

Finance industry intelligence to fuel market success

A financial services marketing playbook

Quad 

Financial services: Looking to the future

Today, a range of economic factors is creating striking challenges for financial services marketers.

Quarter-to-quarter volatility, the resumption of student loan payments, ripple effects from high-profile union strikes, record-setting interest rates and shifting expectations about inflation, jobs, the stock market and income growth have all hurt [consumer confidence](#). Purchase plans for big-ticket items are wobbly, along with consumer demand for financial services like borrowing, refinancing and investing.

In this environment, financial services marketers must figure out how to best frame and deliver appeals that will stoke demand, while they also worry about where their own budgets are heading. And as competition for consumer dollars intensifies, so does pressure to deliver results.

This playbook draws on research conducted with consumers and marketers to provide insights and offer pointers on creating successful financial services marketing. Because the one thing that remains crystal clear amid

the murky economic outlook is that pulling back on marketing investments in uncertain times leads to loss of share and profits, according to [Nielsen](#) and the [Boston Consulting Group](#).

[All data from Quad Intelligence survey, March 2023, unless otherwise noted.]

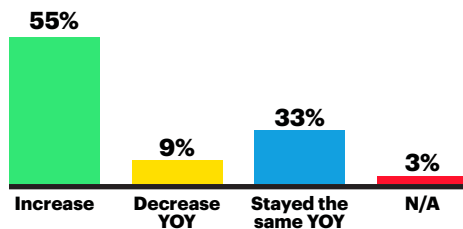
The one thing that remains crystal clear amid the murky economic outlook is that pulling back on marketing investments in uncertain times leads to loss of share and profits.

The logo for Quad, consisting of the word "Quad" in a white, sans-serif font, positioned within a dark green circular shape that is part of a larger graphic of concentric green circles on the right side of the page.

Financial services brands have increased their marketing spend

In a Quad survey in early 2023, most financial services marketers — 66% — saw their budgets increase over the prior year. That's a bigger percentage than of any of the other business sectors surveyed by Quad (insurance, telecom, retail/wholesale). And within that 66%, the budget increase for most categories of advertising was also more robust.

For each of the categories below, indicate the YOY change in budget allocation.



By vertical:

	Financial Services (n=58)		Insurance (n=54)		Retail/Wholesale (n=57)		Telecom Services (n=54)	
	↑	↓	↑	↓	↑	↓	↑	↓
Total ad budget	66%	5%	48%	13%	42%	11%	65%	7%
Digital ad budget	76%	7%	57%	7%	51%	12%	59%	7%
Direct mail ad budget	47%	19%	26%	31%	26%	25%	26%	20%
Traditional mass media (TV, radio, newspaper)	48%	5%	30%	20%	25%	16%	31%	13%
Personalized data-driven campaigns	47%	7%	43%	9%	33%	7%	50%	4%
Automated trigger programs	33%	12%	35%	9%	35%	5%	37%	5%

More recent economic uncertainty may have resulted in lower marketing spend for many, but the current forecast is for ad budgets worldwide to continue to grow, with global spending up 4.4% by the end of 2023 and another 8.2% in 2024 to more than \$1 trillion, according to [WARC](#). (Ad spending in the U.S. will make up about a third of the 2024 total ad spend.) The market research and analytics firm said that the ad market had “turned a corner.”

Significantly, WARC's report predicted that financial services would experience the highest

growth in ad spending in 2024, up 11.5%.

“An analysis of [ad] spend by product sector shows that financial services (+11.5%) is on course to be the fastest-growing sector in 2024.”

— WARC

Takeaway: Take advantage of bigger budgets to secure ad buys early and stake a place on consumers' radar in 2024 because competition for ad inventory will be intense thanks to all the factors fueling the positive outlook for ad spending throughout the year — including the U.S. presidential election, the Olympics and the UEFA men's soccer tournament.

