

SNAPSHOT REPORT

# Marketing Trends across Financial Services

Insights from over 550 marketing leaders in the banking, capital markets, wealth management, and insurance sectors worldwide

salesforce research



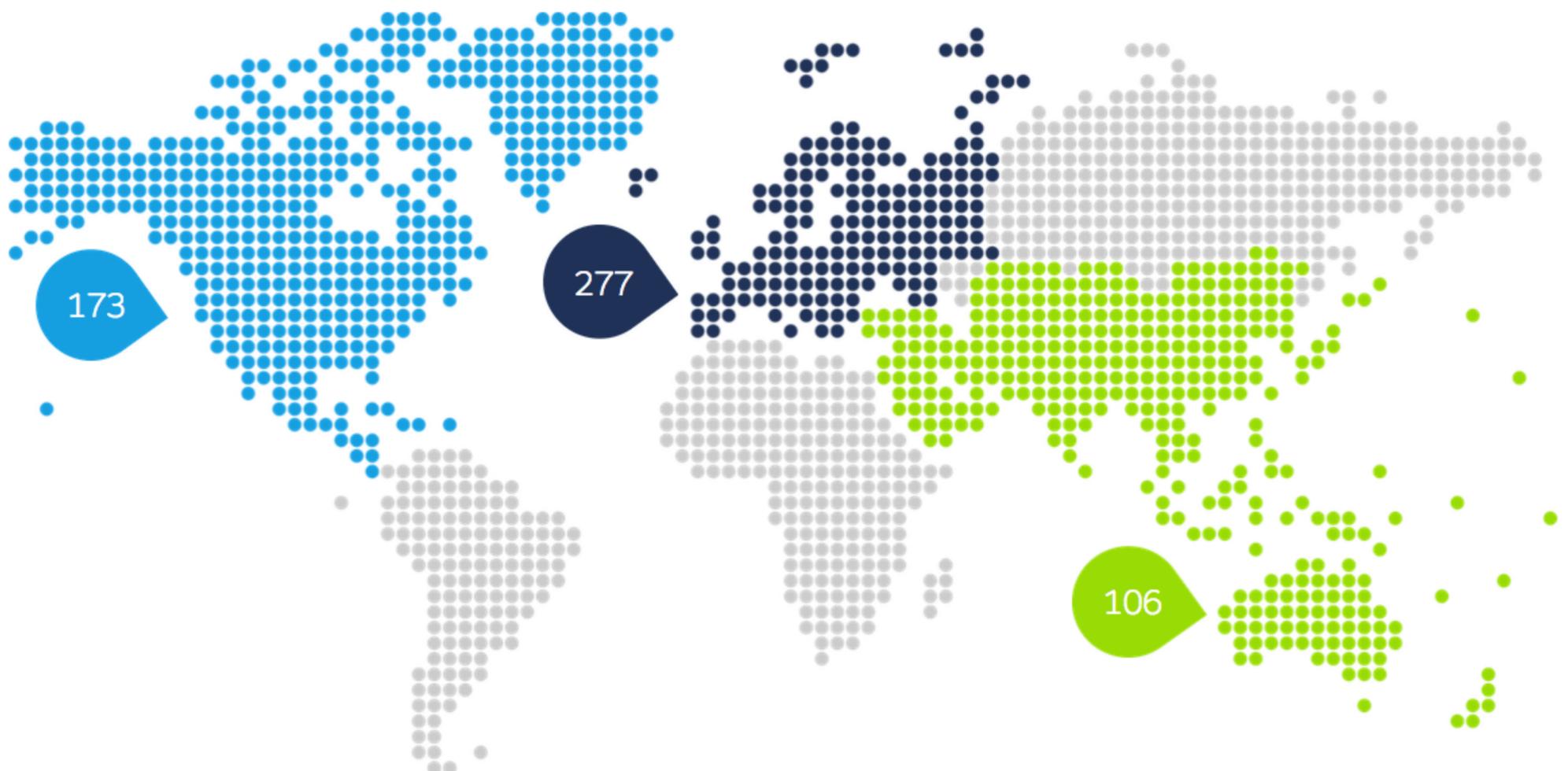
# About This Report

Salesforce Research surveyed over 550 marketing leaders in the financial services sector – including banking, capital markets, wealth management, and insurance – to discover:

- How top marketers in these industries are gaining customer loyalty and a competitive edge
- Which common challenges are hindering a connected customer experience
- Which marketing channels and technologies will see the biggest growth over the next two years

Throughout this report, high-performing marketing leaders are defined as those who are extremely satisfied with the current outcomes realized as a direct result of their company's marketing investment.

