Prisma
CAMPAIGNS

The 2021 guide to omnichannel marketing for financial institutions

www.prismacampaigns.com

Table of contents

The 2021 guide to omnichannel marketing for financial institutions

As this new year begins, the economy as a whole is still navigating the effects of COVID-19.

As for the financial services industry, banks and credit unions will continue to deal with lobby access restrictions and the unusual situation of high deposits but not enough loans and possibly high delinquencies, which impacts both interest and non-interest income. A considerable percentage of consumers will continue to experience financial hardship and everyone will still deal with many changes to daily life. As a result, the pandemic has forced financial institutions to make some important adjustments in their customer experience strategies.

Financial institutions now must be even more adept at listening to their customers and fine-tuning offerings based on their needs while trying to make the best of existing resources and strengths—like knowledgeable staff and excellent in-branch service. In some cases, banks and credit unions have had to quickly come up with fully digital offerings, while, in other cases, they've found a way to adapt traditional practices (such as changing the way customers interact at brick-and-mortar branches and finding ways to make "in-person" services available through digital channels).

It's clear, though, that whatever your 2021 strategy, it must include omnichannel marketing.

Omnichannel marketing

Omnichannel marketing is a strategy that integrates all channels, both digital and traditional, into one seamless experience with **the customer** at the center of it. Instead of the channels working in parallel, they act as extensions of one another so, no matter where a viewer is consuming content or interacting with a brand, they will receive a seamless and consistent experience based on their behavior. In other words, you, as a marketer for financial institutions, must start thinking about retail banking the same way that consumers do: in a channel agnostic way. In fact, "channel" is a word that might not even resonate with consumers. In order to be channel agnostic, FIs must adopt omnichannel marketing as a standard.

This differs from multichannel marketing, where **the brand** is at the center of the strategy. With this strategy, the channels operate in silos and they don't adjust based on each customer's needs or behavior. This may result in the same message being sent out to customers on all platforms and channels, or receiving one message via one channel (e.g. direct mail) and a totally different message via a different channel (e.g. mobile app). Many brands practice multichannel marketing and believe they've got their bases covered, but unfortunately, multichannel marketing leaves out a key piece: the individual customer journey.

Multichannel marketing

In multichannel marketing, each channel has individual goals and metrics which function independently.

Multichannel marketing puts the brand at the center of the strategy and focuses on generating consumer engagement, rather than streamlining the customer experience.

Multichannel marketing often focuses on spreading a message through as many channels as possible.

In a way, multichannel marketing creates redundancy, inconsistency, and even internal competition between channels.

Omnichannel marketing

The goals and metrics for each channel are intertwined. All efforts focus on streamlining the customer experience and providing a holistic approach.

The streamlined experience results in consistent messaging throughout the whole buyer journey.

While multichannel marketing aims to spread a message through as many channels as possible, omnichannel marketing only focuses on amplifying those channels that improve the customer experience.

Omnichannel is an example of synergy, in which the combined effect is greater than the sum of parts. This gets reflected not only in sales, but in customer loyalty.


single channel
multichannel
omnichannel

Omnichannel campaigns

Omnichannel marketing campaigns have clear goals and objectives centered around the customer experience, rather than the brand itself. In order for it to be successful, an omnichannel marketing campaign requires collaboration between multiple business departments, such as:

Product | Marketing | Sales | Customer Support | Customer Success

The first step in implementing an omnichannel marketing campaign is establishing which channels are the most relevant to your business.
Where are your target customers hanging out? What channels are the most effective in reaching them? How are customers transitioning between platforms?

You must recognize that your customers navigate between different channels and ensure those transitions are fluid. This means the strategies for each platform must be seen as one, rather than as separate entities.

Why financial institutions can't afford to ignore omnichannel marketing

Financial institutions can benefit immensely from omnichannel strategies for all customer communications—both sales strategies and operations.

Historically, customers did their banking in their preferred channel (e.g. in-branch, at the ATM, phone banking, etc.) and each channel had their own tech stack. But, in today's increasingly digital age, customers now expect the ability to use various channels. This means they might start an account query in their online banking and then go in-branch or on the app to finish the process. With omnichannel, all of their information is captured along the way.

