

A Metia report

Mindset Matters

Redefining Digital Banking Transformation
with a Marketing Mindset



metia

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Executive summary

2020 catapulted banks and credit unions into a new reality. Digital-only banking became the new normal overnight. As COVID-19 continues to define how we work and live, striving to create meaningful products, services and engagement channels has placed digital transformation firmly at the top of every bank and credit union's agenda.

This report had originally planned to discuss the importance of marketing in digital transformation initiatives, exploring a hypothesis that if marketers aren't deeply involved in the digital transformation process, it makes success a lot harder.

The prevalence of COVID-19, particularly as an accelerant of digital transformation, meant we had to adapt our research to share business-critical information relevant to the times.

We surveyed 500 financial marketers about their digital transformation journey, asking for input on how their digital investment has helped them compete, how it has helped them weather the onset of COVID-19 and how it has enabled them to plan their future in uncertain times.

One group of banks and credit unions stood out in our research: the 38% that gave their marketers a leading role in their institution-wide digital transformation. This group were better able to pivot and adapt their customer experience to meet rapidly emerging needs during the COVID-19 crisis.

The marketers in digital transformation leadership roles in the most successful institutions shared three strong beliefs:

- 1 Successful digital transformation also requires brand transformation (53% of marketing-led institutions versus 39% of others).**
- 2 Meaningful branded digital experiences will accelerate digital transformation ROI (46% of marketing-led institutions versus 27% of others).**
- 3 In a world of rapidly multiplying, undifferentiated tech features, compelling branded experiences are what really matter (39% of marketing-led institutions versus 29% of others).**

The same marketers also understood that building technology was just the beginning of the transformation process. Superior ROI was delivered by those who believe:

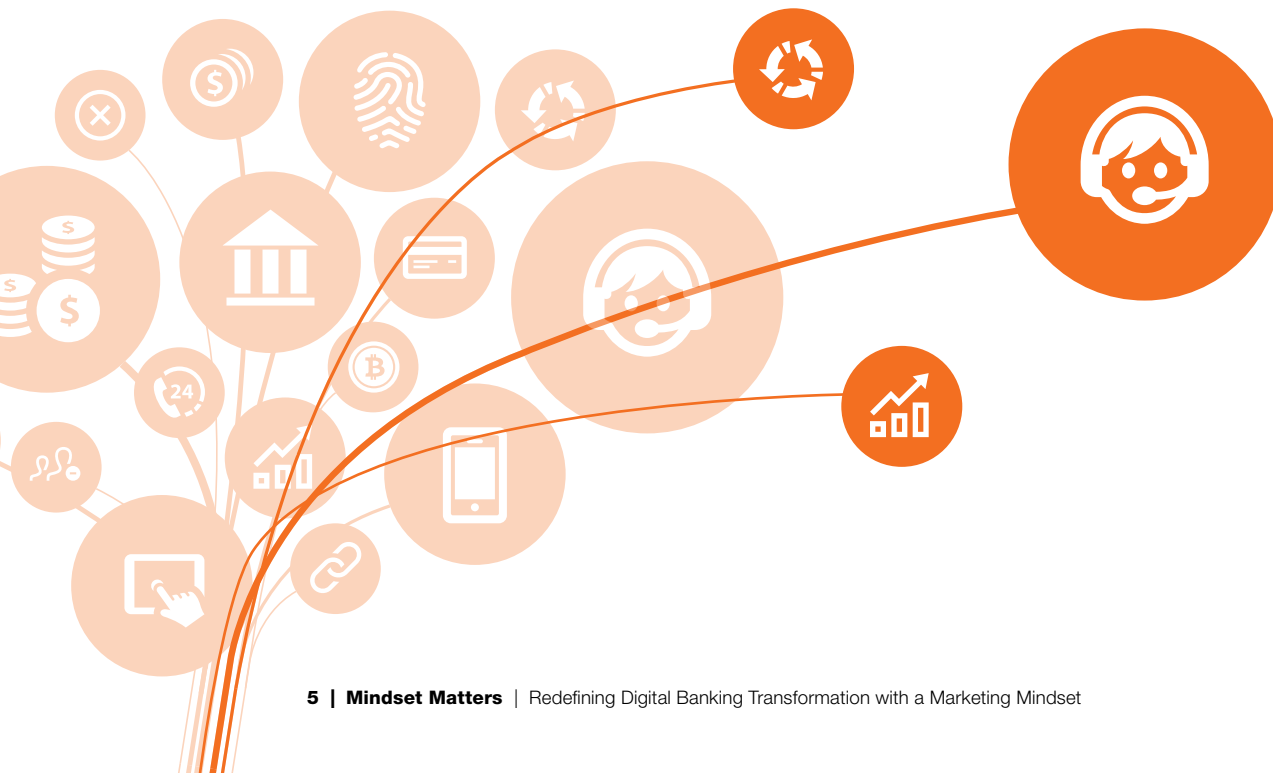
- 1** Deploying digital tools is just the beginning of transformation – driving customer adoption and consumption is what really matters (52% of marketing-led institutions versus 38% of others).
- 2** You can build the most functional tools in the world but if you don't teach people how to use them you are wasting your time and money (53% marketing-led institutions versus 38% of other institutions).
- 3** Successfully launching a new digital experience requires a comprehensive customer communication strategy (28% marketing-led institutions versus 12% of other institutions).

This report reveals compelling evidence as to why marketers need to be involved in digital transformation initiatives. It describes the five marketing mindsets, explaining why they're so powerful; explores how smaller institutions can level the digital transformation playing field without Fortune 500 budgets; and evaluates why some institutions were much better prepared for COVID-19 than others.

Emerging from the COVID-19 pandemic into a time of economic uncertainty will demand that banks and credit unions evolve across both culture and infrastructure, as well as provide a future vision that is customer-first, emotionally engaging and able to deliver meaningful impacts. Finding the most effective strategies to successful digital transformation is imperative.

It's time to put customer champions, brand ambassadors and storytellers in the driving seat of digital banking transformation.

It's time to think like a brand and not like a bank.



2

A foreword for exceptional times

We have all experienced how the COVID-19 pandemic has altered countries, economies and individual lifestyles overnight.

Culture has been forced to shift from social interaction to social isolation.

Retail banks and credit unions are not exempt from this seismic change and have been forced to rethink everything. Banking has had to become wholly digital, disregarding whether or not banks or their customers are ready.

It might be easy to imagine that this shift would be a seamless transition for most financial institutions. Retail banks have been talking about the importance of digital transformation since the 1990s and concepts such as online banking, digital payments and remote customer service are well established. However, in reality things haven't been so simple. Investment patterns paint a picture of inefficient transformation projects that fail to succeed.

The digital banking transformation gap

In 2019, it was estimated that US banks had already invested \$162 billion dollars¹ on their currently live digital transformation initiatives, yet only 25% of customers reported any discernible difference in the digital experiences offered.

Digital transformation in all verticals, not just banking, has traditionally been the domain of IT or operations departments. A Forrester² study, released earlier this year, shows that while the CEO and CFO are core to the digital transformation process in banking, it is still technologists who lead and execute on strategy the majority of the time. And there is one key senior role that is conspicuously absent from this picture: the CMO.

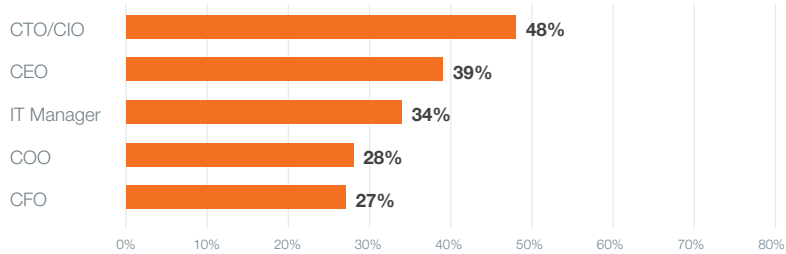
The senior marketer is arguably the most customer-centered professional in any banking boardroom. They own customer data, customer experience design, drive product and service innovation, all while writing and telling the institution's brand story. They are held accountable for growth and have the deepest knowledge of the markets they operate in and the competition they face. With such customer-centric oversight, why are they not routinely filling senior leadership roles in digital banking transformation?

¹ Source: *Kony Customer Experience Index Study, 2019*

² Source: *The State of Digital Transformation in Financial Services, 2020 - Forrester*

Figure 1:

Who will be/is responsible for leading the strategy and execution of your firm's digital transformation?



