

# US banks and insurance companies slow down ad spending to compete with fintechs

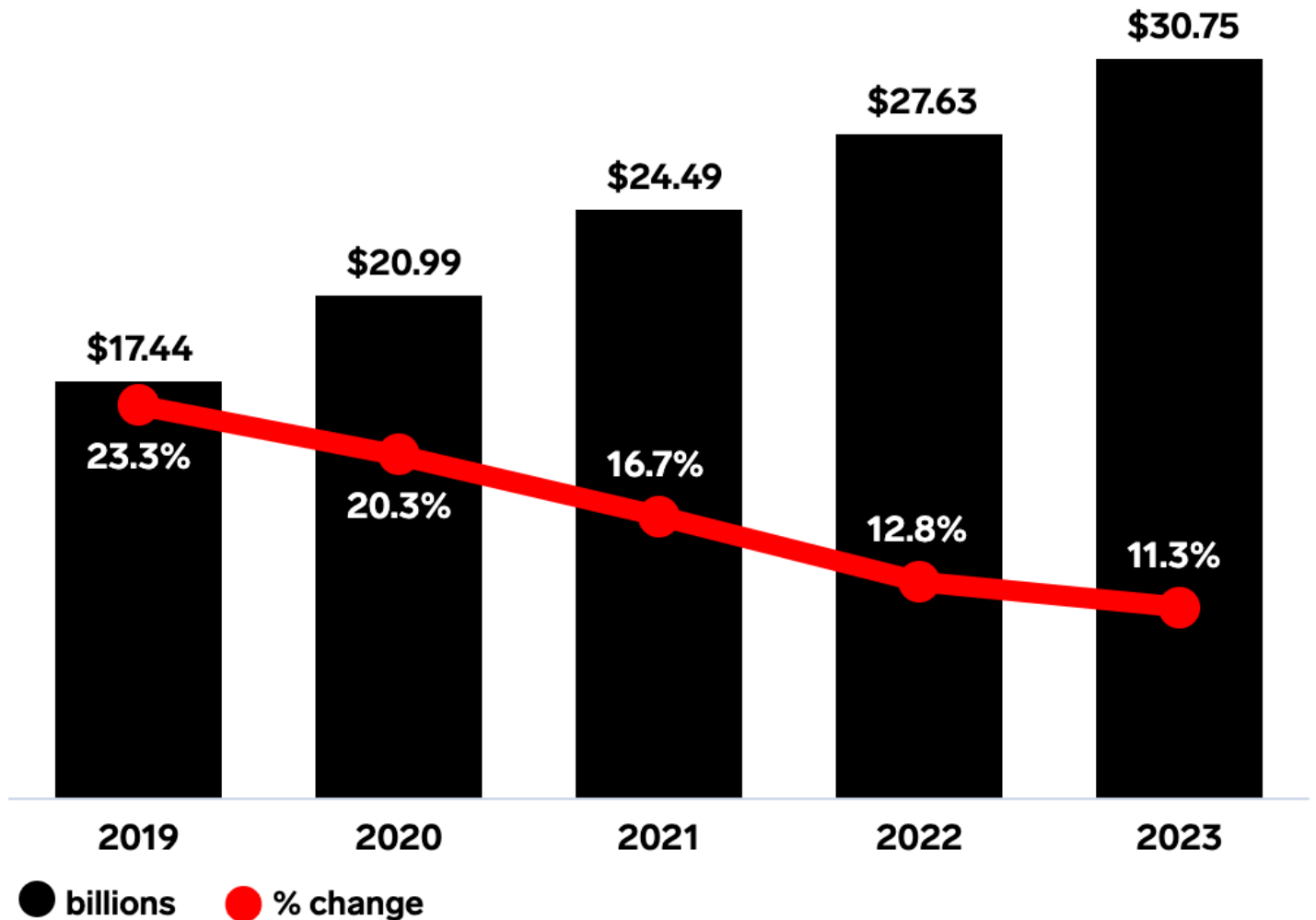
Article

**The forecast:** While financial service's digital ad spending has historically outpaced the digital ad market, we expect a slowdown in 2021 and beyond as incumbents in both banking and

insurance focus their budgets on technological innovations to compete with emerging fintech companies.

## Financial Services Industry Digital Ad Spending

US, 2019-2023



Source: eMarketer, June 2021

[InsiderIntelligence.com](https://www.insiderintelligence.com)

A closer look:

- Finserv institutions will spend **\$24.49 billion** on digital ads in 2021, up from **\$20.99 billion** in 2020, but spending growth is declining. Finservs spent **20.3%** more in 2020 than they did the previous year, but this growth will slow to **11.3%** by 2023.
- The last 18 months propelled the transition to digital, with financial services firms focusing on shifting customers to mobile apps and moving customer service online.
- Banks and insurance companies will be responsible for a combined **79.2%** of US financial services' digital ad spending in 2021.

## Financial Services Industry Digital Ad Spending Share, by Subsector

US, 2021, % of total financial services

### Banking



### Card network



### Insurance



### Other financial services



Source: eMarketer, June 2021

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**Looking ahead:** While traditional banks are focusing more on digitization and automation to compete with neobanks, insurance companies are focusing on personalized advertising to win

over customers after a decline in premiums during the pandemic. Finserv spending will pass **\$30 billion** in 2023, but growth rates will continue to slow.