Where current spending trends are taking financial services marketing

Financial services marketers use a variety of channels to engage consumers, per the 2023 Quad Intelligence survey, with the top five being:

- 1 Social media
- 2 TV
- 3 Email marketing
- 4 Newspapers/magazines
- 5 Direct mail

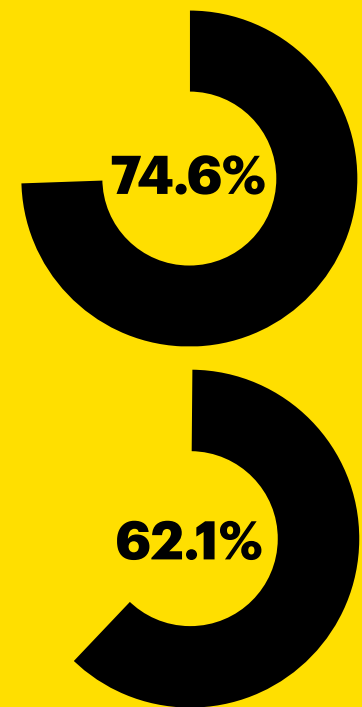
More than half of the financial services brands surveyed use print — direct mail and newspapers/magazines, and in that respect they're staying closer to consumers' actual media consumption than other verticals. A [recent report from Insider Intelligence/eMarketer](#) called attention to a “mismatch” between marketers who have wholeheartedly embraced digital platforms and consumers who are still spending time with traditional media like TV, newspapers and radio.

Which of the following media channels does your company use for ad campaigns? (Multiselect)

	Financial Services	Insurance	Retail/ Wholesale	Telecom Services
Social media	72%	76%	84%	78%
TV	72%	61%	65%	70%
Email marketing	72%	54%	75%	61%
Digital (including search, display, video)	50%	44%	63%	70%
Direct mail (including catalogs)	53%	37%	49%	50%
Mobile text/app (including web display/web video)	48%	35%	54%	50%
Radio	48%	37%	46%	46%
Newspapers/magazines	57%	37%	35%	43%
Outdoor/billboard	40%	31%	32%	39%

“In 2023, 74.6% of all U.S. ad spending will go toward digital media, while U.S. adults will only spend 62.1% of their daily media time with digital.”

— Insider Intelligence/eMarketer



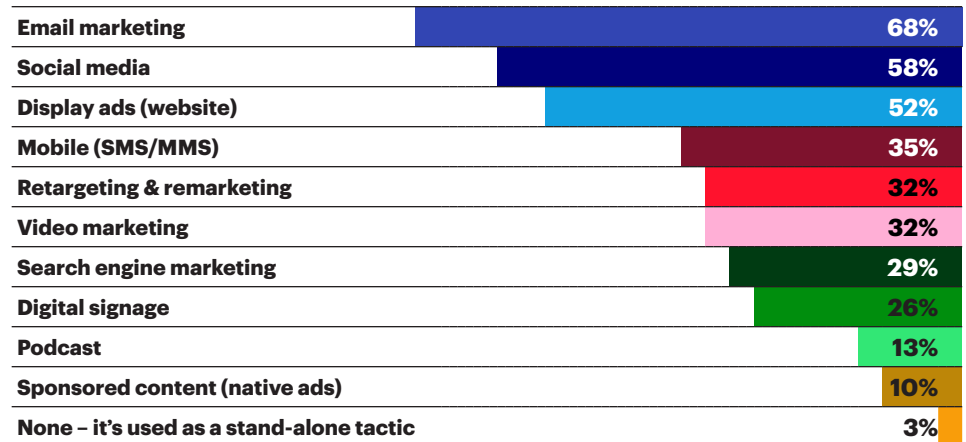
Print isn't a standalone tactic for financial services marketers. They use it as part of a multichannel campaign, integrating it with a variety of other media. (Email, social media and display ads are the most popular.)

The top reasons financial services marketers say they use direct mail:

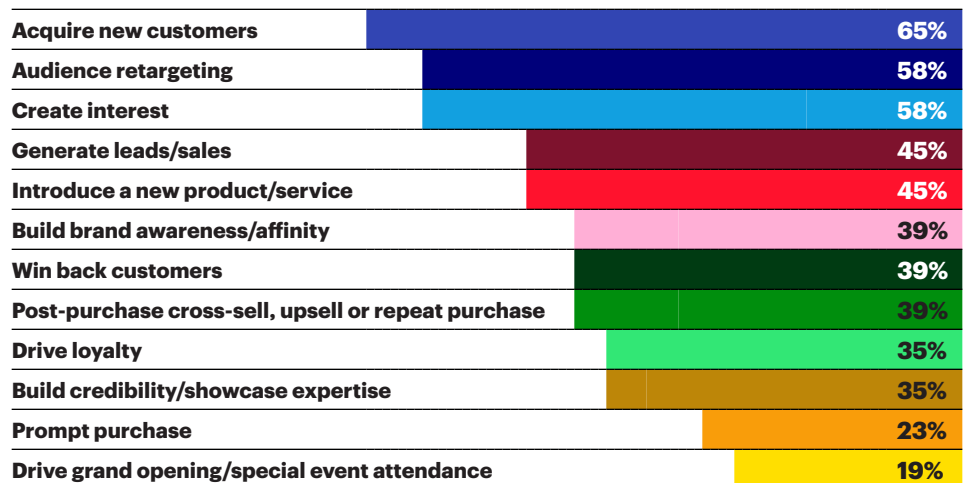
- Acquire new customers
- Audience retargeting
- To create interest.

Takeaway: Financial services marketers are sufficiently tracking consumers' IRL media habits with multichannel campaigns. Opportunities exist to strategically integrate print and digital channels to build on that strength and increase ROI.

Which of the following tactics do you integrate with your current direct mail marketing strategy? (Multiselect)



For which of the following reasons does your company use direct mail advertising? (Multiselect)



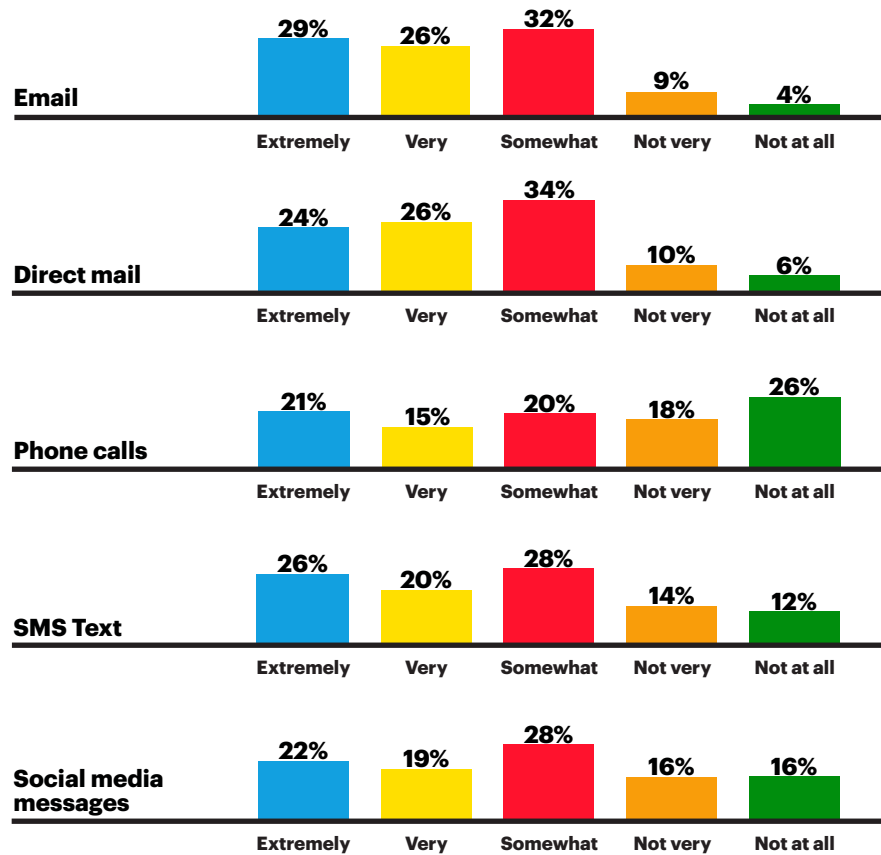
What consumers think

The financial services sector has a good reputation when it comes to handling personal information. According to Twilio’s 2023 [The State of Customer Engagement Report](#), 56% of consumers say they trust financial institutions to responsibly collect and use their data — more than any other industry is trusted.