For example, imagine a credit union member who receives an email with a special offer to refinance his auto-loan. It's a pre-approved rate and it projects $2,000 in savings. He is interested, clicks "apply," and is directed to a landing page with a form that is pre-filled with all his information. Because he's at work, he's not able to continue it now. Thankfully, he gets an in-app notification with a link for him to resume the process. Later at home, he completes the process from his desktop computer and completes it with an e-signature.

Financial institution customers want the flexibility to begin a process on one device and complete it on another. What's more, they expect this to be seamless and in real-time. More so than any other industry, banks and credit unions have unparalleled levels of customer and member data that they can leverage. Sending general marketing campaigns to all members regardless of their demographics and behavior or sending different messages via different channels (in silos) is a missed opportunity.

By leveraging data, financial institutions can run cohesive omnichannel campaigns with unified messaging that meet customers where they are (on their preferred channels).

The benefits of omnichannel marketing

A successful omnichannel marketing campaign leads to a smoother customer experience and, as a result, increased ROI.

Increased customer loyalty

Since the buyer's journey is thoroughly captured, consumers feel seen and heard, which develops a stronger connection to the brand. When consumers feel connected to a brand, they're more loyal and less likely to go with a competitor.

Increased brand visibility

By having all of your channels work together, your brand is able to place your message across multiple platforms in a more timely and consistent manner. This means your visibility is amplified.

Highly accurate target marketing

The integration of multiple channels provides you with extensive customer data that helps you better segment and target your campaigns.

Cost effective

With the insights from your omnichannel campaigns, you're able to deploy resources more efficiently. You easily get a bird's-eye view of what channels are the most fruitful so you can adjust spending accordingly.

The challenges of implementing an omnichannel marketing strategy

While an omnichannel marketing strategy provides many benefits, there are also challenges that come with restructuring your business's marketing and communications efforts in this way.

While it makes sense to replace existing tools that are channel-specific with one omnichannel platform, this consolidation can have its challenges. For example you have to take into consideration when existing contracts expire, and consider the pros and cons of migrating one tool at a time versus all of them at once. Since all businesses have different needs and budgets, it's important to choose a platform with multiple pricing levels so you can best select one that fits your business' s goals.

Implementing an omnichannel marketing strategy may also require a shift in corporate culture since there is an increased focus on digital marketing and customer interaction. Because of this, it's critical to provide staff with a thorough onboarding and user-friendly training process to ensure they're completely comfortable with the new processes.

On a similar note, financial institutions that have previously relied heavily on human contact at branches can struggle to build trust with customers through digital channels. Customers who are used to a certain way of banking (such as in-branch or over the phone only) may become frustrated or feel alienated. Therefore, the omnichannel experience must prioritize meaningful communications that have a personal touch even though they are digital.

2021 will be a year to prioritize your customers' journey and leverage technology without sacrificing human connections. It will require you to get creative and meet your customers where they are, whether that's through virtual service in your brick-and-mortar branch, or using AI to meet them across various digital platforms with the right messaging at the right moment.

How choosing the right martech can help a financial institution omnichannel strategy

Executing an omnichannel campaign is no small feat so you need the right martech tools to do so. Luckily, financial institutions can leverage specialized marketing platforms like Prisma Campaigns to help deepen relationships, improve loyalty, and increase share of wallet.

Selecting the right marketing automation platform can help your business capitalize existing customer information, design relevant campaigns based on this knowledge and your company goals, prioritize which campaign is the most relevant for each client, and execute all of your omnichannel campaigns accordingly.

Working with an industry-specific technology that focuses on omnichannel has its advantages, compared to horizontal platforms which relate to two areas unique to financial institutions:

1. Unlike other industries, financial institutions own channels with existing organic traffic: online banking and mobile app. Integrating with them is critical to delivering an omnichannel experience, and that's an area where industry specific tools that have an open ecosystem will be much stronger than horizontal platforms.

