

Emerging Digital Marketing Trends for Banks and Financial Services

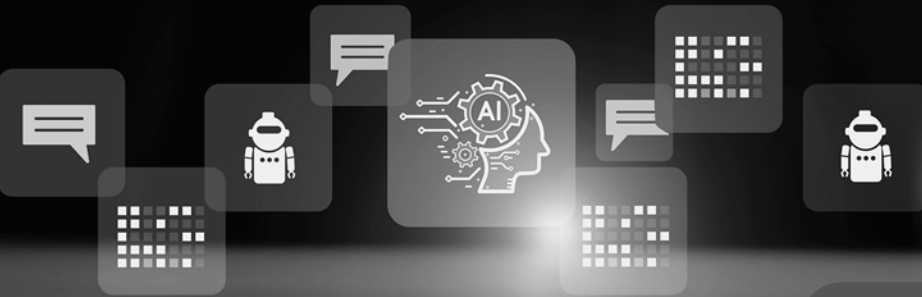
This report presents a quick look at the latest innovations and emerging trends that are reshaping the banking and financial services landscape in the U.S., and how iQuanti is helping leading banks transform their performance marketing strategies to stay ahead of the curve.



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AI in Marketing: Use Cases for Banking & Financial Services

Leading banks are testing AI across business functions.



Trends and Implications

AI/ML has gone mainstream in the past year owing to the rapid advancement of technology and data sciences.

In marketing, we are seeing more and more financial companies:

- Evaluating ways to use AI to scale execution on content strategy and personalization.
- Gaining deeper insights into customer behavior, preferences, and needs.
- Responding to automation and ML-driven media optimization shifts in platforms such as Google, Meta and others.
- Automating significant aspects of customer service and support to drive efficiencies.

iQuanti's Work

Our proprietary ALPS™ platform, used by Fortune 20 banks, leverages generative AI technology to organize, automate, and augment SEO functions

- ALPS uses GPT technology across the content creation process, including content research, copywriting & editing.
- ALPS also uses Generative AI technology in enabling extensive keyword theming and conducting comprehensive topic research across the competition. At iQuanti, we use structured data dumps from tools like Google Ads and ALPS to generate insights and get recommendations.
- In addition, the AI-driven ALPS scoring algorithm analyzes the on-page and off-page elements and quantifies ranking drivers to pinpoint reasons for underperformance, get improvement insights, and predict performance impact before committing to changes.

With rigorous AI-led creative testing programs, we have been able to get 40-70% lifts in creative performance engagement outcomes.

Building a robust strategy to collect, activate and leverage first-party data

In the age of digital data deprecation, privacy regulations, and rapidly shifting consumer behavior and expectations, those who respond quickly and commit to being data-centric and consumer-led will emerge as leaders.



Trends and Implications

Not all financial players are equally equipped to harness the full potential of their first-party data in response to data deprecation. Banks continue to have challenges with measurement, attribution and ineffective targeting.

- Banks are looking for transparency and ownership of marketing data (which resides with agencies).
- They are implementing Customer Data Platforms (CDPs) to reduce reliance on cookie-based data and activate their first-party data.
- Banks are working with ID Graphs and solution providers to overcome measurement and attribution issues.
- Experimentation with data clean rooms – such as Google Ads Data hub, is an emerging area of interest and relevance for banks and financial services.
- Privacy compliance through technology continues to be an area of investment.

iQuanti's Work

- iQuanti has been working with leading national and regional banks, helping them **leverage first-party data to enable optimization for profitability**.
- iQuanti drove **1.3X ROAS improvement** for deposits for a leading bank. Account balance-based segmentation signals were used.
- We are helping banks **experiment with Data Clean Rooms** by collecting data, creating customer segments and measuring the attribution of channel performance.
- iQuanti has helped a large retail bank to **deploy CDP** for personalization and to activate consistent audience segments and messaging across channels, leading to a 20%+ lift on ROI across several channels.

Measuring & learning from the impact of brand marketing on performance

Effectively balancing upper and bottom-funnel spending remains a challenge.



Trends and Implications

Banks are finding it difficult to solve the equation of brand and performance spend calibration. Measuring the impact and effectiveness of ATL and using insights to deal with the challenge of bottom-funnel demand saturation is a key challenge.

