

A hand is shown typing on a black keyboard. Above the keyboard, there are various digital financial icons floating in a blue and white digital space. These icons include a shopping cart, a calendar, a globe, a dollar sign, a Euro sign, a Wi-Fi symbol, and a line graph. The background is a warm, orange-yellow gradient with glowing blue lines and particles, suggesting a high-tech, digital environment.

THE FUTURE OF FINANCIAL MARKETING EXCLUSIVE INSIGHTS FROM 13 LEADING BRANDS

FINANCIALDIGITALMARKETINGUS.COM

We interviewed a number of Marketing leaders within the Financial Services industry to share their thoughts on the key trends and issues in the space for the upcoming year.

Read on to learn these top priorities:

Security, privacy and compliance

AI and machine learning

New demographics

Voice-enabled search

Consumer advocacy

Personalization

Seamless CX

+ More..

Exclusive insights from 13 leading financial brands:



Q1

What are the issues and trends financial services marketers should be prepared for in the next year?



Kelly Chambers

Chief Marketing and Technology Officer

Heritage Credit Union

I'd recommend following two trends this year. First, make sure your teams understand changes to governance of advertising data. For example, Google recently changed how financial services can target on their ad platform. These changes greatly reduced the targeting capabilities that banks and credit unions can utilize. If you use an ad agency for Google Ads, I'd recommend discussing this with them if you have not already.

Second, monitor neo-banks and tech companies expanding into traditional banking. These firms continue to expand checking account market share. For small and mid-size financials it is very difficult to compete directly with these firms for digital-first consumers. Look for creative ways to grow in your markets without competing head on.

Trends are important to monitor but many times understanding a trend allows you to not get swept up in the trend. If everyone is doing one thing to grow, it's usually best to find a way to grow by doing something else.

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Jo Ann LeClair

Director, Data Science

Scotiabank

Privacy and security will continue to be powerful themes in the Financial services industry impacting marketers as well. Our industry, particularly in Canada prides itself on security but fraud is evolving and we need to keep ahead the changes in criminal behaviour patterns in the digital space in particular. The evolving digital fraud may have a silver lining in that customers will be willing to trade privacy for extra security. If we protect our customers, their identity and their money, they will provide us with more information. We will need to become guides and guardians of our customer's data. In addition, we will need to be more and more transparent about how we are using their information and prepare ourselves for a GDPR type environment in Canada.

AI will continue to generate much discussion. As we move on from the first use cases of chat bots and robo-advisors, many use cases will help augment work or processes to allow humans to do the higher order and creative thinking. On the marketing side, we have been using models for a longer time, however now processing power and access to data is allowing data scientists to use more advanced techniques. Many of these techniques while giving us more accurate predictions make the models more difficult to explain. It will still be important from a business and customer point of view to be able to understand how outcomes are reached. There will also be increased scrutiny on the ethics of AI or machine learning to ensure that bias does not enter the model. Organizations will be developing guidelines for AI/ML if they haven't already.

The previous two points demonstrate the need to be data driven. As marketers in Financial services we have been using data for quite a while however in the future we will need to access more and varied sources of data. We will need to have a more holistic view of customers if we are to serve them as they anticipate and protect their money.

In the Fintech space, things are settling down as Banks and Fintechs figure out how to partner and work together. One thing that Fintechs do well that Banks need to do better is identify pain points in the customer journey and "fix" that experience. We need to start addressing this ourselves if we want to stay relevant. As marketers, no matter how good the message, the product and customer list, the effort will be for naught if the experience is not up to par causing customers to abandon the offers presented to them.

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Archie Sachdeva

Director, Strategic Marketing

Manulife

The Canadian financial services industry is transforming at a rapid rate. The changes are driven by multiple factors, including:

- a) The emergence of new demographic segments such as the gigs, retirees, millennials and multicultural groups that have diverse needs and behaviors
- b) The digital and data revolution offering opportunity to provide a seamless and customized digital experience
- c) The entrance of technology companies into the financial space offering customers leading digital experiences that customers have grown to expect from all service providers.

Companies will use data analytics to build and distribute new products and services to cater to these new segments thereby optimizing their marketing efforts.

Technology will continue to be the key enabler to drive this transformation. The ongoing focus will be on building a robust and seamless digital customer experience to drive deeper engagement through the entire customer journey. The various tools that will be used for this digital transformation will include the use of AI, content marketing, robotics and marketing automation.

A significant trend that we expect to see is the adoption of voice enabled technology; offering customers a digital experience that will be more personalized, accessible and convenient. Voice based technology data will help in building behavioral and psychographic analytics that could be used to build relevant products to optimize marketing efforts.

With increased technological advancement, a significant challenge will be to keep adequate emphasis on the “human” aspect in the marketing mix. Another challenge will be to protect customer data and build stringent privacy parameters especially while using cloud based technologies.

