

2021 Marketing Trends & Progress Report

Our Presenters



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2021 is Well Underway, and While the Pandemic Continues, An Economic Recovery is Forecasted to Begin

Vaccine distribution has begun and is picking up speed

As of April 1, 2021, nearly 154.0MM doses of the COVID-19 vaccine have been administered. Over 56.0MM Americans have been fully vaccinated, and President Biden announced that all Americans over the age of 16 will be eligible to receive a vaccine by April 19th.

The economy is poised to recover

The Federal Reserve increased its forecasted GDP growth from 4.2% in 2021 to 6.5%.

Source: Suzy, A New Beginning, Predictions Webinar, January 2021

Government Stimulus For Consumers and Businesses

Since the onset of the pandemic, through 6 enacted bills, **\$5.3T** in pandemic relief has been swept into the U.S. economy.

- Eligible consumers have received up to **\$3,200** in individual direct payments, unemployment benefits have been boosted, increase in tax incentives (child tax credit, earned income tax credit, etc.), and small businesses have received emergency funding.
- The PPP program, established first in April 2020, has since processed over **9.0MM** loans, worth over \$745.0B in partially forgivable aid to U.S. small businesses.

Source: CNBC and Small Business Association

American Rescue Plan of 2021

President Biden signed the American Rescue Plan into law on March 12, 2021 & extended the PPP deadline until May 31, 2021.

\$1,400

A new round of \$1,400-per-person economic impact payments for eligible recipients and a \$300 per week extension of enhanced unemployment insurance

\$350.0B

State and local aid totaling \$350.0B, including funds set aside to help K-12 schools reopen, assist small businesses hardest hit by the pandemic, and fund further vaccine research, development and distribution.

Source: Capital Performance Group Economic Updates, 2020

Remote and Hybrid Workforces Are Here to Stay

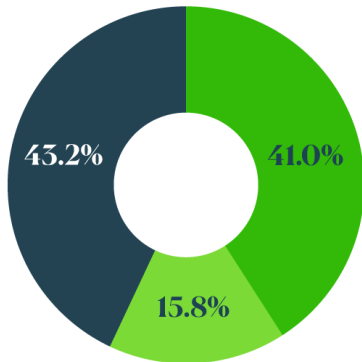
Mindsets are shifting around how work gets done.

What percentage of teams are currently remote?

56.8% of teams are working remotely at least part of the time.

And more than 2 in 5 of those teams are now fully remote.

● Fully remote ● Partially remote ● Not working remotely



Source: Upwork December Pulse Report, 2020

Enterprise Technology Research expects the percentage of workers permanently working from home to double in 2021.

Source: Forbes, Future of Remote Work, December 2020

- Remote work has highlighted operational efficiencies that companies are not willing to say goodbye to, even as vaccines allow for return-to-office this summer and fall.
- Citigroup Inc. announced that they would continue a hybrid workforce, balanced between in-person and remote work, the first major FI to do so.
- Other FI's, like Wells Fargo, announced that employees wouldn't start returning to the office until after Labor Day 2021.

Consumers Have Adapted to a Stay-At-Home Lifestyle, Utilizing E-Commerce For Most Needs

