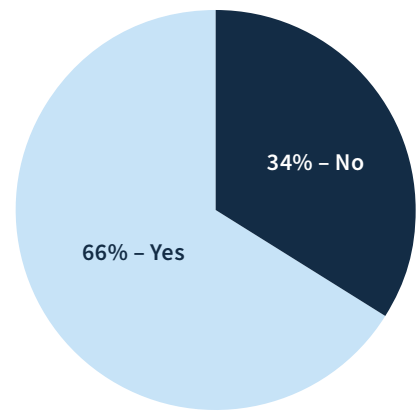
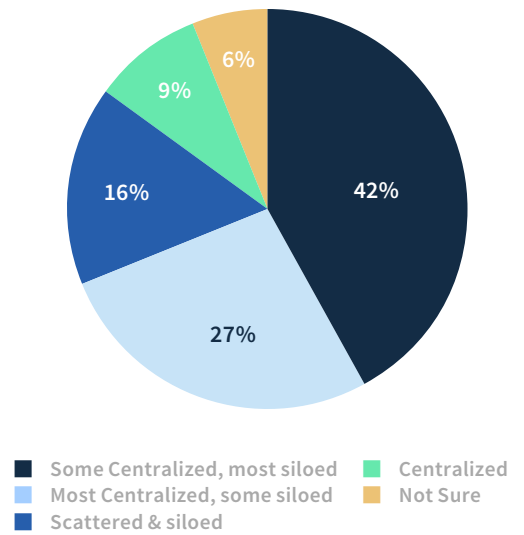


FIG 7: APPROACH TO DATA STORAGE



Currently, only **9 percent of banks** and credit unions store data in a centralized location. This is a clear opportunity for improvement, but it's also one of the most difficult areas to improve, in part because centralizing data requires updating infrastructure across an organization. Data centralization may also require adopting new software that makes it easier to capture and store customer data in a streamlined, efficient way.

Still, moving toward centralization should be a priority for any financial organization that wants to achieve humanized marketing at scale. Done right, data centralization can transform an organization's customer experience by empowering every relationship manager to be as good as the best of the best in the days of handshake banking. Back in those days, a relationship manager might have been neighbors with their customers or members. They might have attended the same church or been in the same bowling league. They would have ways of knowing what was going on in the person's larger life and would have been able to support them with appropriate products and services – before the customer or member even had to ask.

Today's world has changed. Communities are larger and more dispersed. But the technology we have access to makes it possible to offer service that's just as personal. For example, imagine that you can see from your centralized data system that a customer or member has made several debit card transactions at the auto body shop in the last six months. That's a signal that they may be on the market for an auto loan soon.

With a system primed to recognize this pattern, you might be prompted to send an email about your current auto loan rates. Reaching out proactively means that customer or member is likely to get their auto loan from you rather than Googling "auto loan rates" and clicking on the first link they see.

And that is exactly how today's consumers behave when looking for financial products: **43 percent of homebuyers**, for example, find their lenders via online search – compared with just **25 percent who rely on existing relationships**.

Today, though, only **19 percent of banks and credit unions** regularly use institutional data to educate and cross-sell customers and members about potential products and services they might need. While another 65 percent do this occasionally, they admitted to not offering data-driven cross-sell and upsell services as often as they would like to.

Making this simple change will be one of the most powerful ways to improve customer experience.



9% of banks and credit unions store data in a centralized location.



43% of homebuyers, for example, find their lenders via online search.



19% of banks and credit unions regularly use institutional data to educate and cross-sell customers and members.



**BRAND CONSISTENCY ACROSS
EMAIL, SOCIAL, MAIL, AND
OTHER CHANNELS IS PART
OF CULTIVATING TRUST IN
YOUR BRAND**

Lack of Focus on Customer Experience

According to the results of the survey, three-quarters of banks consider customer experience a priority, but far fewer are using the data they have to cultivate highly personalized experiences.

But the news isn't all bad: **70 percent** noted that they occasionally use data-driven insights to improve the customer experience – just not as often as they'd like to. So, while execution may be lacking, financial brands are moving in the right direction. And some smaller indicators are also encouraging.

For example, **75 percent of credit unions and 54 percent of banks** (64 percent overall) said their customers or members experience and interact with a consistent brand across all marketing touchpoints.