2. Unlike other industries, financial institutions already have lots of data on their customers. The challenge is not to get data, but to access it and make sense of it, in a way that is automated, secure, and compliant.

Because these financial institutions' particularities are both obstacles and opportunities, industry specific technologies with a proven record of understanding them can be of great value when implementing an omnichannel marketing strategy.

> “Typical banking transactions, car buying, house hunting and simply many in-person meetings have paused for the foreseeable future from the traditional methods. For 2021, we must change our digital search and engagement strategy. In today’s environment, where people are nearly exclusively at the office or working from home, and not traveling or visiting, we must be part of their digital search process ‘where and how’ they are searching and conducting business.”
>
> **Bruce A. Clapp** | President of **MarketMatch**, a marketing agency specialized in community banks and credit unions.

Four 2021 omnichannel marketing trends for financial institutions

While omnichannel marketing isn’t new, with COVID, it’s become a hot topic again. For financial institutions, having restricted access to lobby branches for the most part of 2020 and probably extending well into 2021 is giving rise to four exciting trends (hint, one of them is on wheels....)

With lobby access being restricted by COVID, rather than the death of the branch, what we're seeing is its evolution.

Studies show that, to go beyond just transacting and create impactful financial experiences, there’s nothing like the human touch. For that reason, and to make effective use of their existing resources, financial institutions must rely on omnichannel marketing to masterfully blend the convenience and efficiency of digital channels with the warmth and empathy of traditional ones.

In order to build a successful omnichannel marketing strategy for your financial institution, here are four omnichannel marketing trends to expect in 2021.

Trend 1

Brick-and-mortar branches are transforming—again!

Perhaps by a long-shot, the biggest trend we're seeing is that, rather than completely disappearing, brick-and-mortar branches are adapting to continue meeting the needs of consumers as we remain socially distant.

Despite the growing popularity of online banking and the high spike in usage due to COVID-19, experts predict in-person branches will stay a central part of high-value business. As Novantas reports, the vast majority of people still want a banking relationship that offers **convenient access to a physical branch**, regardless of how branchdependent they are in their daily transactions. This data demonstrates the power of relationship banking and the meaningful consultation that happens at the branch.

While, for some people, digital works just fine, others (especially from older generations), prefer traditional services. Many financial institutions, credit unions in particular, feel the call to continue providing services as they have for decades, especially since they have the infrastructure to do so. Besides, there are services that will continue to justify a physical branch visit, like a mortgage or a commercial loan, safety deposit boxes, and medallion certificates.

That said, the pandemic has certainly changed the branch's role and you must be prepared to venture from "business as usual." While the branch used to be a leading channel for the vast majority of FI's with digital channels as a distant second, roles are changing. In some cases, bank branches are evolving into powerful "top-of-funnel" engines that drive brand awareness, educate prospects, cultivate buzz, and generate leads which are then closed by digital channels. For others, branches serve more as a final step in the conversion after customers are introduced by digital channels.

The role of your branch in the customer experience will be just one component of an omnichannel relationship that is amplified by your digital channels. It's as if branches were star players used to scoring goals on their own and, now, what the team needs to win is for them to turn their energy into becoming great supporters of digital touchpoints.

"While consumer demand has certainly shifted digital during the pandemic, what we're hearing from banks is that their customers still want access to the branch, and data bears that out. The rise in appointment banking and repurposed use of the drive-thru is how the banking industry immediately pivoted to meet the demands of COVID, but these shifts are driving larger industry trends. Not unexpectedly, we are witnessing an evolving role for the branch, moving from transactions to consultations—a shift that was happening pre-pandemic, but even more now—and technologies like ITMs that are bridging the digital-physical divide. Like other industries, COVID is serving as a catalyst, speeding up changes that we were already anticipating in banking."

Gina Bleedorn | Chief Experience Officer from **Adrenaline**, a marketing agency specialized in community banks and credit unions and Editor-in-Chief and Publisher of **Believe in Banking**.

Here are a few examples of how bank and credit union branches are shifting paradigms to create hybrid experiences that defy categorization.