Banks are working on solving this through:

- **Setting up data infrastructure that enables connected audiences** - audience definition and effective tracking across channels and platforms.
- **Integrated planning data**- brand and performance media planning informed by unified measurement techniques.
- **Data integration** to overcome closed ecosystems e.g., Google, Facebook to assess true impact.

iQuanti's Work

iQuanti integrates a unified pre-built media-mix/attribution model into the core campaign execution process to solve the integrated impact and planning challenges for all our clients.

- iQuanti implemented a full-funnel strategy for a leading bank with an integrated audience strategy and we have seen a **15-25% improvement in media efficiency**.
- iQuanti helped set up **the incrementality solution** for one of the largest credit card issuers in the U.S. by quantifying the effect of top-funnel branding on bottom-funnel performance via structural equation modeling.

Deploying agile spending and allocation decisions in performance marketing

Enabling in-flight decisions for campaign managers to maximize the return from every incremental dollar of media is a priority.

Trends and Implications

- Data insights continue to be focused on past performance, leaving huge efficiency opportunities on the table as media dollars get consumed.
- Leading banks are looking for analytical solutions that will deploy real-time, actionable, and intervention-based insights for campaign management.
- Inter-campaign, inter-platform spend allocation that is built on competitive, performance and gap-to-goal data maximizes the effectiveness of every incremental dollar being spent.



iQuant's Work

- iQuant uses **Marketing Mix Modeling (MMM)** to quantify the incremental impact of marketing and non-marketing activities on a pre-defined KPI.
- We use a **media optimizer tool** to make in-flight decisions on spend allocation at inter-campaign, inter-platform, and inter-market spends.
- We deployed unified MMM/Attribution pre-built into campaign planning for a major consumer lender, leading to a **20%+ ROI improvement** over the year.
- We delivered **10%+ cost saving on media spend** at the same volumes of acquisition, using intra-product, inter-campaign/location-driven insights from the optimizer model.

Moving towards optimizing media spends for the value of a relationship

Banks need to test data and methods, across platforms, that lead to higher-value customers.

Trends and Implications

- Most banks continue to optimize media spending for online conversions such as application approvals or accounts opened instead of business KPIs like revenues or profitability.
- Leading banks are transitioning from volume optimization to optimization of media based on predicted 'relationship value' using business metrics such as:
 - Deposit values
 - Ticket size of loans
 - Average quarterly balances on cards and
 - Average balances in checking.

iQuanti's Work

iQuanti leverages predictive analytics to predict revenue at the time of application signup and uses those signals to optimize for value.

We have built segmentation models based on a deep understanding of the product and profitability of banking, have deployed data pipelines, and have executed campaigns against profitability-based signals as part of core-campaign operations for several large banks.

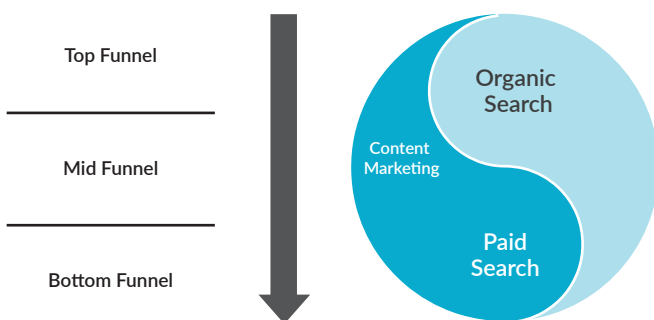
- **Optimizing for deposit balances:** iQuanti has successfully deployed a value-based bidding strategy across banks, to move from optimizing for accounts to optimizing for balances. Using this approach, we have delivered:
 - **1.6X lift in avg.** Instant Funded Balance
 - **1.2X lift in avg.** Total Funded Balance
 - **1.3X lift in ROAS.**

Unlocking paid search & SEO synergies to improve acquisition economics

Banks are exploring opportunities to leverage synergies between paid search and organic search with the intent of maximizing the share of clicks.

Trends and Implications

- Maximizing share-of-search through a connected search approach, one that integrates paid search and organic search at a theme level, helps drive efficiencies.
- A holistic approach to search also ensures that banks are capturing all of the branded demand in search, in face of conquering ads.



iQuanti's Work

iQuanti is helping banks leverage integrated performance reporting and insights dashboards, to identify & maximize pockets of opportunities on paid search & SEO across the top-mid-bottom conversion funnel.