Data in this report is a subset of findings from the fourth annual "State of Marketing" study conducted in April 2017. The blind survey generated 556 responses from full-time marketing leaders in the financial services sector – those holding a manager or higher leadership role within their organization – in the U.S., Canada, Brazil, U.K./Ireland, France, Germany, the Netherlands, Japan, and Australia/New Zealand. All respondents are third-party panelists (not limited to Salesforce customers). Due to rounding, not all percentage totals in this report equal 100%. All comparison calculations are made from total numbers (not rounded numbers).



# About This Report

High-performing financial services marketing teams represent 12% of the overall financial services survey population. Marketers surveyed include B2B, B2C, and B2B2C teams.



# Table of Contents

<b>Introduction:</b>	Financial Marketers Navigate a New Loyalty Landscape .....	05
<b>01</b>	Customer Experience Is Key, but Not without Challenges .....	06
<b>02</b>	Silos Stand in the Way of a Single Customer View .....	08
<b>03</b>	Budgets Rise as Marketing Channels Multiply .....	10
<b>04</b>	Mobile Leads the Way for Channel Growth .....	11
<b>05</b>	Connecting the Customer Journey Influences Loyalty and Acquisition .....	12
<b>06</b>	Intelligent Marketing Tech Tops the Charts for Anticipated Growth .....	14
<b>07</b>	Financial Services Marketing Leaders Say AI Will Transform Personalization .....	15
<b>Related Reads</b>	.....	16

# Introduction: Financial Marketers Navigate a New Loyalty Landscape

Financial services is facing a loyalty crisis. From consumers going to their primary bank's competitors for financial products to investors holding assets across multiple institutions, the challenge is clear: Financial brands must transform their business around their customers. By creating helpful, personalized experiences for customers throughout their financial journeys, financial services companies can find a clearer path to retaining business and increasing wallet share.

Transformation is easier said than done. In addition to loyalty challenges, financial marketers face constant regulatory pressure. Risk-averse legal departments, though well-intentioned, can hinder creative transformation simply because "that's just not how we do things."

But with loyalty on the line, marketing leaders across banking, capital markets, wealth management, and insurance are in a prime spot to drive organizational change. It starts with getting smarter about customers. By listening to real-time data signals, whether transactions or life events, marketers can personalize relationships at scale. Armed with technology that learns, predicts, and recommends next best actions, marketers are empowered to deliver the right message at the right time, across any channel. Collaboration across the business – marketing, relationship managers, service centers, and more – is vital to ensuring that every customer interaction becomes smarter.

Top financial services marketing teams, as shown in this research, are taking the bull by the horns to lead cross-functional customer experience initiatives. We hope this report provides helpful guidance for marketing teams navigating the new loyalty landscape.



# 01 Customer Experience Is Key, but Not without Challenges

Today, 70% of consumers and 82% of business buyers say technology has made it easier than ever to take their business elsewhere.\* How can banks, insurance companies, or wealth management companies win wallet share among highly connected customers? Many agree that customer experience is the new battlefield for customer loyalty, and top marketing teams are leading the charge.

**69%** of marketing leaders in the financial services sector agree that their company is increasingly competing on the basis of customer experience

## Top Financial Services Marketers Lead the Customer Experience Charge



# 01 Customer Experience Is Key, but Not without Challenges

Despite the general consensus among financial services marketing leaders that customer experience is an important differentiator, many still face challenges in its pursuit.

Across financial services segments, marketing leaders are hitting some similar obstacles in their quest to create connected customer experiences. Marketers in banking, capital markets, insurance, wealth management, and other financial services\* point to disparate data sources, disconnected roles and tools, and insufficient resources.