Trend	Paradigm shift	Examples
Revival of drive-thru lanes	Compared to an open branch lobby and digital channels, drive-thru banking previously lacked advantages. Now we're seeing a revival of drive-thru lanes as a channel to deliver branch services and a means for a human touchpoint, while still being convenient and efficient.	Adrenaline Agency is helping financial institutions take the drive-thru from a COVID lifeline to **beacons of brand**, using Starbucks and Chick-fil-A to **reimagine what the experience can be**.
Digital self-service	Branch services are no longer synonymous with in-person services. Lobbies are becoming a place to also get digital services.	Interactive teller machines (ITMs), which look like automatic teller machines (ATMs) but offer way more functionality, are usually supported by video tellers, which are real people working remotely. This makes them more efficient while saving money and space.
On-site digital training	Branches can be an ally in digital adoption by helping those who need a hand with more complicated banking tasks.	Training tables and kiosks with in-person staff are available so customers can be onboarded and troubleshoot digital services.
Providing a human touch, remotely	The in-branch "human touch" doesn't have to mean in-person. It can be provided by an employee working remotely to assist lobby clients as needed.	Washington's Numerica Credit Union **virtual greeters** use Microsoft Teams Virtual Conference Manager to guide their customers who visit the bank lobby via teleconferencing.

Image Credit: Remote Drive-Up Image from "Remote Drive-Up Strategy as a Brand Beacon" on Believe in Banking, powered by **Adrenaline**.

Trend	Paradigm shift	Examples
Video banking	If you want to see and talk to a representative, you no longer have to go to the branch. You can interact with a banker “face-toface” from the comfort of home	An increasing number of financial institutions are redeploying bank staff and rolling out video banking to provide a similar level of service, while rationalizing resources.
Mobile "branch -trucks"	Just because it's brick-andmortar, doesn’t mean it must be fixed in place. Put it on wheels and use it as a backup for city branches with long lines, or follow a scheduled route in rural areas.	Branch trucks were already being used in the US to **promote the brand** and internationally to cover underserved, rural areas. But now, with the restriction of mobility caused by the pandemic, this is a great way to complement digital services while optimizing branch network. In Spain, since the pandemic, **Bankia's** 11 “branch-trucks” have been driving 25,000+ miles per month to serve 373 rural towns where 250,000 people would not have access to branches otherwise. They not only feature ATMs and tellers for deposits and withdrawals, but also bankers who can open accounts, re-issue debit cards and process loans. Some of them even use clean energy! Check out these recent examples in the **Chicago** area, **Chile** (a double decker bus!) and **Uruguay**.
QR Codes as CTAs	Branches are leveraging their existing real estate (e.g. branch displays, printed materials) to spark interest and generate leads that can be digitally converted. QR codes are a perfect way to capture non-digital leads.	Scannable QR codes are being stickered in branch widows, at drive-thrus, and included in pamphlets to encourage online conversion of all offers.

The sky’s the limit, really. While the pandemic has certainly complicated matters, it has also created a compelling reason for financial institutions to innovate and for their clients to try out things that previously seemed impractical or unnecessary in a world where going to a branch was always an alternative.

Image Credit: Adrian, Caleb, and Z from **Numerica Credit Union** rotating as outside lobby manager; from Numerica's Wenatchee branch

Trend 2

Banks and credit unions are adopting multi-channel attribution

There have been fantastic innovations in data analytics over the years, but many bank and credit union marketers still struggle to accurately measure their marketing channels' performance.

For almost half a decade, experts have encouraged financial marketers to improve their marketing attribution models. Back in 2016, a study from Experian was already pointing out that 51% of financial institutions relied on very basic and inaccurate marketing attribution methods. And now, with channels' roles changing, having a way to measure which channels are driving conversions or ROI is finally becoming a priority for financial institutions.

“Many businesses believe they are accurately attributing value to their marketing channels, but this is not always the case—rather, they are using out-of-the-box attribution models that rely on arbitrary metrics to assign value,” said Sam Carter, author at bobsguide. “A further limitation of these models lies in the fact that they often underestimate the value of generic keywords, or social channels, in the path to conversion. As a result, marketers struggle to get an adequate budget for these activities—despite the fact they may be leading to customer conversions.”

