

**centro**  
WEBINAR

PART 3 of 4

VERTICAL VIEWPOINT:

# Conquering Challenges as a Challenger Brand

## Finance



**April Weeks**

EVP, Media Services and Operations





# Today's Focus

- + State of the Financial Industry
- + Industry Trends Shaping Banking
- + Marketing Implications
- + Best Practices and Proven Success

A photograph of a row of white classical columns in a hall, viewed from a low angle. The columns are fluted and have a prominent base. The text "State of the Industry" is overlaid in the center in a bold, black, sans-serif font. The background is a light, neutral color, and the overall tone is professional and formal.

# State of the Industry



# Pandemic Perspective

How we plan and manage our finances and who and where we engage is changing.

# Finance in the Age of Covid



## Impact to US Adults

**81%** have been financially impacted

**26%** have lost partial income

**22%** have accumulated more debt

**19%** have or will soon miss a payment



# Mindsets Shifting Across America

**73%**

have revisited their financial planning approach

**53%**

say the pandemic has changed how they think about their financial future

**49%**

have reconsidered their interest in working with a financial professional

**42%**

are less willing to take risks

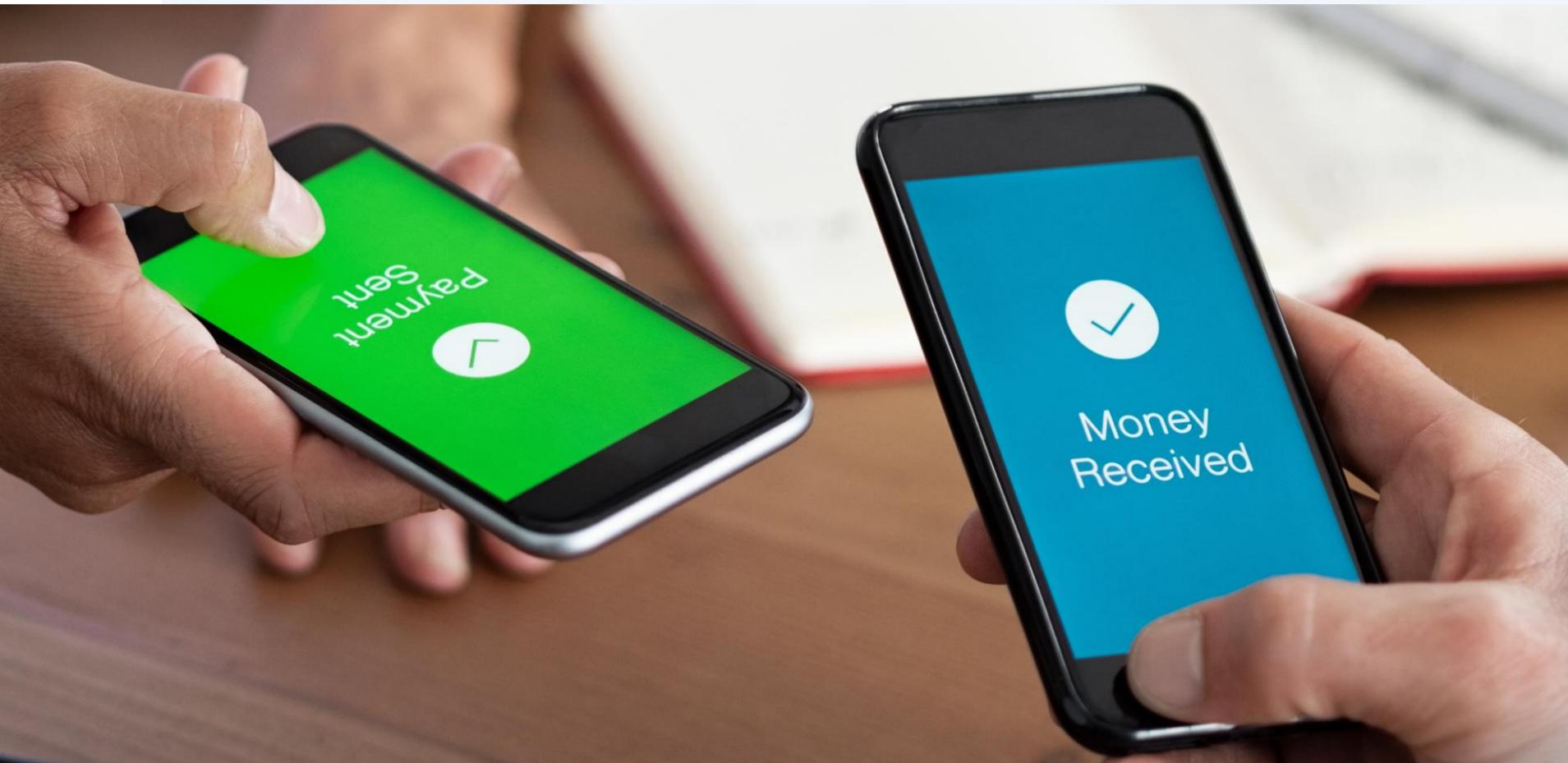