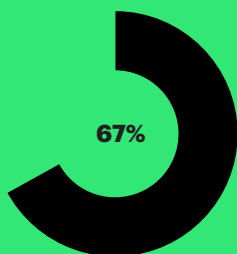
Financial services marketers will be happy to learn that most people like getting messages from them across multiple touchpoints: 87% of consumers surveyed as part of the 2023 Quad Intelligence research said they find email communications “extremely,” “very” or “somewhat” useful, and 84% said the same about direct mail. Not surprisingly, phone calls ranked lowest as a contact medium.

Younger generations, a prime audience for financial services marketers, are particularly enthusiastic about email and direct mail.

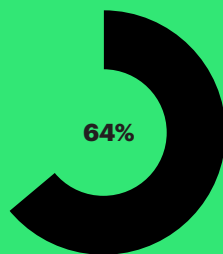
Considering a company you purchase from regularly, how useful are the communications you receive in each of the following channels?



18-to-34-year-olds:

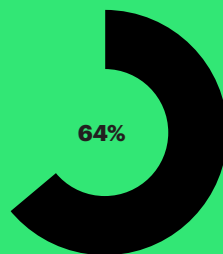


find email extremely/very useful



find direct mail extremely/very useful

35-to-49-year-olds:



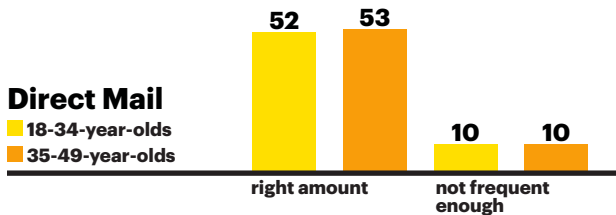
find email extremely/very useful



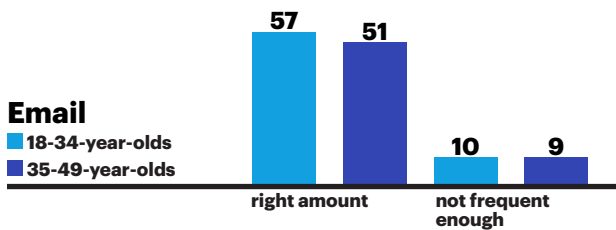
find direct mail extremely/very useful

When asked about how often they were contacted by different types of companies, a majority of younger generations also felt they were getting the right amount of contacts from financial services brands, with some even saying they wanted more.

How would you describe the overall frequency of DIRECT MAIL communications you receive in the financial services category?



How would you describe the overall frequency of EMAIL communications you receive in the financial services category?



In fact, this age group was significantly more open to getting direct mail and email than any other age group.

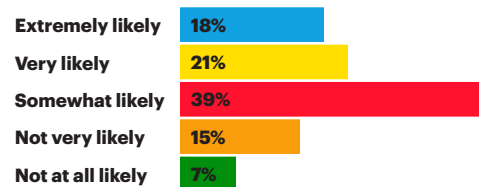
The tactile nature of direct mail is one of reasons it is an effective marketing tool, according to [research](#) conducted by the global marketing research firm Neuro-Insight. It revealed that mail activates areas of the brain responsible for long-term memory encoding 49% more than email and 35% more than social media advertising.



“Mail is the touchpoint that people actually touch,” the Neuro-Insight report noted. “While it’s getting harder for marketers to cut through, the power of touch can make a real difference.”

All generations surveyed appreciated the use of multiple touchpoints, with a total of 78% saying they were extremely/very/somewhat likely to respond to an offer received across multiple channels.

How likely are you to respond to an advertising promotion if you see the offer across multiple media channels like email, online and direct mail?



Takeaway: Among the verticals studied by Quad, financial services marketers lead the pack in pairing digital and print touchpoints for their campaigns – and in the extent to which consumers appreciate those communications. To maintain and improve ROI, continue integrating direct mail with digital touchpoints that give consumers relevant, useful information in multichannel campaigns.

