Financial Services
Digital Marketing Focuses

2020

iCrossing

Change as Usual Finance sector report

The Financial Services sector has a thin tightrope to walk between marketing investment and pay off. One misstep in regulation and consumer trust can hit brand and bottom line hard. And that fear can paralyse.

But loosen its grip with the right knowledge and expertise and the weight of responsibility can also fall heavily in your favour. Finances are both crucial and complicated – people need a friendly, authoritative voice that speaks their language to help simplify them.

And now more so than ever. A recent survey by Hearst, our owner, showed that 56% of the publisher's audience are concerned about finance during the COVID-19 pandemic (source: Hearst Instant Insights), and some 60% of the UK are worried about the economy's ability to recover.

Priorities have rapidly shifted, and financial services brands have been quick to respond – diverting digital marketing resources from acquisition to retention, putting emphasis on existing customers who seek support from their trusted brands.

As we navigate these new waters with our finserv partners, we're committed to exploring routes to adapt to changing audience and business needs. To help bolster the impact of above-the-line marketing. And to unlock the insights and buy-in needed to maintain momentum.

Start stabilising the pillars of your digital transformation now, with talent and technology able to react as quickly as your legal team, and you'll have both an advantage over traditional competitors and a fighting chance against digital disruptors.

Your digital marketing mentors

We've brought together four of our digital experts, across data and analytics, paid and earned media, to help make 2020 the year you lay the foundations for growth.

To start, we asked each which focuses should be on the digital agenda of every financial services business, and to broadly rate these by urgency, complexity and impact on growth.

Compliance and understanding the parameters of regulation is, naturally, highlighted as the most immediate concern, and effective measurement as the top priority for growth.

Personalisation, voice search and creative and distribution workstreams represent other opportunities for growth, with less complexity likely involved in successfully moving the needle.

	Urgency	Complexity	Impact on growth
Regulation	High	High	Low
Voice search	Medium	Medium	Medium
Personalisation	Medium	Medium	Medium
Creative & distribution	Medium	Medium	Medium
Measurement	Medium	High	High

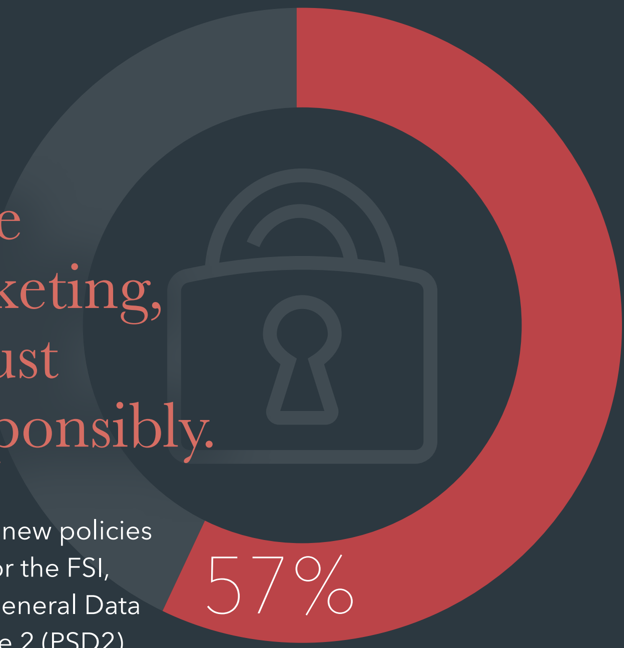
Read our full report for insights on the impact each is having on the financial services sector, how these could benefit your business and expert tips to help you make a change.

iCrossing does not provide financial advice. This report shares digital marketing information around the financial services industry and has not been produced by financial advisors.

Regulation

Insight

According to a report by the Chartered Institute of Marketing, 57% of consumers don't trust brands to use their data responsibly.



Chartered Institute of Marketing

Over the past few years, the EU has introduced a wave of new policies aimed at giving customers privacy and flexibility. And for the FSI, two policies in particular have had a significant impact; the General Data Protection Regulation (GDPR), and Payment Services Directive 2 (PSD2).