# The impact on banking

Consumer Banking Behaviors will continue to evolve through **2024** as reliance on physical branches is reduced and digital banking channels gain traction



# Shifting Landscape

The pandemic has increased comfort level and adoption of non-traditional banking



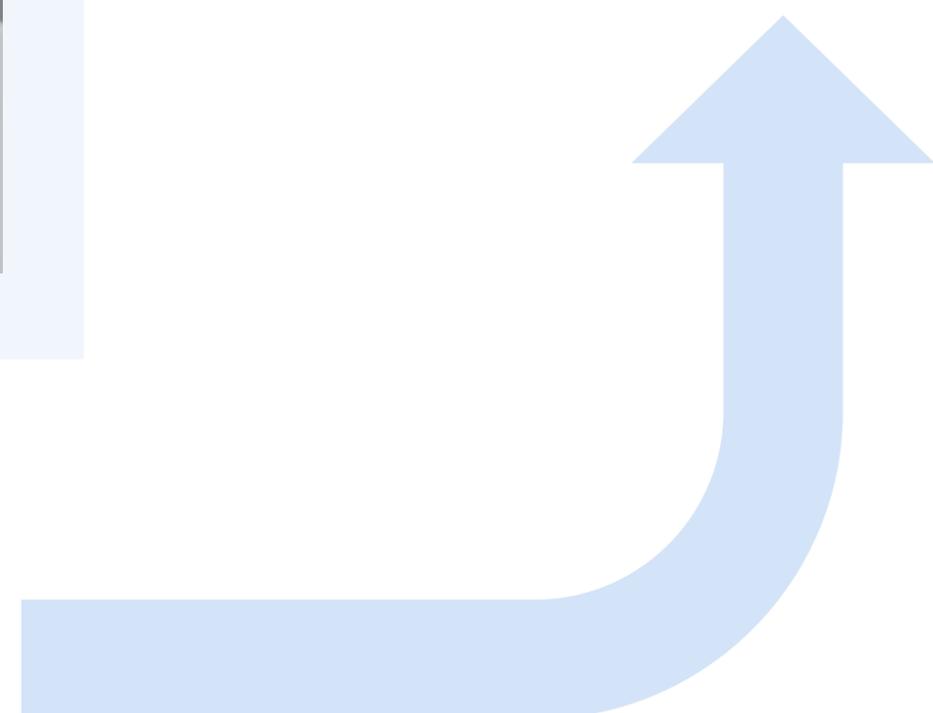
Will drop from  
**70%** in 2019 to  
**62%** by 2024

Source: eMarketer



Resulting in **4 out of 5**  
US Bank Account Holders  
using Digital Banking in  
the next three years

Digital Banking Penetration  
will increase to **79%** in 2024



# Mobile and Smartphones Play a Notable Role

**45%** Identify mobile as a top three factor when determining their financial institution

**55%** For the first time more than half of the US population will use mobile banking this year

**79%** Mobile banking users say it's the primary way to access their account





# Opening the Door for Challengers

More US consumers will have  
digital only bank accounts

**2x** Expected percentage increase

**17%** Of US consumers will have at least  
one account with a digital only bank  
by 2024

Source: eMarketer



# Emergence of New Players

The Growth of Digital **ONLY** Banks

**ally**

**Aspiration**

**chime**

**Varo**

Fueling accelerated digital innovation

# Advertising Spend Across Industries

## Financial Services



Strong Investment  
in Digital



2<sup>nd</sup> Largest Category  
Spender behind Retail

US 2021 Digital Ad Spending (billions)



