



# WORLD-CLASS MARKETING

FOR WORLD-CLASS  
FINANCIAL  
INSTITUTIONS

SETTING PRIORITIES AND OVERCOMING  
OBSTACLES WHEN BUILDING YOUR  
MARKETING ORGANIZATION

 **DELUXE**

# The challenges of customer acquisition



What are your financial institution's top 3 marketing priorities for the next 12-24 months?

NATIONAL AND REGIONAL BANKS:

**63%**

1. Increased adoption of digital channels

**54%**

2. Deepening relationships and improving share-of-wallet

**37%**

3. Customer acquisition

Financial marketers have always been challenged to deliver better results at greater speed and less cost. It goes with the territory, but it's never been more daunting than in today's digital marketplace, where prospects roam across many channels expecting personalized service.

Is your marketing team prepared to compete and win in this arena? Are you focused on the right priorities and structured for speed, efficiency and effectiveness? Are you leveraging new breakthroughs in marketing technology to gain competitive advantage?

To help you chart your course to creating a world-class financial marketing organization, we've brought together insights, best practices, and lessons learned from top analysts and industry experts. They cover the top-of-mind marketing priorities over the next two years, the obstacles facing financial marketers, and how to succeed in the new omni-channel marketplace shaped by the digital revolution.

## Marketing Priorities for FIs

Every year, the Digital Banking Report surveys financial institutions to learn their top marketing priorities and forecast marketing trends for the next 12-to-24 months. According to its study, "2017 Financial Marketing Trends," the top three priorities for national and regional banks are increased adoption of digital channels, deepening relationships and improving share of wallet, and customer acquisition (see the chart to the left for more detail).

These are the same top three priorities as last year's study, with one significant shift: Digital channels moved from second place to the top spot. Nearly two-thirds of national and regional banks in the survey cited this as their number-one priority, leading a powerful trend sweeping the entire banking industry. For all banks and credit unions surveyed, 38% cited digital channels as a priority versus 20% last year, bumping it up to third place from seventh.

Perhaps the most interesting takeaway is how interrelated these priorities are, according to the input from experts and analysts. Their insights clearly show that the effective adopting of digital channels can supercharge an omni-channel marketing approach that can help marketers make significant progress in the other two top priorities.

# Adapting to 2017 Marketing Priorities



The new emphasis on digital channel marketing is leading many organizations to take a fresh look at their team's roles, skills, and organizational structure.

While most traditional marketing roles remain relevant, the explosive growth of digital channels and emergence of data analytics is changing the nature of those roles and creating important new competencies.

For example, marketers always need baseline skills in data and analytics for reporting and measuring the success of their initiatives.

But today's omni-channel market, they need a higher level and greater variety of skills in data and analysis. This includes knowledge of

data management principles and analytical strategies; an understanding of the importance of data quality and data governance; and a deep awareness of current and emerging digital channels.

As skill requirements change, marketing jobs and job descriptions have to be adjusted too.

**Here are four new roles that every marketing organization needs now, according to the [Harvard Business Review](#):**

- **Digital marketers** create strategies that leverage web, search, social media, mobile, e-mail, digital advertising, and media-buying functions. The most effective strategies converge across multiple channels, and use data to guide their implementation and measurement.
- **Content marketers** create and distribute relevant content to attract and acquire a target audience across multiple channels. Using data analytics, they assess what content customers want to see, the right content for each stage of a customers' decision journey, and how to fit that content into omni-channel campaigns.
- **Data scientists** study business and consumer data to uncover new insights and trends that shape strategy; segmentation analysts work with customer data to build contact lists for better targeting.
- **Customer engagement specialists** use data analytics to help them engage prospects anywhere on their decision journey and to build more profitable relationships with existing customers.

# Recognizing the Obstacles Ahead



Experts and analysts point out several obstacles that organizations will likely encounter on the road to world-class marketing in the new omni-channel world. And there is a theme that connects them—the impact that more data and channel options have on several aspects of marketing. These range from a lack of internal expertise to measuring ROI across new interrelated channels.

**Here are six hurdles that marketing leaders must clear to get ahead of new trends and priorities:**

## Reluctance to change

Most marketing organizations are staffed and structured the way they are simply because that's the way it's always been. When it comes to technology, many organizations tend to fall back on legacy systems and applications, which aren't optimized to deal effectively with the evolving digital marketplace.