That's hugely important: today, **two-thirds of consumers** use multiple channels to make a single transaction. Brand consistency across email, social, mail, and other channels is part of cultivating trust in your brand, which is key to a positive customer experience.

On the other hand, **61 percent of organizations** said they don't use text messages to communicate with customers or members. This could be problematic: an Ellie Mae survey of homebuyers found that [about half of those seeking a loan](#) chose to communicate with lenders via text.

The key to providing a top-tier customer experience is to figure out how to deliver the right message to the right person at the right time – and through the right medium. Getting all these things right is easier when an organization uses customer journeys to strategize key messaging, but only **40 percent of organizations** are currently using a customer journey framework.

Note that customer journeys are distinct from customer touchpoints – and more effective. [Research from McKinsey](#) found that focusing on journeys rather than isolated touchpoints leads to better business outcomes in both consumer satisfaction and in the likelihood that a consumer will recommend the brand to a friend. This isn't surprising: journeys are effective because they help banks and credit unions communicate with customers and members based on what they need, rather than on what the financial organization is hoping to sell.

That brings us to a final observation: the use of online and mobile resources.



**CUSTOMER JOURNEYS ARE
DISTINCT FROM CUSTOMER
TOUCHPOINTS – AND MORE
EFFECTIVE.**

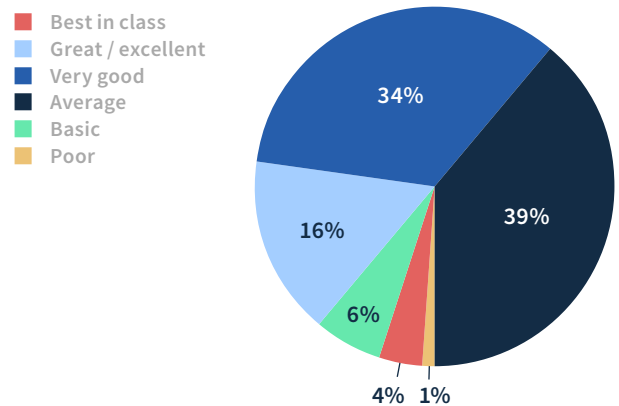
High Online Adoption, Low App Engagement

Few innovations have improved the convenience of personal financial management like online banking, and it's shows.

78 percent of banks and credit unions report that at least half of their customers or members regularly engage with online banking – and 39 percent reported engagement in the 90 to 100 percent range (see Figure 8). That's excellent news for financial brands, as a website or online portal offers a prime opportunity to build trust and affinity by delivering a top-tier experience. It's also a great opportunity to present customers or members with customized offers. Both are key to overall customer experience.

When it comes to mobile apps, though, only 1 percent of financial organizations reported 90 to 100 percent download rates. Engagement rates were also ho-hum. But this shouldn't necessarily be cause for concern. In fact, in 2019, only **32 percent of app users** across all app types (including games) remained engaged with their apps several months after download, suggesting mobile users don't have the bandwidth to engage with new apps. Banks looking to deliver an excellent, humanized customer experience should feel comfortable deemphasizing mobile app adoption if it's an area where they've

FIG 8: MOBILE APP EXPERIENCE



struggled. Instead, focusing on providing a mobile-first web experience that functions well on small screens can provide users the convenience they seek without forcing them to download another app.

This may be a particularly effective move for the **46 percent of organizations** that reported their mobile app was “average,” “basic,” or “poor” (see Figure 9). Better to focus development resources on creating a unique, excellent online experience than spreading them too thin and ending up with multiple subpar options.



The Move Towards Humanized Experiences

The biggest takeaway from our research is that banks and credit unions have tremendous opportunity to differentiate themselves by offering a more humanized experience to their customers and members. Those that do will likely transform one-time or occasional customers and members into those who stay for life.

Brands that want to deliver more personalized experiences in 2020 – and reap the rewards that come from doing so – can focus on the following tactics in the coming months:



1. Get high-level buy-in on the benefit of using data to humanize user experiences. To create data-driven journeys, your organization may have to adopt new software or change internal procedures. Both require buy-in from leadership.



2. Collaborate with other leaders to centralize data so that it a) is readily available to any stakeholder who wants it to make a business decision and b) can be leveraged for company-wide journey campaigns.



