



The Importance of On-Target Messaging

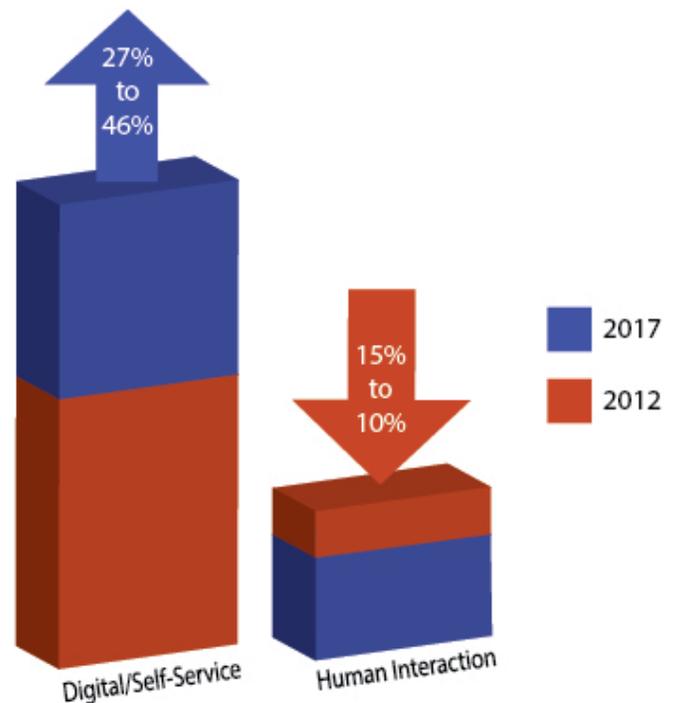
Changing Channels and Communication Strategies for 2018 and Beyond

Consumer banking trends indicate a growing preference for self-service and digital channels, and a continued decrease in personal account holder interactions. In fact, recent studies have shown the use of self-service and digital banking channels rising from twenty-seven percent (27%) in 2012 to forty-six percent (46%) in 2017, according to [PwC's 2017 Digital Banking Consumer Survey](#).

Digital account access is convenient and provides a sense of security and control account holders have never before experienced. In a world where eighty-one percent (81%) of consumers carry smartphones and eighty-four percent (84%) own a computer, it is easy to understand why so many customers and members are taking basic banking services into their own hands.

This level of convenience and control is also affecting financial behaviors. As they create a better understanding of their money and how it is used, self-service banking users show an increased need for financial products beyond the standard accounts.

The result? A valuable new market of financial consumers that demand, respond, and communicate in a completely new way – leading financial institution (FI) marketers to work overtime finding new ways to connect, educate, inform, and advertise the growing number of services being provided for their customers and members.



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Marketing that Works

While traditional advertising such as billboards, television, and radio are still viable options for ensuring brand visibility, they lack the personalization and targeting to which self-service consumers respond. In response to this change FI marketers are leaning toward more digital routes including paid search, mobile ads, email, social media, and retargeting - with varying results.

DIGITAL ADVERTISING

Advertising online has become an essential tool for any marketing team. However, not all digital ads are created equal.

- **PAID SEARCH** – While most search engines have some form of paid advertising available, the most popular platform is, of course, Google. Their AdWords program is specifically designed to help marketers leverage specific keywords to target audiences in distinct locations nearly anywhere in the world – using both text and display ads that reach the search engine results pages as well as a large swath of connected pages around the web. The AdWords system provides a variety of options to allow FIs the ability to segment their products and deliver advertising only to interested audiences within their chosen target population.

Cost to run a successful campaign is dependent on competition per keyword within the selected geographical areas. A mortgage ad at the top of page one may run \$1.75 per click in rural Kansas but average around \$10-15 in Los Angeles. And, with over [56% of marketers purchasing AdWords](#), the competition for standard financial products in large markets can get fierce. However, paid ads reach [eighty percent \(80%\)](#) or more of US consumers online with FI AdWords click-through rates averaging between two and three percent (2.65%) with average cost per click around \$3.72, making paid search a reliable and effective resource for FI marketers.