## Top Three Challenges Financial Marketers Face in Creating a Connected Customer Experience\*

### Banking

- 1 Difficulty leveraging data from different sources
- 2 Difficulty aligning roles to customer lifecycle stages
- 3 Creating a shared, single view of the customer

### Capital Markets

- Difficulty aligning roles to customer lifecycle stages
- Too many channels
- Budgetary constraints

### Insurance

- 1 Difficulty leveraging data from different sources
- 2 Insufficient internal resources
- 3 Budgetary constraints and outdated organizational structure

### Wealth Management and Other Financial Services\*\*

- Budgetary constraints
- Insufficient internal resources
- Disconnected tools and technologies across the business

\* Partial list.

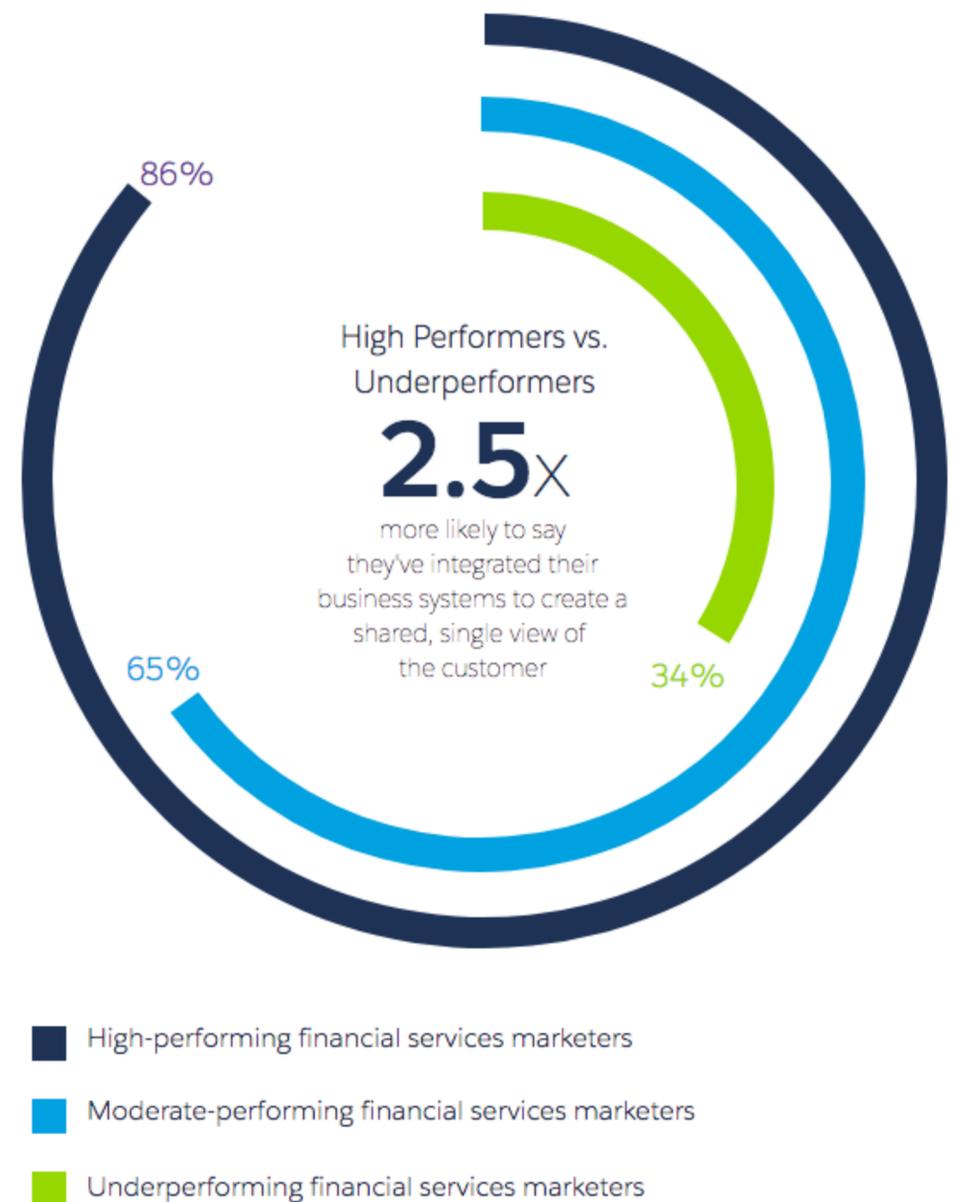
\*\* "Other financial services" includes survey respondents who identified as other financial services professionals (e.g., financial planners, investment managers, actuaries, and accountants).

