

# The Banking & Payments Show: Swipe right on credit marketing

Audio

On today's podcast episode, we discuss how finserv digital marketers are incorporating credit marketing, even in top- and mid-funnel campaigns.

- In our "Headlines" segment, we chat about the role of marketing as a revenue generator in banking—specifically, an article we published in August with results from an American Banker

Association survey that stated 72% of marketing execs don't believe revenue generation is a part of marketing's role.

- In “Story by Numbers,” we examine the results of digital campaigns that revolve around credit marketing and the ROI in creating a unified, full-funnel marketing strategy.
- In “Pretend CMO,” our guests have to thread together a multifaceted digital-only marketing campaign and discuss how it attributes ROI to the campaign's different digital channels.

Tune in to the discussion with host Rob Rubin, our analyst Tiffani Montez, and Aundra Thompson, director of product strategy and strategic planning for marketing solutions at TransUnion.



# BEHIND THE NUMBERS

## THE BANKING & PAYMENTS SHOW

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Episode Transcript:

Speaker 1 (00:00):

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Speaker 2 (00:23):

When we think about again, that digitization of banking and those younger generations, Gen Z and Millennials are going to compose almost two thirds of the global population, and they're becoming a larger and larger part of that credit market. So aligning to those digital strategies to the channels that they're actually in, connected TV, social media, traditional digital channels as well, I think is really important, because you've got to reach those consumers right place, right time, right message in order to get that message across.

Speaker 1 (00:55):

Hello, everyone and welcome to the Banking and Payment Show a Behind the Numbers podcast from eMarketer, sponsored by TransUnion, True Audience Credit Informed Marketing Solutions. Today is September 19th. I'm Rob Rubin, GM of Financial Services and your host today. If you enjoy this podcast, please give us a five star rating and subscribe. The title of today's episode is Swipe Right on Credit Marketing. I invited Principal Analyst Tiffany Montez and Andra Thompson, director of product strategy and strategic planning for marketing Solutions from TransUnion, on to the program to talk about how finserv digital marketers are incorporating credit marketing even in top and mid-funnel campaigns. Hi, Tiffany. Hi, Andra.

Speaker 2 (01:40):

Hey there.

Speaker 1 (01:40):

How's everybody doing today?

Speaker 2 (01:42):

Fantastic.

Speaker 3 (01:43):

Doing great. Nice sunny day in San Diego.

Speaker 1 (01:46):

Before we get into it, Andra, this is your first time on the Banking And Payment Show, so I wanted to help the audience get to know you by asking you a couple of questions.

Speaker 2 (01:55):

Sounds good.

Speaker 1 (01:56):

Where do you live?

Speaker 2 (01:58):

I live in Colorado, outside of Boulder in a suburb.

Speaker 1 (02:01):

Did you grow up there?

Speaker 2 (02:02):

I did grow up here. My family has actually lived here since 1855, but I've traveled and lived in 11 other countries.

Speaker 3 (02:09):

Wow.

Speaker 1 (02:10):

Did they come for the gold?

Speaker 2 (02:12):

Interestingly enough, yes. My great grandma actually did come on a covered wagon to Colorado.

Speaker 1 (02:16):

For gold. And it was before it was Colorado in 1855. It would've been the Kansas Nebraska territory, right?

Speaker 2 (02:24):

That's correct.

Speaker 3 (02:25):

Did they find the gold?

Speaker 2 (02:27):

They ended up actually doing a bunch of mining and then also explosives associated with mining.

Speaker 3 (02:33):

Well, I guess, you have to blow some stuff up to find the gold, right?

Speaker 2 (02:35):

Yep, exactly. So they own both the explosives company and the lumber company, so they had a pretty good gig happening here in Colorado.

Speaker 1 (02:42):

Wow. I've been to Colorado, there's a lot of trees.

Speaker 2 (02:45):

Yes.

Speaker 1 (02:47):

That was fun. We have a lot of stuff to cover, so let's get right to the headlines.

Speaker 1 (02:53):

In the headlines, we chat about a top story as it relates to our episode. For today's episode, I want to focus on an article we published in August, which covered the results of an American Banker Association survey that included questions about marketing's role at the bank. What

stood out to me was that 72% of marketing executives said that revenue generation was not part of marketing's role. It's not surprising that that's true. It's funny that they admit it.

Speaker 3 (03:27):

I just want to know what they think that they're doing.

Speaker 1 (03:29):

I guess it was an anonymous survey. It is funny. And if we step back, does that mean that the marketing department isn't involved in sending out all those direct mail offers?

Speaker 3 (03:41):

Maybe they're just creating the copy.