3. Identify key customer segments and journeys.



4. Build campaigns around those journeys for various segments.

Realistically, this process may take more than a year. But for banks and credit unions, better customer experience happens when organizations cultivate relationships with customers and members and engage them on a human level.

We recommend starting small. For example, focus on creating a single customer journey. Monitor the results – increased engagement, increased satisfaction, and higher lifetime value of customers and members – which will motivate the organization to expand and accelerate the effort. In the age of customer experience, the role of

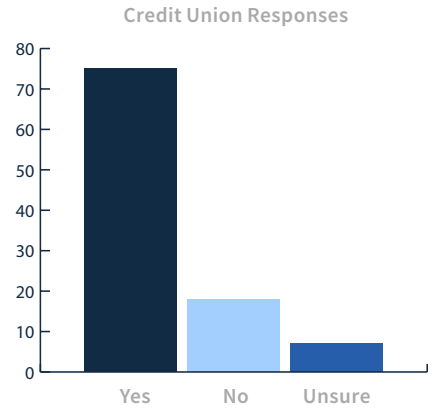
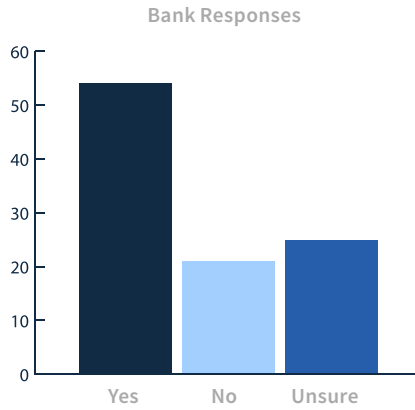
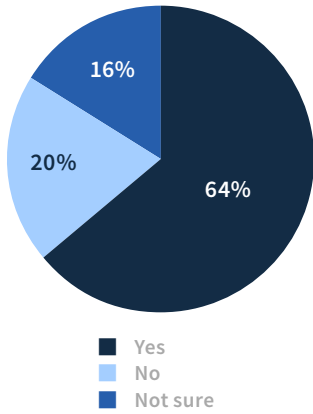
the financial marketer is to make every customer or member feel that they have a personal connection with your organization.

Doing that at scale means relying on technology to automate specific tasks so that relationship manager scan treat every customer as an individual, using data-driven insights to help meet their unique needs. Banks and credit unions that succeed in this effort will emerge as industry leaders and maintain customers and members for a lifetime.

Appendix

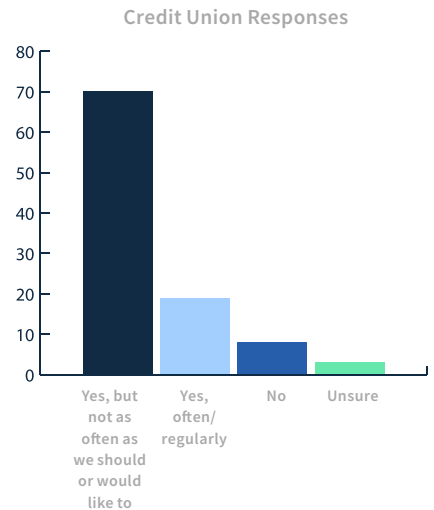
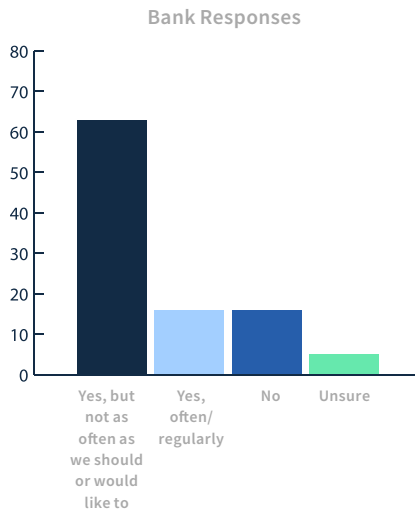
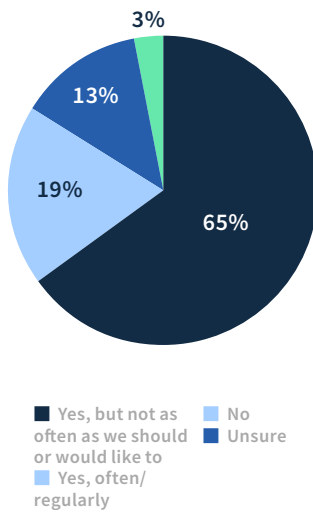
QUESTION 1

Would your target audience say they see, experience and interact with a consistent brand across all marketing touchpoints (e.g., mail, print, online, email, etc.)?