## 02 Silos Stand in the Way of a Single Customer View

Creating a connected customer experience starts with running a connected business. The silos that restrict the flow of data between marketing departments and other business units limit a financial services company's ability to gain a single customer view. And this siloed view contributes to a fragmented customer experience.

Only 24% of marketing leaders in the financial services sector say their current tech stack is extremely effective at driving collaboration across the business (e.g., across sales, service, and marketing teams).

### High-Performing Financial Marketers Integrate Systems for a Single Customer View



## 02 Silos Stand in the Way of a Single Customer View

Over the past 12–18 months, **58% of marketing leaders in financial services sectors say they've become more focused on creating a single view of the customer.** In practice, this could mean insurance marketing leaders embracing new systems to give customer service, claims, and marketing visibility into a customer's history – and even prompting the next best customer interaction, such as adding them to a policy renewal journey.

Looking at specific financial services verticals, marketers in capital markets are most inclined to pursue a single customer view, while those in wealth management lag behind.

### Percentage of Marketing Leaders Who Agree They've Been More Focused on Creating a Shared, Single View of the Customer over the Past 12–18 Months



\* "Other financial services" includes survey respondents who identified as other financial services professionals (e.g., financial planners, investment managers, actuaries, and accountants).

## 03 Budgets Rise as Marketing Channels Multiply

Over the past two years, 65% of marketing leaders in financial services say their budget has increased. But as budgets increase, so do the number of marketing channels, leading to thin allocations across the board. As covered in section 1, budget constraints are a commonly cited challenge to creating a connected customer experience.

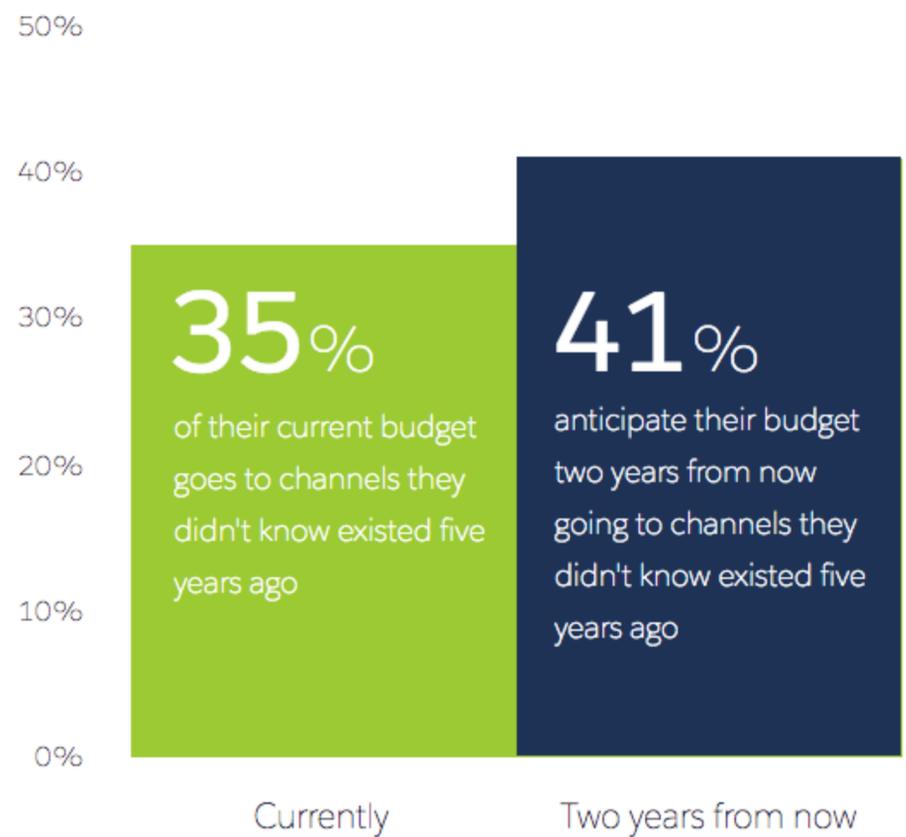
Top marketers in financial services are more focused on the connectivity of channels than the sheer number of them. **High performers are nearly twice as likely (1.8x) as underperformers to create predictive journeys across channels.** In other words, they're delivering personalized messages based on customer interactions with previous marketing messages – instead of blasting the same message across every channel – to help move customers along a journey.

