Real-Time Advertising: Financial Sector

Gaining and retaining customers through programmatic advertising

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Executive summary

According to the IAB UK, the financial sector will spend over two and a half billion pounds on display advertising in 2015, accounting for 13% of all UK display ad spend this year.[1] This figure is part of a massive shift in the industry – over a third of large EMEA financial companies (more than 500 employees) say they will move 20-40% of their offline budget to digital in the next two years.[2]

The advent of programmatic advertising (the automation of the buying and selling of digital media) has created massive opportunities for increased efficiency and relevancy at every stage of the finance customer's journey. These opportunities are being missed. This report helps financial service marketers better understand how programmatic advertising can be used to discover new prospects, build revenue and gain a competitive edge.

[1] IAB/PwC UK Adspend survey 2015.
[2] Independent research commissioned by Quantcast of 321 senior marketers in the finance sector from the UK, France and Germany.

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What's inside

FINANCIAL ADVERTISING TRENDS AND THE ONLINE CUSTOMER

The majority of large financial organisations only spend up to 20% of their digital display budget programmatically.

Financial Advertising Trends

FINANCIAL ADVERTISING TRENDS AND THE ONLINE CUSTOMER

The financial sector is experiencing massive disruption as new entrants with innovative business models, such as Atom Bank, the first-ever purely app-based bank, seek to gain market share while legacy businesses, including major high street banks, invest in digital transformation.

This disruption has spread to the way organisations advertise online. Increasingly, digital display is being purchased programmatically; according to the IAB Media Owners Study, 45% of all UK digital ads were programmatically traded in 2014. There is a lot of room for growth in the finance vertical — according to our independently commissioned research, almost half of large financial organisations (over 500 employees) only spend up to 20% of their digital display budgets programmatically. Similarly, just under half of financial SMEs (under 500 employees) have not yet discovered the cost efficiency benefits of programmatic.[3]

[3] Independent research commissioned by Quantcast of 321 senior marketers in the finance sector from the UK, France and Germany.

FINANCIAL ADVERTISING TRENDS AND THE ONLINE CUSTOMER

Financial Programmatic Advertising Budgets

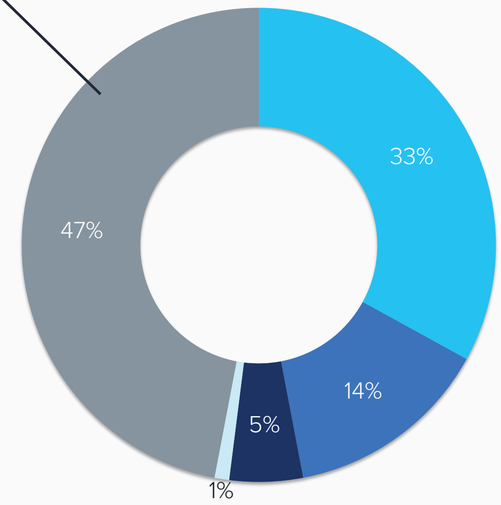
PERCENTAGE OF FINANCIAL DISPLAY BUDGET SPENT ON PROGRAMMATIC

Key

(percentage of display budget spent on programmatic)

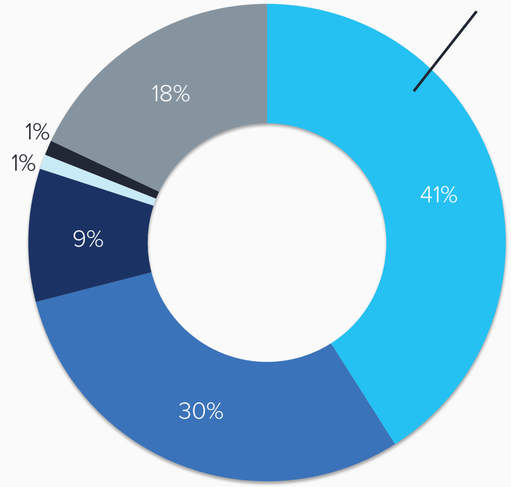
1-20% | 21-40% | 41-60% | 61-80% | 81-100% | We don't use programmatic advertising

47% of financial SMEs do not use programmatic advertising at all



Financial SMEs
(Under 500 employees)

41% of large financial organisations only spend up to 20% of their display budget on programmatic



Large financial organisations
(Over 500 employees)

The Online Financial Customer

FINANCIAL ADVERTISING TRENDS AND THE ONLINE CUSTOMER

Programmatic advertising, like all forms of advertising, should always start with the customer. We looked at the audience insights from global Quantcast credit card campaigns in order to get a deeper understanding of who the online credit card customer is.