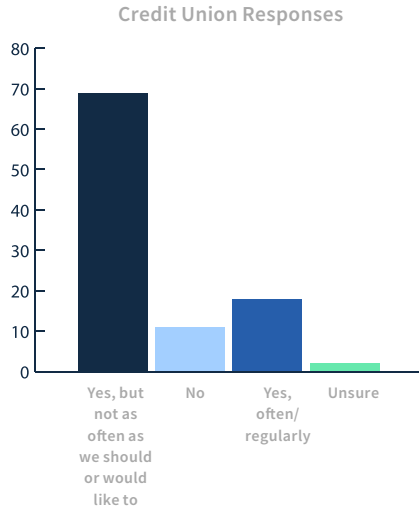
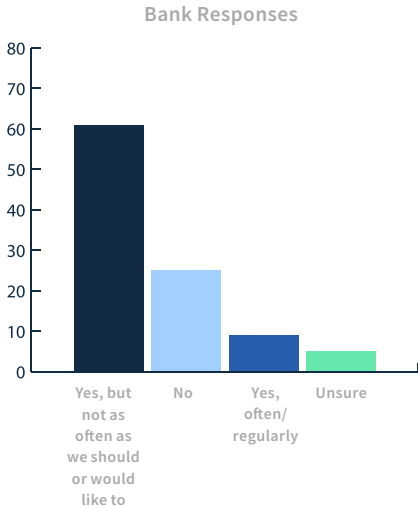
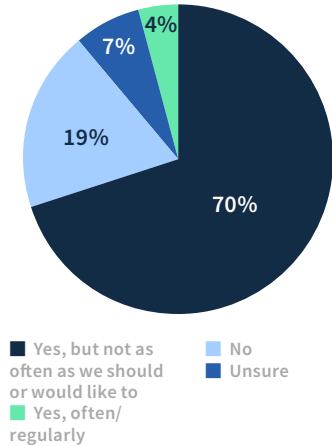
QUESTION 2

Do you use your institution's data to discuss, educate and cross-sell your customers/members about any potential products and services they may need?



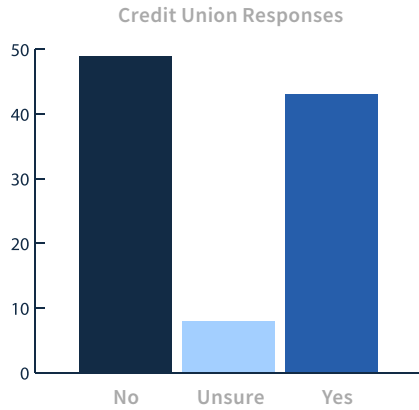
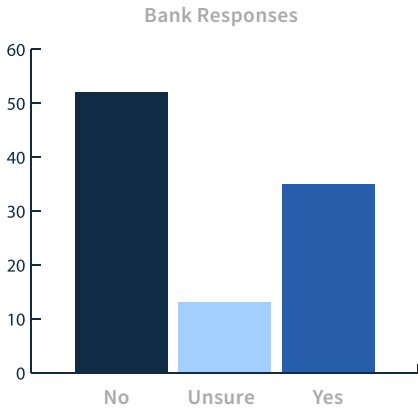
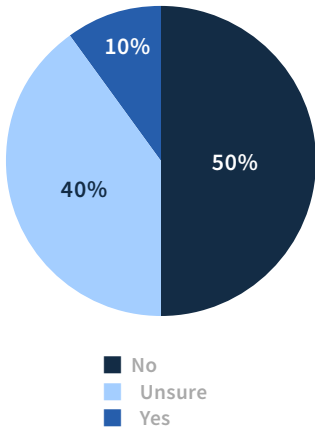
QUESTION 3

Do you continually improve your customer/member experience based on data-driven insights?



