



## 7 Marketing Trends for Financial Services in 2022

The financial services industry has continued to undergo significant digital transformation in order to compete in the new Age of Dynamic Marketing. The new Age of Dynamic Marketing is characterized by a focus on delivering a personalized and relevant customer experience that are driven and continuously optimized by Data and Marketing Technologies.

As a consumer-facing, advisor-driven sector, it is necessary for financial services firms to continue to adopt newer marketing technologies that enhance the overall customer experience. In addition, COVID-19 altered consumer and advisor behavior, accelerating the need to make significant changes in how consumers and advisors interact with financial institutions.

To understand how this change has impacted financial services firms, we surveyed 150 senior marketing executives toward the end of 2021 to learn more about how they market their products and services to their target audience via digital channels and platforms, and their plans for the future. The respondents come from several sectors within financial services such as banking, insurance, credit cards, and brokerage firms.

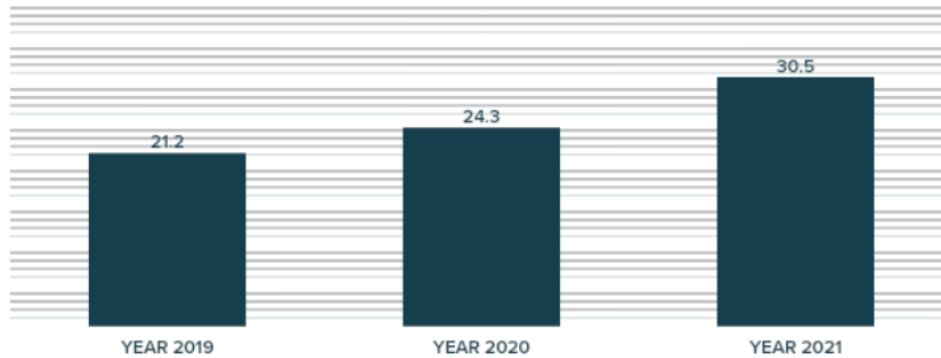
According to this survey, here are seven digital marketing and media trends that are currently impacting the financial services industry.

### 1. The Digital Ad Spend Continues to Grow

The financial services industry in the US has witnessed growth in digital ad spend over the past few years. In 2016, [the industry spent around \\$ 8.78 billion USD](#) on digital ads, which was predicted to rise to \$23.56 billion USD in 2021.

The Survey of Financial Marketers 2021 found that organizations will dedicate almost one-third (31%) of their marketing budget to digital media. Out of that allocated digital media budget, 25% of the budget is allocated to programmatic advertising, which continues to grow.

On average, financial marketers report that, during the current year, their firm will allocate nearly one-third of its marketing budget (31%) to digital media. This statistic is consistent with those recorded in the two previous waves. The digital portion of the marketing budget for the typical firm has been steadily increasing over the past several years.



QA3. Roughly, what percentage of your company's overall 2021 marketing budget will be allocated to digital marketing efforts? This includes both internal and external digital marketing resources and media.

As the digital ad pricing model continues to get more expensive, marketers are tasked with implementing an accurate attribution model to measure the ROI of their marketing efforts. Presently, the key metrics that financial services marketers rely upon are *Impressions, Reach, Engagement Rate, CPM, CTR, CPC, Bounce Rate, Conversion Rate, Cost Per Conversion, Revenue, and Revenue Per Visit.*

## 2. Customer Experience Takes the Center Stage

A few years ago, [The PwC Future of Customer Experience Survey 2017-18](#) reported that 73% of customers consider customer experience as a key factor in purchase decisions. However, there has continued to be a wide gap between the importance and satisfaction with current customer experience in the banking, investment, and insurance industries.

Financial services organizations have heavily pushed mobile apps and online customer service since the beginning of 2020. As the offline world has started to resume, we can expect a hybrid customer experience, where consumers can seek services via online or offline mediums, depending on convenience. According to [Deloitte's Global Marketing Trends Executive Survey](#), firms are embracing a hybrid customer approach to customer experience for the following reasons:

1. Personalize the offerings and innovate on the products and services
2. Help people feel more connected
3. Deliver more inclusive experiences

To prepare for this shift, around 70% of the respondents have a dedicated customer experience team/lead in their organization or in the form of a digital agency.