Source: eMarketer

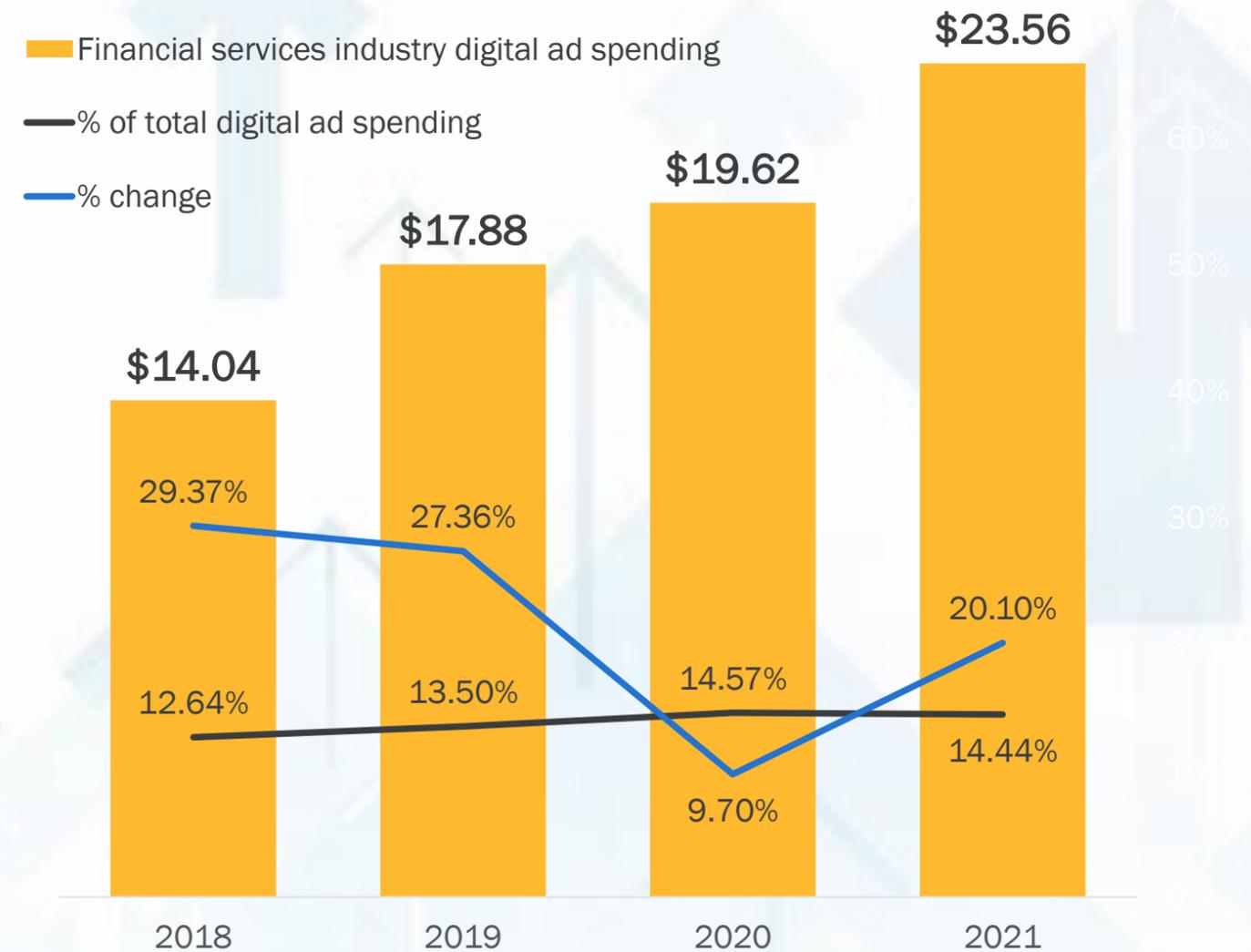
# Spending Rebounds in Financial Services

Financial Services Digital Ad Spending is expected to increase by **20%** this year

**\$23.56 billion in 2021**

Accounting for **14%** of total US digital ad spend in 2021

US Financial Services Industry Digital Ad Spending  
billions, % change and % of total ad spending





# Mobile and Display Remain Dominant, Video Surges

## 2021 Ad Spending Forecast

### Device

Desktop	\$6.9
Mobile	\$16.5

### Format

Display	\$12.0	
Search	\$10.7	
Video	\$5.7	Largest YoY Growth Forecast of 24%
Other	\$0.75	



# Social Media in the Mix

From Retail Banking to Asset Management, FinServ Players are on Social Media

## Community

Join the conversation

Leverage community groups across platforms like Facebook and Reddit

## Connection

Social platforms provide outlets for information and advice

Opportunity to build connection with customers and prospects

## Conversion

Depending on the KPIs, performance-based campaigns should consider social media

The background features a complex, abstract design. It consists of several overlapping, wavy lines in shades of yellow, orange, and red, creating a sense of movement and depth. Below these lines is a dense grid of small, light-colored dots. The overall effect is a modern, digital aesthetic. The text 'Industry Trends' is centered in the lower half of the image.