It's often impossible to quantify advertising and marketing success when the right attribution practices aren't put in place. If you aren't able to accurately credit each specific channel, how are you supposed to explain to your CEO your bank's marketing successes, failures, and next steps? This is particularly difficult these days since customer journeys span across many different digital platforms.

To counter this, in 2021, we can expect to see “multi-channel attribution”, a standard in other industries, finally being adopted by financial institutions instead of single channel attribution models. In single-channel attribution models, the first or last touchpoint in a customer's purchase (or another relevant action) are credited. But, just because a channel was the first/last touch-point for a customer, it doesn't mean other channels didn't play a significant role in the process.

Multi-channel attribution considers all of a consumer's touchpoints and gives relevant credit to each one by using an algorithm based on a statistical model. Analyzing every touchpoint a consumer makes helps you better understand what efforts actually influence revenue and conversions (which is also critical for improving the customer experience). Multi-channel attribution is an important component of an omnichannel marketing strategy, while single-channel attribution models treat each channel as a silo.

Achieving this level of attribution can be tricky, especially if you don't have the right marketing automation tools in place. Reporting results for marketing efforts across different channels, including owned channels like online banking and mobile apps, is a key strength of solutions specifically designed for omnichannel marketing in financial institutions like Prisma Campaigns.

By taking this holistic view of the customer journey, you can avoid having your channels compete against each other and much more accurately optimize, budget, and strategize your marketing efforts.

Trend 3

Financial institutions are leveraging predictive personalization

When the pandemic began, some customers were hit really hard while others were able to continue mostly business as usual. Generic messages alienated customers, while personalized ones generated empathy and engagement that strengthened brands.

Smart financial institutions were able to use their data to identify who needed what. Consumers in dire need swiftly received the resources and assistance they required, while those who were doing alright appreciated encouragement to continue working towards their financial goals.

In 2021, we can expect financial institutions to continue leveraging data, AI, and machine learning to not only segment their audiences, but also apply the “Next Best Action” (aka “predictive personalization”). This will allow for real-time financial recommendations and a level of test-and-learn capabilities far beyond what we have previously seen in the industry.

> “The return on investment of customer-first, cloud-based Business Intelligence (BI) analytics journeys, linked to smart marketing automation tools and omni-channel content will drive significant return to an organization’s bottom-line performance and growth. But most importantly it will allow financial brands to compete and win at exceeding their customers’ expectations for simpler, personalized experiences."

Mark Weber | CEO of **Strum Agency**, a financial services brand and marketing consultancy and, **Strum Platform**, a next generation business intelligence solution for financial institutions

Currently, **75% of banks and credit unions** aren’t leveraging predictive personalization to the level consumers expect, so 2021 will be a year to catch up. As **Accenture** found, 48% of consumers abandoned a purchase when the experience wasn’t personalized and 91% said they would be more likely to buy from brands that really know them.

To improve this, financial institutions will need to track and leverage data behind consumer behavior across all channels, both online and offline, which, once again, is where an omnichannel marketing strategy comes into play.

As a bank or credit union marketer, you’ll need predictive models to make sense of all this demographic and psychographic data, so you can use it not to sell products, but to build an emotional connection—which in turn is what creates sustainable growth.

> “Predictive analytics are the new frontier of highly personalized customer service. From acquisition to onboarding to retention—predictive analytics offer insights into the challenges and opportunities within every stage of the member life cycle. Predictive models look deep within your members’ data to anticipate their needs and deliver just the right solution at exactly the right time.”

Karan Bhalla | CEO of **CU Rise**, a provider of data science services for credit unions

Trend 4

Creating smaller touch points with AI

AI lets consumers find what they're looking for faster than ever and financial institutions can strongly benefit from the trend. This technology is changing things in every sector of the industry (including front, middle, and back offices) and, in 2021, it will likely become even more accessible. AI is already providing leading customer service software with systems like chatbots and, as it continues to evolve, it will allow for faster transactions, increased convenience, and efficient risk-management at all levels.