Source: The State of Digital Transformation in Financial Services, 2020 – Forrester

From researching digital adaptation to adapting the research itself

This research was originally designed to give a voice to marketers working in institutions currently undergoing digital transformation. Then COVID-19 arrived. Understanding how to drive more powerful impacts from digital transformation moved from being interesting insight to business-critical information. We adapted this research in response.

In April, IDG³ reported that 61% of IT and business leaders were immediately accelerating their digital transformation efforts in response to COVID-19. A clear and sensible response to a rapidly changing environment. However, if the previous 20 years of investment in IT-led digital transformation has not delivered meaningful digital banking experiences for customers, how will increasing spend at a faster rate, on exactly the same things bring about a more positive outcome? The likelihood is it won't.

COVID-19 has created a powerful inflection point for banks and credit unions. It has brought future digital investment priorities into sharp focus, creating an opportunity to question how things have been done in the past, and how they should be done in the future.

Emerging from the pandemic stronger, smarter and more connected to customers is the only banking imperative right now. Accelerating success and innovation depends on correctly answering one critical question:

Is it time to change the digital transformation mindset?

³ IDG: CIO COVID-19 Impact Study, April 2020

3

Survey methodology

We conducted an online survey of 500 senior marketers from the US and Europe, covering the full range of institution sizes. All respondents had live digital transformation initiatives. The senior marketers interviewed represent a diverse set of skills, experience and priorities.

The survey took place between April 27th and May 17th, three months into the COVID-19 pandemic.

All comparative data shown in the report is statistically significant and has been tested at a 95% confidence level. All comparative data represents a true difference in opinion, need or priorities between different institutions or types of marketer.

Figure 2a:

Who we spoke to

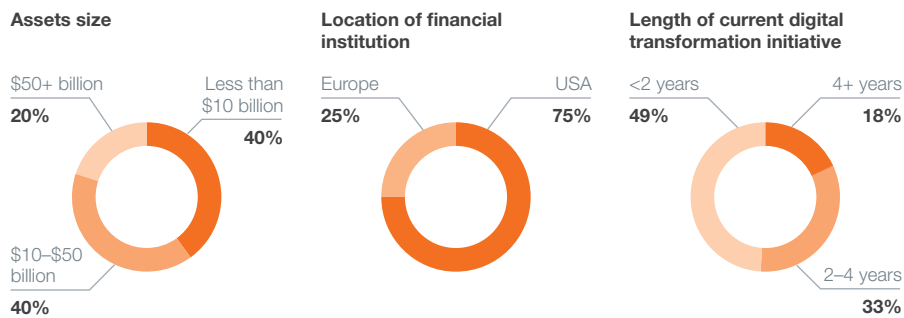
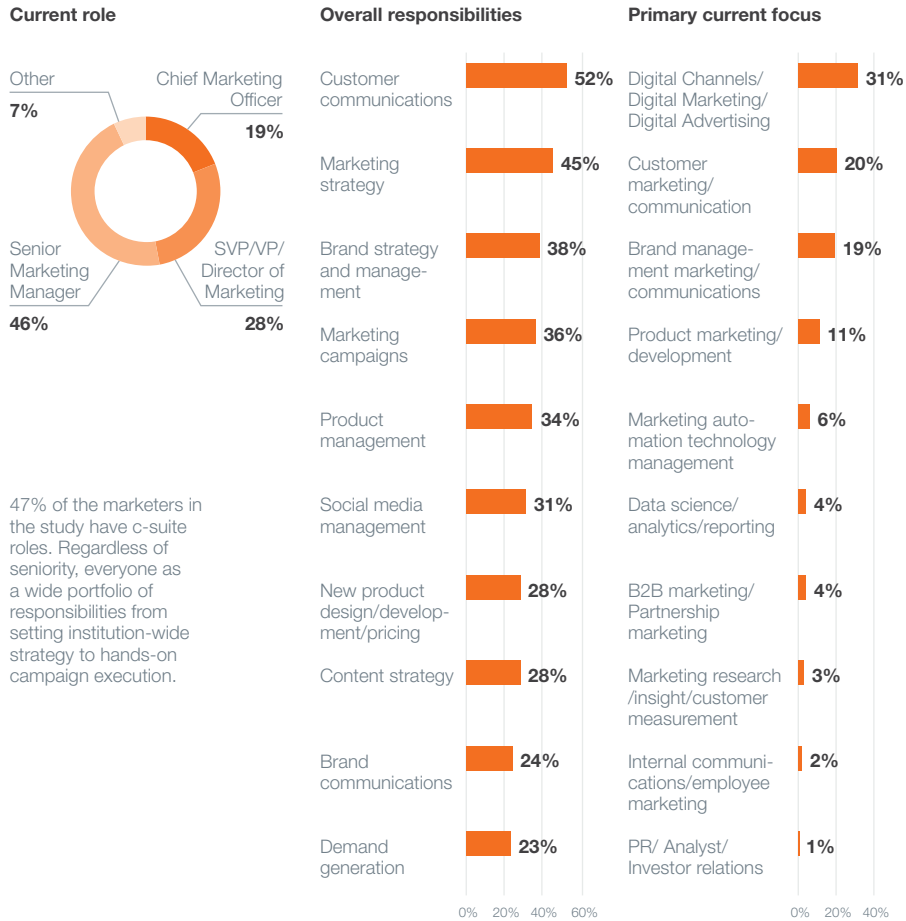


Figure 2b:

Who we spoke to



COVID-19 drives focus on digital marketing

Regardless of seniority, marketers have been tasked with rapidly engaging, communicating and supporting customers on practical and emotional levels.

Of the marketer's current primary focus, 70% falls into three main areas:

- Digital marketing (31%)
- Customer communications (20%)
- Brand management (19%)

Digital marketing may have been important pre COVID-19 but it is now the primary channel for customer interaction and communications as banks and credit unions scramble to support customers navigating banking needs in stressful times.

While communicating is important, delivering on your brand promise in every one of these communications is the key to retaining and building relationships in times of uncertainty.

COVID-19 has been an 'all-hands' call to action.

4

The story of a pandemic: crisis management in exceptional times

Both large and small financial institutions have faced similar challenges in the wake of COVID-19 and have been forced to take the same radical action as the pandemic began to accelerate.

At the time of the survey:



41% Had closed ALL in-person services / branch interactions



40% Had closed branches / retained curbside / drive-through service



30% Had closed branches / retained unstaffed ATM/ kiosk services

Almost every institution has been forced to make some form of change to working practices and staffing structures:



49% Furloughed staff or reduced staff pay



32% Had a hiring freeze



27% Had a budget freeze



20% Let staff go

It's not all about cutting back, however. Of those surveyed 33% expanded their teams in call/service centers, moved bankers and service professionals from office to home working, transitioned customers from in-person to phone relationships, all while struggling to cope with exceptional demand and financial uncertainty amongst customers.



“Getting our customer service teams set up to work from home took herculean efforts. Protecting our people while trying to maintain service for our customers was our priority but it was not easy. Not at all.”

Customer Experience and Marketing Manager, US bank, \$10-\$50 billion assets

Marketers were expected to work harder through the crisis with 41% of respondents saying they are working substantially longer hours, that they were focusing on creating specific COVID-19 campaigns for customers (50%) and supporting their local community (38%).

Marketers recognized that their institution's behavior during the crisis, would define how they were viewed by customers in the future. COVID-19 was recognized as a time for customer empathy over rigid process and procedure.

Living and breathing brand values ensured that every interaction through the crisis delivered on promises made in better times. Almost half of institutions made rapid changes to their messaging during the crisis (46%), with 34% focusing on their brand story more than they had done historically and 29% pivoting away from selling products to supporting customers.



“Our brand promise has always been that we are part of the community. Right now, we are living that promise every day – we will do what it takes to get through this and will do everything that we can to support our customers. The rubber has hit the road.”

Marketing Director, US credit union <\$10 billion assets



COVID-19: leveling the playing field or expanding digital banking inequalities?

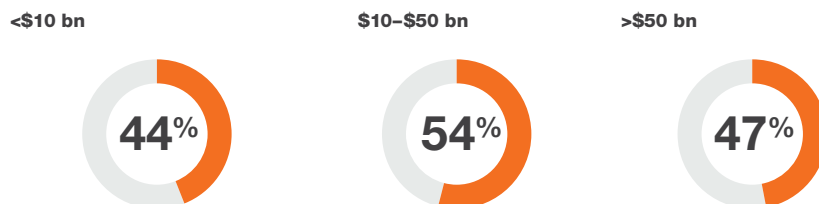
The COVID-19 pandemic is predicted to cause a three percent contraction in the global economy in 2020⁴. Consensus is that unemployment will continue to grow and financial uncertainty will be the new reality for many of the individuals and businesses that banks serve. Smaller banks are predicted to suffer more than their larger counterparts, with higher levels of exposure to delinquent commercial and consumer debt.