Speaker 1 (03:44):

Andra, you probably know who pays for these campaigns, like a direct mail campaign, just who pays for that typically?

Speaker 2 (03:49):

The marketing department does, but how you measure that performance is typically in sales and revenue. What value do you add to the organization?

Speaker 1 (03:57):

Right. So if marketing is involved in it, but yet they're not using the same KPI, what KPIs generally would marketing use?

Speaker 2 (04:05):

I think what's interesting is I think this actually speaks to what we encounter a lot at TransUnion, about how we're working with risk teams who happen to be executing direct mail, but they're not necessarily the marketing teams. And financial service organizations, those two teams actually have to really work together and think about what the KPIs are and how to have kind of a full funnel strategy. When you think about having separate goals and KPIs, you have this dynamic where you need to have sometimes brand awareness campaigns, you need to have top funnel strategies, that needs to play into the customer journey of consideration as

you continue down that journey. And then all the way down to the bottom funnel actual conversion that we're talking about, so actually booking a loan or a credit card.

Speaker 1 (04:46):

Which is the revenue generation metric.

Speaker 2 (04:49):

Correct.

Speaker 3 (04:49):

I think part of the challenge of even understanding how marketing campaigns generate revenue is being able to actually track the experience end to end, which most organizations aren't able to do because they operate in silos. So as an example, in my past, I was leading a home equity group and was responsible for digital strategy. And we would work with the marketing team who would generate different campaigns. And over time we realized that just getting people to a landing page wasn't enough. How do we truly test different campaigns?

Speaker 3 (05:20):

So how do you understand when someone hits the landing page, for example, that they were driven to from direct mail or wherever it may end up being? How do you know how many of them actually apply? And of the people that apply, how many are approved? And for a lending product of the people that are approved, how many of them actually close? And then once they close, if there is a difference, say for example, a home equity loan, is there a difference in the average balance? And again, comparing this from campaign to campaign and really understanding is one message driving better quality consumers with higher balances than others?

Speaker 2 (05:53):

I think, Tiffany, you're actually getting into one of the easiest ways to address that is a lot of the technology and innovation that's happening in credit marketing, which is what we're here to talk about today. When you have those expanded solutions and use credit marketing, you can marry both that risk and marketing strategy and you can actually start to measure what that performance is along that customer journey, which is really important.

Speaker 3 (06:16):



Yeah. Which is what gets you at the actual revenue, right?

Speaker 2 (06:18):

Correct.

Speaker 3 (06:18):

And so it's interesting that 72% say that's not necessarily something that they're responsible for driving. Because if you do the research and you target the right people, you're naturally going to produce higher quality customers and with higher long-term value.

Speaker 2 (06:33):

Yeah. And even as they're thinking about that customer journey, you're developing a relationship that entire time, to drive that increased revenue or metrics at the end.

Speaker 1 (06:41):

But if the financial institutions are in these silos, how easy is it for them to do it? Or do they actually have to start to think about working together in a different way and collaborating?

Speaker 2 (06:52):

That's exactly the progression that's starting to occur, and I think it actually plays nicely with the digitization of banking and thinking about that experience moving into digital, these teams are increasingly having to work together.

Speaker 1 (07:04):

And one of the challenges, and especially I think for a lot of institutions, this attribution, being able to attribute cause and effect. In other words, did the overarching brand campaign influence the consumer when they were shopping for a home equity line or shopping for a life insurance policy or whatever they might be shopping for.

Speaker 2 (07:27):

Yeah. We even have analytics solutions at TransUnion, talking about the progression of technology that takes into consideration would this person have converted anyways. Using our identity solutions, our data solutions to link up that data that Tiffany was just talking about

to say along this journey, what were the right channels and did you actually see a boost in conversion.

Speaker 1 (07:46):

And a boost in conversion compared to their baseline? Is that what you mean?

Speaker 2 (07:51):

Yes, correct. So if you think about a baseline, that person would've converted already. When you do good analytics, you think about if that person was going to convert, you shouldn't take credit for that. The attribution of actually them signing up, opening a loan, opening a new bank account, you actually want to see the effect of those marketing campaigns and what that looks like.

Speaker 1 (08:08):

Given that 72% of marketers don't think that they're involved in revenue generation, do you think that a lot of the banks' marketing departments are able to do what we're talking about?

Speaker 2 (08:19):

I think they're on a journey. I think the majority of the marketing that they've been doing have been led by those risk departments and not necessarily traditional marketing orgs within those banks.

Speaker 1 (08:29):

yeah.

Speaker 2 (08:29):

And I think there's a lot to be learned and a lot of innovation that's occurring, that they're starting to actually use and come to companies like TransUnion for the solutions that we have available.