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**66%** of marketing leaders in financial services anticipate their budgets increasing over the next two years.

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### Financial Services Marketing Budgets Are Expanding into New Channels



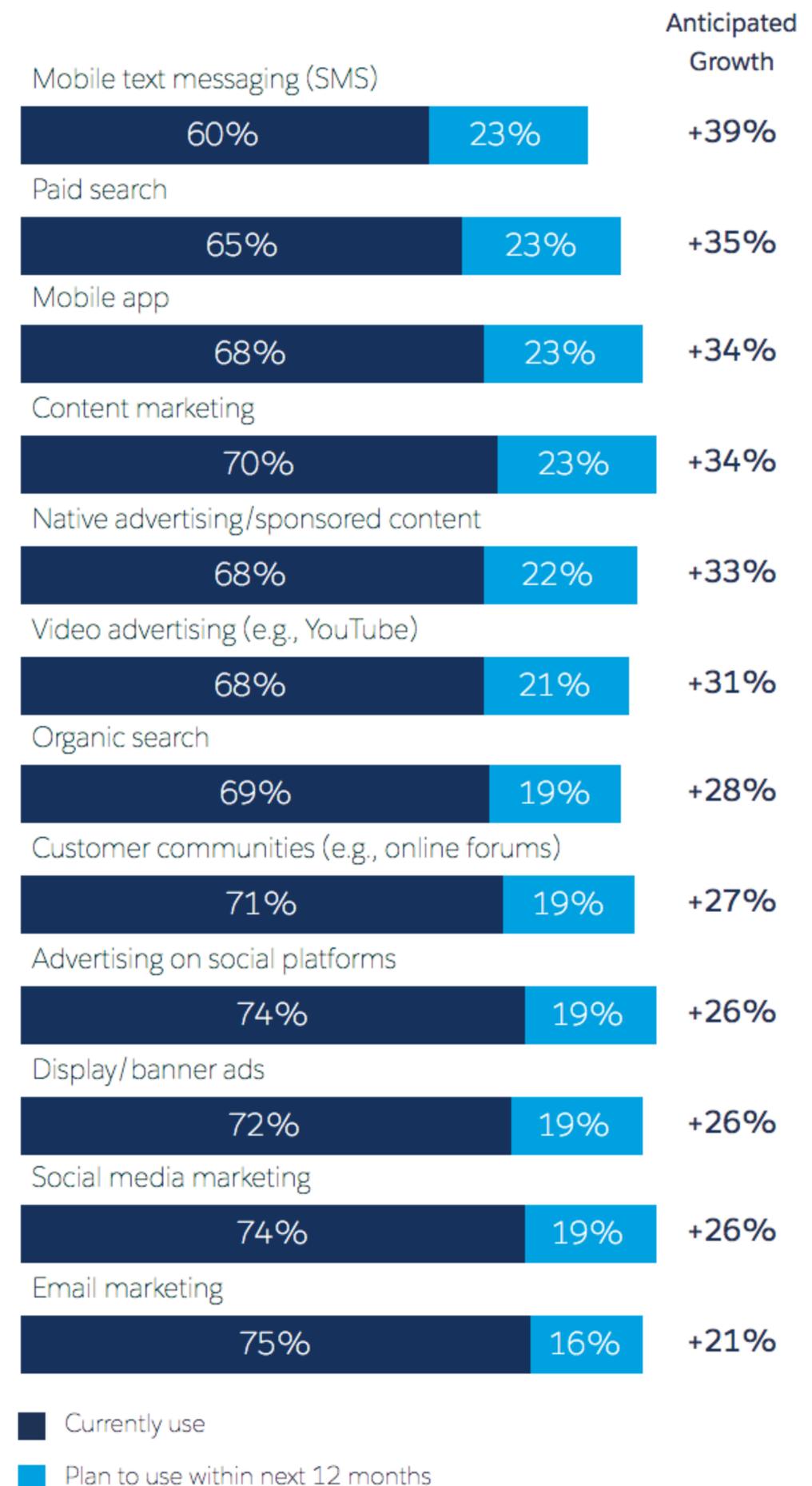
# 04 Mobile Leads the Way for Channel Growth