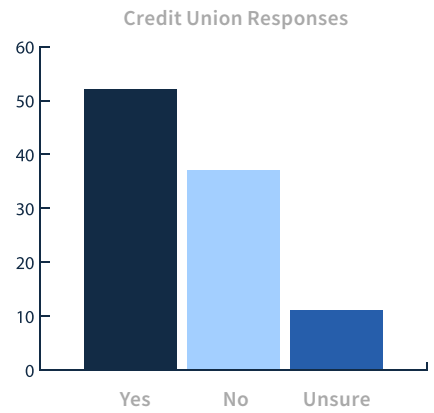
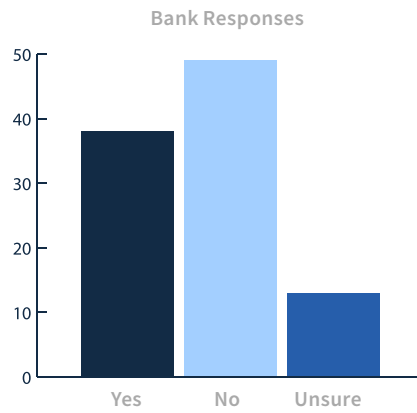
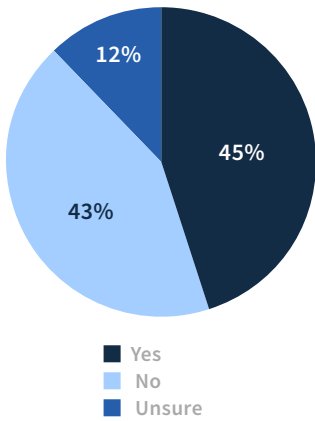
QUESTION 4

Has your marketing team defined customer journeys based on the various segments and/or personas used to shape your strategy throughout their life events?



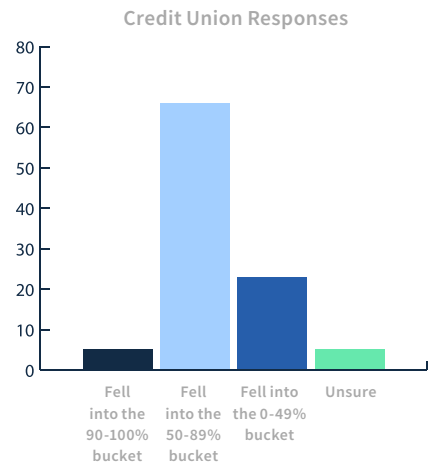
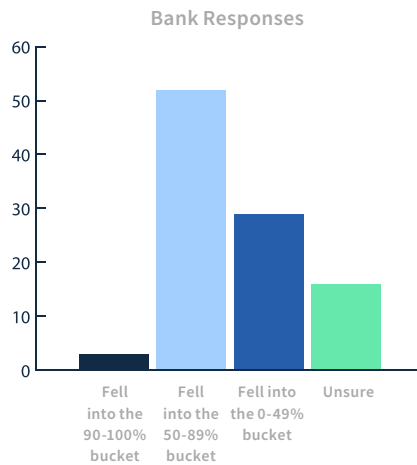
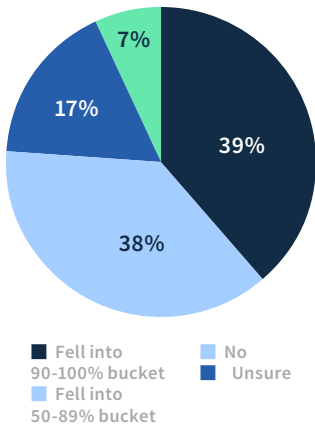
QUESTION 5

Does your marketing team use personas to segment, target and/or deepen your understanding of consumers?



