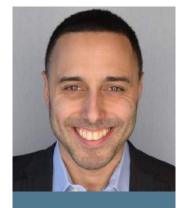




PERKS, POTHOLES AND PITFALLS MARKETING IN TODAY'S DIGITAL AGE

JULY 6, 2022

/ Presenters



Charlie Arcella Vice President, Financial Services Partnerships

Vericast

15+ years of digital marketing and advertising experience

Leads the omnichannel finance partnerships team at Vericast

FOCUSED ON:

- Developing effective marketing programs for financial institutions
- Multichannel marketing of deposits or loans



Lisa Nicholas Vice President, Strategy, Financial Services

Vericast

30+ years of experience in the banking and tech industries.

Develops strategy for the financial services segment at Vericast.

FOCUSED ON:

- Developing programs for marketing, sales, lending
- Leveraging technology and data for an omnichannel strategy.



/ Agenda

- 01 Data-driven Personalization Is Revolutionizing Digital Marketing Engagement
- O2 Cookies Are Off the Menu. Now What?
- Top Compliance Challenges: Bandwidth, Regulatory Change, and Comprehensive Oversight
- **04** Q&A



/ Webinar Theme

In this ever-changing digital age, there are indeed perks, potholes, and pitfalls that we all have to manage...

...but our mission throughout this webinar is to inspire you to not *just* "check the boxes" in our response to change.





/ Check Box Warning #1



> MYTH: A personalized authenticated experience is enough to make my customers or members feel like I am there for them



> TRUTH: It is not enough. You have to address to each and every customer's needs and behaviors, and be there for them before and after each transaction



/ The Unfortunate Reality: Not Many

The overwhelming majority of financial institutions are missing out on the huge upside of **data-driven personalization**



of respondents do not use consumer data and analytics to enable personalized offerings and interactions

34%

use name and address information only

9%

report personalizing offers as a best practice

Source: Vericast 2022 Financial Services TrendWatch



/ One of the most powerful tools for financial institutions to close the gaps between the results they want and the results they get is *consumer insight*.



/ Personalize Experiences Can Reinforce Long-standing Loyalty



Reduce Attrition, Grow Revenue, Build Brand Equity and Improve Satisfaction

- 1 Personalize your communications
 72% of consumers only engage with personalized messaging¹
- 2 Provide white-glove service to mission-critical customers
 Proactive communications delivered at the right time, with
 the right offer can increase revenue 30% or more²
- 3 Deliver a consistent brand experience
 Customers trust banks that deliver consistent customer
 journeys 30% more than those that don't³
- 4 Deliver excellent and accessible customer service, both on- and offline

81% of consumers prefer live interaction when they want answers to urgent and complex issues⁴

SOURCES: 1| "Privacy & Personalization: Consumers share how to win them over without crossing the line." SmarterHQ, 2| Agarwal, Rohit; Jacobson, Raelyn; Kline, Paul; and Obeid, Maurice, "The future of customer experience: Personalized, white-glove service for all," June 22, 2020, McKinsey & Company, 3| Pulido, Alfonso; Stone, Dorian; Strevel, John, "The three Cs of customer satisfaction: Consistency, consistency, consistency," March 1, 2014, McKinsey & Company, 4| Conkle, Brennie, "The Future of Digital Banking is About Great Conversations," August 1, 2017, The Financial Brand



/ Personalization Strengthens Relationships and Brand Awareness

71%

of consumers feel frustrated when a shopping experience is impersonal¹

90% of U.S. consumers find marketing personalization very or somewhat appealing²



¹ "The 2017 State of Personalization Report," segment

² Guttmann, A., "Marketing personalization - statistics & facts," Statista, March 12, 2021





>> It's time to cook up a new strategy

/ Cookies are off the menu. Now what?

New online privacy rules create a fundamental shift, and are as much a victory for consumers as they are a *challenge for marketers*.