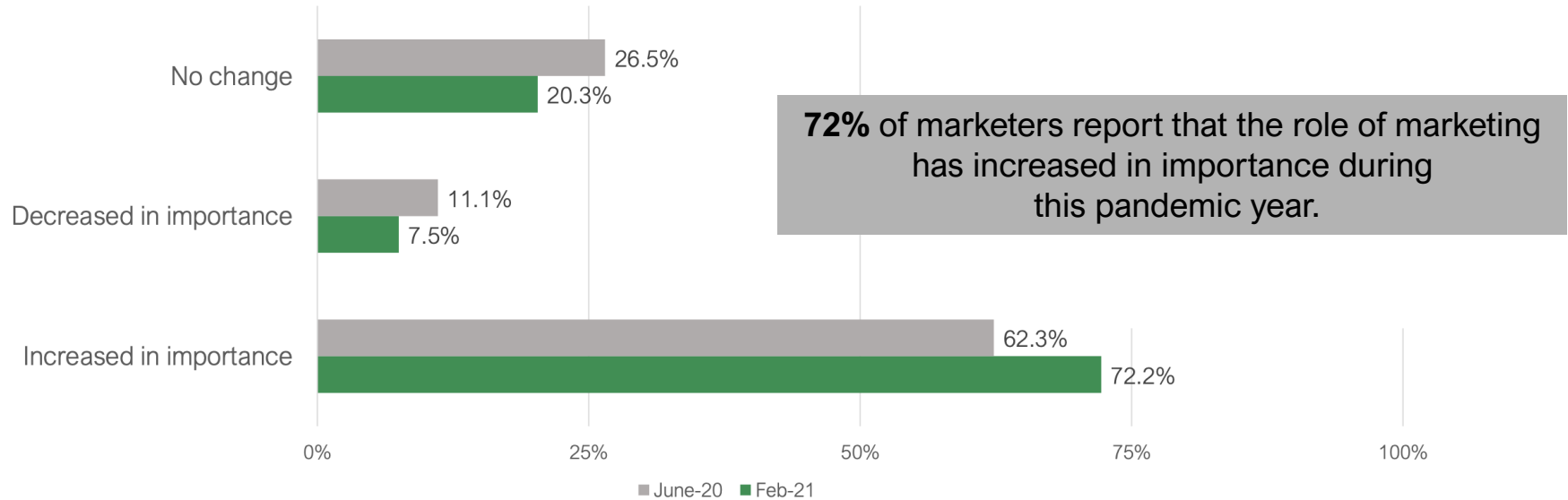


- This behavioral shift is significant for banks considering leveraging online platforms to facilitate everyday transactions or making improvements to their online customer experience.
- A focus on mobile *and* desktop user experiences is a must.
- Traditional retail experiences do not provide the data and insights that can be gleaned online. Combining these insights is key!

Source: Suzy, The E-Shopping Revolution, 2020.

And Marketing is Leading the Change in 2021!

How has the role of marketing in your company changed during the last year?



Source: The CMO Survey, February 2021

Implications For You...The Marketing Leader

- The economy will roar out of recession, but the way your organization needs to capitalize on this growth has fundamentally changed.
- Sales teams are looking to Marketing for more help than ever before, as it's more difficult prospecting face-to-face.
- Senior management is expecting Marketing to play a bigger role, but to better quantify its positive impact on the organization.

Source: Capital Performance Group, Economic Updates 2021

Four Marketing Trends to Act on in 2021

1.

Marketing as the new growth engine

2.

Doubling down on brand

3.

Boosting your budget

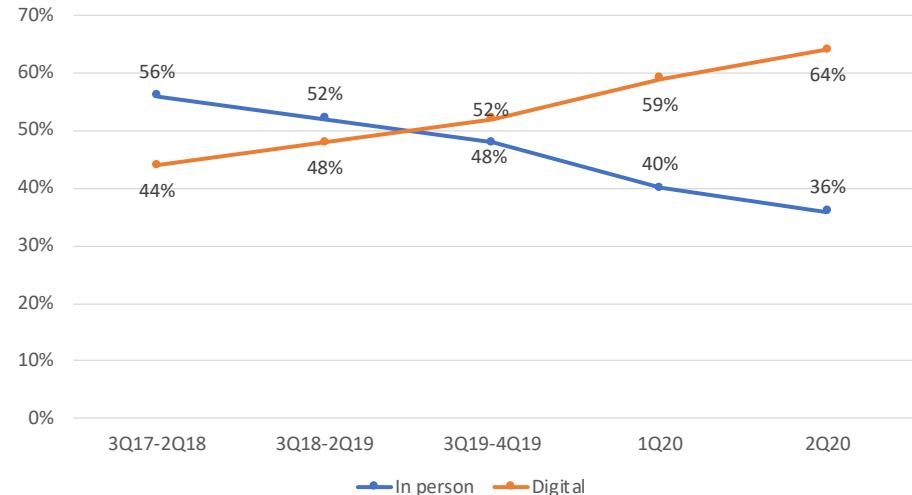
4.

Fortifying for your regulators

1. Marketing As The New Growth Engine

- Growing revenue has been paramount in 2021 with thin margins and growing loan losses putting pressure on earnings. COVID-19 disrupted the face-to-face prospecting model that business bankers and wealth managers rely on.
- Many banks have already seen a sharp increase in digital sales since the pandemic started.
- Since 4Q19, digital account openings have increased 12%.