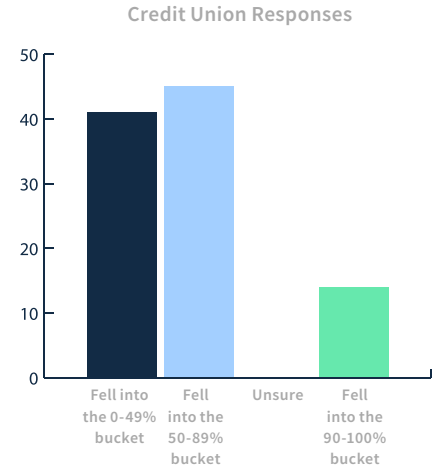
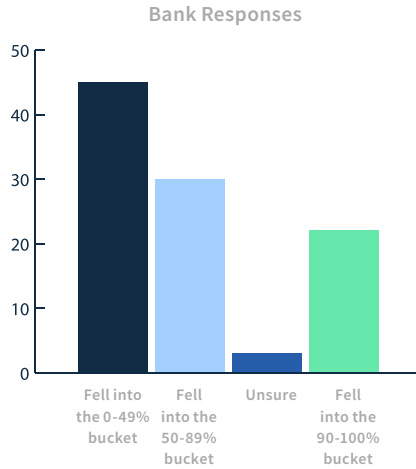
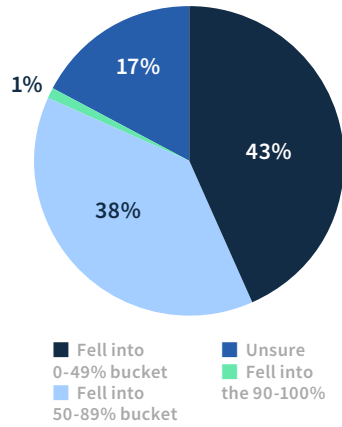
QUESTION 6

Online Banking Regular/Engaged Users - Choose %



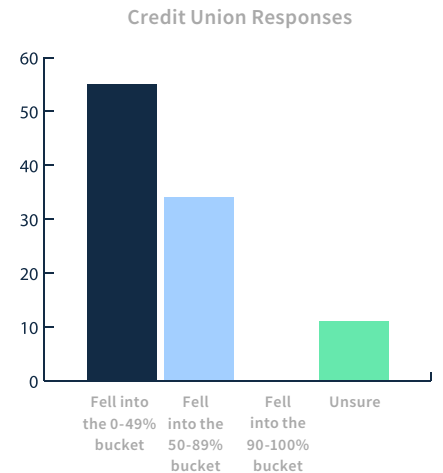
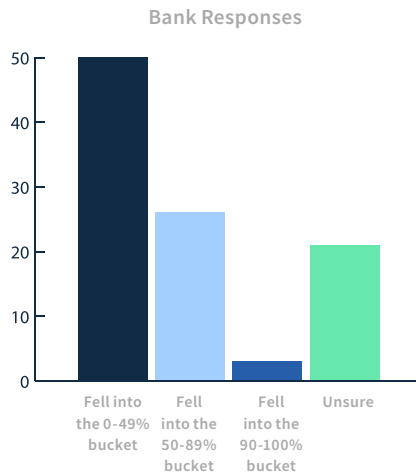
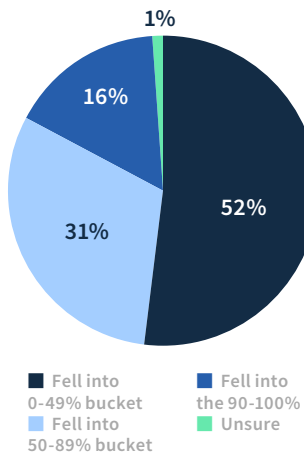
QUESTION 7

Downloaded Mobile Banking App - Choose %



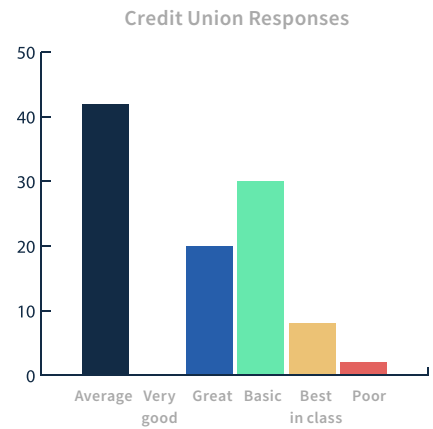
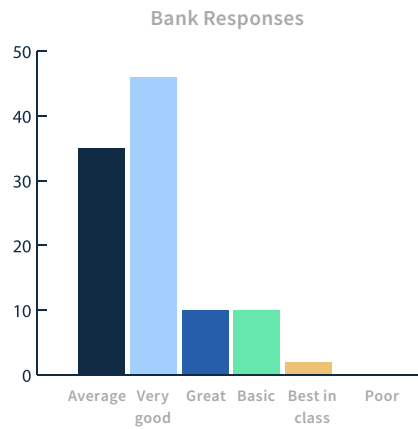
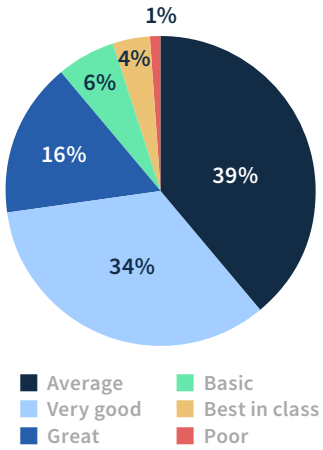
QUESTION 8