The challenges faced by smaller banks around growth and competing digitally are well documented. Between 1990 and 2018, the number of banks with assets less than \$500 million declined by about 70%, representing a loss of about 7,600 institutions⁵. COVID-19 has made that struggle harder and extended the gap between the banking 'have' and 'have nots'.

Pre COVID-19, smaller banks and credit unions in the study already recognized that they were being outspent and out-built by bigger banks. As figure 3, shows banks with under \$10 billion in assets were significantly less likely to feel that their existing digital capabilities gave them any advantage over their competitors. Larger institutions were more confident in the digital infrastructure they had historically developed.

Figure 3:

Institutions rating their digital capabilities somewhat or significantly ahead of the competition: by size



⁴ World Economic Outlook, April 2020: The Great Lockdown

⁵ American Banker: BankThink How to keep community banks thriving, January 2020

Figure 4 below clearly demonstrates that the COVID-19 crisis widened the digital investment gap further. A considerable 71% of larger financial institutions were able to accelerate digital launches to help mid-crisis, compared to only 47% of smaller banks and credit unions.

Figure 4:

Institutions accelerating / launching new digital products or services during COVID-19

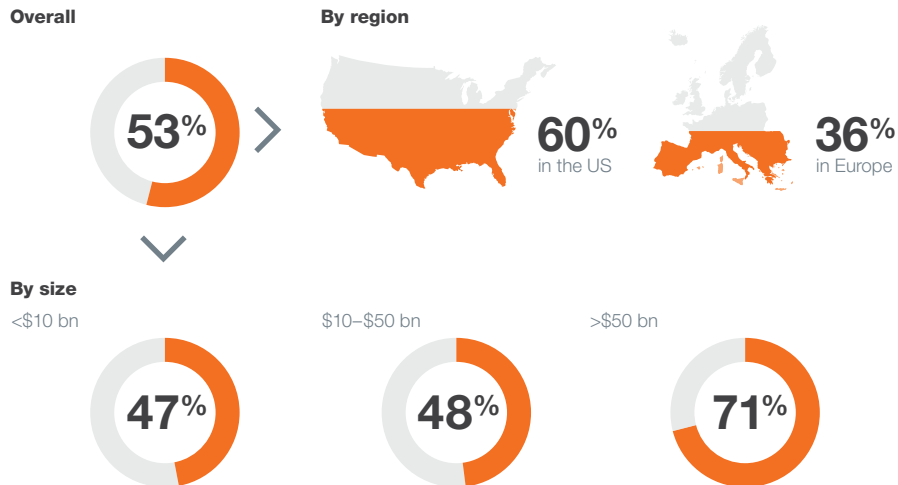


Figure 5:

Institutions already rethinking their strategies and positioning post COVID-19

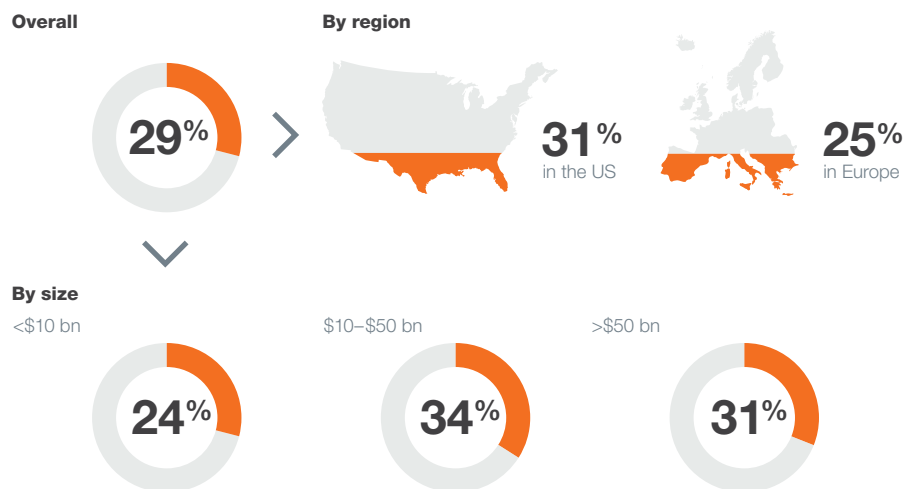


Figure 5 further illustrates that larger institutions were also more capable of retaining forward strategic momentum during the crisis. Of institutions with \$10-\$50 billion in assets 34% were already thinking about how they would transform and emerge into a new and different future, 31% of those with assets over \$50 billion also stated they were looking forward already, while only 24% of smaller institutions had that luxury.

Smaller institutions were focused on applying their resources to ensuring their survival and continuing to deliver what their customers needed in the here and now.

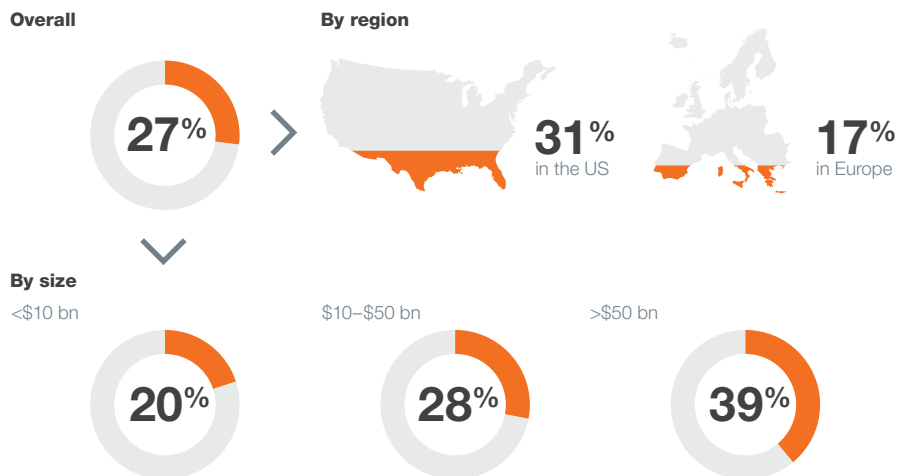
Big banks are also more confident about the immediate future, while smaller institutions are left wondering how to support their customers in the present.

Figure 6 shows that only 20% of small banks are very or extremely optimistic that they will be able to deliver what customers need in the next twelve months. Banks with more than \$50 billion in assets are twice as confident they will succeed (39%).

COVID-19 has clearly made it even harder for smaller banks and credit unions to compete. The growing gap between them and their larger competitors makes it particularly critical that small banks find new ways to think and invest differently, in order to deliver what customers need in a time of rapid change and financial uncertainty. One thing is for sure, whether you have assets of \$500 billion or \$2 billion, something needs to change.

Figure 6:

Institutions extremely/very optimistic in ability to meet customers' emerging needs over the next 12 months



A fairer future for smaller institutions

2020 continues to be challenging but it is also an opportunity to reflect, refresh and find new and different voices to revitalize digital banking in the future. The accelerated digital gap between smaller banks and their larger competitors makes it critical that they find new ways to think and invest differently, in order to deliver what customers need in a time of rapid change and financial uncertainty.

Smaller institutions need to be creative and highly customer focused to make the most of the resources that they do have available.

It is time for smaller financial institutions to think differently, investing strategically rather than trying to compete on every front.

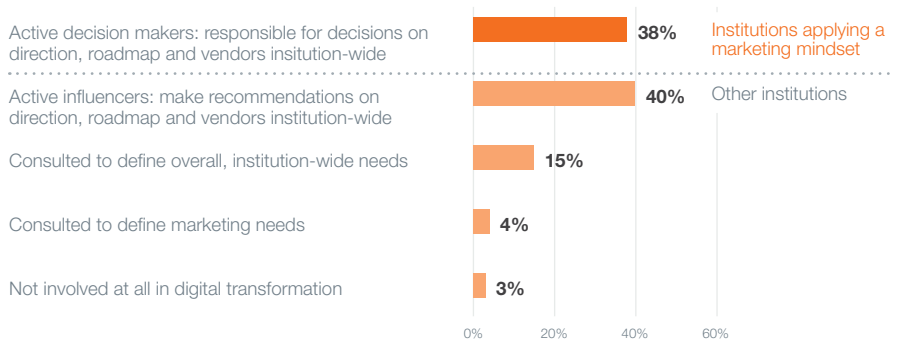
6

Can a marketing mindset deliver better digital banking transformation?