Chances are you're familiar with the former; giving consumers a choice as to whether or not their data is collected, and if they'd like previously collected data to be deleted. But GDPR has evolved since its first enforcement in May 2018, and as of January 2020 the need for active consent has been extended to analytical and performance-based cookies and their associated data collection – not just marketing.

In September 2019, the revised Payment Services Directive was introduced. PSD2 saw two major changes:

- **Banned surcharges**, meaning no additional fees to customers paying by credit card
- **Strong Customer Authentication (SCA)**, creating a legal requirement for two-factor authentication. This means customers will be asked for either: two of something they know (PIN or security answer), own (one-time password to a registered device), or have (fingerprint, face or iris recognition).

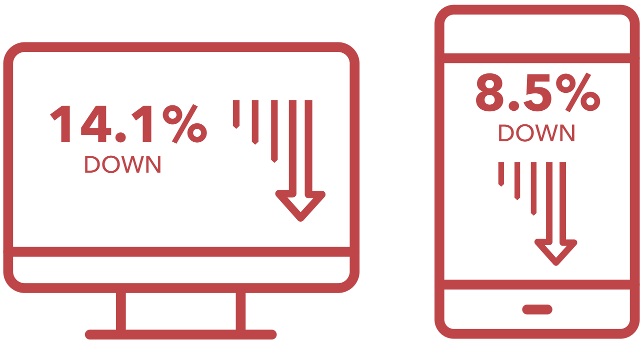
  "Strong Customer Authentication could mean more friction points in the customer journey, potentially lowering conversion rates."

Krishan Gandhi
Director of data strategy & analytics

Impact

GDPR has had a big impact on marketing data collection practices and, as of January 2020, on web analytics data too; as we see more organisations implement Consent Management Platforms (CMP).

"A study published in November 2019 found that consent modules can lead to an 8.5% (mobile) and 14.1% (desktop) decline in web analytics data collection", cites director of data strategy and analytics, Krishan Gandhi. "So implementation of a CMP to comply with GDPR will have knock-on effects on both marketing return on investment (ROI)."



> "So implementation of a CMP to comply with GDPR will have knock-on effects on both marketing return on investment (ROI) calculations (such as cost per lead), and retargeting capabilities."

"While PSD2 doesn't have the same effect on data collection, the change to SCA – and therefore additional layers added to conversion funnels – could mean more friction points in the customer journey, potentially lowering conversion rates. So as with GDPR, this could hit marketing ROI metrics (like cost per lead)."

Actions

A solid understanding of your new parameters will give you the flexibility to experiment and focus on what you can control:

- **Follow guidelines, but keep experimenting**. Despite their different aims, both GDPR and PSD2 hinge on the issue of consent. When implementing the GDPR and PSD2 legislations, it's important to adhere to these six elements:

Consent element	GDPR requirement?	PSD2 requirement?
Consumer consent to process data must be freely given for specific purposes	Yes	Yes
Customers must be informed of their right to withdraw their consent	Yes	No
Consent must be explicit	Yes	Yes
Data processing and sharing is explicitly requested by the customer	No	Yes
Consent expires automatically	No	Yes
Consent must be clear, specific, and informed	Yes	Yes

Consent module user experience will play a key role in whether customers accept or decline data collection, so test new ways of optimising consent collection.

- **Lean on other expert services**. A key distinction between GDPR and PSD2 is allowing customers to withdraw their consent, but Symantec's State of European Privacy Report found that 90% of businesses believe it's too difficult to delete customer data. And 60% don't have the systems in place to help them do so.

  Data collection platforms are developing services to make this easier for businesses to manage – for example Adobe's GDPR Service and Google's User Deletion API. So consider using these alongside your CMP.

- **Don't forget your customers**. While GDPR and PSD2 will clearly affect your visibility of users and performance, don't get too hung up on this. Remember, customers who have allowed their data to be collected are more likely to be engaged with your brand and so worth focussing on.