We found that credit card applicants:

- Are likely to be young, professional males who live in big cities
- Are **2x more likely** to have a graduate degree
- Are **2x more likely** to be in the top income bracket
- Often research international travel destinations and fine dining
- Also make purchases on retail sites, book travel and search for homes.

FINANCIAL ADVERTISING TRENDS AND THE ONLINE CUSTOMER

Financial Advertising Going Mobile

According to a recent Econsultancy report, customer experience was seen as the biggest priority for finance marketers in 2015, closely followed by personalisation and mobile. Interestingly though, as we look to the next five years, finance marketers named big data as the biggest priority,[4] showing a shift in focus from the 'what' to the 'how' for the sector.

Part of this focus shift will need to include communicating to the consumer on mobile. Our independently commissioned research showed that over half of large financial organisations (over 500 employees) had between 21 and 60% of their overall web traffic on mobile.[5]

[4] Econsultancy/Adobe Digital Trends Survey 2015.
[5] Independent research commissioned by Quantcast of 321 senior marketers in the finance sector from the UK, France and Germany.

ADVERTISE

MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

Quantcast's research shows that over half of large financial organisations receive 21-60% of their traffic from mobile.

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Rethinking the Finance Customer Journey

MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

Financial services organisations live and die on the customer experience they provide. 66% of consumers switch brands due to poor customer service; 82% of those that switched said the brand could have done something to stop them leaving.[6]

The emergence of the always-on consumer has forced finance marketers to rethink how their customers undertake the journey to purchase. The modern consumer moves between devices seamlessly, and the real-time nature of programmatic advertising allows the marketer to understand how the consumer is interacting with their brand and advertise to them at the right time on the right device.

- From the day the first credit card ad is seen, it takes a person (on average) 23 days to submit an application.[7]
- Credit card applications on tablets are more likely to be submitted on weekend afternoons, whereas the desktop channel is favoured during the week.[8]

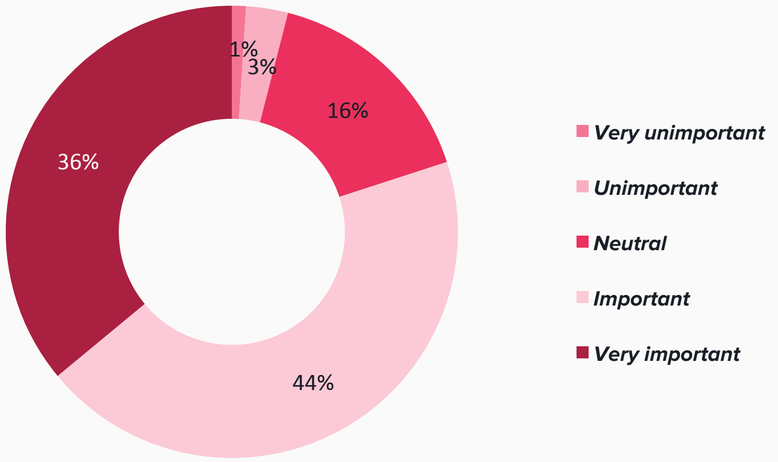
[6] Accenture Global Consumer Pulse Survey, November 2013.
[7, 8] Internal Quantcast data taken from UK Quantcast Credit Card campaigns.

Brand Advertising

MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

80% of marketers in large financial organisations state that branding is either important or very important when prioritising their advertising budgets.[9] This is unsurprising in an industry where the average current account holder stays with his or her bank for 17 years.[10] Reaching these customers at the start of their research phase is massively important in order to drive awareness and consideration.

How important is branding when prioritising your advertising budget? (large financial organisations)



[9] Independent research commissioned by Quantcast of 321 senior marketers in the finance sector from the UK, France and Germany.
[10] The Guardian, September 2013.