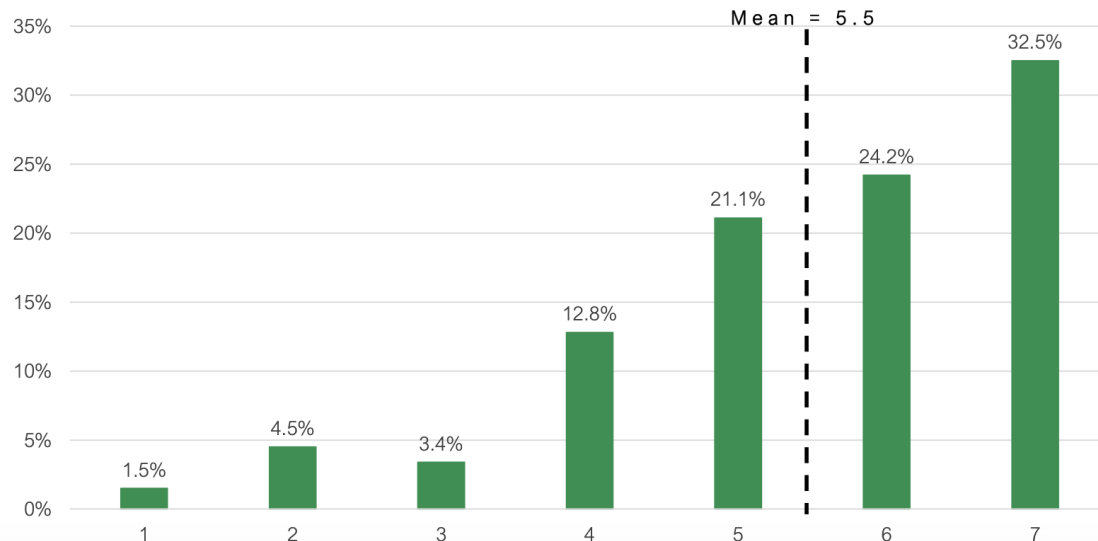
Percentage of Primary Checking Account Openings by Channel



Source: Forbes.com, Digital Account Openings Surged Long Before the Pandemic

Banking is Behind and It's Time to Catch Up

To what degree has the use of digital marketing contributed to your company's performance during last year? (1=not at all, 7=very highly)



Economic Sector

B2B Product: 5.3
B2B Services: 5.4
B2C Product: 5.9
B2C Services: 5.4



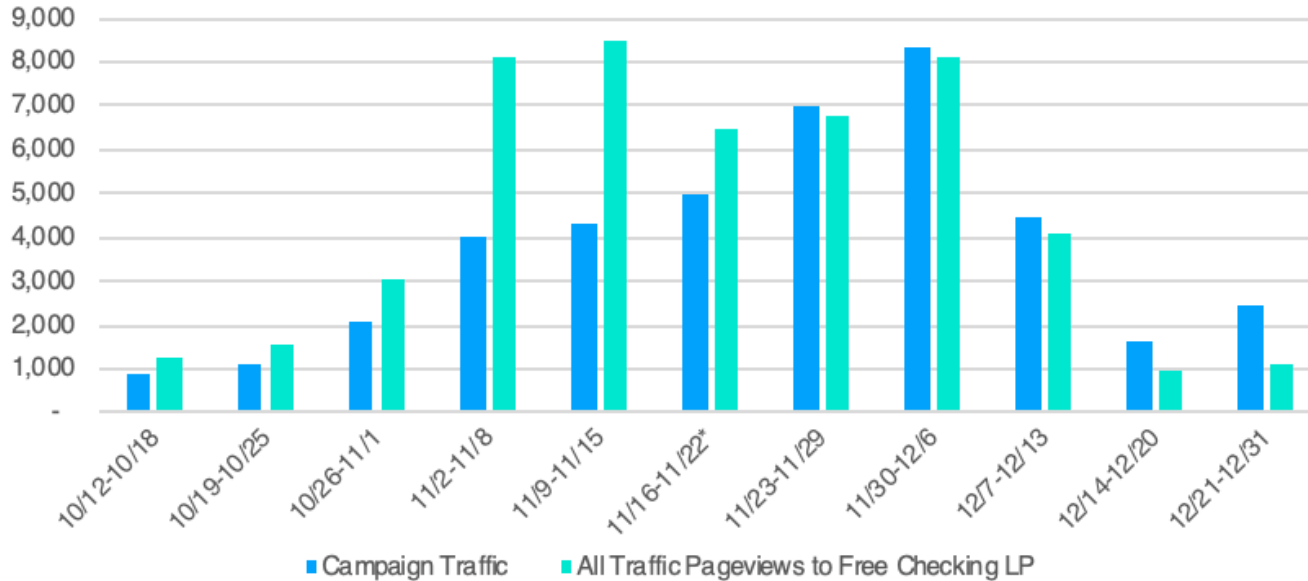
Insights

B2C Product companies indicate the highest performance contribution from digital marketing. Education (6.2) shows high contribution as does Consumer Services (6.0) and Retail (5.8). Mid-size companies (\$100M-\$999M and 1K-5K employees) also see the highest gains from digital. Banking/Finance (4.8) and Healthcare (5.0) benefit the least.