Voice search

Insight

Thanks to increased usability, reliability and sophistication, voice search has well and truly worked its way into our daily lives. Google reports that 27% of the online global population is using voice search on mobile. And this doesn't show signs of slowing down; with Juniper Research predicting that the number of in-use voice assistants will reach eight billion by 2023.

Google

Google reports that 27% of the online global population is using voice search on mobile.

When PwC spoke to a number of industry experts, they anticipated that by 2020 we'd see the first financial advisory services provided through voice assistants. So has the prediction come to pass?

THE FSI HAS BEEN A LITTLE SLOW OFF THE STARTING BLOCKS with very few examples of brands doing voice search well. Some companies consider their voice search covered by Alexa Skills or Google Actions, but these services still have hurdles, like users actually having to find and install them.

We may be witnessing a slow uptake pattern similar to that of mobile search a few years back, with businesses aware that voice search is important, but not pulling out the stops to act before the tipping point.

VOICE ASSISTANT COULD REPLACE MOBILE TOUCHSCREENS as the prime user interface within the FSI… But that will take time. First, voice search technology itself needs to improve, and secondly, there needs to be more voice-ready content available.

Once that happens, it's only a matter of time before the industry will be able to perform security checks, give and receive information and allow users to manage everything about their accounts through voice. Just as we saw through the development of telephone, internet and app-based banking.

Alex Douglas-Mann
Head of SEO

Impact

> "If you don't act on voice search now, somebody else will. They'll capture a younger, more tech-savvy crowd that'll grow until there's penetration at every age"

says head of SEO Alex Douglas-Mann.

"If there's a FSI-wide reluctance to move to voice, people will think of the industry as archaic. That was the case with the banking app landscape, until companies like Monzo and Starling began to show users what finance apps could look like. This encouraged high street banks to follow suit with more competent banking apps… But it took longer than it should have."

"If you don't act now, somebody else will. They'll capture a younger, more tech-savvy crowd that will eventually grow until there's significant penetration at every age."

Actions

Understand what you can do right now to help your website work with current voice interfaces.

- **Stay up to date** – The voice search landscape is still changing. Ask somebody in your business to keep abreast of new features available through Google Assistant, Alexa and Siri, planning the best ways to optimise your site or present data.
- **Start by understanding the brand-related search terms** that Google generates voice results for, making sure you've got control of them. It goes without saying that you should be in charge of what Google tells people about your brand.

By making voice search a key focus for your business now, it'll be easier to grow with it, rather than playing catch-up later down the line.

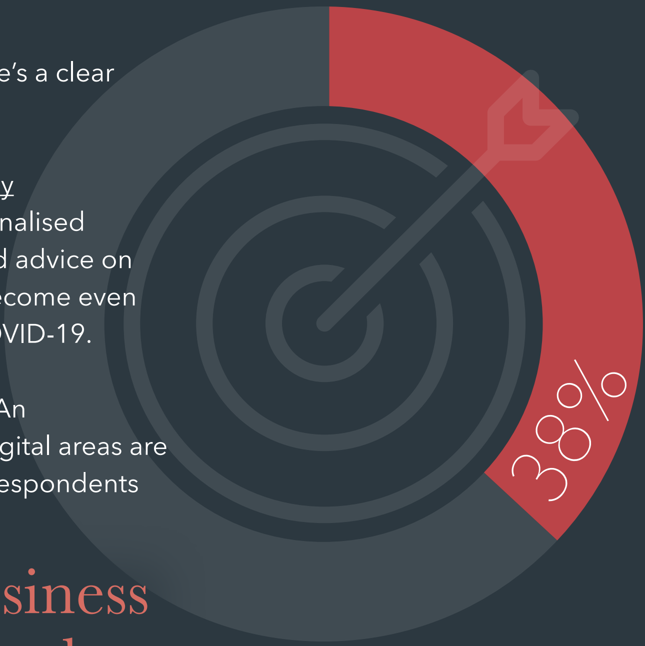
Personalisation

Insight

From customised content to tailored ads and offers, there's a clear calling for personalisation within the FSI.

Accenture's 2019 Global Financial Services Consumer Study found that one in two say they'd be happy to receive personalised financial advice from banks, like spending habit reports and advice on how to manage money. This type of guidance is likely to become even more valuable with the added pressures brought on by COVID-19.

