

Fintechs are beating traditional financial institutions in brand awareness—how are they doing it?

Article

The findings: Traditional financial institutions (FIs) are falling behind fintechs in brand awareness for new offerings due to a difference in marketing strategies.

- That's according to consumer research firm Hearts & Wallets' recent study of financial services brand awareness, which analyzed a database of over 75,000 US consumers for patterns and behaviors.

By the numbers: According to the report, **69% of consumers recognize fintech brands, but just 59% are aware of newer offerings from traditional FIs.**

- **Robinhood (40%), Chime (39%), and SoFi (34%)** have higher awareness than **JPMorgan's Wealth Plan (19%)** and **Marcus by Goldman Sachs (15%)**.
- 80% of people are aware of fintech saving and investing services, a percentage that's more than doubled since 2015.

Whether that awareness leads to conversion into long-term customers is another question.

- The report suggests that **people are more inclined to experiment than become long-term customers of fintechs' automated investing services**, with about 70% of users keeping their account balances below \$25,000.
- Robinhood retains about two-thirds of customers who try its services, compared to traditional FIs, which typically achieve at least 75%.

Higher brand recognition *plus* high customer retention is the true goal.

Where fintechs nailed brand marketing: The three most recognized fintechs have executed highly successful marketing campaigns.

- **Robinhood:** The fintech **focused** on incentives, its hyped-up waiting list, and a referral program that allowed users to move up that waitlist. Robinhood relied less on traditional marketing tactics and ad spend, leaning into more cost-effective word-of-mouth tactics.
- **SoFi:** Besides the **traditional** marketing mix of growing social media presence, email marketing, print, and outdoor advertising, this startup has invested heavily in sports advertising. That's what helped elevate the brand into mainstream recognition. Investment News reported that SoFi invested \$625 million over 20 years to win SoFi Stadium's naming rights, the largest such deal in history—less than three years before it hosted the 2022 Super

Bowl. This year, SoFi also became the official partner of the NBA and secured a partnership with five-time NBA All-Star Jayson Tatum.

- **Chime:** Remember when [we told you about the importance of a good non-branded keyword strategy](#)? Chime's [really good](#) at that. Besides its SEO strategy, this fintech has a holistic approach to content—including a well-organized blog, a vibrant social media presence, and an affiliate program. Its out-of-the-box marketing campaigns such as “Happy Chime” and “Chime Feels” helped promote its mission of empowering financial peace of mind.

Key takeaways: Maintaining a focus on customer retention and profitability is critical, but fintech marketing strategies can help inspire traditional FIs seeking better brand recognition for their products and services.

- FIs [shouldn't sleep on the low-hanging SEO fruit](#).
- They should also explore referral programs that would let loyal customers earn rewards. To persuade customers to participate, FIs must first identify motivations and short-term goals—and tailor a program that could help customers achieve them.
- Don't forget rates, rates, rates. Robinhood executed a big PR campaign [taking aim at traditional FIs' rates](#). And it turns out [30% of customers are willing to switch FIs for better ones](#). Traditional FIs that offer competitive rates should promote that in messaging around customer acquisition.

To learn more about using a non-branded keyword strategy like Chime, read [this](#) next.

Factors that Would Influence US Adults to Make a Digital-Only Bank Their Primary Provider, Feb 2023
% of respondents



Note: n= 4,091
Source: Marqeta, "2023 State of Payments Report," June 6, 2023

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