Mobile Banking Regular/Engaged Users - Chose %



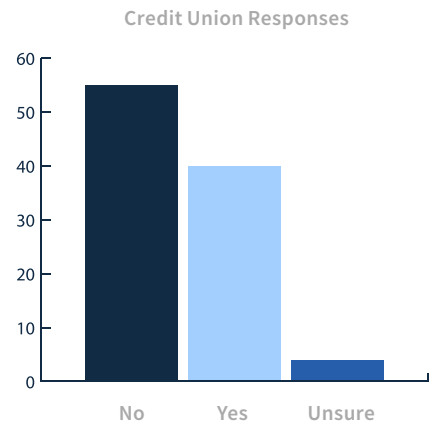
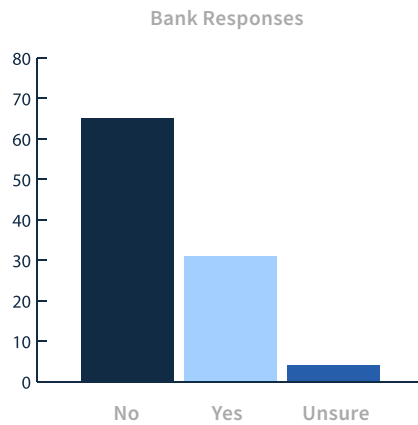
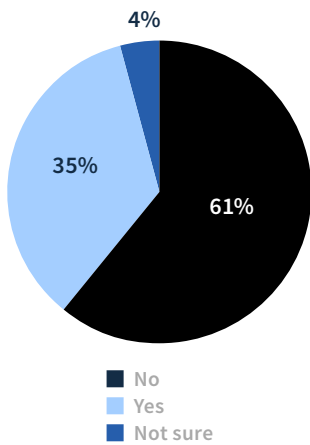
QUESTION 9

Which option best describes your institution's mobile experience/app?



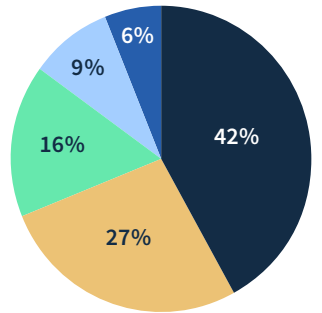
QUESTION 10

Do you communicate with your customers/members via text messages?

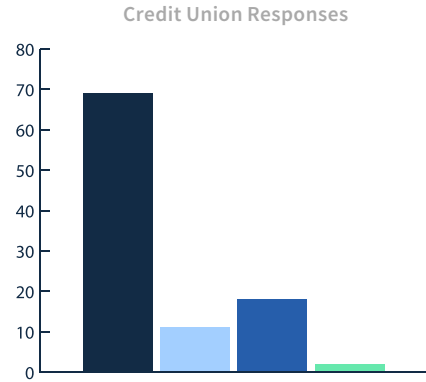
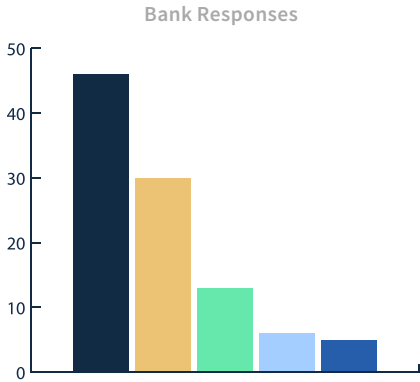


QUESTION 11

Which option best describes your institution's approach to data (includes transactional, lending, deposits, CRM, marketing, etc.)?