Marketing leaders must be prepared to break the bonds of tradition, inertia, and reluctance to change in order to survive and thrive in this new paradigm.

## Budget constraints

Some 46% of financial marketers rate their budget as “too small” or “way too small,” according to the Digital Banking Report's study. The growing emphasis on data and digital channels threatens to stretch these budgets even further, because it brings a host of new priorities that must be addressed to compete and win in the new omni-channel marketplace.

For example, as marketers work to shift to a more omni-channel approach, they're struggling to find the right balance between channels. CMOs wonder how much of their budget should be shifted to digital and what the potential risks are to shifting money away from their traditional, proven channels, such as direct mail.

## Incomplete performance and ROI measurements

With tight budgets and customer journeys that wander across online and offline channels, it's more important than ever that CMOs figure out how to allocate their marketing dollars for maximum efficiency and impact. Their decisions depend on accurate measurements of campaign performance and ROI.

In today's omni-channel marketing world, marketers must properly attribute their success by specific channels and tactics so they know where to invest in the future. However, most marketing organizations don't have the capability to provide multichannel attribution and customer journey measurements, according to the Digital Banking Report survey.

# Recognizing the Obstacles Ahead (continued)

For the last two years, financial marketers said their biggest challenge is measuring performance and proving the results of their strategy and tactics. In fact, only 8% said it wasn't a challenge.

## Insufficient internal staff and resources

Staffing a world-class marketing team has always been a challenge. No organization has the resources to be a leader in every aspect of marketing. In a perfect world, financial institutions could build that all-star marketing team, but the reality is there are resource constraints, limited budgets, data silos, and other barriers standing in their way.

To compete effectively, marketing organizations need new resources that they never imagined, such as data scientists, customer engagement specialists, and digital and content marketers.

These resources are increasingly difficult to find and retain. In fact, financial institutions ranked marketing analytics and digital commerce as the top two most important capabilities and difficult skills to recruit, according to **Gartner**. Without these skills, marketing organizations will have a difficult time breaking down data silos, leveraging marketing technology, implementing programmatic initiatives, and measuring results.

As a result, marketing leaders must continually evaluate the skills of in-house staff versus outside partners to determine which staffing approach will help them deal with new business pressures, according to Gartner.

|  
89%  
OF FINANCIAL  
INSTITUTIONS CITED  
DATA ANALYTICS  
AS A PROBLEM.  
|

“Insourcing and outsourcing decisions are more frequent, more strategic, and more complex,” writes Gartner’s Anna Maria Virzi. While a **2016 Gartner survey** shows the marketing leaders want to balance their mix of internal and external talent, more than 40% plan to increase their use of outside talent over the next three-to-five years. Why? “The perception that agencies deliver superior quality or performance than in house staff,” says Virzi.

## Underutilizing technology

It’s ironic. There are more marketing technology solutions available now than ever before – nearly 3,900 of them, more than double the number in 2015, according to a 2016 study by **Martech**.

Yet the ability to leverage the benefits of marketing technology and personalization is a top-5 challenge for financial organizations, according to the Digital Banking Report survey. Leveraging these solutions is important, because they represent new ways to help marketers reach the right prospects at the right time, build deeper relationships with existing customers, and accurately determine marketing ROI.

## Underutilizing data

Like technology, most financial institutions believe they’re not making good enough use of the massive amounts of customer and business data they collect every day. In the Digital Banking Report survey, a whopping 89% of financial institutions cited data analytics as a problem.

And it’s a problem that has ripple effects throughout a marketing organization. On the front end, the inability to analyze internal and external data hampers the organization’s ability to deliver personalized and contextual offers at the optimal time. On the back end, the inability to provide multichannel attribution and customer journey measurements have a negative impact on measuring digital channels. That makes it harder to adjust and scale campaigns, and to make informed decisions on strategy and budget allocation.

# Overcoming the Obstacles



The good news is, there are a number of ways to overcome these obstacles and accelerate the evolution toward world-class marketing. Tight budgets? Marketing technology can help organizations get more bang for their buck by increasing the efficiency and scale of marketing initiatives across channels. Insufficient staff? Organizations can learn whether they should add new key skills via insourcing or outsourcing.

**Here are some proven approaches for solving the problems posed by the new priorities:**

## Stretch budgets by leveraging technology

When marketing budgets are tight—and even when they aren't—there's no room to waste dollars on inefficient initiatives. That's where technology and data analytics can help.