And it's clear that financial service brands are catching on. An Econsultancy survey found that, when asked which three digital areas are top priority for their organisation, 37% of financial service respondents chose 'targeting and personalisation'.



Econsultancy

"38% would stop doing business with a company if they found personalisation "creepy"."

But another study, by software company Pegasystems, concluded that 94% of banks haven't quite figured out personalisation yet. So what's the holdup?

STRIKE THE RIGHT BALANCE

Despite the growing consumer demand for personalised interactions, in a survey of more than 2,500 customers, Gartner found that more than half would unsubscribe from a company's communications and 38% would stop doing business with a company if they found personalisation "creepy".

Not everyone wants to feel as though they're being monitored – particularly when it comes to their finances – and the price of getting it wrong is steep. Google also has guidelines around negative financial status in personalised advertising, so financial institutions should tread carefully.

Lottie Namakando
Head of paid media

KEEP PERSONALISATION CONSISTENT

Paid media personalisation doesn't seem to be the norm for any FSI brands at the moment. But when brands do start to embrace personalisation in ad copy, consistency will be key to hitting KPIs.

When a customer clicks on a personalised paid ad, for example, they'd expect to then hit a personalised landing page. Without that, the initial promise of relevancy is met with something too generic.

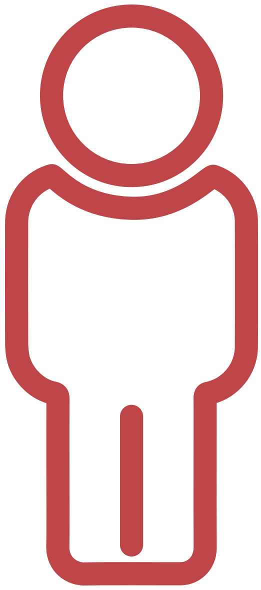
But personalised content needs to be dynamically generated – something that Google can have issues with. For any personalised landing page that isn't behind a login, you need to decide what Google should see, and the answer is rarely straightforward. You don't want to risk a Google penalty by showing users content that's radically different from the non-personalised version.

Impact

According to our head of paid media Lottie Namakando, well-executed personalisation should be an audience aid – to guide people through the complexity of the finance industry.

> "There's an element of politeness with personalisation in the FSI. People need to agree before brands can get friendly."

"But focus on the differing needs of existing customers and prospects with ad copy personalisation. Think about the way you'd treat a potential customer if they came to the bank for the first time – you'd wait for them to sign-up and share their information before giving personalised advice.



"So there's an element of politeness which should sit alongside personalisation in the FSI, whereby people need to agree (beyond just accepting cookies) before brands can go ahead and get friendly. When approached sensitively – which is especially important in these uncertain times – personalisation will help FSI brands set themselves apart from competitors; not just other banks, but fintech start-ups too."

Actions

Personalisation projects need to be carefully considered and planned:

- **Listen to your customers** – conduct analysis on how they feel about different levels of personalisation. Do the potential benefits outweigh any concerns they have? Is there a cut-off point to their comfort?

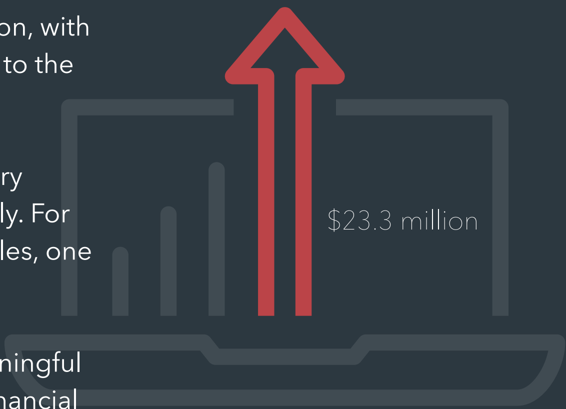
- **Test and learn** - consider sorting audiences into new and existing customers, identifying small-scale test and learn opportunities that focus on audience signals that aren't too niche. The non-specific nature of softer signals, like those related to recent interactions or broad interests, present good testbeds.