# Industry Trends

# Trends Shaping Banking



Acceleration of Digital



Neobanks/Digital Only Banks



Contactless Payments



Artificial Intelligence

## BREAKING DOWN THE TRENDS

# Acceleration of Digital

Most prevalent trend in financial services is the shift to digital

- + Mobile and online banking fueling the trend
- + Millennials and older Gen Z drive adoption
- + Speed and convenience are key
- + The customer experience matters, a lot

61% of mobile banking users would change banks if the provided experience were poor





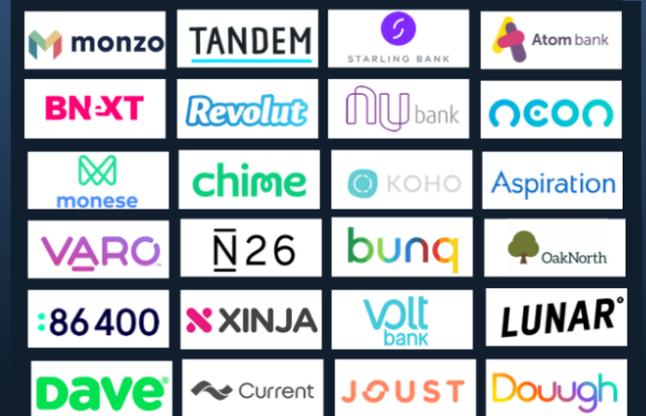
## BREAKING DOWN THE TRENDS

# Neobanks/Digital Only Banks

Digital only banks of all types will grow accounts holders through 2024

- + Landscape is fragmented
- + US has the highest number of digital only account holders compared to Canada and the UK
  - 23 million account holders
  - Chime is the largest among the Neobanks in the US with an expanding product portfolio
- + Growing demand from younger consumers
- + Shifting behaviors are creating opportunity for these emerging bank types