Your budget shouldn't be wasted on prospects that don't convert into sales or generate enough revenue. Focus on those consumers with the highest propensity to become customers. For example, consumers leave a wide variety of marketing signals on their customer journeys. By tracking and analyzing these signals, savvy marketers can find more interested prospects and reach them at the right time with the right message. Additionally, to find prospects that generate higher levels of revenue, marketers can use data to build "look-alike" models of their best customers and create omni-channel campaigns to target and acquire them.

Marketing technology is key to driving efficiency. It can be used to scale marketing programs, deliver personalized and targeted communications, align marketing with sales, and measure which channels and programs are the most effective. It enables organizations to run more marketing initiatives simultaneously, respond to customer needs in real-time, and adjust programs smoothly and quickly to maximize ROI.

**As we've seen**, there are thousands of technology solutions available for marketers. According to Martech, the five largest categories of solutions are:

- 1 Sales automation enablement and intelligence
- 2 Social media marketing and monitoring
- 3 Display and programmatic advertising
- 4 Marketing automation and campaign/lead management
- 5 Content marketing

Where should marketers begin? We recommend focusing on solutions that support the organization's top priorities. Plan to add technology slowly and utilize partners with expertise in those solution areas. That way, marketers can attack key challenges and while ensuring they're not wasting money on new tools to do things that their current technology or vendors might be able to handle.

# Overcoming the Obstacles (continued)

## Measurement and attribution: the keys to proving ROI

Budgets and ROI have a symbiotic relationship that benefits both. Simply put, when campaigns are measured and attributed properly, marketers can bring a much more compelling business case to the finance team. For example, if solid measurement and attribution showed a particular program produced a \$90 return for every dollar invested, you have a strong business case to get more budget and management support.

Marketers are experienced in measuring the performance of traditional channels such as telemarketing and direct mail. Now that digital has become a key part of omni-channel marketing strategies, marketers must become equally adept at measuring performance there, too. “In the world of the always addressable customer ... the ability to use measurement to identify audiences, buy and optimize media, and message more effectively is a business imperative,” according to Susan Bidell of Forrester.

Still, many financial marketing teams rely on a first- or last-touch attribution measurement system that misses the intricacies of the overall consumer purchase journey across multiple channels. Most marketers still measure clicks, open rates, and leads, while the top performers

take into account more detailed measurements such as channel attribution and lift over control groups.

Deploying channel attribution techniques can help marketers understand what combination of events and actions is most useful in influencing and triggering target customers to engage. In addition, using a control group (those who didn't

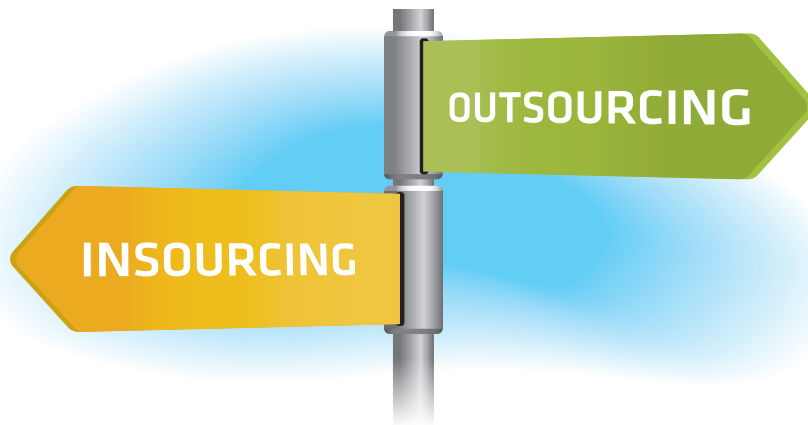
get the campaign) to understand improvements (or lift) over those that were targeted gives a sharper view of campaign impact. Together, they deliver key insights into what motivates specific members of your customer segments, which can result in better targeting, strategies, and overall ROI.