Creative and distribution

Insight

Content marketing is crucial in the finance industry.

Money affects us all, deeply. Everybody needs advice and expertise – not just because finance is vital to our survival, but because it can be confusing. And consumers are concerned in the current situation, with 46% of UK adults needing to save more money or spend less due to the COVID-19 outbreak.



The act of seeking authoritative financial guidance is often a solitary one, and not a topic many talk openly about with friends and family. For example, a study by Fidelity found that in 34% of cohabiting couples, one or both partners didn't know how much money the other makes.

So FSI companies have a unique opportunity to create deep, meaningful relationships with consumers. And it's an opportunity that many financial service companies try to capitalise on, with firms allocating 'an average of $23.3 million for their content marketing budgets in 2019', according to Contently; to cover content creation, distribution, technology and talent. An average of $23.3 million for their content marketing budgets in 2019.

> '$23.3 million – the average budget financial services firms allocated for their content marketing budgets in 2019',

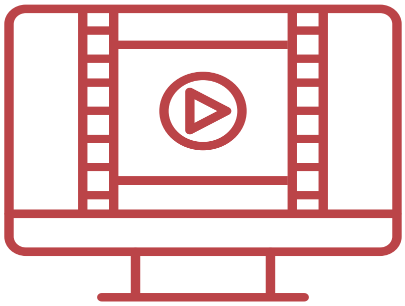
And as investment in content marketing increases, the landscape becomes more competitive.

Brands need to think about the content lifecycle, putting as much energy into distribution as they do the creative process, with the aim of building long-term relationships. And trust is a big part of those relationships – content can miss the mark if it doesn't come from the right source. According to the 2019 Edelman Trust Barometer, financial services was ranked last out of 15 industries by participants asked 'how much do you trust this institution to do what is right?'.

Maria Bain
Strategy and planning director

WHAT TYPE OF CONTENT WORKS WELL WITHIN THE FSI?

Visual content is an effective way of covering complicated topics. Contently's analysis found that videos and infographics outclassed other content formats in terms of average social shares in the FSI. Video drove eight times as many shares as articles, while infographics drove double.



Video drove x8 and infographics x2 as many shares as articles for financial services brands.

AND WHEN IT COMES TO DISTRIBUTION?

YouTube, display and social allow brands to extend content journeys across the digital eco-system. They're perfectly placed to capture and engage audience pools on a first touch or retargeting basis, triggering or continuing to serve relevant and useful content to audiences wherever they might be.

These channels allow content to go further, increasing brand trust and building long-term relationships. But this all needs to be part of a wider content strategy.

Impact

Strategy and planning director Maria Bain believes the best way to build meaningful relationships is to tackle the entire content lifecycle as a whole, never losing sight of the end goal.

> Do something different, but don't try to be something you're not.

"But that's only half the battle. Brands that want to drive real business impact need to be planning towards their ultimate goal. That might be a change in audience perception, generating demand or simply supporting a consumer's reason to believe."

Actions

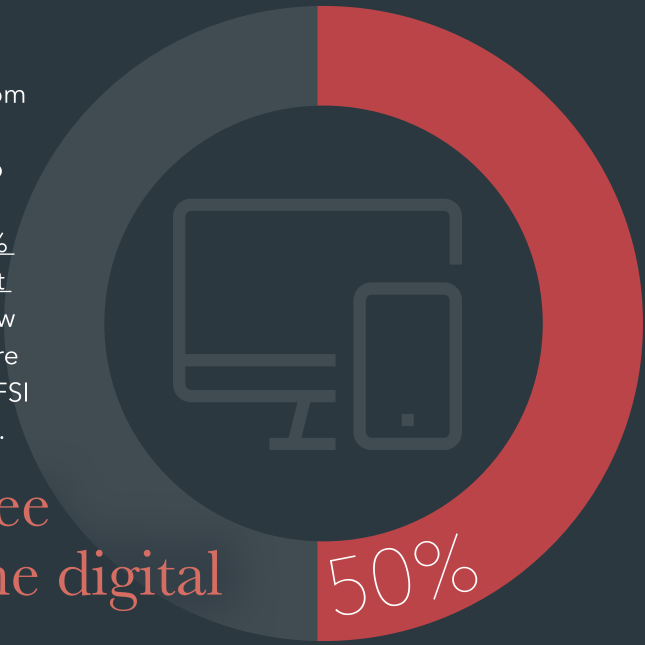
Plan all creative campaigns with an audience-first approach:

- **Listen to your audience.** What do they need, what are their pain points, what does their demand and intent look like? Search and social intelligence is powerful; learn to harness insights you gain from both and turn them into plans for content creation and distribution.
- ...**and tap into their key moments**. Identify audience trigger points and provide a solution. The best FSI products and services solve a problem, so make sure your content is aligned. Not only will this capture audience attention but help you to build trust with your most valuable customers.
- **Do something different**, but don't try and be something you're not. Think beyond what your competitors are doing and be disruptive, but always remember what people come to you for.

Measurement

Insight

The FSI has long been at the forefront of marketing – from below-the-line direct mail marketing to above-the-line TV and radio campaigns – and in 2019 it was one of the top three investors in through-the-line digital marketing. But as organisations increase their digital spend, in 2018 only 15% of the FSI committed more than 50% of their media budget to digital, revealing that broadcast and offline budgets show little sign of decreasing in its favour. So how can we measure the impact of these activities on online media? 15% of the FSI committed more than 50% of their media budget to digital.



Digital banking report

FSI was one of the top three investors in through-the-line digital marketing in 2019.

Causal impact analysis can be used to understand the impact of one variable (i.e. a TV campaign) on another (i.e. paid search conversions). It uses a Bayesian approach – where probability is used to represent all uncertainty within the model – to assess the impact over a period of time.

A more all-encompassing approach, **econometric modelling** has become increasingly popular. It evaluates all media and marketing inputs on the same basis, making it possible to calculate a realistic ROI for media overall, as well as working out the incremental gain from marketing efforts.

While econometric modelling is effective for overall media analysis, **attribution modelling** can evaluate the individual digital touchpoints through a conversion journey, making it the ideal accompaniment. Primarily focussed on digital media (involving high volumes of data such as impressions by device), the impact of various marketing channels at different points of the journey are measured by comparing multiple attribution models, like linear, last touch, and J-curve. This is taken a step further through algorithmic attribution – removing the human bias within heuristic models.

Krishan Gandhi
Director of data strategy & analytics

Impact

"From a purely digital media perspective, without assessing the data through the lens of different attribution models, it's tricky to know the real value driven by each activity" says Krishan. "Many organisations use last-touch attribution within their performance marketing measurement, but while this places heavy emphasis on channels like paid search, it doesn't help prove the subconscious impacts of display marketing.

> "Without assessing data through the lens of different attribution models, it's tricky to know the true value of each activity."

Actions

Both causal impact analysis and econometric modelling can shed light on each activity's performance.

A big benefit of these advanced Marketing Science tools is helping organisations understand the true ROI of marketing spend, but we believe there is more to gain: an increased understanding of the customer journey.

Knowing which touchpoints are part of different consumer journeys, and the value of each, helps you invest marketing spend in the most effective areas – key to successful media planning.

Alex Douglas-Mann
Head of SEO

Throughout his agency career, Alex has led SEO and content strategies for financial clients including Aviva, TSB, RBS, Barclays and Amex.

Krishan Gandhi
Director of data strategy and analytics

Krishan is an expert in business intelligence consultancy and martech stack evaluation. He's provided digital data strategy for AmEx and Fidelity.

Lottie Namakando
Head of paid media

Lottie has worked across numerous financial clients in roles at Periscopix, iProspect and Brainlabs, sharing her paid search expertise with 118 118 Money, NewDay, TSB and Zopa.

Maria Bain
Strategy and planning director

Maria has worked in both planning and strategy with leading financial brands for over six years, including Fidelity, Barclays and M&S Bank.

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