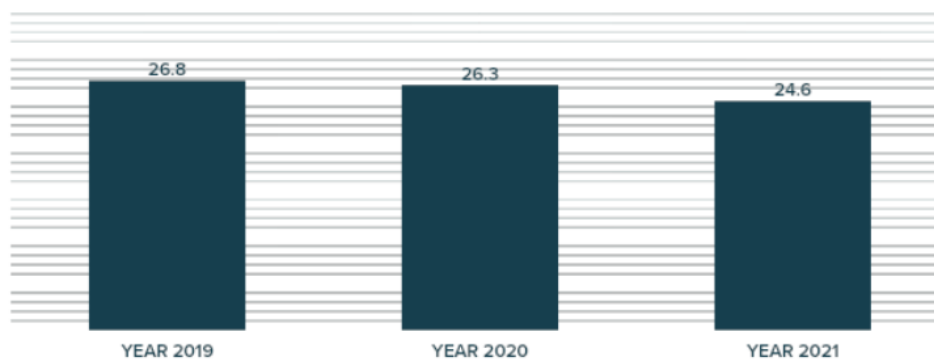
The same changes can be observed across other related functions such as *User Experience*, *Customer Service*, *Customer Success*, and *Customer Journey Mapping*.

### 3. Programmatic Ads Help Drive Sales and Revenue

Programmatic advertising has been a go-to channel for financial marketers to connect with their target audience through *Display*, *Social Media*, *Video*, and *Mobile* channels. Self-service programmatic ad platforms have been simplified for financial services firms to run their ads more efficiently and effectively.

In 2021, over 24% of the digital media budget was allocated to programmatic advertising. However, the allocation of overall budget to programmatic advertising declined slightly compared to 2020, as financial services firms pivoted to spending more on mobile apps and on online customer service.

*Among those firms which currently utilize programmatic bought media, the mean amount of the total digital media spend allocated to this function is 25%. This is a proportion at parity with those recorded in the prior waves.*



*QA14. What percentage of your current digital media spend is comprised of programmatically bought media? (Programmatic advertising is an automated, technology-driven method of buying, selling, fulfilling media/ad placements.)*

Despite these minor fluctuations, organizations are aware of the impact of programmatic ads and plan their objectives accordingly. The Financial Marketer Survey 2021 reports the following key reasons for why financial services firms continue to invest in programmatic advertising:

1. Increase sales and revenue resulting from programmatic ad targeting (56%)
2. Optimize spending of advertising dollars, including optimizing creatives of messaging (55%)
3. Get a better understanding of existing and prospective consumers (49%)
4. Better understand the competition to do better than them (46%)

## 4. Organizations Diversify Their Digital Content Mix

Surprisingly, there has been a shift in the main drivers of content strategy among this past year's respondents. Instead of prioritizing end-user requests (39%), firms are focusing on creating content that is based on marketing priorities (58%).

However, marketers are keen on distributing their content through a diverse array of channels. To comply with Google's EAT guidelines (Expertise, Authoritativeness, and Trustworthiness), marketers are exploring newer content avenues to establish thought leadership and reach new audiences. Along with the owned media channels, financial marketers showed a preference for SEO (86%), email marketing (84%), webinars (80%), videos (76%), and podcasts (70%) as the preferred digital platforms through which to craft and share content.

	YEAR 2019	YEAR 2020	YEAR 2021
<b>Base: All Respondents</b>	(136) %	(216) %	(150) %
Your own website	84	[ 93 ]	92
Search engine marketing – paid keyword	74	[ 89 ]	88
Search engine optimization – organic	79	[ 87 ]	86
Online ads, banners, etc. on third-party websites	85	[ 92 ]	( 85 )
Organic social network moderation (e.g., Facebook)	83	88	85
Email marketing	86	[ 92 ]	( 84 )
Blogs	79	[ 89 ]	83
Live, interactive webinars rendered through a web conference service (i.e., Zoom, teams)	na	na	[ 80 ]
Paid social network targeting	75	[ 92 ]	( 80 )
Affiliate marketing online	74	[ 89 ]	( 77 )
Viral video (e.g., YouTube)	74	[ 82 ]	76
Passively delivered pre-recorded webinars	na	na	76
Your own mobile app	82	[ 91 ]	( 75 )
Text messaging/SMS	77	[ 87 ]	( 74 )
RSS feeds	77	71	73
Native content marketing	69	73	73
Podcasts	75	77	70
Wikis	68	70	65
Video-on-demand	69	[ 79 ]	( 64 )
Gaming	60	64	( 53 )

This diversification can also be observed in the budget allocation. The leading platforms that are getting a healthy share of the marketing budget include *email, SEO, webinars, podcasts,* and *videos*.

## 5. Organic Social Media Tracking Gets More Nuanced

Social media has become a crucial marketing channel for financial services firms from the customer service perspective. It is convenient for customers to reach out to organizations on their official social media accounts.