How can a marketing organization master the challenge of digital-channel measurement? It takes time, says **Forrester**, which recommends an iterative, ongoing process of refinement and improvement over time. To help marketers chart their course, it created a four-level measurement maturity framework in a report titled *“Measurement Is A Digital Media Buyer's Best Friend.”* Here are some highlights:

1. Lay a solid foundation. Focus on getting the basics in place, such as establishing one or two core KPIs to assess digital's impact on the business, and raise the profile of digital marketing within an organization that might be too focused on traditional marketing methods.
2. Measure more deeply. Establish a solid foundation upon which to build internal analytics expertise and dig deeper into channel-level metrics to create a more nuanced view of digital marketing performance.
3. Look cross-channel. Understand and quantify the effects that various channel-level efforts have on one another and how to use that information to refine the media mix.
4. Reach measurement nirvana. The most mature marketers have a measurement framework that allows for budget fluidity and channel-agnostic decision-making. They rely heavily on measurement technologies, often customized to their needs, and robust internal analytics capabilities to add a layer of strategic intelligence on top of every decision they make.

# Overcoming the Obstacles (continued)



## Finding the right skills and resources

No organization has the resources to be great in every marketing discipline. To bridge the gap, marketing organizations have two options – insourcing and outsourcing.

Insourcing is typically used by organizations focused on building best-in-class expertise in key areas. They're willing to make the significant commitment of time and money needed to hire the best people possible to strengthen their team. Outsourcing is used to contract those needed skills from third parties. It enables organizations to add a wide variety of skilled resources at greater speed, scale, and sometimes skill level than hiring would allow.

This decision is more crucial than ever in the digital age. Every marketing organization wants to be a data-driven, customer-connected, and revenue-generating machine, so it's not surprising that the most in-demand skills are data scientists, customer engagement specialists, and digital and content marketers. It's also not surprising that these in-demand skills are the hardest to hire and retain.

First, they're comparatively rare and hard to find; second, these highly employable people are actively, and often aggressively, recruited on an ongoing basis, according to Gartner.

Though more than 50% of marketers rely heavily on agencies and external marketing partners for help in to bring strategy and/or execution, Gartner says the decision to hire or outsource is complex, nuanced, and unique to each situation.

**Gartner offers these seven questions to help organizations make the most appropriate decision:**

1

**Do you need a generalist or a specialist?** Do you want to add a specific capability for a project, or to add that capability as a resource to use across many projects? Hiring the right person can support core capabilities and expand the utility and capacity of the entire team.

2

**What are your organizational, technical, and competitive strengths?** – What sets you apart from the competition? Would exceptional analytics or another capability give you an edge? If so, focus on building in-house talent in those areas to strengthen your differentiation.

3

**Do you have sufficient resources dedicated to recruiting and retaining talent?** In-demand skills such as data scientist and digital marketer are hard to recruit. Are you willing to invest in recruiting resources and premium salaries for these roles? Do you have the right work environment to attract this type of employee? If not, consider outsourcing.



## Overcoming the Obstacles (continued)

4

**What impact will the new hire have on the organization?** Carefully consider organizational impact when filling a new position. Poor fit can affect the morale and productivity of key team members. Involve key stakeholders before hiring for a new role. If the fit looks unclear or complex, outsourcing may be a better option.

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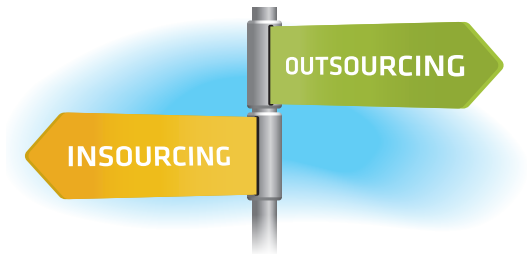
**How much elasticity do you need?** Partnerships with third parties can help you quickly fill seasonal or unforeseen needs, plug gaps in specific skills, and scale up and down based on your needs. If your situation calls for lots of elasticity, consider outsourcing functions without heavy or consistent workloads.

6

**What's the potential impact on business continuity?** To prepare for possible staff changes, marketing leaders should know which roles in their organizations should be filled by insourcing or outsourcing. For instance, insourcing is a better way to fill roles requiring in-depth knowledge or executive relationships.