To answer this question, the marketers in the study were asked to classify their depth of involvement in digital transformation into one of five scenarios; ranging from active, institution-wide leadership to no involvement at all.

Figure 7:

Level of marketing involvement in institution-wide digital transformation



Each scenario was then analyzed against a set of digital transformation outcomes including:

- Ability to respond to COVID-19
- Maturity of digital infrastructure
- Proven and measurable financial improvements directly linked to digital transformation investments

The most successful digital transformation initiatives were found in banks and credit unions already applying a marketing mindset to shape their digital futures. It was not enough for marketers to be consulted or brought in as subject matter experts for part of the infrastructure. Success comes from fully embracing everything about the way that the marketers think.

The 38% of the institutions that had given their marketers a full seat at the table were consistently ahead of every other institution on all the ROI metrics assessed.

Applying a marketing mindset to digital transformation works.

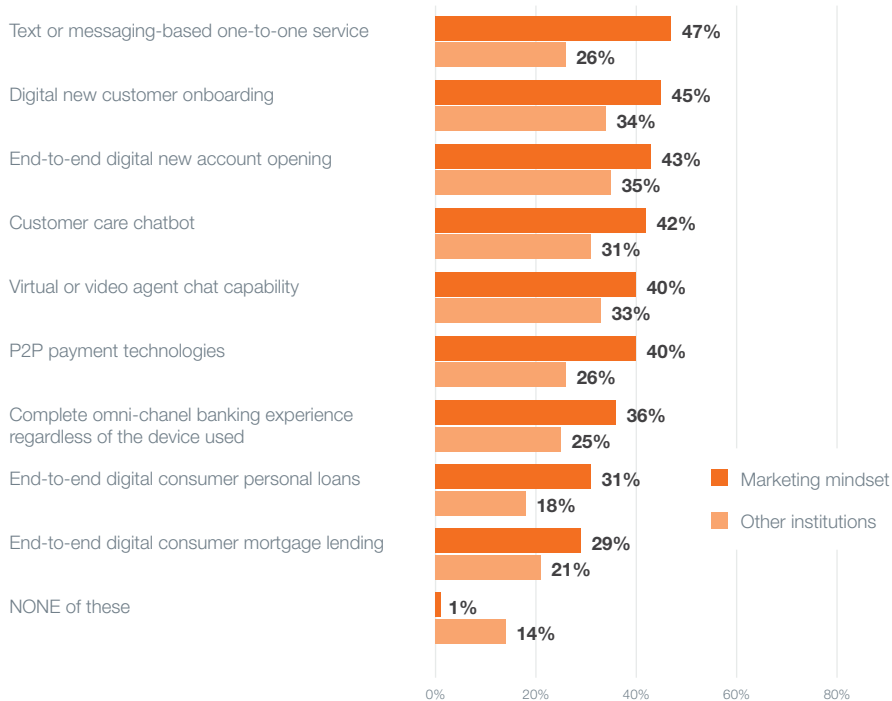
Supercharging digital transformation the marketer's way

The 38% of financial institutions fully embracing a marketing mindset were further along their digital transformation journey with more comprehensive and mature digital services.

Figure 8 shows that institutions with a marketing mindset are significantly more likely to be already offering a wider variety of digital experiences. They are particularly strong in newer technologies like text and messaging-based services.

Figure 8:

Current digital infrastructure: marketing mindset versus other institutions

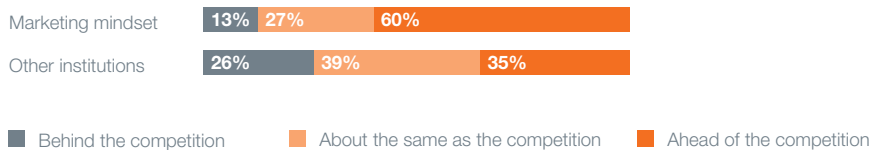


Getting and staying ahead of the competition

Institutions that are applying a marketing mindset are also more likely to have built digital experiences that have already put them ahead of their immediate competition. Figure 9 shows that 60% of those with a marketing mindset feel that digital capabilities are better than their competition, compared to only 35% of those taking a more traditional IT-led transformation approach.

Figure 9:

Assessment of existing digital capabilities (pre COVID-19)

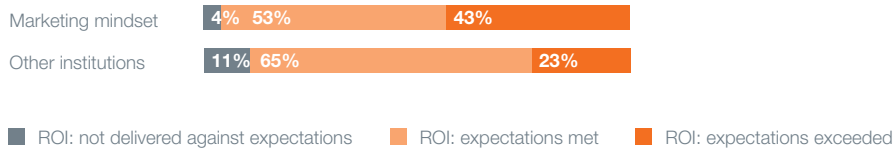


Exceeding expectations of digital transformation ROI

Figure 10 shows that 43% of those employing a marketing mindset said their marketing-led digital transformation initiatives exceeded expected ROI. This compares to only 23% of other institutions not taking the same marketing-led approach.

Figure 10:

Digital transformation ROI (pre COVID-19)

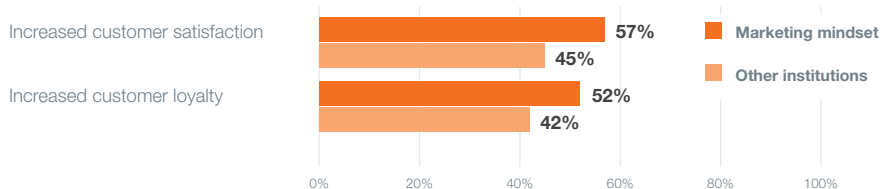


Building customer value and loyalty

Marketer-led digital transformation was also significantly more likely to deliver increased customer satisfaction and loyalty. Marketers understand the drivers of customer relationships and effective customer experience design, so digital transformation initiatives incorporating this thinking will inevitably deliver better customer outcomes and drive greater customer value.

Figure 11:

Proven digital transformation outcomes: customer satisfaction and loyalty (pre COVID-19)



Pivoting during COVID-19

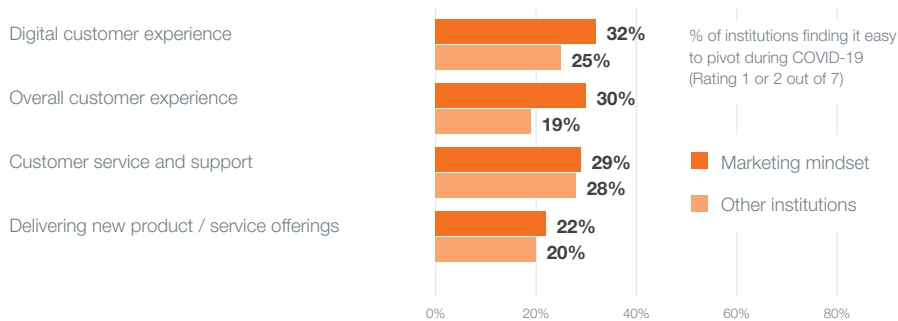
The marketing advantage really came into play when COVID-19 hit. Institutions with a marketing mindset were able to pivot their customer experiences more rapidly than other institutions.

Figure 12:

Ability to pivot critical customer experiences to deal with COVID-19

During the COVID-19 pandemic, if you adapted or were forced to change how you supported customers, how easy was it based on your current systems, processes and culture?

1 = We pivoted immediately when the crisis emerged
7 = We're still struggling to make the changes we need



Marketers understand that customer needs will always evolve so digital experiences need to be built with agility and resilience in mind. This means making platform and app development decisions that focus on the future and not just on meeting today's needs. Marketers involved in digital transformation at the overall strategy level recognize that it is important to future-proof the digital strategy and to always build in opportunities for growth.