- We have deployed the framework on our proprietary test bed platform - 'Credello' to ensure higher visibility listings on branded ads and hence maximize SERP presence to push down competitors from the top fold. We have delivered significant performance lifts through this approach.
 - Up to **20% increase in conversions** with 1.2-1.3X of current branded CPAs.
- We have enabled effective paid search decisions with a holistic search dashboard for large financial services providers.
 - Search Dominance¹ for 1-3 positions increased from **0.7% to 3.7%**.
 - Non-brand Paid Search **Cost per Acquisition dropped by 7%**.

¹Search Dominance – Clicks/Search Volume (Paid Search + SEO)

Content marketing & authority building to strengthen SEO presence

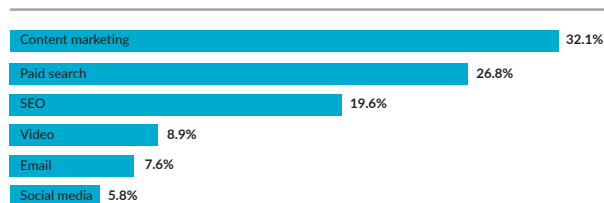
Building top-mid funnel awareness & consideration intents to feed into demand for bottom-funnel can enhance SEO.

Trends and Implications

- According to a [January 2022 CMO survey](#), 32.1% said that Content Marketing was their top spending priority, above paid search, SEO, and video.

How US CMOs Prioritize Spending on Select Digital Marketing Channels in 2022

% of respondents



- Amid economic uncertainty, top players are looking to release more content on financial wellness and we can expect the product mix to change.

iQuanti's Work

- iQuanti has been doing robust work on understanding the audience demand and identifying the relevant content clusters via our proprietary ALPS™ platform. The focus is on facilitating complete user journeys through the conversion funnel on our clients' websites.
- We work with large publisher networks and partner websites to launch high-quality off-page awareness content to augment the existing SEO content and capture diversified customer journeys via:

- Syndication
- Guest Posts
- Matte Releases.

With our holistic SEO execution/support, we have helped large US banks drive:

- >30%-50% increase in organic traffic** and keyword footprints for top financial organizations YoY.

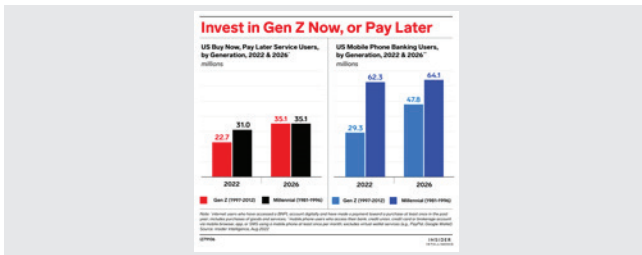
Building differentiated strategies for the future customer

With Gen Z becoming a more dominant customer segment, banks are gearing up to win them over.

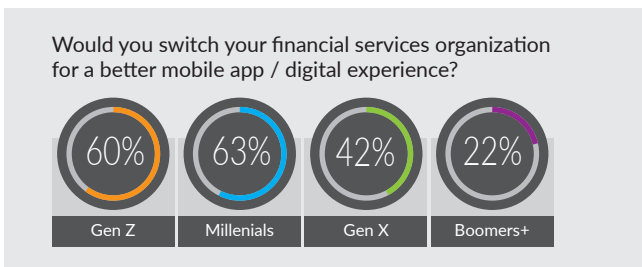


Trends and Implications

- Gen Z is the new customer, growing to ~50% the size of millennials. In 2023, for the first time, there are more adult Gen Zers than adolescents.



- In a recent survey by BAI, 60% of Gen Z said they would switch to a different financial institution for a better mobile app or digital experience.



iQuanti's Work

- iQuanti has been conducting a significant amount of primary research and study on Gen Z's banking & media preferences/ behaviors and how it differs from other customer cohorts.
- We have identified 40+ life-stage event triggers for banking products for this customer category.
- We've also built differentiated strategies to target these digital natives and enable demand generation & financial literacy.
- We focus on activating top-mid-bottom funnel targeting and reshaping customer journeys based on Gen Z's media preferences and are developing focused creative strategies to highlight key value propositions.



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