Consumers say banking is one of the most important activities they conduct on their mobile devices – second only to GPS navigation. This ranks above accessing even the weather or news. Additionally, **Millennial consumers are 1.8x more likely than other generations to say that mobile access to stocks and wealth management is absolutely critical.\***

Given this context, it's easy to see why mobile tops the charts of growing channels for financial services marketing departments. Within the next year, 91% of marketing leaders in financial services will use or plan to use mobile apps (83% for SMS), in addition to ramping up paid search and content marketing.

\* State of the Connected Customer survey, Salesforce Research, June 2016. Data may or may not be represented in the "State of the Connected Customer" report.

## Top Financial Services Marketing Channels for Anticipated Growth in the Next 12 Months\*\*



\*\* Partial list.

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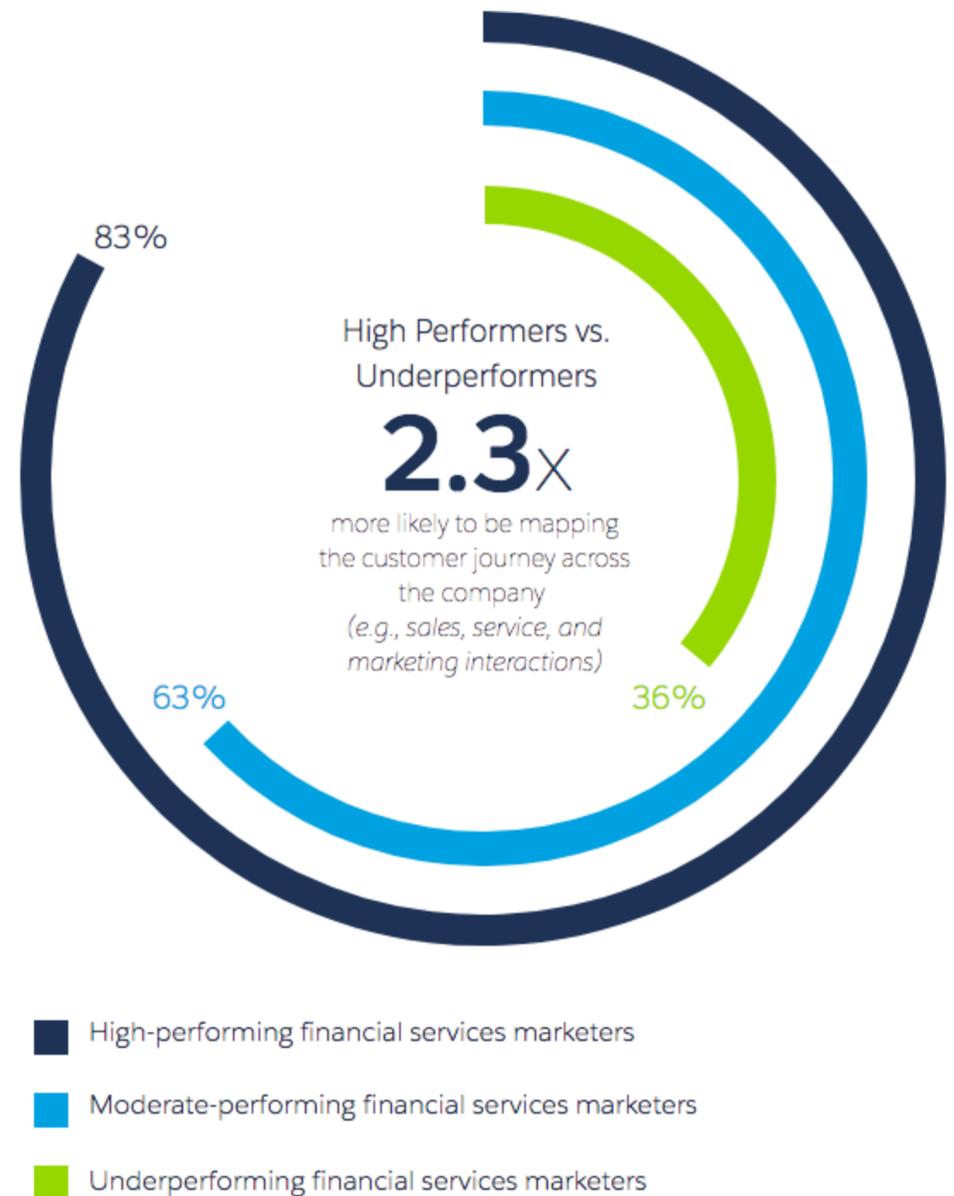
# 05 Connecting the Customer Journey Influences Loyalty and Acquisition

