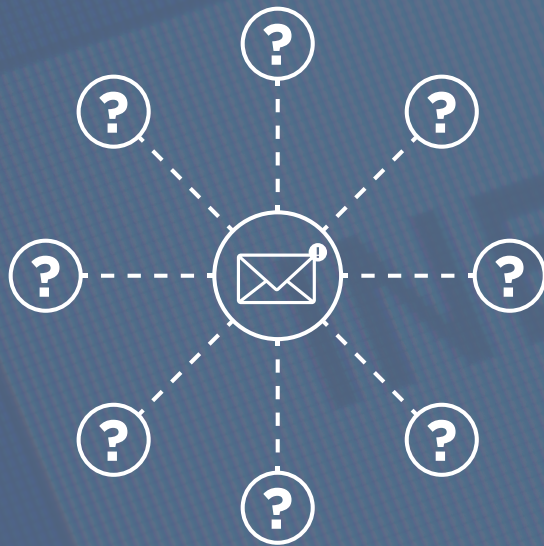


White Paper

Financial Services & Lifestages: Unlocking New Success in Your Email Marketing





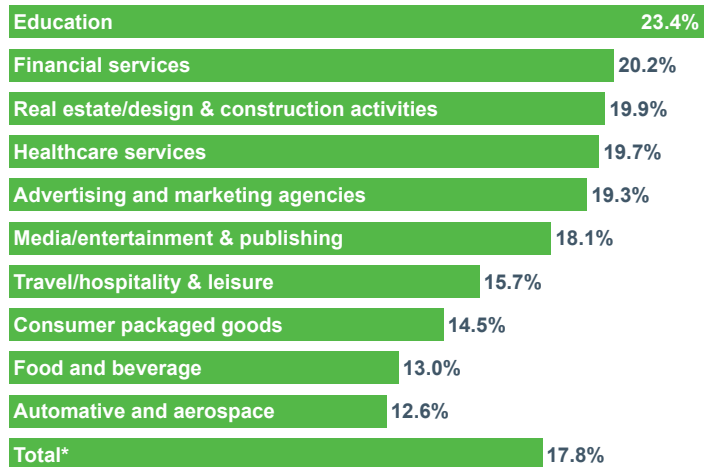
Overview

Today, it's no secret that implementing and maintaining an effective email marketing strategy is absolutely necessary for marketing success and ongoing business growth. However, the operative word here is "effective." While most financial services providers already have this essential marketing program in place, the current email strategy status quo is falling far short in terms of member engagement.

Instead of relying on a dated mass media strategy of sending blanket email messages that may not reach the intended audience, take a more nuanced approach. By fully utilizing life stage-based email strategies, financial services providers will maximize the value of email marketing across member segments and multiple marketing channels.



Average Email Open Rates Worldwide, by Industry, Jan-Dec 2019



*Note: represents email campaigns by Campaign Monitor clients, broader industry metrics may vary; *includes industries not shown in chart*
Source: Campaign Monitor, "Ultimate Email Benchmarks for 2020: By Industry and Day," Jan 3, 2020

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Is Our Email Marketing Working?

The answer is not usually a straightforward yes or no. To their credit, almost all financial services providers are using email to reach their customers and the industry has some of the highest open rates across all verticals.¹ However, one could argue that this is a byproduct of the importance of financial transactions and related email to members.

Additionally, members of all age groups inherently trust financial services providers more than those in other industries.²

Reported Trust in Financial Services

41%
AGES 18-34

42%
AGES 35-44

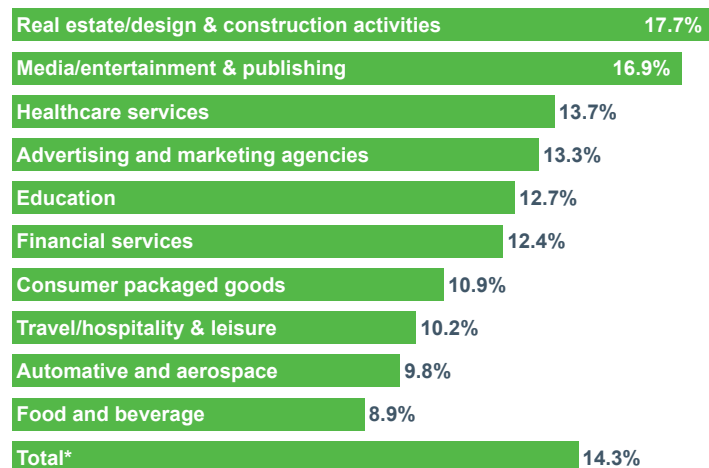
42%
AGES 45-64

43%
AGES 65+

These are all excellent indicators of success—until you consider what happens after these openers and readers finish opening and reading.