Speaker 3 (08:38):

Yeah. I think part of it has been sort of the lack of infrastructure to get to that level of detail in the past. I've done it in my past, and I can tell you it was batch files and lots of other really messy things involved in understanding that. But now there is technology and providers out

there, that can get you access to that type of information. I think people, to your point, Andra, are really starting to see that, that is possible for them to do.

Speaker 1 (09:02):

I think this has been a fantastic discussion and it's going to really lead us well into our Story By Numbers segment.

Speaker 1 (09:11):

We were really focused on this idea that there's really not an alignment of goals or there needs to be an alignment of goals rather, to get everybody involved and as Andra points out, to really get better results, particularly when you're talking about credit marketing products. In Story By Numbers, we pick a number or two that helps us dig into the episodes topic. For Story By Numbers, I want to leverage Andra's expertise to talk about some examples of digital campaigns that included credit informed marketing. Andra, what sort of results do you see by adding credit marketing to digital campaigns? I know that some digital campaigns are about credit marketing.

Speaker 2 (09:49):

Yeah. I think credit marketing is a broad category. So when we think about credit marketing as a category of marketing solutions, you can have audiences that are used for the top of the funnel, branding, awareness, understanding your company, do your values align with me? Starting to foster that funnel down into consideration. We're scoring things for propensity. Are you actually interested in the products that I have? And then bottom of the funnel, we also have solutions like traditional, I would say credit marketing products like prescreen that are more about that conversion. We see clients and engage with clients for all three of those journeys along the entire journey.

Speaker 2 (10:25):

We also have products that are credit informed, that we say an intelligent IITA for example. We really focus the majority of those campaigns in that mid-funnel bucket, and we've seen results, which to me were astounding of actually driving 50% better performance on the conversion. So instead of saying, "Well, I'm going to take a broad swath, I'm going to attempt to maybe just target demographics or something more generally," when you get more precise about that type of criteria and actually get people that are interested in your products, we see

great results associated with that. And you can use those types of data for social campaigns, for connected TV, you can also use it for direct mail.

Speaker 1 (11:02):

But are they really trying to narrow down the audience that they're going to target? When you're talking about sort of brand messaging, is it going to be a big enough audience?

Speaker 2 (11:11):

Yeah. I think that's a great point. Going back to our previous conversation, you've got to align your data strategy with your KPIs. So you do have to have an even mix of precise enough and enough scale to win the bids to actually have those ads seen and then to have the type of conversion rate that you expect.

Speaker 3 (11:28):

And I assume all that goes hand in hand. So if you start targeting as you go lower into the funnel, you want to keep it broad because not everybody may be ready for that product at that period of time. Then you target the ones that are ready and do fit into the credit quality perhaps that you're looking for, so that you're keeping in mind the revenue aspect of this and growth. But over time, the people that aren't maybe ready, you're still continuing to keep your brand top of mind for them, so that when they are, they come to you or accept that offer when you are actually ready and able to target them.

Speaker 2 (12:00):

Yeah, absolutely. It's a developing a relationship with them.

Speaker 1 (12:03):

How do you tie the top of the funnel stuff and KPIs to the result, which is the revenue generating activity that they've opened an account, they've funded an account, they've been approved for a home equity loan, whatever it might be.

Speaker 2 (12:17):

Yeah. So when you think about a customer journey, if you're actually running a branding campaign, those KPIs and the things that you would measure are things like brand loyalty, brand sentiment. So the reporting looks very different. As far as the mid-funnel consideration,

having some propensity to convert that, does tend to be things like an action. That can be, I want to learn more about your product, I want to test drive your car. Then the KPIs associated with the bottom of the funnel do tend to be, I actually opened the bank account, I actually took out the loan and converted. So you would likely be measuring actually for those different types of campaigns, different KPIs and have different reporting. Now, to Tiffany's point, part of doing media mix modeling and measurement, which is part of what TransUnion does, is you can actually see based on channel preferences based on the journey that you're seeing, how many, let's say impressions someone served, what that actually looks like and the impact of those campaigns.

Speaker 1 (13:09):

So if you have somebody who sees a message at the top of the funnel, do they understand that they need to have a certain number of impressions to get the result? And I guess, let me ask it in a different way. If you didn't do any top of funnel marketing, would you get the same results on lower funnel campaigns?