While marketers may assume that a disconnected customer experience is merely an inconvenience, it has a measurable impact on loyalty. For instance, if an insurance company's marketing department is cordoned off from its service department, customers can sense the disconnect as they move across touchpoints.

**73%** of consumers are likely to switch companies if they receive inconsistent levels of service across departments.\*

Leading marketing teams are aware of the link between consistency and loyalty, and are actively mapping the customer journey steps across their company.

## High-Performing Financial Marketers Are Actively Mapping Their Customers' Journeys



\* "State of the Connected Customer," Salesforce Research, October 2016.

# 05 Connecting the Customer Journey Influences Loyalty and Acquisition

While the term "customer journey" was just hatching a decade ago, it's now top of mind – and with good reason. The positive benefits associated with customer journey efforts speak for themselves, as detailed in this chart.

**70%** of marketing leaders in the financial services sector say that creating a connected customer journey has positively impacted their customers' willingness to recommend their products and services.

Customer recommendations are not only a sign of advocacy but a springboard for new customer acquisition. Sixty-one percent of consumers say they're likely to purchase products and services recommended to them by friends or family.\*

High-performing marketers in the financial services sector are 2.6x more likely than underperformers to say creating a connected customer journey has positively influenced customer loyalty.

## Percentage of Financial Services Marketing Leaders Who Say a Connected Customer Journey Positively Impacts the Following

Revenue growth

74%

Customers' willingness to recommend our products/services

70%

Customer satisfaction (CSAT) scores

68%

Customer loyalty

67%

Overall customer engagement

66%

Customer churn rates

64%

\* "State of the Connected Customer," Salesforce Research, October 2016.