The biggest problem is that marketers' jobs will get exponentially harder as marketing data will become even more fragmented and siloed."

James Robert Lay, Digital Growth Institute

Source: Vericast 2022 Financial Services TrendWatch





/ Cookies are off the menu. Now what?

BUT better transparency, more integrity and more control are GREAT things.



/ Box Check Warning #2



> MYTH: We have time to find a replacement for cookies that will enable us to continue our current status-quo approach



> TRUTH: We should celebrate the dissolution of the cookie ecosystem, and embrace a new paradigm of digital marketing that focuses on quality branding

Cookies are off the menu. Now what?



- 1 This will create more consumer trust
- 2 Don't replace cookies with another form of cookies focus on multiple qualifiers, especially 1p Data
- 3 Audience Identification will improve in quality driving better results
- 4 Don't overthink your "hyper" targeting strategy



/ Cookies are off the menu. Now what?

We Recommend

- > Embracing the new paradigm it's good for everyone
- > Having a strategy for collecting and deploying clean data your 1P data is king
- > Vetting ad partners and vendors for their identity resolution solutions





TOP COMPLIANCE CHALLENGES:

BANDWIDTH, REGULATORY

CHANGE, AND COMPREHENSIVE

OVERSIGHT



/ Top Compliance Challenges:

Bandwidth, Regulatory Change, and Comprehensive Oversight

89% of respondents rate these as their top marketing compliance challenges

The burden and temptation to rush can lead to monetary and reputational risk

Allow enough time to have compliance review and ask questions

Source: "<u>Infographic: Consumer Complaint Trends for the Mortgage Industry</u>," Performline.com

/ Box Check Warning #3



> MYTH: We need to check the boxes on our CRA and fair lending strategy so we are in compliance with industry regulations



> TRUTH: We must actually strive to service all members of our community and customer pools in earnest, which will create an environment where everyone benefits

/ Top Compliance Challenges:

Bandwidth, Regulatory Change, and Comprehensive Oversight

Regulators are focused on consumer protection.

Fair lending has continued to top the list as consumer complaints are at an all-time high.

Top compliance violations in 2021 occurred on:

83% Web

52% Phone 25% Social Media

Source: "Infographic: Consumer Complaint Trends for the Mortgage Industry," Performline.com

/ Top Compliance Challenges:

Bandwidth, Regulatory Change, and Comprehensive Oversight

6 RISK FACTORS to consider when developing a marketing strategy:

- 1) Do you have advertising patterns that favor more desirable customers?
- 2) Are you only serving non-minority areas?
- 3) Are your marketing vendors serving only one racial or ethnic group in the market?
- 4) Are you excluding geographical areas that have significantly higher minority percentages?
- 5) Is your proportion of applicants significantly lower than the total population of the market area?
- 6) Can you quickly show consumer complaints regarding advertising / marketing?



/ The Reward for Marketers In CRA & Fair Lending

Have a Strategy: Visibility Is Key and Active Tracking Is Critical

A balanced audience. Leverage data audience insight to document how many customers/prospects you are reaching through your advertising — don't just check a regulatory box. *Bonus points if you can show proportion by channel.*

Proactively identifying and assist urgent communities. Serving low-to-moderate income communities is more urgent now than ever. It is an opportunity for marketers to help underserved communities thrive.

Educate LMI communities. Highlight ways your financial institution can help.

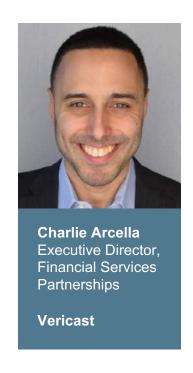


/ Webcast Takeaways

- > Data-driven Personalization Is a Paradigm Shift
- > It's Time to Build a Data Strategy That Works
- > Compliance Is Your Institution's Chance to Shine







charlie.arcella@vericast.com



lisa.nicolas@vericast.com

Questions