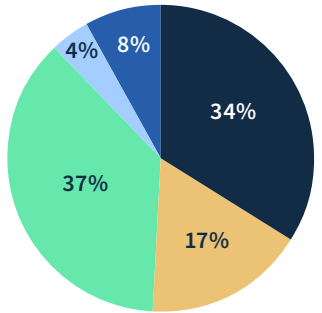


- Some of our data is centralized but most is siloed in various systems
- Most of our data is centralized, but some is still siloed in various systems
- Our data is scattered and siloed across multiple systems
- Our data is centralized
- Not Sure

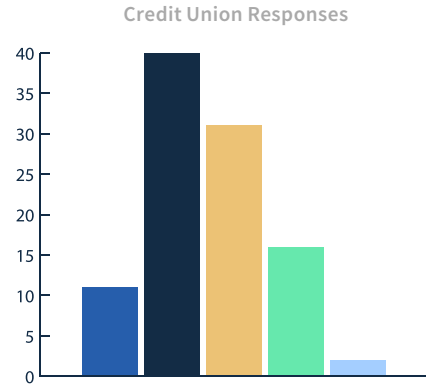
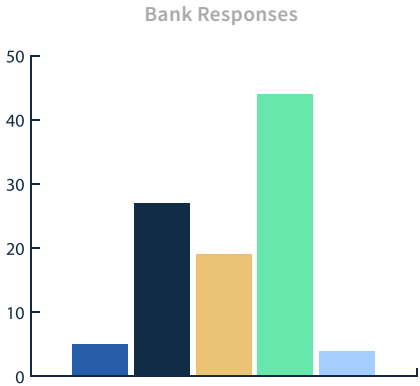


QUESTION 12

“When it comes to personalizing your institution's marketing messages, which option best describes your approach?”

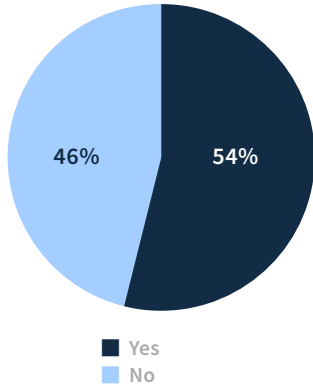


- We personalize most marketing campaigns/messages using many different variables, inputs and data points
- We personalize some of our marketing campaigns using a limited number of variables and data points
- We don't really personalize any of our marketing messages
- We personalize a few marketing messages at a basic level (e.g., Hi First Name), and may use only basic data points like age and income
- Not Sure



QUESTION 13

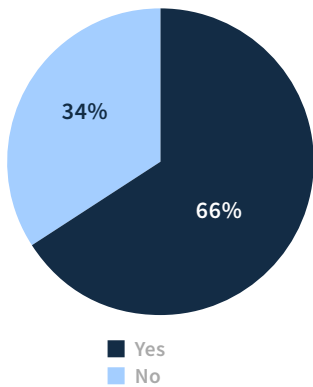
Does your institutions have a CRM in place? If so, please specify which one you use.”



- | ■ Yes | ■ No |
|-----------------------|----------------------|
| • 360 View | • Microsoft Dynamics |
| • CoreiQ | • Oracle |
| • Custom Built System | • Pipedrive |
| • Encore/FIS | • Salesforce |
| • Episys | • Sharpspring |
| • FIS | • SimplyFocused |
| • FISERV Prism | • LeadManager |
| • FPS Gold | • Synapsis |
| • GoVision | • Touche |
| • HubSpot | • Unison |
| • IQ | • Keystone |
| • Marquis | • Verint |

QUESTION 14

Do you have a marketing automation platform in place? If so, please specify which one you use.



- | ■ Yes | ■ No |
|-------------------------------------|---------------------------|
| • Adobe | • Kentico |
| • Bronto | • mailchimp |
| • Constant Contact through 360 View | • Marketo |
| • Core iQ | • Marquis |
| • Documantix | • Oracle |
| • EllieMae | • Pardot |
| • eloqua | • SAS Campaign Management |
| • HubSpot | • Sharpspring |
| • Intuvo | • Top of Mind |

In the age of customer experience, the role of the financial marketer is to make every customer or member feel that they have a personal connection with your organization. Doing that at scale means relying on technology to automate specific tasks so that relationship managers can treat every customer as an individual, using data-driven insights to help meet their unique needs.

Banks and credit unions that succeed in this effort will emerge as industry leaders and maintain customers and members for a lifetime.