# 06 Intelligent Marketing Tech Tops the Charts for Anticipated Growth

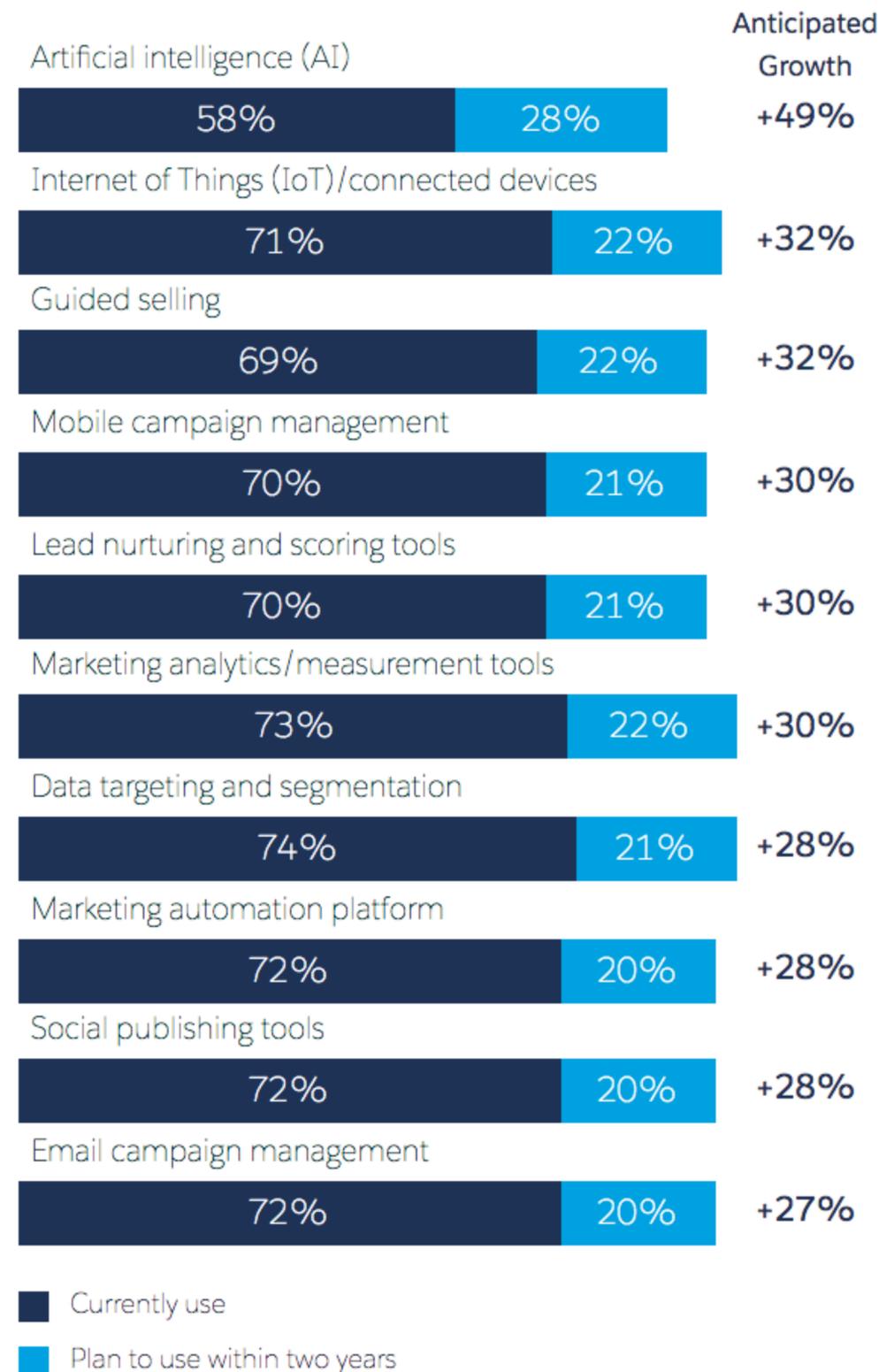
Looking ahead, consumers have high hopes for technology impacting businesses in the financial services sector. **Sixty-eight percent of consumers believe advancements in technology will positively impact their relationships with banks and insurance providers by 2020.\*** When it comes to mapping and managing the customer journey, marketers are turning to technology to lighten their workload. Although banking, capital markets, insurance, and wealth management companies aren't new business models, many plan on branching out with new technologies over the next two years.

Marketers in financial services expect that artificial intelligence (AI) and the Internet of Things (IoT) will see tremendous growth in the next two years (49% and 32%, respectively).

The Internet of Things/connected devices is the top technology that insurance marketing leaders say is absolutely essential to creating 1-to-1 marketing across every touchpoint.

**By 2020, 61% of consumers anticipate smart/connected vehicles would have a major or moderate impact on their daily life.\***

## Top Financial Services Marketing Technologies with the Highest Anticipated Growth Rates in the Next Two Years\*\*



\* State of the Connected Customer survey, Salesforce Research, June 2016. Data may or may not be represented in the "State of the Connected Customer" report.

\*\* Partial list.

# 07 Financial Services Marketing Leaders Say AI Will Transform Personalization

With AI as the fastest growing marketing tech for financial services, it's worth a closer look at its expected impact. Most anticipate that AI will transform, to some degree, their ability to personalize marketing and deliver the right message at the right moment.

However, budget constraints and customer privacy are the top roadblocks to executing an AI strategy. Financial services businesses would do well to keep customer privacy top of mind, since 78% of consumers say their loyalty to a company is influenced by that company maintaining their personal privacy.\*



\* State of the Connected Customer survey, Salesforce Research, June 2016. Data may or may not be represented in the "State of the Connected Customer" report.

\*\* Partial list.

\*\*\* "Other financial services" includes survey respondents who identified as other financial services professionals (e.g., financial planners, investment managers, actuaries, and accountants).

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