Source: The CMO Survey, February 2021

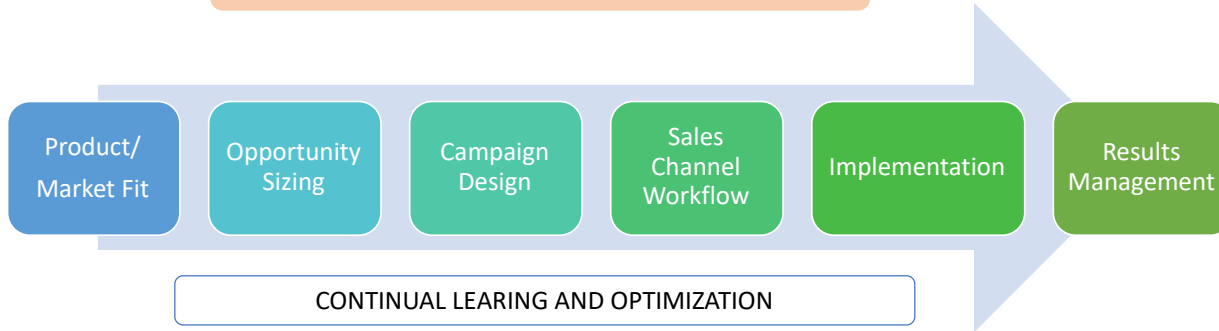
Digital Marketing Being Used to Drive New HH Growth

Campaign Traffic and LP Page View trend



Digital Lead Generation Filling Void in Personal Selling

CPG's B2B Lead Generation Process



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CREATE SUCCESS

Commercial banking, business banking and wealth management are increasingly relying on data analytics, digital media, and lead management to identify and convert attractive prospects in a predictable and efficient manner.

Success Story: A Digital Marketing Plan to Support B2B Vertical Segment

The Situation: CPG was engaged to assist in the development of a digital marketing plan for the Professional Services B2B vertical segment, with the goal of providing qualified leads to the Professional Services sales teams.

The Goal: Fill gap caused by COVID shut downs to help Business Banking Division achieve new customer growth goal.

Tools Developed:

- ✔ Collaborative Marketing Brief
- ✔ Sales playbook
- ✔ Primary research on target industries
- ✔ Sales and marketing lead workflow
- ✔ Customer targeting strategy development

Project Result: B2B Digital Ads

- ✔ Remote sales campaign targeting businesses \$10MM-\$30MM in annual sales
- ✔ Launched in September 2020
- ✔ Digital Advertising with limited direct mail
- ✔ Prospects driven to landing page on website
- ✔ Warm leads to go to bankers for telephone and email follow-up
- ✔ 17,898 landing page visits
- ✔ 153 requests to meet banker
- ✔ 34 new clients within 90 days

Marketing As The New Growth Engine

Collaborative
campaign design with
the sales team

- Marketing and LOB's are more in synch than ever before
- Designing campaigns with the end sales goals in mind

Data-driven targeting

Using primary and third-party data to find higher propensity prospects is a necessity for growth in 2021

Designing the
campaign workflow to
optimize results

- Digital media utilizing AI to optimize campaign performance in near real time
- Lead tagging and attribution allows for campaign measurement and ROI
- Utilizing a CRM, MAP, or just clearly defined roles in a good old fashioned spreadsheet drives improved conversion of qualified prospects

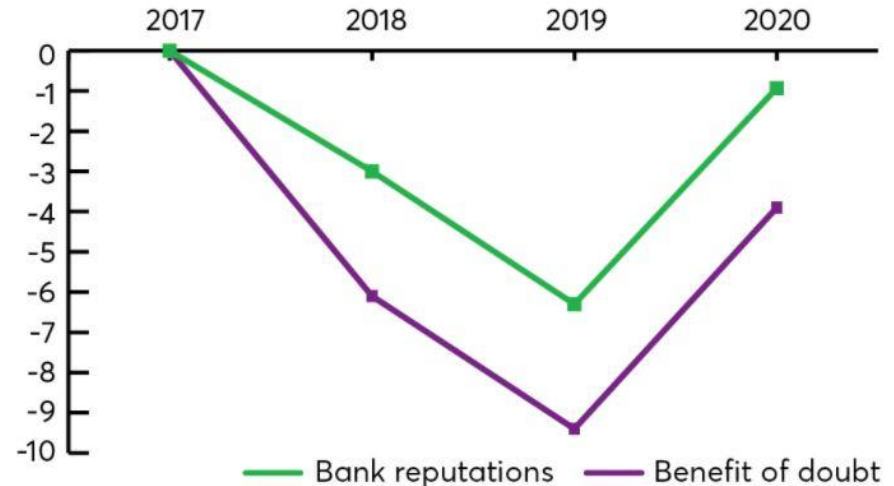
2. This Is The Year to Invest in Effectively Telling Your Brand Story

The events of the past two years have set up 2021 to be a positive one for financial services firm reputation.