- **SOCIAL MEDIA ADVERTISING** – Use of social media has seen a significant growth since the inception of MySpace back in the 90's. Around eighty-one percent (81%) of

the US population had a profile on one of the many social media platforms in 2017. Estimates place worldwide social media users around 1.96 billion and expect another 0.5-0.6 billion in growth by the end of 2018, according to data from [Statista](#). With so many users, it seems logical that these social platforms would be a good investment for marketers to reach individuals – especially when sites like Facebook offer such robust targeting methods for ads.

The truth is social media use is complicated. The majority of users see social media primarily as a communication device. [One](#)



marketing. The distaste is so extreme that mobile ad blocking surged ninety percent (90%) in 2015, and continues to grow in popularity. In fact, mobile ad blocking is so in demand that Apple products have included content blocking APIs since the release of iOS 9. Due to this severe distaste for mobile ads, experts suggest a subtler approach to reaching audiences on mobile including in-app messages and opt-in alerts.

- **EMAIL** – While the overflowing inbox is a growing issue for many, there is a reason email marketing persists...it works. In fact,

email has an average twenty-nine percent (29%) penetration for banks and a forty-five percent (45%) penetration for credit unions, according to research from [Harland Clarke Digital](#). In addition, messages from an account holder's FI enjoy higher than average open and click through rates and low unsubscribes - making email a reliable go-to for FI marketers to communicate their message.

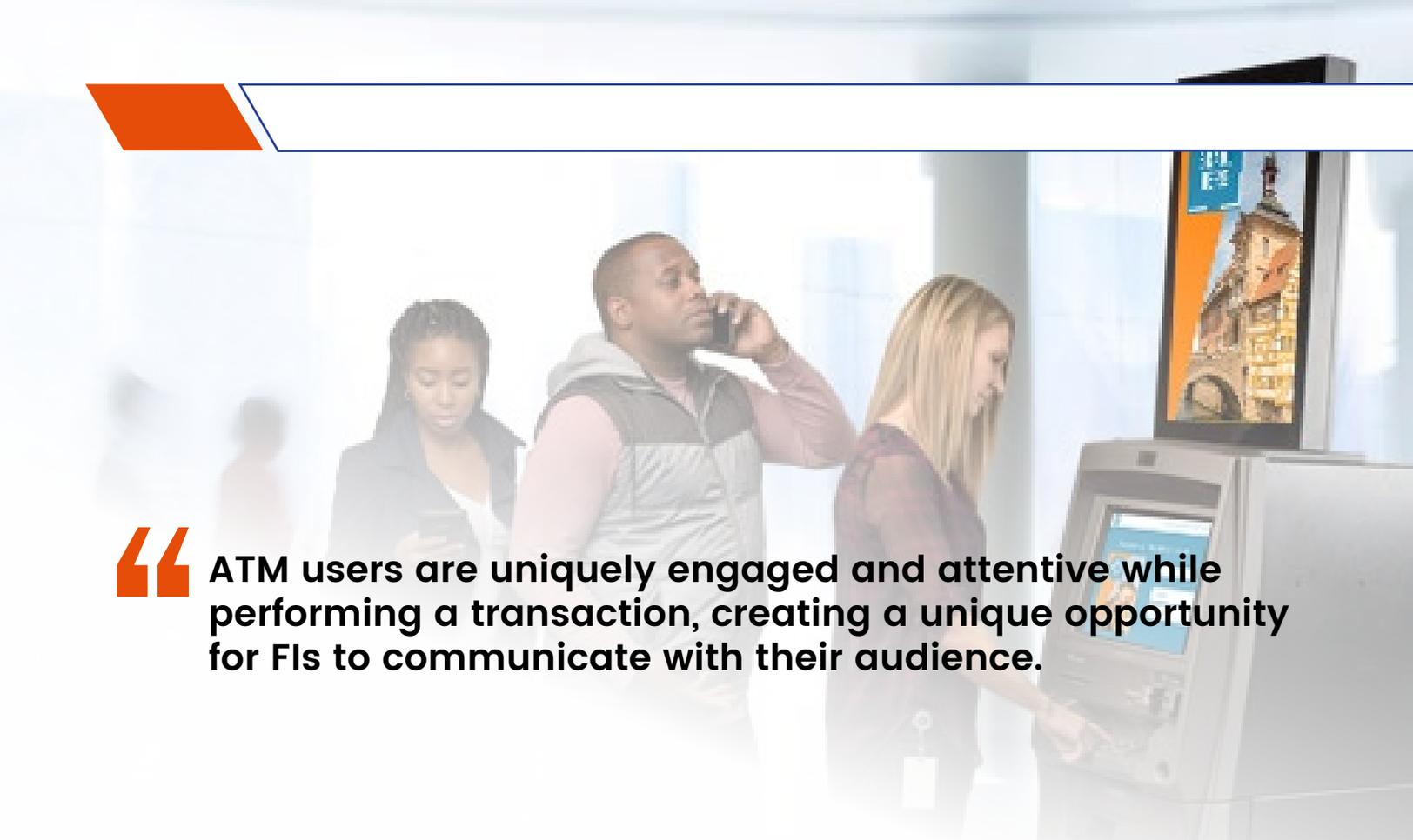
- **DIRECT MAIL** – Okay...it's not exactly "digital". But, while it may seem out-of-date, direct mail is still an important part of the marketing playbook. In fact, the response rate [for people 18-21 is just over twelve percent](#) (12%) and overall household response rate remains above five percent (5%). Experts suggest direct mail retains a high impact due to its offer of a tangible experience.