Finding the right channel for the right message

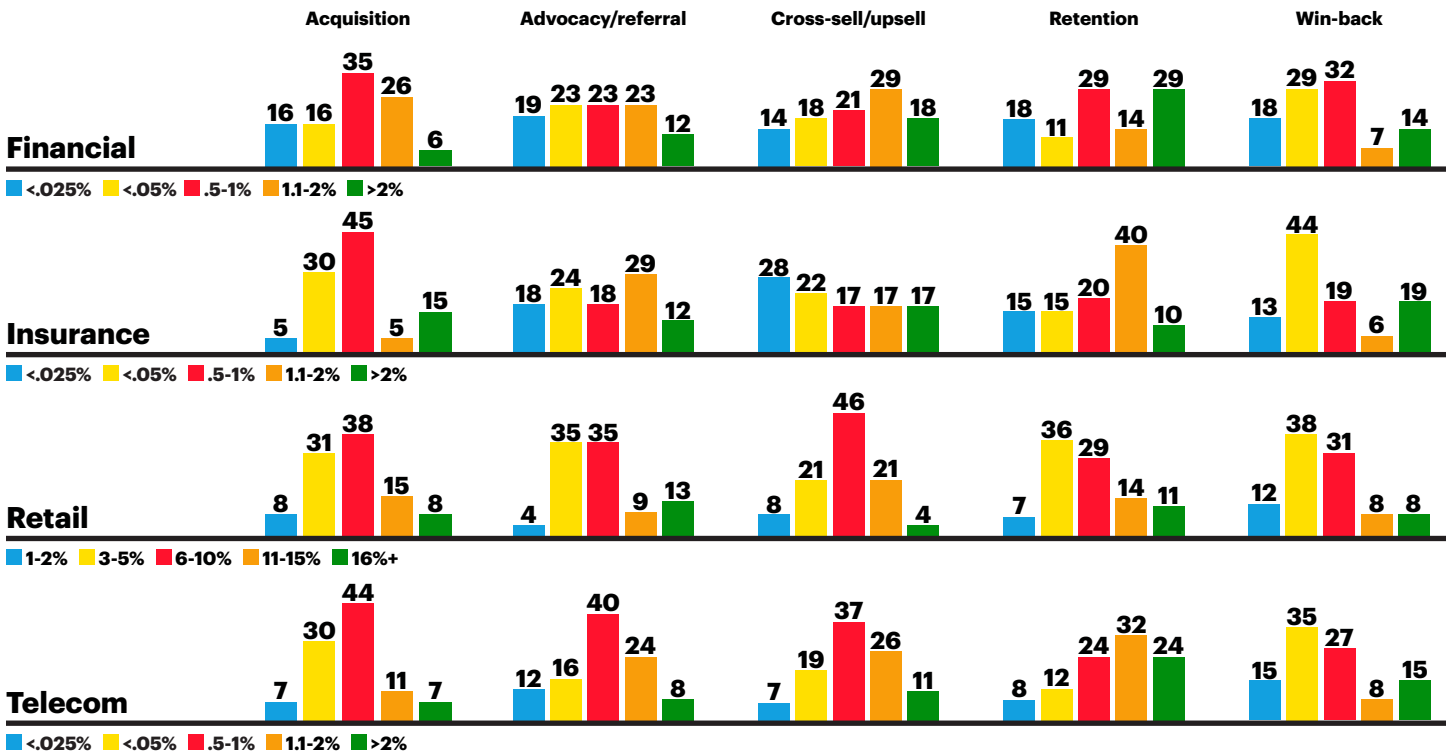
Consumers live in a multimedia world. Quad's 2023 Customer Focus® research report shows that their response to direct marketing offers ranges across channels, with younger generations again generally responding more favorably to direct mail than their elders.

Financial services marketers reported the highest direct mail response rates for three types of campaigns:

- Acquisition
- Cross-sell/upsell
- Retention

Which, if any, of the following actions have you taken after receiving a direct mail ad in the past 30 days?

	All adults	18-34-year-olds	35-to-49-year-olds	50+
Visited a website	43%	44%	54%	36%
Visited a store	42%	37%	47%	42%
Made a purchase	36%	35%	40%	34%
Researched a product online	33%	34%	44%	26%
Shared the information with someone else	20%	24%	28%	12%
Scanned a QR/Flowcode	10%	13%	14%	5%
None of these	25%	26%	17%	29%