“Our banking apps are built on a flexible platform... the market changes and what customers want changes. Our job is to anticipate those changes and respond. No one saw COVID coming but we did anticipate change so planning for that helped us a lot”

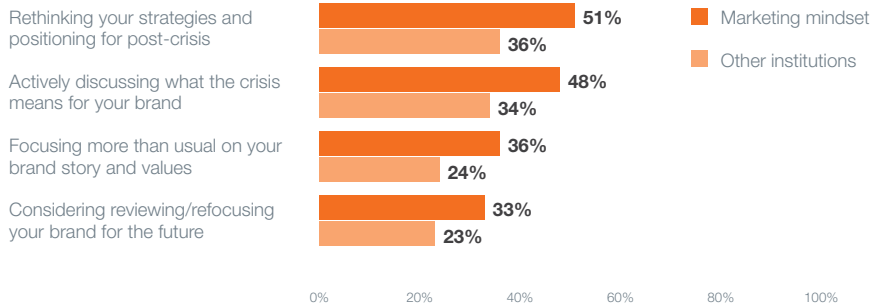
Marketing Director, US bank, \$10-\$50 bn, marketing mindset institution

Facing forward in uncertain times

The same institutions who were able to pivot quickly and exceed ROI expectations have also retained forward momentum during the challenges of recent months. Figure 13 shows that successful institutions leaned into their brand and were constantly reevaluating their story to continue to connect with their customers as the landscape and needs rapidly evolved.

Figure 13:

Focus on the future for COVID-19



Redefining the future, now

Banks and credit unions applying a marketing mindset are also those poised to define the new normal in retail banking. They are ready to emerge faster, smarter and stronger into a state defined on their own terms. They have campaigns ready to go and intend to increase marketing activity in the next three months. They are embracing the pandemic as an opportunity to change what they do and establish stronger connections with their local markets and existing customers. Our research has found these institutions are the most likely to significantly increase both sales activity and use of specific marketing channels in the next three months (figures 14 and 15).

Figure 14:

Percentage of institutions planning to significantly increase sales activity in the next three months

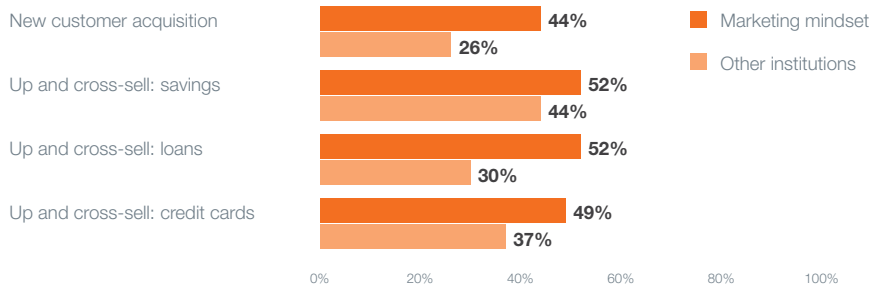
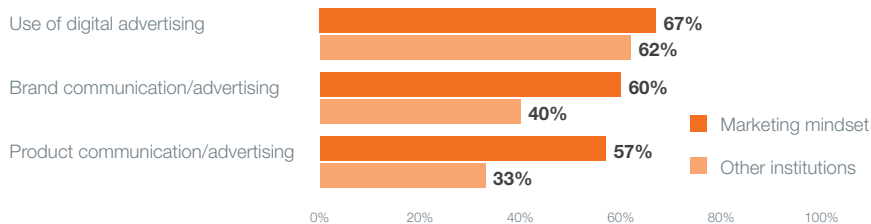


Figure 15:

Percentage of institutions planning to significantly increase use of specific marketing channels in the next three months



The institutions applying a marketing mindset will be the first to pursue new momentum through acquisition and up/cross-sell to their existing base because they are approaching these challenging times with a positive outlook. They are searching for new opportunities for themselves and their customers to emerge from COVID-19 with a new outlook on how banking can be done.



“We are trying to see an opportunity here. We have created some new products we think will help our customers. We’re going to get them out there ASAP. A crisis always makes you think differently. That’s what we’re doing.”

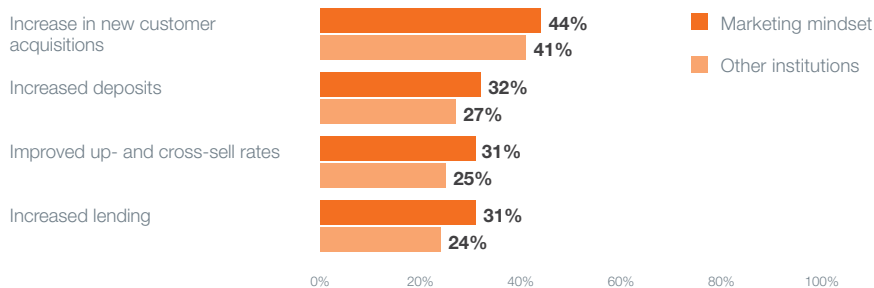
CMO, US bank, \$10-\$50 bn, marketing mindset institution

Accelerating commercial success

Making digital transformation investments with a marketing mindset delivers better financial performance. Institutions that think like marketers are significantly more likely to report increased sales, deposits, lending and new customer acquisition directly attributable to their digital transformation strategies.

Figure 16:

Proven digital transformation outcomes: growth in sales

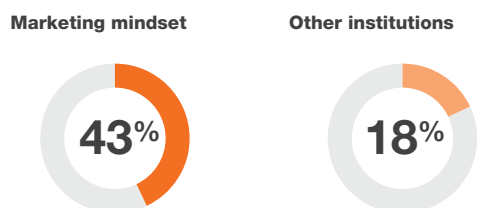


Ultimately, growth is every institution’s priority. Institutions that applied a marketing mindset to digital transformation were 2.5 times more likely to have improved their overall asset position than other institutions.

A marketing mindset is a profitable mindset.

Figure 17:

Proven digital transformation outcomes: overall asset growth



8

The five marketing mindsets and what makes them powerful

In addition to showing the overall power of taking a marketing mindset approach to digital transformation, the research revealed that there are five unique mindsets that drive powerful and customer centered change.

Marketing mindset 1: brand is the only real battleground left

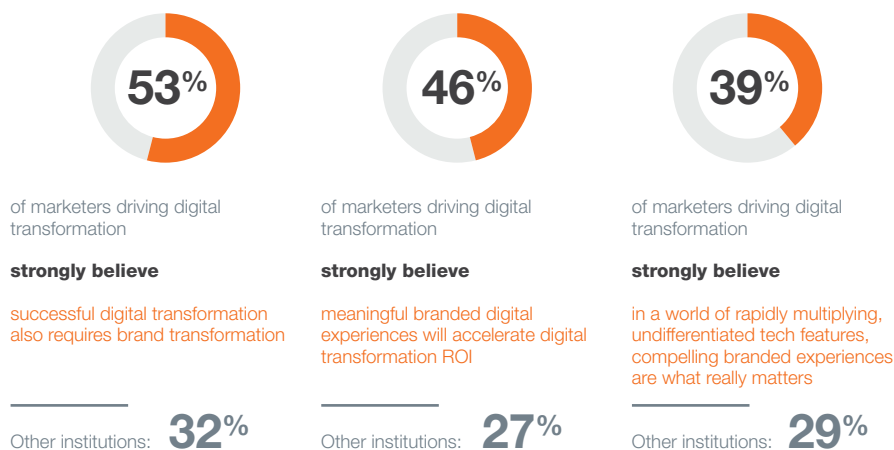
Successful marketers understand that banks and credit unions need to support technology investment with a compelling narrative that is relevant, authentic and provokes a positive emotional reaction.

Marketers know that a meaningful brand and branded experiences are critical drivers of digital transformation.

Three unique brand beliefs underpin marketing-led digital initiatives:

1. Digital transformation without parallel brand transformation will not deliver what banks, credit unions or customers need.
2. No one can compete on features and functions alone – it is a zero-sum game.
3. The future of banking in the new normal will be based on deep, emotive engaging relationships.

Figure 18:



Ultimately, succeeding in the future means thinking more like a brand and less like bank.

**Marketing mindset 2:
launching is cool, consumption is critical**

Building technology is just the beginning of the transformation process. True success comes from supporting customers to use technology in the most engaging and relevant ways.

The technology consumption gap was first defined by J.B. Wood in 2011 as the natural tendency for technologists to create features and functions at a higher rate than customers can consume.

‘The Technology Fallacy’ (2019)⁶ suggests that the same consumption gap is still very much alive and well in 2020. Its MIT authors conclude that the biggest challenge facing any digital initiative remains the ability of consumers to adopt and the propensity for the business to adapt to technology innovations.

The marketing mindset takes digital initiatives out of the old world of technology—specify, build and deploy—into the new world of launch readiness, usage, optimization and growth. The marketing mindset ensures that institutions understand that the job is not done when the solution is built. You need to show people why and how they should use new digital experiences (see figure 19).

Figure 19:



Figure 20 shows that while technologists think about deployment, marketers think about user experience, employee buy-in and the communication that will be required to make a new digital launch a reality.