ADVERTISING AT THE ATM

The ATM may seem like an odd place to think about pushing your marketing message, but recent trends in ATM technology and account holder behavior say different. According to the [2016 Consumers and Mobile Financial Services](#) report from the Federal Reserve, the second most common means of account access for US consumers is the ATM. Mobile users, especially, show a marked preference for these self-service venues – with [fifty-four percent](#) (54%) of frequent mobile users reporting more use of the ATM.

ATM users are uniquely engaged and attentive while performing a transaction, creating a unique opportunity for bank and credit union marketers to communicate with their audience. However, standard ATMs of the past have lacked the ability to provide FI marketers





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to take advantage of this interaction – only offering static “Welcome” and “Please Wait” screens requiring direct update at each individual machine.

Fortunately, new technology is changing the way FI marketers can provide interactions at the ATM. Some ATM manufacturers and turn-key ATM providers have begun to implement hardware and software to create a marketing-friendly environment with unique features designed to engage with ATM users. Some of these features include:

- Remote Screen Upload – FI marketers can utilize this feature to provide updated advertising and messaging, among other options.
- Cardholder Targeting – Some ATM operators can now offer targeting by BIN, providing the opportunity to segment messages.
- Mid-Transaction Messaging – Rather than simply offering “Welcome” and “Please

Wait” screens, certain ATM providers have the ability to provide messages to cardholders when they are paying the most attention...during the transaction.

- Custom Take-Away – ATM receipts may not seem like anything special but studies show that physical advertising has a deeper and longer lasting effect on the human brain. In fact, market tests of ATM receipt calls-to-action have a higher percentage rate of return than newspaper inserts and other mailers.

CRAFTING THE RIGHT MESSAGE

Part of the digital account user preference for control is also a desire for personalized interactions. A report from [Salesforce](#) on the state of the connected consumer found sixty-three percent (63%) of Millennials and fifty-eight percent (58%) of Generation X are willing to share their personal data in exchange for personalized offers or discounts.

As purveyors of financial services, banks and credit unions have a unique view of each account holder's personal preferences and life stages. [Some fifty-seven percent](#) (57%) of FIs have a real-time view of account holders' product holdings. Around thirty-five percent (35%) have a real-time view of product use or transactions while others have, at minimum, a periodic view.

These insights provide FIs with the ability to do more than simple promotion of general products and services across the board. When wielded properly, this information can open the doors to better marketing segmentation and personalization - keys to reaching and capturing the digital account holder. In fact, email personalization can [boost open rates by twenty-six percent](#) (26%) and can reduce over-all [acquisition costs up to fifty percent](#) (50%)... because the right, thoroughly targeted message will resonate better with each individual account holder.

CONCLUSION

Consumers are demanding more self-service account access. However, they are also opening up the doors to a more elaborate, personal, and digital connection with their financial institutions. Using technology correctly, savvy FI marketers can collect more information to develop more targeted and personalized messages for their account holders across a wide range of digital and physical platforms. The result? A growing connection with an expanding audience ready and able to engage in longer-term relationships through innovative financial products.



About FCTI

FCTI, Inc. is a nationwide ATM solutions provider specializing in advanced ATM placements and operations for financial institutions. Our patented MBA technology, network partnerships, and leading software developments offer banks and credit unions real marketing and distribution opportunities through the ATM channel.

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