## Neobanks



## Direct Banks



## Fully Digital Incumbents



## BREAKING DOWN THE TRENDS

# Contactless Payments

Adoption of contactless payment surges as a result of the pandemic

### + Tap-and-go is here to stay

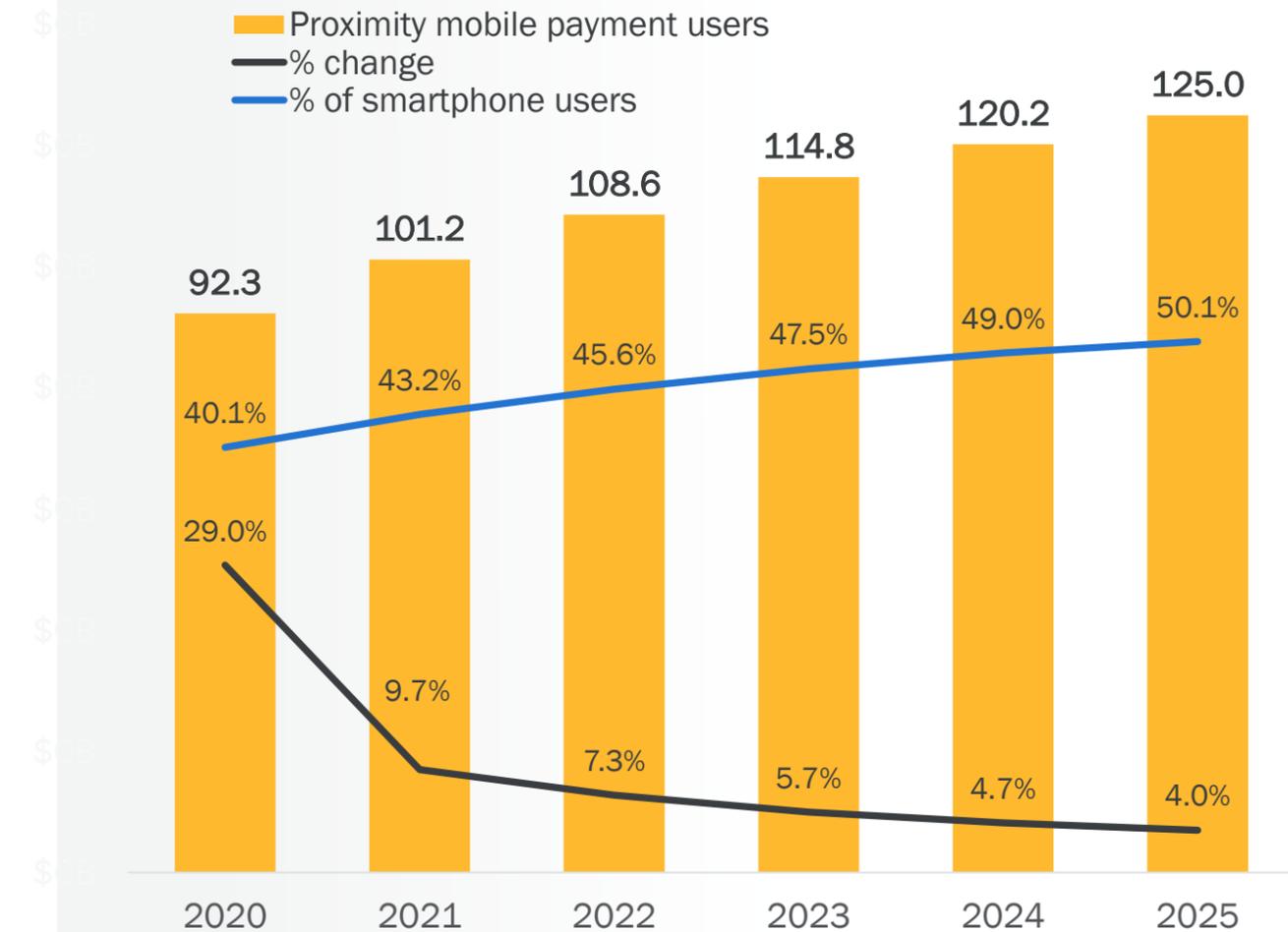
74% of consumers say they will continue to use contactless payments post-pandemic

### + In-store mobile payment app use will hit a milestone this year

### + Apple Pay leads with 43.9 million US proximity mobile payment users

Starbucks follows with 31.2 million

US Proximity Mobile Payment Users, 2020-2025  
millions, % change, and % of smartphone users