- Loan forbearance
- Leading role in Payroll Protection Program
- Proactive stance on equality and social justice

Turnaround

The banking industry has recovered most of the reputation losses it has suffered since 2017. That translates into renewed goodwill from consumers, as measured by their willingness to give banks the benefit of the doubt in a crisis.



Source: American Banker 2020 Reputation Survey

Five Budget Strategies for 2021

2021 is the year to invest in infrastructure and testing so you are prepared to capitalize on the growth that's around the corner.

Digital Lead Generation

Marketing Automation

Brand

Thought Leadership and Content
Marketing

Data Analytics and Measurement

3. Nearly 81% of FIs Are Investing in Marketing Automation

What investments did your company make to improve the performance of your digital marketing activities over the last year?

Digital Investments	Top Investors	Bottom Investors
Optimization of company website	<ul style="list-style-type: none"> • Consumer Services (88.9%) • Transportation (88.9%) 	<ul style="list-style-type: none"> • Tech/Software/Platform (62.7%) • Consumer Packaged Goods (56.0%)
Digital media and search	<ul style="list-style-type: none"> • Consumer Packaged Goods (88.0%) • Pharma/Biotech (83.3%) 	<ul style="list-style-type: none"> • Manufacturing (55.6%) • Energy (50.0%)
Direct digital marketing (e.g., email)	<ul style="list-style-type: none"> • Pharma/Biotech (100.0%) • Tech/Software/Platform (70.6%) 	<ul style="list-style-type: none"> • Mining/Construction (40.0%) • Consumer Packaged Goods (28.0%)
Data analytics	<ul style="list-style-type: none"> • Education (80.0%) • Tech/Software/Platform (43.9%) 	<ul style="list-style-type: none"> • Healthcare (35.0%) • Transportation (33.3%)
Marketing technology systems or platforms	<ul style="list-style-type: none"> • Consumer Services (88.9%) • Banking/Finance/Insurance (81.3%) 	<ul style="list-style-type: none"> • Energy (25.0%) • Mining/Construction (20.0%)
Online experimentation and/or A/B testing	<ul style="list-style-type: none"> • Consumer Packaged Goods (80.0%) • Banking/Finance/Insurance (68.8%) 	<ul style="list-style-type: none"> • Manufacturing (27.8%) • Mining/Construction (20.0%)

Source: The CMO Survey, February 2021

4. Fortifying For The Regulators

Areas of regulatory focus in 2021:

1. Community Reinvestment Act
 2. Consumer credit
 3. Consumer protection
 4. FCRA
 5. CCPA & GDPR
- Regulatory observers predict increased enforcement of consumer protection laws in 2021.
 - Increased usage of digital media comes with its own set of risks to be managed.

92% of online customers cite data security and privacy as a concern.

57% of consumers don't trust brands to use their data responsibly.

Source: Truste/NCSA Privacy Study & Chartered Institute of Marketing Report, 2021

Fortifying For The Regulators

Steps for Marketers

Collaboration	Meet with Compliance to agree on acceptable risk levels, particularly with digital marketing.
Risk Assessment	Meet with Compliance before each campaign and determine risk level and appropriate oversight.
Training	Marketing, sales and compliance teams keep their training updated to reflect the evolving digital marketing landscape.
Vendor management	Periodically confirm digital marketing vendors' knowledge and compliance with bank regulations.
Oversight and documentation	Review actual targeting with media partners during the campaign to ensure the approved targeting approach is being followed.
Campaign evaluation	Review campaign results in terms of audience targeting and geographic coverage compared to original plan

Key Takeaways

- It's an exciting time to be a bank marketer with endless opportunities to experiment and help your FI grow!
- Partner with your sales force as a top priority to maximize impact.
- Measuring your contribution is no longer a 'nice to have'.
- However, measurement does not have to be overly arduous and time consuming, start small to achieve big wins.
- Now is the time to pilot programs that will last in a 'new normal'.
- Digital campaigns are efficient, results oriented, and cost-saving.
- The regulators have an eye on marketing departments for CRA and compliance implications, its time to solidify your practice.

5 Ways CPG is Helping Financial Institutions Reach Their Goals

1

Digital Demand Generation Program Development

2

Digital Marketing Campaign Development

3

Marketing Planning Execution & Budget Optimization

4

Digital Agency Audit Selection & Support

5

Marketing Technology Roadmap Planning



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