The technologist is worrying about uptime, user loads and authentication processes, the marketer is working through effortless and friction-free onboarding and ensuring that customers don't just understand how, but why they should be using new technology.

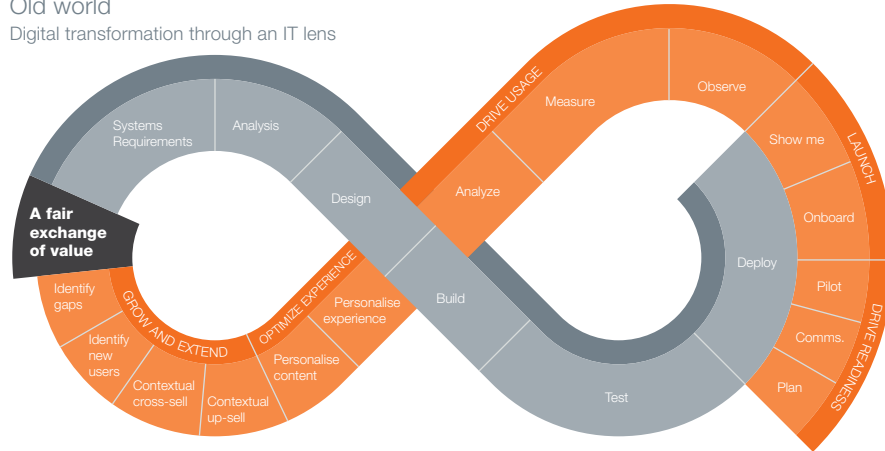
⁶ The Technology Fallacy: How People Are the Real Key to Digital Transformation Andrus, Phillips, Copulsky, Kane 2019

Figure 20:

The marketing mindset in action: extending the journey from launch to consumption

Old world

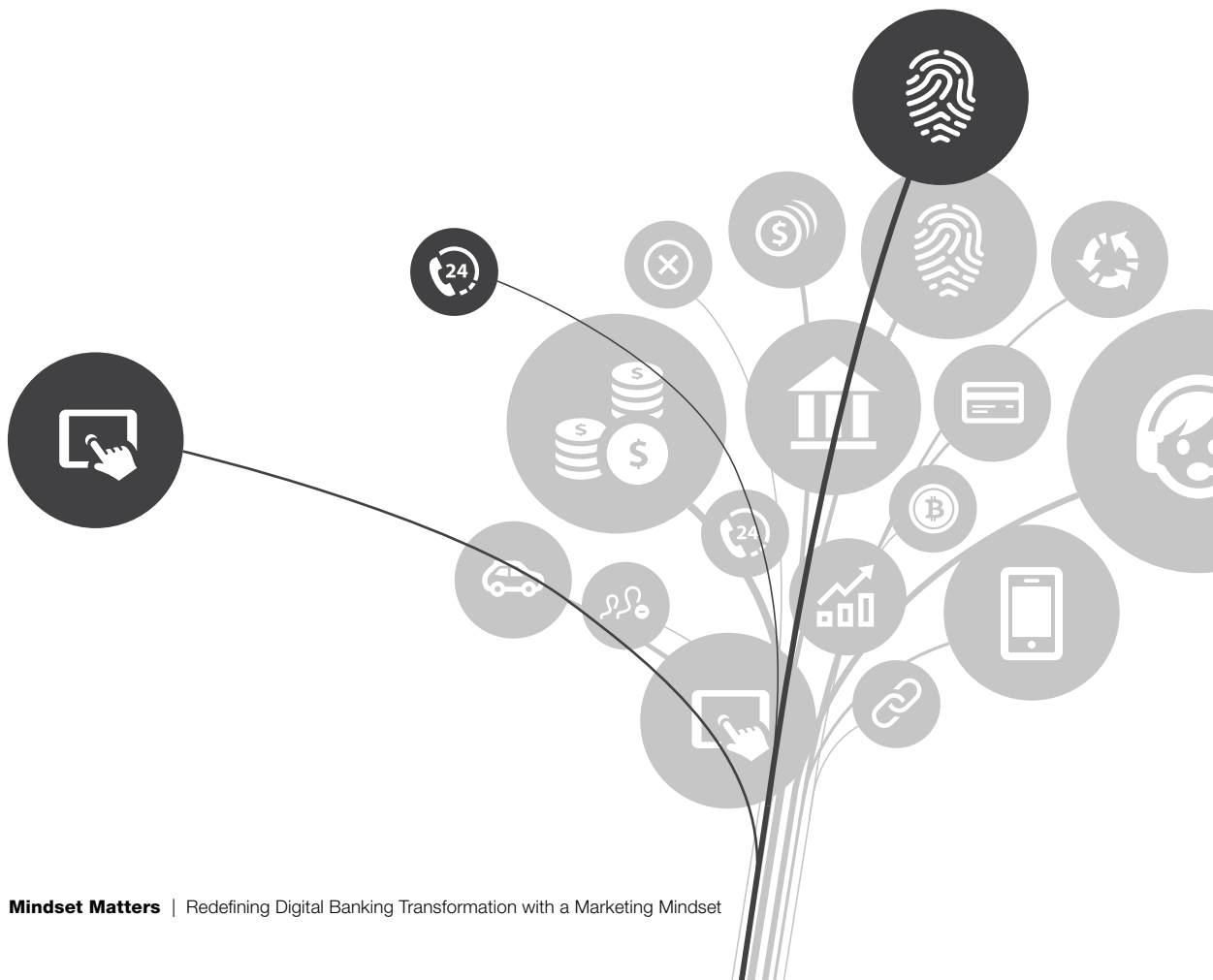
Digital transformation through an IT lens



New world

Digital transformation with a marketers mindset

Marketers pick up where technologist's believe their job is done. This is the new world of marketing-led digital transformation.

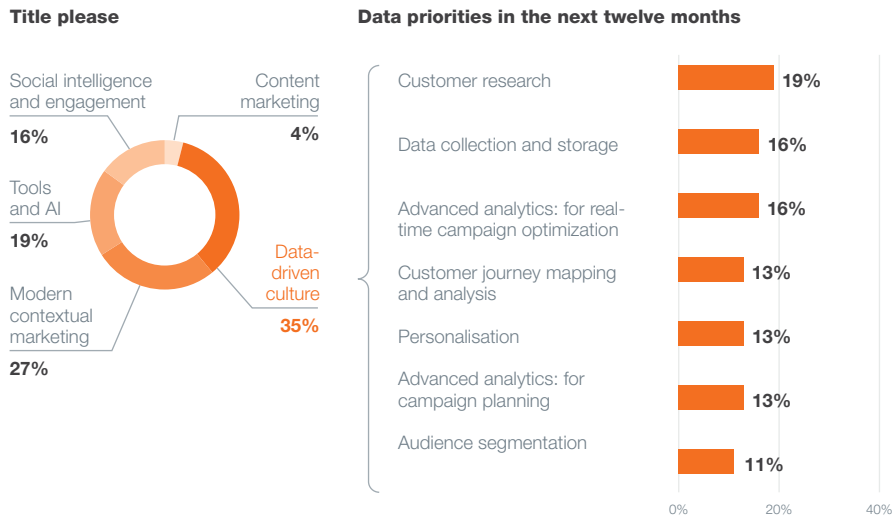


Marketing mindset 3: data gives context

Financial marketers believe that success will ultimately require a data-driven decision making and customer experience culture.

Figure 21:

The marketers perspective on future investment priorities

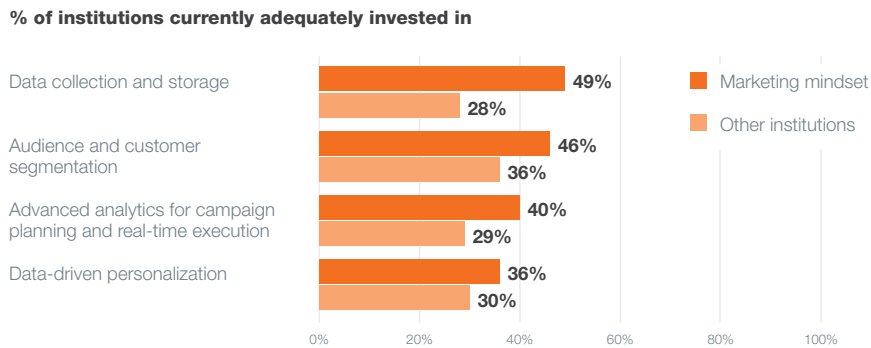


Marketers insist that collecting meaningful customer data, curating it appropriately and using advanced analytics are core requirements for successful banks and credit unions in the future.