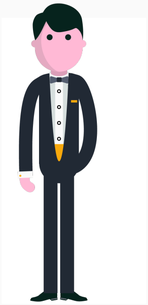
MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

Programmatic Brand Advertising Using Search Intent Data

With advances in technology, even those marketers with niche offerings are increasingly using programmatic techniques to find their perfect customers by analysing massive amounts of data to drive their targeting.

For example, let's take a financial services brand that has three different credit cards. On the surface all three credit cards are similar products with similar audiences. However, in reality these products, and their audiences, are very different. It is now possible to take that unique audience persona and create an audience model specific to each card based on insights derived from search keywords.

First, we must define the unique persona for each card and select key search terms that align with that persona's interests.

	1	2	3
CREDIT CARD	Travel Platinum (Air mile rewards on spend)	A+ Cashback (Cashback on purchases)	Savers Rewards (Rewards for use in conjunction with savings account)
PERSONA	Luxury Traveller 	Retail Addict 	Young Family 
SEARCH TERMS	First class, Business class, Alps chalets, 5-star hotel	Three piece suit, Leather brogues, Silk ties	Primary school, Children's clothes, Childcare tips

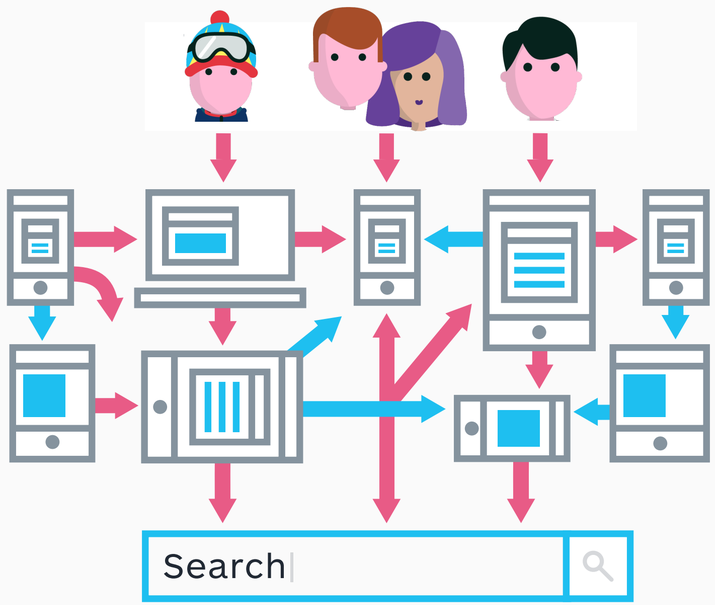
MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

Data Powered Customer Engagement

Next, similar to traditional audience modelling, we can look at millions of consumers across the web using those search terms and analyse that massive data set. This helps us to understand consumers' pre-search behaviour and, for each unique product, spot patterns within that subset of consumers.

This model can then be used to identify more consumers with similar behaviours. Programmatic technology then allows the advertiser to serve ads directly to those consumers, on any device.

Through the power of programmatic, we can predict consumer intent, even for the most niche products, and serve an ad before the customer even starts typing in the search bar.



Effective Branding Through Programmatic Technology

MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

Traditionally, when buying media for a branding campaign, advertisers would look for reach and frequency and deal directly with publishers.

This means that the advertiser not only wastes budget serving ads to consumers who are not necessarily in their target market, they also miss the opportunity to target any relevant consumers who do not visit that site.

Programmatic advertising represents a stark contrast to the traditional approach. Advertisers can show ads to their target market using data at scale.

This means there is less wastage on showing ads to the wrong consumers, and every opportunity to show ads to the right consumers is taken.

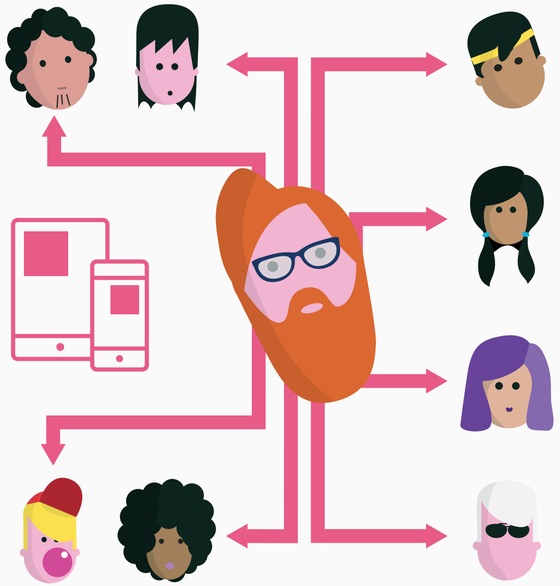
Mobile Matters

MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

The consumer experience is becoming increasingly fluid, and consequently, decision-making is becoming more spontaneous as the use of mobile becomes ingrained — mobile phone banking transactions doubled in the UK last year.[12]