Speaker 2 (13:27):

Yeah, I think it's a great question. The answer is you do have to have a certain number of impressions and size of audience, which Tiffany was talking about, in order to actually get your message across and see better brand loyalty, see someone's sentiment change. There's definitely an element of scale to that. You won't have the same results associated with your campaigns if you're not developing a relationship with the consumer. We can think of a lot of banks that have run great value-based campaigns, where you're like, oh, yeah, I actually feel like I have a relationship with them, aligned to those values. I see those things come up on TV or in digital. And then thinking about, again, to Tiffany's point, at the point I'm ready to convert or I'm looking for a loan or you give me an offer, I have a much higher propensity to actually review your offer developed trust, I understand your brand, you're not just some random company that's sending me a message. And so you do actually see those results materially change as you're developing that relationship with the consumer?

Speaker 1 (14:22):

I think that we can really see that the benefits of connecting the KPIs across the funnel and leveraging the data that we have, so that we can tie all the activities across the marketing funnels to a result in better ways is the direction that everybody is moving. Maybe not

everybody, but a lot of banks, successful banks are going to be moving. And I want to transition to our final segment, Pretend CMO, because this one's going to be a fun one. In our final segment today, we're going to pretend Andra has been named CMO of an edgy regional bank, whose brand messaging focuses in on improving its communities, including the environment.

Speaker 1 (15:04):

And a recent campaign highlighted how they've eliminated all direct mail to reduce trash that goes into landfills, probably to the dismay of the risk managers who are trying to sell products. But the reason that banks use direct mail is because the numbers add up. If it didn't pay, they wouldn't do it. But it obviously does because they continue to use it. So Andra, what are some of the things that you need as the new CMO of this edgy regional bank, to make a strong go of it without relying on any kind of direct mail?

Speaker 2 (15:35):

Yeah. I think along with the rest of the theme of the show, what's important is thinking about that holistic long-term strategy, to balance that risk and the scale for marketing. In this type of instance, I might have made a decision to eliminate or decrease the amount of direct mail, but I can also use tools and technology to do that. So we talked a little bit about marketing mix modeling, for example. I could actually take data in our analytics UI, and say, is that the best business decision that I'm making? What's the actual impact of that? And I may reassess the decision that I make. That technology is really powerful to either confirm the decision that I made, or maybe I again, decrease versus completely eliminate that.

Speaker 2 (16:16):

I also think going back to thinking about developing a relationship with consumers, some of that plays into younger generations, Gen Z, Millennials that are all about the environment and making sure that they're supporting brands, that they're using their dollars in a way that supports what they actually want the world to look like. When we think about, again, that digitization of banking and those younger generations, Gen Z and Millennials are going to compose almost two thirds of the global population, and they're becoming a larger and larger part of that credit market. So aligning to those digital strategies to the channels that they're actually in, connected TV, social media, traditional digital channels as well, I think is really important. Because you've got to reach those consumers right place, right time, right

message in order to get that message across and also see the conversions that we've been talking about.

Speaker 3 (17:04):

What you said is interesting around Gen Z. And I think part of when we think about channel attribution and the entire relationship about how you generate and drive revenue through marketing functions, I think part of it is reaching Gen Z at the right place, at the right time, in the right context, with the right message. But I also think when you start thinking about all the activities involved in opening an account, and I'll just use that word loosely to apply to any product, it is also about making sure that you are giving them the digital tools to be able to understand the status or even clear any stipulations in things, and keeping them engaged in a channel that they prefer to interact in. So I think that will also be increasingly important. And then over time, making sure that you're keeping them engaged with your brand in the channels that they want to use. And we know that they all lean very heavily towards social media channels in terms of education, and how do you actually reinforce your messaging with them throughout the different life stages and continue to grow with them over time?

Speaker 2 (18:02):

Yeah. And I think what's interesting too is generationally, 50% of Gen Z is supposed to be applying for new or refinancing credit, so you know that you have this active population. But what also comes into play, which we've all touched on, is it has to be a relevant offer, I've got to be interested, and then what role does that relationship play that you've developed with me?

Speaker 1 (18:21):

How do they control the offers? That's also one of the muddy things is it's that if you're trying to sell something to someone, there might be someone else at the bank trying to sell them something different. Right time, right place, right context and all that, but do you want to sell me a checking account or are you trying to sell me a mortgage? I'm confused, like getting a lot of different messages with offers.

Speaker 2 (18:43):

Yeah. It's important that in the organization between the risk and marketing teams, that you are in fact having that holistic strategy so that you don't end up with a confused message. You

don't want to be running a mortgage campaign at the same time that you're running a please sign up for a new bank account campaign, otherwise you're competing against yourself as well as all of the other impressions, for example, to have the conversion.

Speaker 1 (19:05):

Do they segment audiences to say, well, we want to run this campaign to these folks in a Gen Z campaign? Don't they do that.