Average Email Click-to-Open Rates Worldwide, by Industry, Jan-Dec 2019



*Note: represents email campaigns by Campaign Monitor clients, broader industry metrics may vary; *includes industries not shown in chart*
Source: Campaign Monitor, "Ultimate Email Benchmarks for 2020: By Industry and Day," Jan 3, 2020

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Clickthrough Rate vs. Click-to-Open Rate

When evaluating the effectiveness of their email marketing campaigns, financial services providers have historically relied on a few standard metrics such as deliverability, bounce rate, open rate, and clickthrough rate (CTR). But, click-to-open rate (CTOR) is one key metric many are overlooking. CTOR measures the relevancy and context of an email by telling you how many members who actually opened the email clicked through.

To more clearly demonstrate this, it's essential to understand the difference between CTR and CTOR. One is not universally more telling or important than the other, but in the context of this conversation, CTOR is more relevant. CTR is a measure of clicks from all emails delivered, but CTOR takes into account only clicks from emails that were opened (i.e., whether members engaged with content in the email after opening).

Using other industries as an example, it would be reasonable to assume that higher open rates mean higher (or at least comparable) click rates. Yet, financial services providers' CTOR metrics are not achieving the same level of results – they are much lower.³ The industry is failing at getting members to follow through and engage with their email content, which illustrates both a significant challenge and opportunity for those who address it.





How to Make Your Email Resonate with Members

Successful financial services email marketing requires a change in perspective. The goal should be to use email not only as a primary communications channel but also as a supporting channel based on your campaign objectives and your members' life stage segments.

To accomplish this, you first have to identify and tag your email list into the appropriate life stage segments using existing file data, appended data, and behavioral data. During this process, including and correlating any additional information you have on your members should be a priority, as it will give you more granularity and allow for more precise targeting. Once you have your in-house files updated and in order, you can implement a series of email tests to ascertain the right mix of both primary email communications and secondary or supporting email communications to achieve your specific goals.

For example, Gen Z and Millennials are gleaning financial information through social media and word of mouth or “friends and family.” In fact, 71% of Millennials said they would rather go to the dentist than listen to a financial institution⁴, and 66% of 18- to 21-year-olds said negative word-of-mouth would stop them from using a financial institution⁵. As a result, financial services providers could target these life stage segments with relevant refer-a-friend program tests, each supported with robust email marketing campaigns. This strategy effectively leverages unique life stage behaviors by introducing young people to new products and services while simultaneously strengthening the relationship with the existing member. Email, in this case, acts as an integrated supporting channel rather than a primary educational channel.



“The potential for customization and personalization is limited only by the robustness of your data and your willingness to experiment and test.”

In contrast, sending this same refer-a-friend email to the older Baby Boomer audience would fall flat. While some Baby Boomers have embraced the digital world, The Financial Brand found that many of them still prefer in-person communication.⁶ Here, a savvy financial services provider could deploy a series of educational email tests that dynamically add the appropriate advisor's name, picture, and contact info and achieve much greater results over time.

We haven't forgotten about Generation X, either. They spend a significant amount of time on social media and watching digital videos. Facebook is their favorite platform, with time spent clocking in at 54 minutes per day.⁷ A smart financial services provider could deploy email tests to this audience with enhanced call-outs to video links and encourage sharing the videos they like with their Facebook friends. By measuring the video engagement and usage patterns across the tests, you can then identify the optimal video content for larger-scale email deployments and success with this audience.

These are just a few examples of how life stage strategies can be leveraged for higher levels of email marketing success. However, the general messaging and content of your emails are only the beginning of what you can customize according to life stage. Some practical elements to consider testing:

- Imagery
- Subject line and preheader copy
- Priority of messaging

The potential for customization and personalization is limited only by the robustness of your data and your willingness to experiment and test. This is where being able to tie related member data into your email list really pays off. For example, is there a difference between single versus married Millennials in their email preferences? What about between Baby Boomers with grandchildren versus no grandchildren? The possibilities for testing, customizing, and improving your emails according to life stage are endless.





Parting Thoughts

The rapid expansion of media channels has changed the way we access financial information. People of every generation and life stage utilize different combinations of media to get the information they want. While email marketing by itself can be expected to deliver a consistent level of success, financial services providers have an enormous opportunity to develop new integrated email marketing strategies that are finely tuned to their members' life stages and generate significantly higher ROI. At the end of the day, your holistic email marketing strategy has to ensure that you're spending time and resources on the right channels and targeting the right people within them.



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