In fact, more than half (51%) of Britons say that ‘banking/finance’ is the area of their lives that would be most affected without the Internet or mobile phones. Quantcast's survey shows that over half of financial companies with 500 plus employees receive 21-40% of their traffic from mobile.[13]

Alarmingly, though many SMEs receive significant mobile traffic, a third do not have an app or a mobile-optimised site.



[12] Emarketer, April 2015.
[13] Independent research commissioned by Quantcast of 321 senior marketers in the finance sector from the UK, France and Germany.

Mobile Matters

MOBILE WEB TRAFFIC FOR FINANCIAL ORGANISATIONS

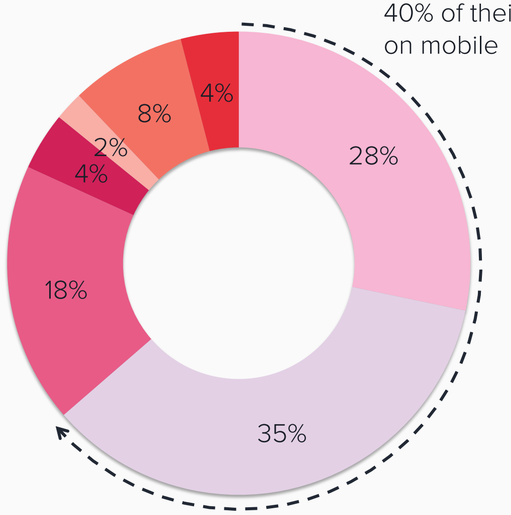
MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

Key

(percentage of web traffic occurring on mobile)

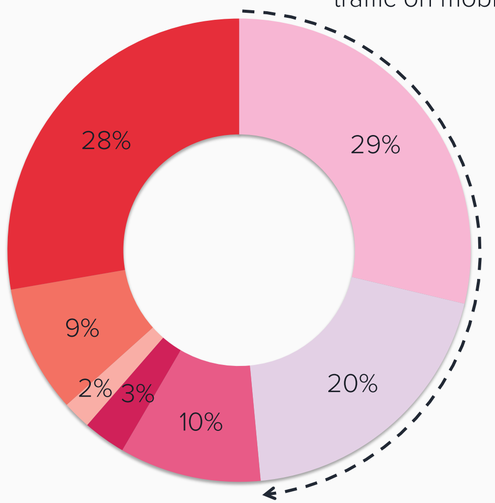
1-20% | 21-40% | 41-60% | 61-80% | 81-100% | Don't know | We don't have a mobile app or mobile-optimised site

Almost two thirds (63%) of large financial organisations get up to 40% of their overall web traffic on mobile



Large financial organisations
(Over 500 employees)

Almost half (49%) of financial SMEs get up to 40% of their overall web traffic on mobile



Financial SMEs
(Under 500 employees)

Mobile Matters

MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

Businesses without a mobile strategy will suffer because:

- They will not be able to share in the increasing amount of mobile traffic. More than half of consumers in the UK are accessing the Internet via the mobile channel,[14] and 44% of smartphone owners carry out online banking on their devices.
- Customers who have a poor experience and are frustrated in their cross-device journeys will go to rivals — 40% of people abandon a webpage if it takes more than three seconds to load.[15]
- The credibility that builds the customer trust essential to financial services will be eroded.
- They cannot promote engaging content, such as video. Mobile phones accounted for 34% of digital video views in Q1 2015.[16]

If marketers want to engage with people at the crucial moments in their decision-making process, they need to be able to reach and influence an audience across devices. Being mobile-ready is no longer an option; it's a must-have. The ability to advertise on the mobile web and in the app ecosystem is game changing.

[14] Ofcom Communications Market Report 2015.
[15] Econsultancy, October 2012.
[16] Ooyala Global Video Index.