Speaker 2 (19:13):

You absolutely would.

Speaker 3 (19:14):

Yeah, they write on a calendar.

Speaker 2 (19:17):

Yeah, you absolutely would. And it's not just the segmentation of the audience itself. It's actually about, again, that holistic strategy of these are the types of campaigns we're going to run in the budget we're going to assign to this, let's say in Q1 versus Q2 versus Q3. And then in the midst of that, what channels are best for each of those types of campaigns and measuring them?

Speaker 1 (19:35):

I think that we go right back to the beginning of our conversation around goals, is that's where the goals become hard. Because the people who own how many new accounts are you going to open are very focused on getting those new accounts opened, and the marketing department might have a lot of other initiatives that they're working on and they're working on a new messaging campaign that's higher reach. So I think that one of the challenges is that the person who has to get the accounts open might be doing multiple things to get that done and actually confusing the message themselves.

Speaker 3 (20:07):

Or worse, the incentives aren't aligned throughout that entire customer journey. So you have people that are operating under different incentives, and when those incentives online, you're promoting the wrong behavior and the wrong behavior leads to fines or worse.



Speaker 1 (20:23):

People opening accounts for people, that what you mean?

Speaker 3 (20:27):

Yeah. This marketing campaign's killing it. And then in the meantime it has nothing to do with marketing.

Speaker 2 (20:32):

Yeah. And I think that's why it's important to measure and actually say, would this person have converted before?

Speaker 3 (20:37):

Right.

Speaker 2 (20:38):

I think part of what we're also talking about is it's not just about getting your digital marketing campaign in order, but you've got to have tools and partners to actually be able to tell, you have to have great identity data. What surprises people still all the time about TransUnion is we're not just a credit bureau. We have all of these marketing products, a lot of identity data to actually say, okay, yes, the person in this campaign did in fact convert. And what's becoming interesting is all of this innovation in marketing itself, there's a lot of tools, partnerships that we're seeking out. We were one of the first partners with Snowflake, for example, to have native identity. That helps these companies withstand all of the nuances that are coming into marketing today. So we're heavily focused on cleanroom's cloud technology to help manage many of those things.

Speaker 1 (21:20):

And that's really so that you can bring credit marketing more into the top and mid-funnel. Because when I think of credit marketing, and this was obviously before I prepared for this episode, I really thought of it as you're sending someone that an offer. So you've done a soft pull on them. But this isn't the case. I think there's technology that sort of cleans it up and it helps the bank maintain compliance without delivering a direct offer. Am I right?

Speaker 2 (21:47):

When I think about the tools and the partnerships that we're developing, it's more about meeting our customers, which may be a banking organization or any other financial institution, where they need that data to be to navigate those nuances. So they may come to us and say, "I need you to host an environment. I need you to clean up my data. I need you to define a more targeted audience so that the results of my campaigns are better." They may also already have a partnership with somebody like AWS or Snowflake, where they have all of their data, all of their risk teams and legal teams have reviewed that, and they want our data actually there, so that they can do those same types of activities. So we want to make sure that we're meeting them where they are to address things like cookie deprecation and fragmentation in data, to drive those better results.

Speaker 1 (22:33):

It works two ways. You either can append data into a data lake, for example, or TransUnion actually will go clean the data and execute.

Speaker 2 (22:42):

Correct. Yeah. So it's kind of an on-prem versus off-prem strategy, and we want to make sure that we can meet them in either place to help them with their strategies.

Speaker 1 (22:50):

Well, I would hire you as my CMO.

Speaker 2 (22:54):

Thank you.

Speaker 1 (22:56):

This was so much fun. I want to thank Tiffany and Andra for coming and doing this today with us. Thank you so much.

Speaker 2 (23:03):

Thank you so much, Rob. It was great.

Speaker 3 (23:04):

Thank you.

Speaker 1 (23:05):

I want to thank everyone for listening to the Banking and Payment Show, an e-marketer podcast sponsored by TransUnion, True Audience Credit Informed Marketing Solutions. Also, thank you to our editor, Todd. In today's episode, we reference an article published in August on the results of an American Banker Association survey, and we have links in the show notes. Our next episode is on October 3rd, so be sure to check it out. See you then. Bye-bye, andra. Thank you so much Again.

Speaker 2 (23:33):

Thank you so much for having me.

Speaker 1 (23:35):

I can't wait to have you back. Tiffany, always fun. Thank you. Appreciate it.

Speaker 3 (23:40):

Yeah, thank you. And hi, Todd.

Speaker 1 (23:41):

Yeah. I want to thank everybody again and have a great day.