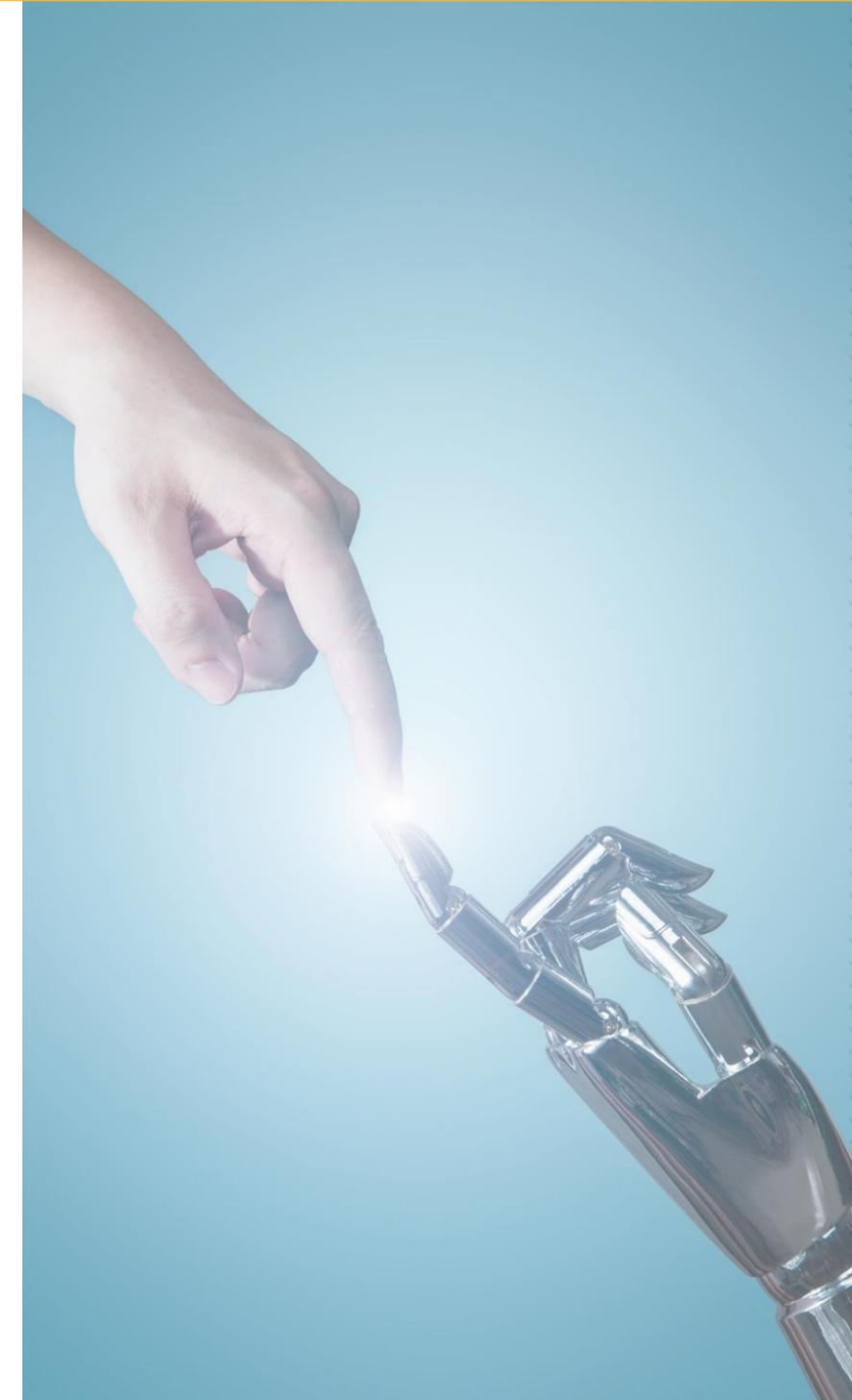


## BREAKING DOWN THE TRENDS

# Artificial Intelligence

AI is becoming more mainstream in banking

- + Virtual assistants and chatbots  
*Among the most mature examples within banking*
- + Personalized insights for personal finance management
- + Enable 24/7 frictionless customer service interactions
- + Data driven insights for product upsell and recommendations



A person is holding a smartphone, and the background is filled with a network of digital icons including hearts, envelopes, and user profiles, symbolizing social media and digital marketing. The image has a soft, blurred background with a network of light blue and white lines connecting various icons. The icons include hearts, envelopes, and user profiles, representing social media and digital marketing. The overall tone is light and modern.

# Marketing Implications

# Marketing Implications

1

Consumer banking behaviors will continue to evolve for the next few years

Implement flexible marketing strategies

2

Understand the expectations related to convenience and speed

Messaging and offers should champion these benefits and values

3

Cultivate audience insight and invest in quality reach where customers and prospects spend time

Consider mobile, social and video media



# Best Practices + Proven Success



CONSIDERATIONS FOR SUCCESS

# Best Practices

1

## Align Touchpoints

Holistic approach to the consumer experience across the marketing plan

2

## Test New Approaches

Establish quarterly testing plans to evaluate what works and optimize with purpose

3

## Measure What Matters

Define KPIs early, develop a measurement plan and evaluate it often

## CHALLENGER SUCCESS

# Driving New Accounts

A growing, multi-location bank brand needed to strategically target prospects to drive application volume in a competitive and saturated market within the industry.

### GOAL

Grow application volume by 25% and improve Cost-per-Acquisition by 27% Y/Y

### CHALLENGE

Limited budget with aggressive goals and facing pressure from national financial institutions

### SOLUTION

The first step was to analyze historical campaign performance and product trends to optimize flighting, placements and measurement strategies. Next, digital media and traditional media placements were aligned for a holistic approach to the customer journey and path to conversion.

## APPROACH

1st Party Data | PMP | Mobile | Programmatic | Search | Video

## RESULTS

### Applications

130% increase in volume

### CPA

37% reduction in CPA

### Target Audience

Built target audience based on behavioral insights

## TAKEAWAYS

# Finance Challenges

## Adapt

to consumer behavior shifts  
and changing needs

## Embrace digital acceleration

within all areas of your business to  
optimize the banking experience

## Test and learn

Implement an agile approach to  
marketing programs





Questions?

THANK YOU