Marketing-led institutions are already ahead of the curve as figure 22 shows, feeling that they are already adequately invested in the data infrastructure that matters.

Figure 22:

Current level of investment in data architecture/data-driven culture (% currently adequately invested)



Marketing-led institutions are also more likely have optimized their data infrastructure and are actively engaged in personalized and contextual communication with their customers, as figure 23 shows.

Figure 23:

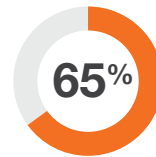
The marketing mindset in action: driving to become data-driven financial institutions



of marketers driving digital transformation work for financial institutions where:

all or most customer data is centralized

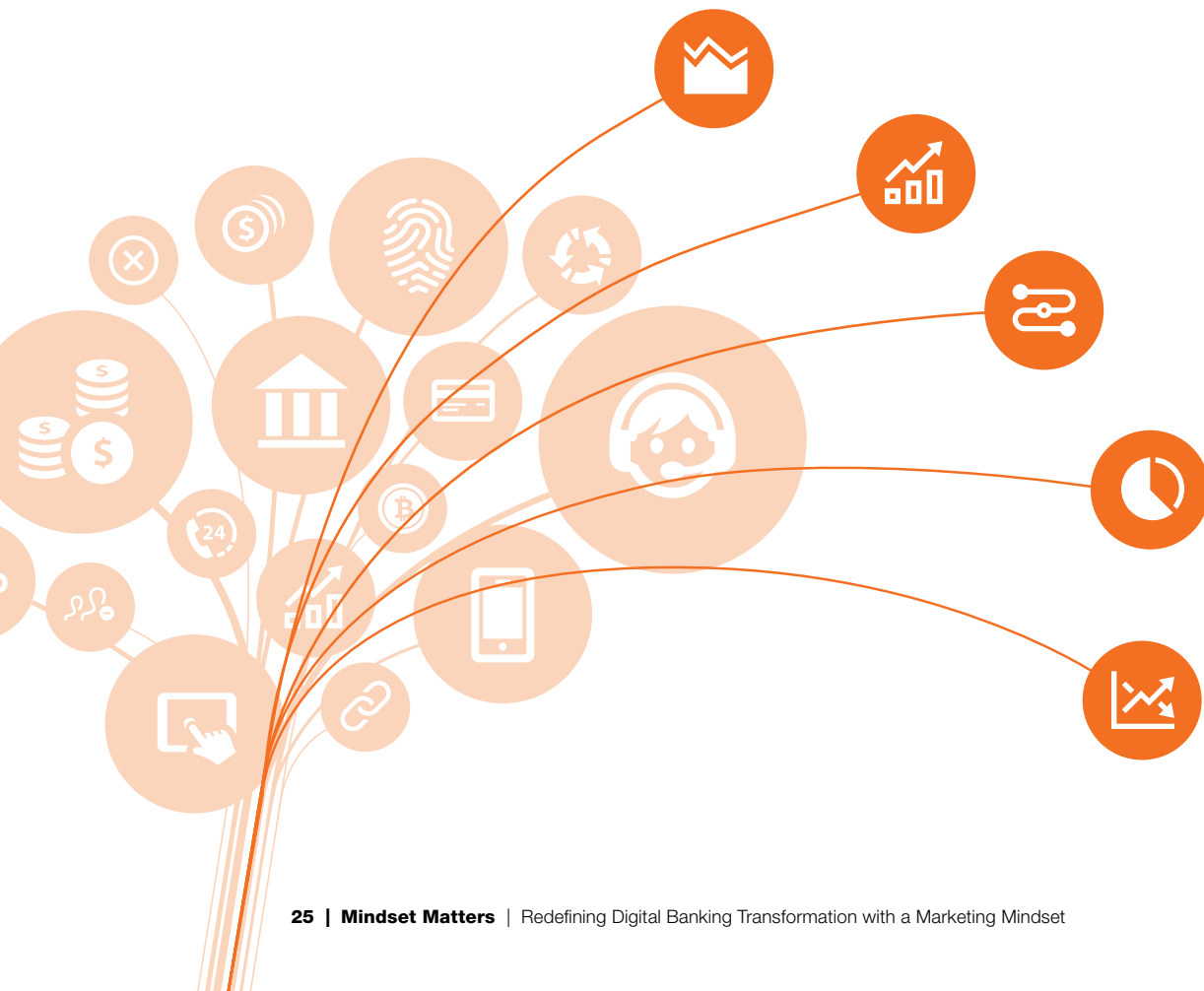
Other institutions: **41%**



of marketers driving digital transformation work for financial institutions where:

they personalize most marketing campaigns/messages using many different variables, inputs and data points

Other institutions: **35%**



Marketing mindset 4: context is everything

It is no coincidence that data is the marketer's number one priority. It is key to modernizing marketing and customer engagement by enabling banks and credit unions to deliver experiences that are personalized, resonant, omni-channel and real-time.

Banks and credit unions are unlikely to return to a world where branch bankers will be the primary vehicle for contextual upsell.

Modern financial marketing must connect customers with the banking experience where they are, not where banks and credit unions have traditionally been.



“ It will be our job as marketers to connect our customers with our bank wherever they are. Keeping customers informed, questions answered and transactions functioning. We will be focused on getting the word out wherever our customers are. And the word is: you can do pretty much anything you need to digitally. We will support people to change their banking habits one experience and one need at a time.”

VP Marketing and Customer Experience, US national bank >\$50 bn in assets

Effective sales will require the right offer reaching the right person at the right time. Marketers recognize that in the new banking normal, those times and places will be different.

It will be when customers and prospects are thinking about money, wealth, health or major life events more than when they have a specific transactional need with their bank. It is more likely to be in a social context; it is more likely to be 24/7 365.

Banking is now a conversation

As figure 24 shows, strategic marketers are shifting their future investment to channels that are conversational and real-time.

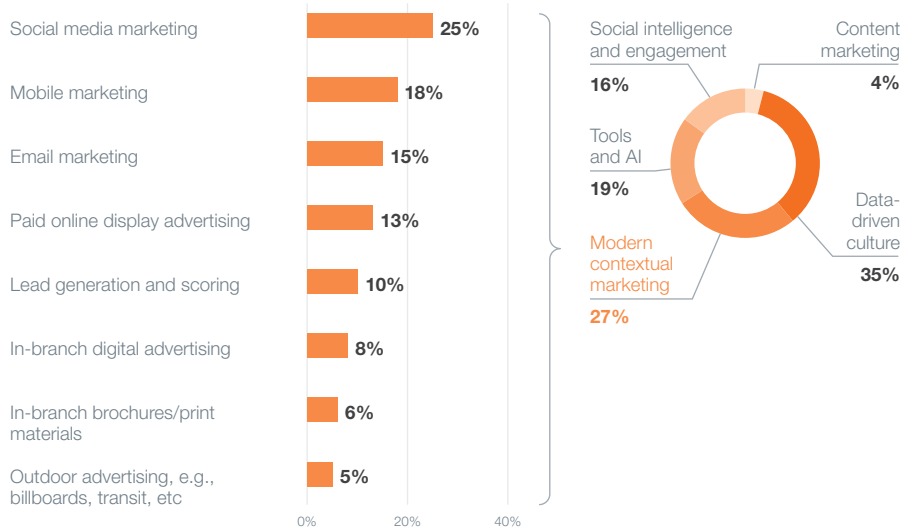
A quarter of marketers are planning to significantly increase their use of social marketing in the next twelve months (25%) and a further 18% are doubling down on mobile marketing as they shift focus to conversational, real-time and location-based solutions.

The third priority for growth and post COVID-19 recovery is building on-going, data-driven nurture campaigns that allow them to engage customers and prospects with highly personalized, trigger-based email.

Figure 24:

A vision for modern contextual marketing

Priority marketing channels for increased investment in the next twelve months



Successful banks and credit unions will be those that understand that conversation is more important than broadcasting and that banking conversations need to become digital conversations.

The future of financial marketing means institutions integrating with existing customer and prospect digital eco-systems, rather than expecting customers to embrace that of banks and credit unions.

