

Today, one out of three retail bank customers is looking for a deeper relationship with his or her current bank but may easily be moved to another institution whose marketing capabilities are more robust. Digitally innovative marketing can help financial institutions differentiate themselves in a competitive market and grow their client base.

## *The Value of Digitally Innovative Marketing for Financial Institutions*

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**Questions posed by:** Adobe

**Answers by:** Marc DeCastro, Research Director, Consumer Banking

### **Q. What are some of the biggest challenges facing financial organizations today?**

**A.** The financial services industry is faced with challenges in both the near term and the longer term. The immediate concern is centered on providing clients as well as prospects with needed tools during times of uncertainty. Customer expectations have changed recently, and customers are relying more on digital channels augmented with employee assistance for more complex activities. Longer term, the challenges that are leading to additional investment in IT solutions can be summarized as follows:

- » Rising expectations among customers as they want more convenience, customization, and control
- » Accelerating innovation that continues to drive the current and future experiences of both the enterprise and bank customers
- » Maintaining digital trust and empathy as escalating threats mandate strategic responses
- » Meeting the challenges of open banking and the rise of fintechs within the financial services industry

### **Q. Why is customer loyalty more important than ever in the financial industry?**

**A.** Customer loyalty is more important now than ever, especially as banks are challenged with a rapidly changing world where building loyalty may become a differentiator. While it may seem obvious that maintaining an existing relationship is less expensive than building a new relationship, loyalty is measured not necessarily by the length of the relationship but by the customer understanding the value-add provided by the financial institution.

In a recent survey conducted by IDC Financial Insights, only 43% of customers and 34% of high-net-worth customers felt that their bank is sending them relevant and personalized offers. Knowing who your customers are and providing them with relevant offers will lead to enhanced loyalty.

## Q. What are the biggest hurdles preventing financial organizations from digitally innovating their marketing strategies?

**A.** Despite the large investment that the financial industry has made in transforming itself to be more digital, especially at the front end of the customer experience, this investment has not translated into the development of a truly omni-channel strategy. The industry still struggles to invest in solutions that can provide institutions with complete visibility into what their customers are doing beyond traditional transactions made using the bank's products and services.

Solutions have also been designed in silos, creating a fragmented and disjointed approach that fails to properly follow customers to provide them with relevant marketing offers that are personalized. There needs to be more investment in understanding customers from external data sources and the formation of new partnerships so that financial institutions can really personalize their marketing messages on the right device at the right time.

## Q. Why is now a good time for midsize organizations in the financial industry to consider digitally innovating their approach to marketing?

**A.** Customers are looking to their financial institutions for guidance, and often the guidance customers want is being shaped by experiences they are having outside of their banking relationships. They're ready to expand their relationships with their existing financial institutions, but the institutions may not be "on the spot" with relevant offers or simply haven't been top of mind with customers.

Missing out on these opportunities shows the importance of providing timely communications that are concise and delivered across all channels. Midsize financial organizations are perfectly positioned to help attract, retain, and grow the client base by providing a more personalized experience and emphasizing that they are with their customers every step of the way.

## Q. How does marketing automation help financial organizations drive growth and increase cross-sell revenue?

**A.** The most effective marketing campaigns are those that can show customers the value of engaging with their financial institutions to solve their current and future financial needs. Being able to deliver empathy at scale, which means having a large-scale solution that can deliver the marketing message in a way that is customized and relevant, truly creates a unique market of one for each customer. Today, one out of three retail bank customers is looking for a deeper relationship with his or her current bank but may easily be moved to another institution whose marketing capabilities are more robust.

Throughout the customer's financial journey are inflection points that will determine loyalty. Sometimes those points are major milestones in the process, such as buying a car, financing educational expenses, or saving for retirement. Each of these points will occur at different times in a customer's life, yet the information available can help identify when the

customer needs to research and act upon that need. Automated marketing helps your business be there for that customer, which will drive growth, increase cross-sell revenue, and also help demonstrate the partnership that the bank has with its customers.

## About the Analyst



### ***Marc DeCastro, Research Director, Consumer Banking***

Marc DeCastro is Research Director for IDC Financial Insights responsible for the Consumer Banking Engagement Strategies practice. Mr. DeCastro's core research coverage includes the complete omni-experience journey for the retail customer, including branch transformation, digital product strategies, and onboarding.

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To learn more about Marketo Engage and how marketing automation can help your business digitally innovate to meet modern customer demands, visit: [www.marketo.com/solutions/financial-services/](http://www.marketo.com/solutions/financial-services/).

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