MAXIMISING THE CUSTOMER EXPERIENCE WITH PROGRAMMATIC ADVERTISING

Super Powered Tech Identifies Niche Audience

CASE STUDY

A global financial service provider wanted to find and reach frequent fliers quickly with a promotion for its high-end UK-based airline credit card.

The company partnered with Quantcast to identify and target a niche audience of frequent fliers after analysing large data sets of real-time web activity. Quantcast's technology enabled a comparison of the browsing patterns of frequent fliers with millions of other web users to find similar behaviours.

Quantcast was then able to serve ads for the promotion to this new, previously hidden set of prospects before they even started researching any credit card options.

Fast analysis of the data also uncovered a new customer segment. An unusually large number of applicants were also researching animation and comics. Further investigation revealed two major comics conventions in England shortly after the credit card promotion dates. Quantcast was able to tap into this new segment of comics fans and serve relevant messages in real time to boost conversions.

Ultimately, comics fans made up 35% of the total conversions that signed up to the credit card.

Key Takeaways for Finance Marketers

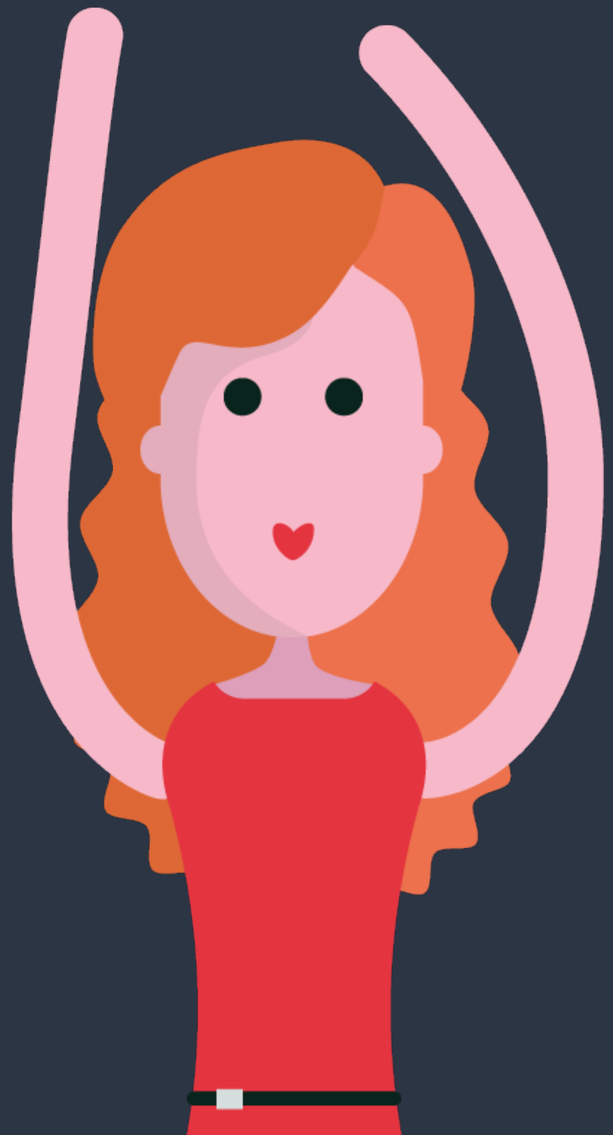
KEY TAKEAWAYS FOR FINANCE MARKETERS

Forward-thinking financial marketers need to start researching the capabilities offered by programmatic to leverage the real-time changes in consumer behaviour. Consumer engagement with mobile devices will only increase, and they will become the primary touchpoint with financial service providers.

Businesses have the ability to amass consumer data in vast quantities from these devices, but success will be determined by how that data is used to identify prospects, create models of new audiences and deliver personalised messages *at scale*.

Key Insights for Financial Marketers

- Experiment/Uncover untapped audiences – The most unlikely segments may turn out to be your best customers.
- Understand – Use the power of programmatic brand advertising in putting your business top of mind when people begin considering their options.
- Act fast – Make sure you have the ability to identify potential customers and deliver them the right message, on every device, quicker than competitors.
- Convert – Deliver cost-efficient sales through customised targeting of the active prospect.



To learn more about Quantcast's display advertising solutions, contact us at uk@quantcast.com.

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