**Marketing mindset 5:
human + digital will be the new normal**

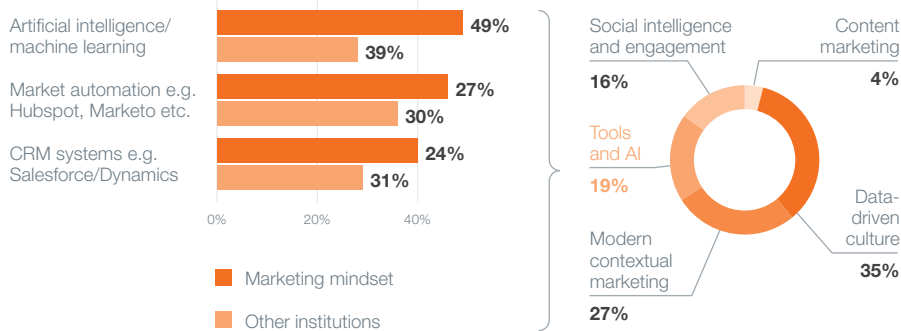
Financial marketers are embracing a vision of the future where the benefits of AI and RPA empowers banks and credit unions to focus on high value engagement with their customers rather than traditional transactions.

Most of the senior marketers surveyed have already been through several of their own digital marketing transformations. They have lived through the emergence and growth of digital marketing channels. They have witnessed and benefitted from the proliferation of martech solutions.

As Figure 24 shows, almost half of institutions with a marketing mindset are prioritizing future investment in AI and machine learning capabilities over traditional marketing technologies (49%):

Figure 25:

AI and tools investment priorities



Marketing-led institutions have already embraced chatbots and RPA within their digital infrastructure, and other institutions are acknowledging intelligent technologies as a catalyst for progress.

Marketers believe that increasing investment in AI and RPA will enable their banks to automate repetitive tasks and empower their people to drive growth through higher value services and support for customers.



“AI is the future. We want to get ahead of that. We set up a bot to help route our small business customers through our PPP support program. It felt like a leap, but it worked, it took a lot of pressure off our service center. Our staff focused on processing applications, not answering basic questions.”

Marketing Director, US bank \$10-\$50 bn

9

A new future needs a new mindset

COVID-19 has taught everyone that we can't sit back and expect banking to return to the way it was before. The future means ensuring every customer has access to the digital customer experiences that support them when moving away from their ingrained behaviors and adapting to a new and different banking reality.

Marketing is more critical than ever

The future of post COVID-19 banking will inevitably be jointly redefined by banks and customers.

Historically, it was tellers and branch employees that delivered banking customer experience.

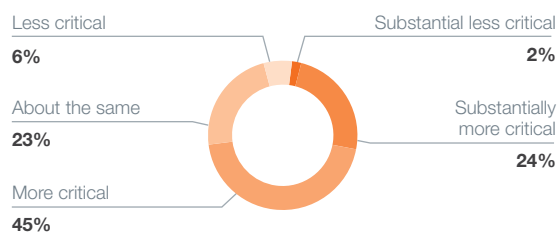
In a dominantly digital future, marketers will become the key interface for both listening to and communicating with customers.

As consumers and banking professionals envision new ways of interacting, marketers see their role growing in significance.

Figure 26 shows that 69% of the marketers surveyed believe that the role of marketing will be more critical in securing a strong future for every financial institution:

Figure 26:

The importance of financial marketing in securing a strong future post COVID-19



Supporting customers to transition to a new banking paradigm

Marketers believe that there are four key roles that they will fulfill in helping customers to transition smoothly to new transaction behaviors and new engagement models (see figure 27).

Figure 27:

Why will marketing be more critical in a post COVID-19 world?





Customer first, customer always

Why the marketing mindset will close banking digital transformation gap

Our research reinforces that the marketing mindset is different.

The most important differentiating factor is that marketers put customers first every time with every decision they make, including those made during digital transformation initiatives that they are actively involved in.

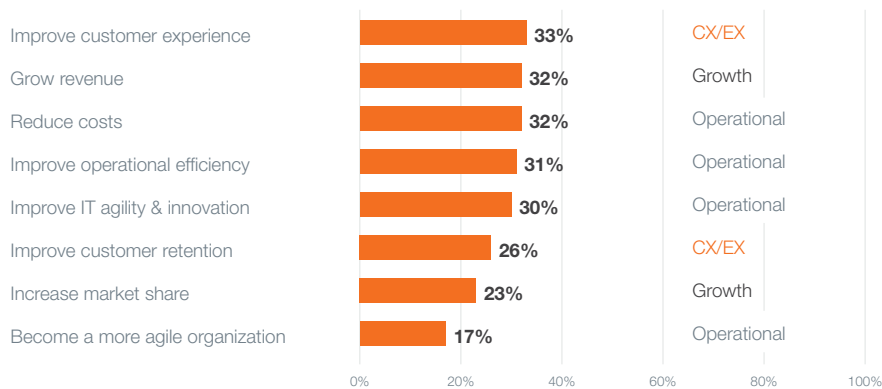
In contrast, digital transformation that is managed by traditional technologists is operationally driven.

Forrester's report on the State of Digital Transformation in Financial Services not only reveals that there is an absence of the marketing mindset in digital transformation leadership but that four out of the top eight primary motivations for IT-led investments in digital transformation are operational, and only two were specifically focused on improving customer experience (see figure 28).

Figure 28:

Primary motivations for embarking on digital transformation initiative: IT-led initiatives

What motivations look like when technologists are in charge



Source: Forrester—The State Of Digital Transformation In Financial Services, 2020

7 Source: The State of Digital Transformation in Financial Services, 2020. Forrester

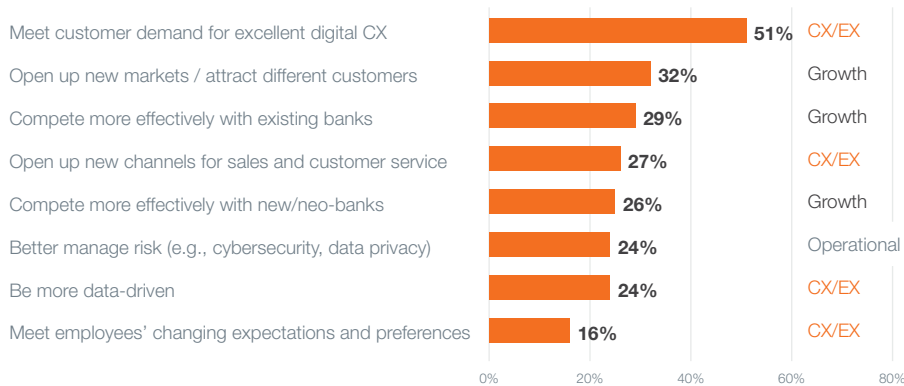
In contrast, when you look at the top eight motivators in marketing-led digital transformation initiatives, the drivers of investment are very different, three are growth orientated and four are focused on enhancing customer and employee experience. Marketing-led initiatives are focused on building new opportunities and driving innovation that impacts both banks and customers.

Figure 29 shows that 51% of current marketing led digital initiatives were explicitly started to address customer demand for better digital experiences which compares to only 33% of those led by IT.

Figure 29:

Primary motivations for embarking on digital transformation initiative: marketing-led initiatives

What motivations look like when marketers are in charge



It's time to think more like a brand than a bank

This study has proven that when marketers can apply these priorities to digital transformation, the outcomes are substantially better from both a customer experience and commercial perspective.

The smaller institutions that have been further disadvantaged by COVID-19 have a clear opportunity to extend the impact of the resources they do have, by putting their senior marketers in the driving seat. The same is true of the larger banks that want their investments to deliver what matters to their customers.

Embracing a marketing mindset brings a culture, infrastructure and a future vision that is customer-first, emotionally engaging and positively impacts the lives of customers.

The future may look challenging, but it is also an opportunity to embrace change. It is a perfect time for banks and credit unions to learn from the experts how to think like a brand, not just a bank.

Marketers have, without question, earned their seat at the digital transformation table.

About Metia

Metia Group is a global marketing agency with offices in London, Seattle, Austin, and Singapore. We employ some 140 marketing professionals; each is expert in a particular area of specialization.

Our clients include big corporations and ambitious businesses. We provide them with structured marketing programs that reach across geographies, scale massively, can be deployed systematically, and are measured relentlessly.

Metia has specialist services designed to support our clients in the areas of Insight, Demand, Content and Advocacy. These services are based upon deep expertise, proven methodologies, and are enabled by unique tools and systems.

In addition to working with technology and digital native businesses, Metia works with global banks, community banks, credit unions, neo-banks and fintechs across North America, Europe and Asia, helping them to design new customer experiences, build brands that resonate online and connect with new audiences.

To learn more about our capabilities and discuss how we could help you reach and engage your target audiences with focused, measurable campaigns, please contact us at info@metia.com.

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