Considering this behavior, organizations are investing in social media via chatbots, social media communities and influencer marketing. To learn more about the target audience, along with online purchasing habits, interests, and media consumption habits, financial marketers reported that they capture the following data points through social media:

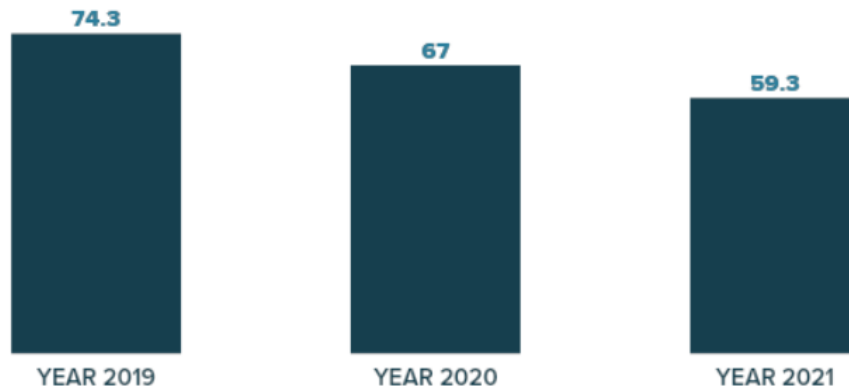
1. Demographics provided by social channels (66%)
2. Research on social channel/content utilization by the prospect and/or customer segments (60%)
3. Integration of social profile identities with those on other channels (57%)

Organizations also have social media metrics in place to measure the organic effectiveness of each social channel.

## 6. Management of MarTech Continues to Evolve

While the digital transformation of the financial services sector is visible, a contradictory finding can be seen in MarTech. There has been a steady downward trend in the number of firms that have a formal MarTech practice. In 2021, only 59% of the respondents reported having a formal MarTech practice in place, whereas this number was upward of 74% in 2019. We expect that the MarTech function has matured and been integrated into the emerging Marketing Operations function and capability in many organizations (see white paper on [Marketing Operations](#))

The great majority of marketers (59%) report that their firm has established a formal MarTech practice. The 2021 findings suggest that there may be a steady downtrend in the number of firms with a formal MarTech practice.



QD1. Does your organization have a formal "Marketing Technology" (or "MarTech") owner and/or practice?

This change is also reflected in the budget allocated specifically for MarTech. Currently, the typical financial firm allocates 26.3% of its marketing budget to MarTech efforts. In 2019, it was 27.4%. This is primarily due to the need to integrate the new technologies that were adopted in the prior year.

Some of the top marketing technologies that Financial Services firms have reported using are: *Website Optimization and Testing Platforms, CMS, Marketing Automation Platforms, CRM Systems, CDP, DMP, and Social Media Management tools.*

*Website Optimization and Testing* and *CMS* are the primary marketing technologies for financial marketers today. This is not surprising as financial marketers continue to prioritize owned channels from which they can collect first party data, such as the company's website.

## 7. Financial Services Marketing Goes Agile

The agile methodology has been an emerging project management methodology in marketing in recent years. At its core, agile marketing focuses relentlessly on rolling out small improvements, testing them quickly, and iterating them to optimize the value.

The reason behind the adoption of agile marketing is due to its data-driven approach and its focus on improving customer experience through quick iterations known as *sprints*.

At present, usage of Agile marketing approaches is near universal among financial marketers. Importantly, the number of marketers reporting that their usage of an Agile approach is “High” decreased significantly over the past year (from 54% to 40%). As a consequence of this decline the plurality of firms (45%) embrace of Agile marketing is “Medium.”

Base: All Respondents	YEAR 2019	YEAR 2020	YEAR 2021
	(136) %	(216) %	(150) %
High, we are using an Agile approach to manage our work today	35	[ 54 ]	( 40 )
Medium, we have been embracing some aspects of Agile methods	46	40	45
Low, we have tried some minor aspects of Agile marketing approaches	15	( 5 )	[ 10 ]
Not at all, we don't use Agile methodologies on our team	3	1	[ 4 ]
Don't know/not sure	1	-	1

QA17a. Where do you feel your team fits in the scale of embracing Agile marketing approaches?

In the Financial Marketer 2021 survey, over 80% of respondents said they have integrated the agile methodology on a high to medium scale. The majority of respondents (28%) follow the lean methodology, where the emphasis is on optimizing the system for work and delivering the output as fast as possible. The trailing methodologies include Scrumban (24%), Kanban (23%), and Scrum (10%).

## Closing Thoughts

An all-encompassing aspect of these trends is the emphasis on the quality of customer experience. As marketing has moved from the Age of Digital Marketing to the new Age of Dynamic Marketing (see white paper on [Dynamic Marketing and CX in Financial Services](#)), financial marketers will have to shift their approach from a product-centric to a customer-centric orientation.

To cater to this shift, it is mandatory that financial marketers continue to adopt MarTech. MarTech can help financial marketers harness the power of data, which in turn can help to drive a more personalized customer journey. A more personalized and relevant customer experience will almost always generate greater value for the customer and greater profits for the firm.