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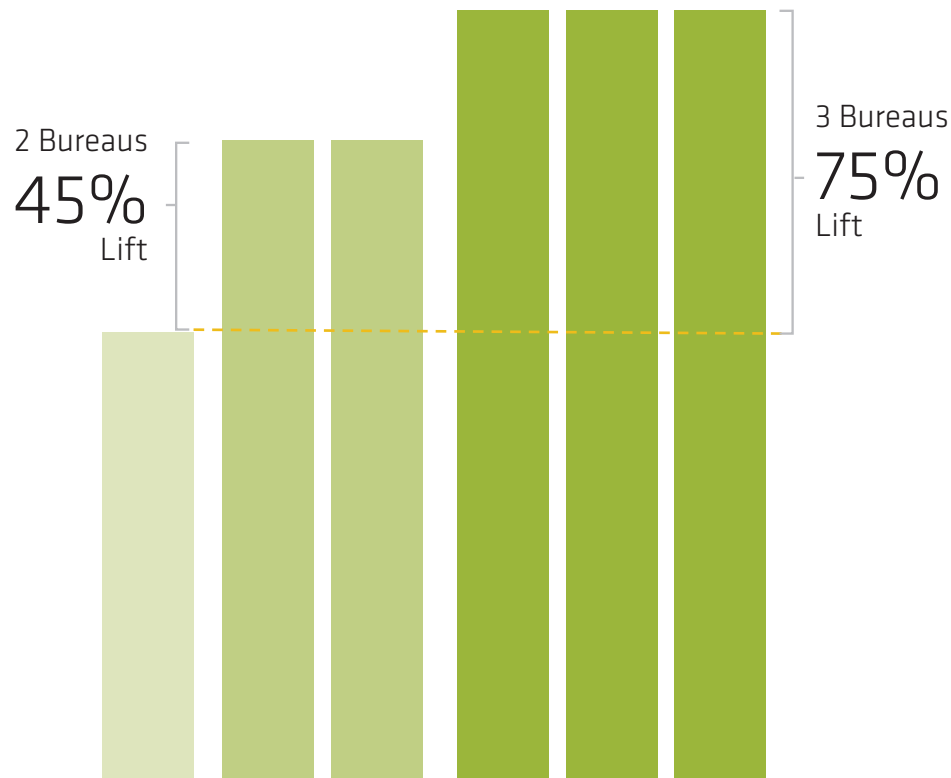
**How do the real costs compare?** Outsourcing and insourcing incur unique costs, and it's critical to tally and compare them. For example, hiring new employees adds fully loaded costs (benefits, time off, etc.) to your company. For third parties, you have to account for the costs and time needed to manage those relationships, but there are new options becoming available. For example, some providers offer options that can spread the risk and cost more evenly between the organization and the agency. By removing the risk from outsourcing, it creates a true partnership between the client and the agency, the companies succeed (or fail) together.



Finally, when deciding whether to insource or outsource, Gartner analyst Christopher Ross offers this simple guideline:

**“Invest in top-notch in-house talent to build capabilities that have the potential to drive differentiation or to create significant competitive advantage. Rely on external partners to fill intermittent or unpredictable needs or to bridge gaps in niche skills.”**

## Overcoming the Obstacles (continued)



Using data from all three major credit bureaus can produce **up to a 75% lift in prospect universe.**

### Leverage data to enable personalization and real-time marketing

Data is the raw material for technology to process, and banks collect massive amounts of it every day. Properly analyzed, data can reveal key insights that help marketers quickly respond to new market trends and changing consumer behaviors. Those insights can be used to create better products and personalized experiences that drive revenue and cut costs.

For example, buried in that data are a variety of signals indicating consumer intent or behavior, such as clicking on an ad or making a purchase. Marketers can analyze those signals to refine campaign targeting – including the audience, offering, timing, and channel – and build responsive, intuitive, customer-centric marketing programs.

Signal-based marketing enables them to present relevant offers instead of going to market blindly, which can raise ROI through higher campaign response rates, more engaged account holders, and improved customer satisfaction.

For the most comprehensive view of the market, best-in-class marketers combine their data with multiple sources of third-party data, such as credit bureaus. In fact, marketers who get access to data from all three major credit bureaus can produce up to 75% lift over marketing initiatives using data from only one bureau.