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Brent Korte

Chief Marketing Officer

Ameritas Life Insurance Corp

As more companies pivot toward customer-centricity and away from only focusing on product and distribution needs we will find Marketing teams taking on new responsibilities. Customer Experience, Insights and Analytics will become common capabilities that Marketing teams will develop. Digital responsibilities will go beyond websites to thinking through how customers want to interact at all touchpoints throughout the tenure of their relationship with a company. Additionally, innovation teams and labs will move to be more closely aligned with Marketing teams as they are best positioned to understand the customer, constantly looking to the future and open to finding new and disruptive ways of producing growth and value for the enterprise.



Kerry-Ann Stimpson

Chief Marketing Officer

JMMB Group

In the next year, financial services marketers have to pay closer attention to how they communicate with the C-suite. With a number of CMOs indicating that this is still a challenge, marketers must charge themselves to consistently double down on pulling on the right data, measurement tools, and using effective communication techniques, to understand what executives are looking for; and connect those expectations to the role that marketing plays in driving (or supporting) those areas. Doing so makes justifying the marketing investment a whole lot easier.

While the rise of digital marketing has helped to equip marketers with a lot of the data that they need, to speak the language of the C-suite, more ground still needs to be covered. Finserv marketers will, therefore, have to especially focus on:

- Showing the impact that marketing strategies have on the company's financial outcomes;
- Increasing their investment in marketing analytics;
- Gaining alignment around marketing's role in driving growth; and
- Demonstrating how the 'health' of the brand impacts business success

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Justin Hoffman

CMO

PSA Insurance & Financial Services

I think getting our hands around voice search is going to be a tough and interesting challenge. For a long time now, marketers heads have been focused on how best to position our brands in a “words and images on a screen” landscape. All of a sudden, a significant portion of people’s searching is now taking the form of talking to a smart speaker. Today, consumers are researching products, accessing support, providing ratings and purchasing goods via voice. With all of the research showing an expectation that voice interaction will only increase in the (near) future, how will marketers respond?



John T. Renz

Vice President, Marketing Content & Advertising

Prudential

Compliance. This is the ever-present challenge for anyone in a regulated industry. It would be so easy if we could just say or do anything we would like, but it’s not that simple. In the U.S., for example, there is a lot of activity in Washington D.C. that may create new pathways to financial wellness, but there are constraints about what can be said and what can be promised. And while that can be a big obstacle, I prefer to look at it as an opportunity to change the conversation and be more open and direct with content. There’s an elegance in being simple and direct and frankly I believe that’s welcome, regardless of audience.

Connectivity. There will be the continued need to meet people where they are. There are some financial services marketers that are doing a great job here. Others, not so much. There is a generation entering the workforce that has never not known life without the internet, mobile devices, and personalized services. Smart financial services marketers recognize this and are taking steps to be there for folks, wherever “there” is.

Relatability. While true in nearly all industries, I believe that, in financial services, it is absolutely critical to connect with folks on a human level. That’s because the topic of finance continues to intimidate and confound so many. There’s been a lot of work done in the space of behavioral research to understand why individuals don’t take the actions that they know to be right. Everyone knows they need to save for retirement, yet 1 in 3 Americans have nothing saved. Everyone knows it’s wise to have savings for a rainy day, yet 60% of Americans would have to go into debt for an emergency expense of \$400. There will be the ongoing good fight of finding how to best connect with folks and help them relate to the challenges and to not be afraid to take action to improve their situation.

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Mo Daouk

Director, Marketing

Zomaron

Data and privacy will always be critical touchpoints for any company, as we saw in 2018, with massive companies like Ticketmaster falling victim to breaches. Data and privacy will continue to dominate any company's focus in 2019, especially those in the financial sector. But, when you break down the customer experience, the real focus should be automation and speed. How can you be better and faster than your competitors? Customers have been molded to expect service levels similar to that of Amazon.

With the rise of FinTechs in the industry, the customer experience is being forced to evolve beyond what's "good" to be great and, of course, instantaneous. From capturing a lead to on-boarding a customer and then servicing them throughout their lifetime, your customers today and your future customers need to feel that they are being taken care of around the clock. In fact, many of them want to feel like they are in control. With such a competitive landscape, you can no longer attract or maintain your customer base with just price promos and superior service sentiments. Customer acquisition and attrition has become a growing conversation.

So, how does your business fix this? How do you not only attract new customers, but keep them in what has become an uber competitive marketplace? Believe it or not, some of these trends require organizational changes. To become more agile and competitive as a business, you must adopt new methodologies. The person who is responsible for these organizational changes is the Marketer. The Marketing team is the driving force and they are responsible for studying these trends, understanding them and then leveraging tools like UserTesting.com, Hotjar or Google Analytics to challenge the status quo. It's the name of the game, innovate or die.

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Marianne Forrest

Director, Digital Optimization

CIBC Digital

Successful financial services marketers should be prepared for the following inter-related trends:

Personalization

Winning companies anticipate customer needs to deliver continuous cross channel engagement rather than react to them. Data will drive creativity, and understanding behavioral psychology will inform truly relevant and customized journeys.

Machine Learning

The combination of AI capabilities overlaid with key strategic business rules created by humans becomes the norm. Deciding what key data points to use with caution or not to use at all, and using AI to expedite always-on testing strategies will be key factors of success.