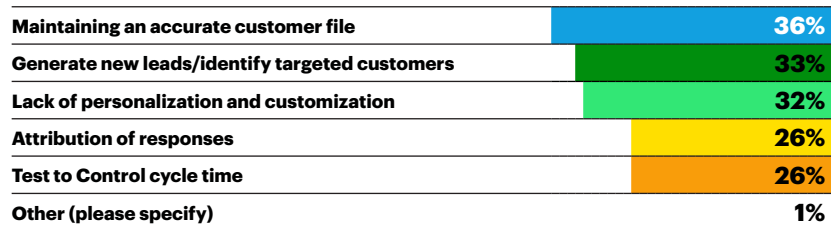


Consumers' positive reactions to direct mail makes it a valuable marketing tool for the finance industry, but the channel does come with challenges. For instance, the percentages of financial services marketers who cited maintaining an accurate customer file and lack of personalization/customization as pain points were higher than the averages across sectors, according to Quad's research.

Takeaway: Direct mail is a proven tool that's earned its place in the financial services marketing mix. Use data analytics to segment target audiences and identify the most strategic and cost-effective way to deploy direct mail combined with digital tactics to engage, optimize and retain customers, amplifying the impact of marketing budgets and meeting KPIs.

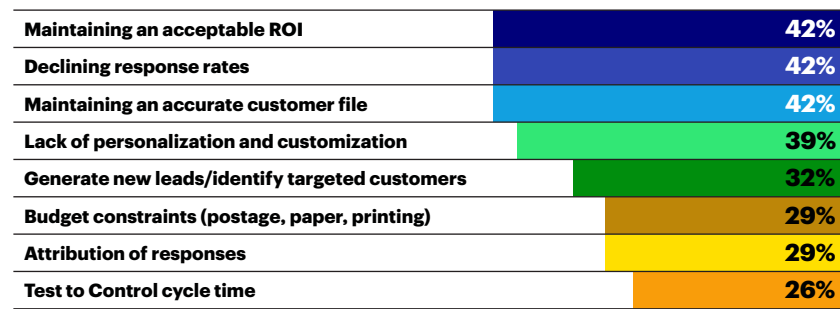
Averages for all sectors:

What are some of the biggest challenges in using direct mail today? (Multiselect)



Finance sector responses:

What are some of the biggest challenges in using direct mail today? (Multiselect)



The bottom line

- Financial services marketers are ahead of their peers from other verticals in both using print and combining it with other media.
- Younger generations are more receptive to direct mail and email communications than older consumers.
- Consumers find direct mail and email communications valuable and are more likely to respond to offers they receive across multiple channels.
- Direct mail motivates consumers to take actions ranging from visiting a website to making a purchase.

Quad has been an expert in creating and targeting direct mail for decades, while driving innovation to engage consumers by connecting offline with online content. We work with thousands of marketers — including financial services brands such as American Express, Citi, New York Life and U.S. Bank. We help brands reach the front door, discover more sustainable solutions, bring teams together and put your budget where it matters most. Our goal is to create a better marketing experience for you, so you can focus on creating the best customer experience.



Research methodology

The Quad Intelligence quantitative consumer and marketer research was conducted in March 2023 via online surveys. The consumer panel of 818 adults was a representative sample of the general U.S. population.

The marketer panel size was 223, consisting of C-level executives including CMOs and marketing leaders from companies with 100+ employees and at least \$5 million in annual sales revenue. The financial services panel, which included banking, credit and loan marketers, accounted for 26% of the total.

About Quad

Quad (NYSE: QUAD) is a \$3 billion global marketing experience company that gives brands a more streamlined, impactful, flexible and frictionless way to reach their target audience via a uniquely integrated marketing platform. Quad connects every facet of the marketing journey efficiently and at scale through its innovative, data-driven offerings — from strategy and consulting to data and analytics, technology solutions, media services, creative and content solutions, and managed services. Quad provides a better marketing experience for its clients, so they can focus on delivering the best customer experience.

Quad employs approximately 15,000 people in 14 countries worldwide and serves more than 2,900 clients across the retail, publishing, consumer packaged goods, financial services, healthcare, insurance and direct-to-consumer industries. Quad is ranked as a leader in multiple industries including largest agency companies (Ad Age, #14); largest commercial printers (Printing Impressions, #2); and largest Milwaukee-area manufacturers (Milwaukee Business Journal, #1).

For more information about Quad, including its commitment to ongoing innovation, culture and social purpose, visit quad.com.