# How Do We Get There?

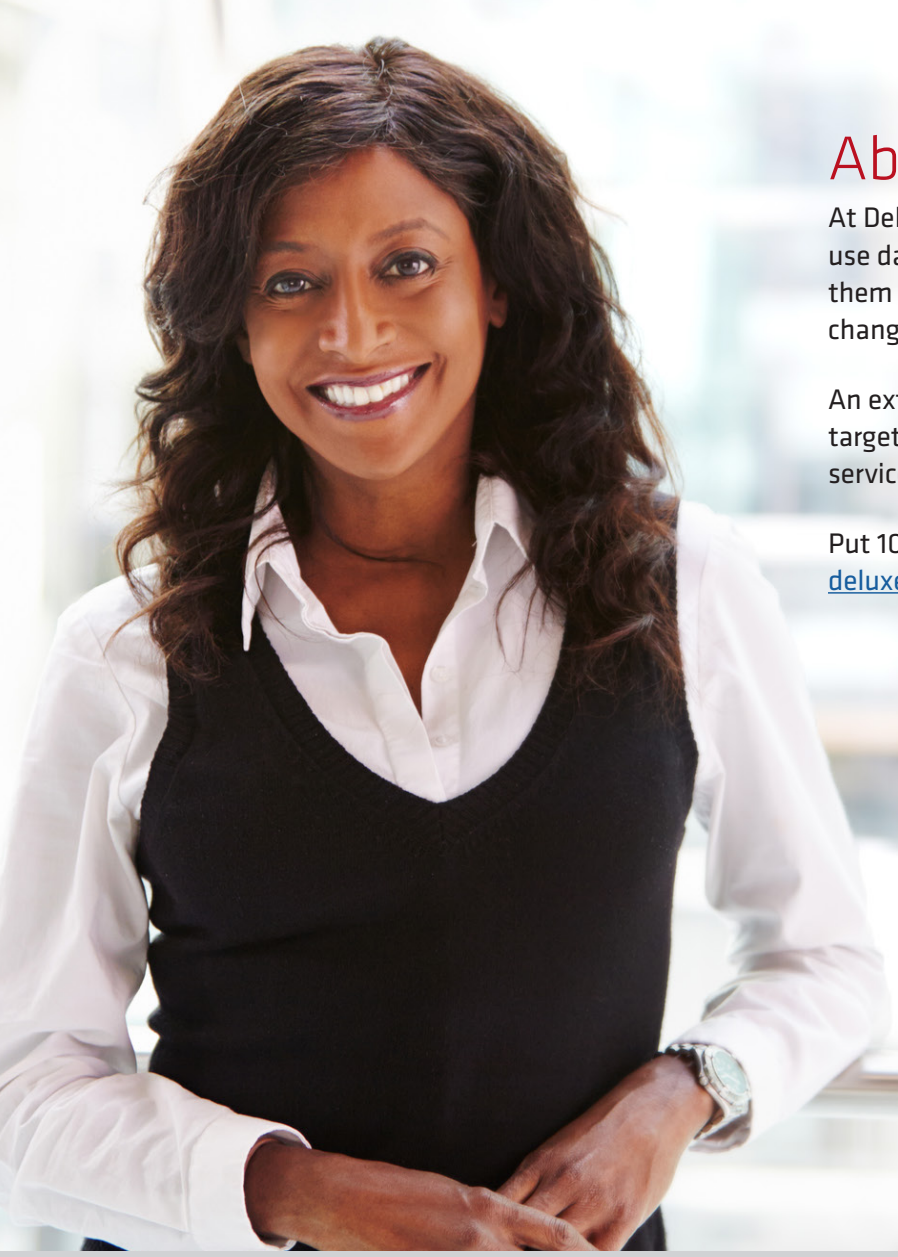
Organizations that see the need to change past behavior and step up to today's marketing challenges by investing in digital tools, training, staffing and a combination of inside and outside support for digital activities will see it pay off with better results and more satisfied customers.

But evolution takes time. At Deluxe, we believe that when trying new approaches, it's best to start small and measure ROI before committing to an expanded program.

Start by re-examining your marketing organization. If you think you don't have the right skills or structure, consultants and analysts such as Gartner, Forrester, and SiriusDecisions can help you.

And so can Deluxe. We'd love to be your partner in meeting the challenges and realizing the opportunities in the new omni-channel marketplace.





## About Deluxe

At Deluxe Marketing Solutions, we don't leave your results to chance. Our marketing solutions use data-driven insights to accurately target your ideal prospects and customers and then engage them with the right offer at the right time using the most effective channels. The result is a game-changing return on your marketing investment.

An extensive suite of relevant, timely data (including tri-bureau pulls), proprietary audience-targeting methodologies, along with a fully managed end-to-end SaaS solution, and deep financial services expertise, set us apart in the industry.

Put 100-plus years of industry experience to work for your brand. Learn more at [deluxemarketingsolutions.com](http://deluxemarketingsolutions.com).



### **WANT TO TALK MORE ABOUT HOW DELUXE CAN HELP YOU BUILD A WORLD-CLASS MARKETING ORGANIZATION?**

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