This will in part be thanks to more customer touchpoints and an increased use of martech. While financial institutions have traditionally only had a few large-scale touchpoints with their customers (for example, branch visits), the trend is shifting to many smaller touchpoints.

In general, banks and financial institutions used to primarily generate passive relationships with customers. For example, they would respond when a customer approached them to open an account or apply for a service. Now, many financial institutions are beginning to leverage their own channels and third party sites to approach prospects themselves more often, which is made possible by technology and an omnichannel strategy. This can include leveraging social media, apps, and even text messages to increase visibility and further build consumer trust.

Financial institutions are also starting to meet people in "micro-moments" more often. A micro-moment is a very small touchpoint, when a consumer is looking for an answer (or to buy something) and they instinctively turn to a device (often the smartphone in their hand). In 2021, we can expect financial institutions to use those micro-moments to their advantage. AI and automation is the only way to provide immediate answers in these moments when they happen. Using predictive analytics to learn consumer habits, financial institutions can better react to their customers' needs during micro-moments.

Again, this may include chatbots to increase customer engagement by providing quick answers, or it could be pre-approval for loans to help consumers who spontaneously decide to make a big purchase. It can also involve using AI to generate accurate predictions for when consumers are likely to buy a home so they can quickly get answers about their mortgage rates (thus minimizing the desire to take their time looking at competitors).

With all of this in mind, it's critical that you clearly show customers how this new technology will benefit them. You must demonstrate that martech and AI-powered technology results in improved service and not just a way for your financial institution to cut costs. Like many bank and credit union reps, Kelly Ferguson, Chief Administration Officer at Numerica Credit Union, has found that prioritizing a human connection with their customers this year is key. And technology is not the opposite of human connection, but a way to enhance it, especially in pandemic times.

"This year, one thing has been clear—people are the heart of our credit union," said Ferguson. "We knew that using technology would enhance the special connection between our members and staff, meet people where they are, and break down barriers."

The most impactful touch points balance trust and a human element with increased engagement and efficiency. To make the most out of them, you must design them to be simple and fast, yet still personable.

Your 2021 omnichannel marketing matrix

As you plan your 2021 marketing strategy, it's important to keep in mind these questions:

• How could your brick-and-mortar branch adapt to changing usage trends? Are there ways to merge digital with in-person experiences?

• Are you attributing all of your customer touchpoints across channels? Which ones are you not accurately attributing?

• Are you using demographic and psychographic data to send predictive personalized messaging? If not, is there a quick win, one element of data that you can access and that would introduce an incipient level of personalization to your messages?

• How can you better leverage AI to increase efficiency without losing out on strong customer service and emotional connections? Even if AI seems far away for you, start making your case by collecting scenarios that could improve the customer experience.

We've designed a printable matrix to help you consider how you're positioning your resources across your channels in order to provide a customer-centric experience.

We've provided two copies of the same matrix. Think of the first one as a picture of where you are today - what services you are offering in which channel (tip: this is a great visual to include on your website and an email, as you won't believe how many customers don't know where to go for what). The second one is a place for you to evaluate what you would like to add and how you could improve existing services for a more streamlined and customer-centric experience. For example, you could ask yourself:

• What resources should be available when customers are in the consideration stage? What channels are accessed most during this stage?

• Must the resource(s) be made available by secure connection, or would video conferencing suffice?

Click here to download your 2021 omnichannel marketing matrix

Key takeaways

We're still navigating uncharted territory but, by being aware of these four omnichannel marketing trends we covered, you'll have a major leg up in helping your FI prepare for the shifting atmosphere. A large part of this will include implementing omnichannel campaigns so you can create a smoother, more personalized customer experience.

Today's consumers expect a thoroughly connected experience with their bank, no matter where they're interacting with them—and an omnichannel strategy is key to achieving this. Wherever 2021 takes us, customer loyalty, brand visibility, and improved analytics will be essential to your FI's success and an omnichannel marketing platform is the perfect place to start improving these things.

The 2021 guide to omnichannel marketing for financial institutions

www.prismacampaigns.com

Prisma
CAMPAIGNS