Data Literacy

Data democratization and the proliferation of visualization tools means that every marketer, regardless of specific role, also needs to be a data analyst.



Jennifer Ishiguro

Vice President, Research & Experience Design

ATB Financial

The trends for next year won't be anything new - customers will continue to expect brands to deliver flawless experiences at every interaction and for those interactions to be tailored to them, in other words customers will expect brands to acknowledge them. The focus instead should be on customer's rising expectations for the above and their intolerance for anything but. This will no longer be a nice to have or an opportunity to delight and will create urgency for brands to mobilize and transform to meet these consumer expectations.

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Cheryl Boodram

VP, Sales and Marketing

Chief Financial Credit Union

At the 2018 DMFS, Betsy Chung, SVP and CMO, TD Canadian Bank, said: “There is no longer digital marketing, marketing is digital.” This statement beautifully simplifies the world marketers live in now. We are in the age of AI, automation and targeting capabilities so specific my social media platforms know what I need before I do. While I proudly refer to myself as a “FinTech Nerd” – I feel this is the point where we must be the most diligent in protecting our consumers.

Marketers have the power to influence - this is tremendous power and not to get all Spiderman on this, but “with great power comes great responsibility.” We deal in people’s money...the culprit of most marital arguments, one of the most common causes of stress and not a place where the average consumer feels completely confident. I believe the biggest win for financial industry marketers in the coming year will be in providing honest, educational content that meets our consumers where they are and when they need us.

Basically, I hope this year we will use our powers for good; that we stop blasting people’s inboxes with unwanted emails or bombarding phones with unsolicited calls like the overly friendly computer named Brittany that has called me 10 times to tell me this is her final attempt to reach me about a student loan opportunity. Rather that we help someone understand how to build their credit score, so they don’t need computer Brittany to beat their rate because they already know how to find and qualify for the lowest one out there.

While technology is seemingly our best friend, it also represents our most significant threat and is at the heart of the paradigm shift occurring in the financial industry. Silicon Valley is at the door and, in my opinion, we are putting far too much faith in the ability of regulatory burden to hold up the long-standing financial industry barriers to entry. In the United States, Fintech companies have been invited by the Office of the Comptroller to apply for special national charters. I order and pay for my Starbucks in an app; my Venmo account has a debit card – how much has our interchange income already been affected and what is next?

I am hopeful this year we are going to continue to see more marketers understanding how important it is to manage our investments and draw a direct correlation to revenue. Marketing merely is no longer a place where people that don’t like math can hide; today’s marketer needs to have a grasp of many disciplines including financials, data analytics, psychology, and technology. I hope to see more of us taking our seat in the board room this year; we have valuable insight to add to the discussion.

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Gwynne Fane

Vice President, Marketing & Communications

WealthBar

More than ever, consumer advocacy is king

Digital display ads are becoming increasingly ineffective: + Shift towards privacy on social = increased importance of product marketing and brand for client advocacy

According to a recent study, 42% of Canadians use an ad blocker*. That means even if you did have the budget (check), captivating creative (check, check) and have managed to find an audience with a high propensity to convert (check, check, check), there is a (very) good chance they won't even see your ad.

Couple that with a more recent shift in consumer behaviour on social wherein users are retreating more and more into private spaces on social platforms, and away from areas where brands can interrupt and control the narrative, and you've got a big change in the way you need to connect with people.

While these shifts seems completely understandable, this is a 180 from how users were interacting on social and other digital platforms not that long ago. This leaves marketers having to having to really re-evaluate what they're doing from a brand and ad standpoint and ask themselves – 'is this really, working?' And 'how will I know?'

While meaningful marketing attribution is something most marketers will still tell you is a unicorn, I think one thing we can all agree on is that consumer advocacy is king. And, given the recent shift in behaviours mentioned above, consumer advocacy has never been more important. A shift from a pure brand advertising approach to a more product marketing based one will likely be a big focus in helping marketers move the needle in 2019.

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Grace Mistry

Head of Marketing, B2B & Personal Wealth Advertising

BMO

Be a B2P (Business to People) marketer because if you aren't looking at being #relevant to the #whole #person (in both their business and personal journey) then you're missing out. Don't think day traders aren't checking their fantasy football - know how to use data and connect the right message in the right moment to the right audience and capitalize on their digital hyper-connectivity.

The overwhelming #trend in B2B advertising is also towards using social and video but web content too, not surprisingly. Other things to note as shared by LinkedIn includes 20% of executives have increased content consumption significantly and 75% are more selective about the content they consume and the sources they trust. If 76% of executives are influenced in their purchasing decisions by thought leadership then putting a lot of thought into how to deliver against that in B2B advertising is just as important as how it gets distributed.

Words for marketers to live by in the year ahead from @gopikallayil of Google - #assistance is the new battleground for growth. We're competing with the best customer experiences that serve customers' curious, demanding and impatient expectations. B2B and B2C Brands that #showup in all touch points along the customer journey, #speedup by delivering frictionless and faster digital/mobile and #wiseup through having highly personalized experiences are winning.