

# Apple's financial services marketing promotes an immersive lifestyle, not just products

Article

**What we've been thinking:** Apple's various financial services offerings—Apple Savings, Apple Pay, Apple Pay Later, the Apple Card, and more—represent aspects of a lifestyle

**marketing campaign**, targeting a particular customer segment, **rather than the more usual product-by-product competition** fintechs enter into with traditional financial institutions (FIs).

- That insight comes from Lierin Ehmke Melvin, director of insights at Mintel Comperemedia, through the Financial Brand. And it echoes findings within our recent [report](#), “Apple in Consumer Finance: Its Three Biggest Competitive Advantages, and How Banks Can Adapt.”

**Apple isn't for everyone:** It's deliberately tailoring its financial services offerings with an eye toward appealing to **affluent millennials and Gen Zers who grew up using its phone, computer, and other devices**. For example, Gen Z's preference for cash over credit is partly why Apple Card rewards are called “Daily Cash.”

- Aside from comprising the largest age group in the US, those two generations are the most open to switching banks, [per](#) Kearney, at 24% compared with 6% to 8% for Generation X and older cohorts.
- Our US Banking Digital Trust Benchmark [found](#) Gen Zers place trust in Apple for banking services on par with their primary financial institution—12.9 percentage points more than the total population does.
- While many consumers are comfortable with spreading out their deposits or [using services from several different brands](#), Apple has the argument of seamless integration, convenience, and simplicity on its side, so it may be better able to persuade them to consolidate.

**Apple is selling a lifestyle as well as services:** Special features that are available for Apple devices take its easy, intuitive user experience to another level because of interaction across Apple devices. That [immersive user experience](#) can only be described as a lifestyle.

- Apple's marketing angle is to promote the ability to pay for and finance goods and services that allow users to live that lifestyle.
- The iPhone is the focal point for the company's credit and deposit efforts, as is the Apple ID, which provides the membership benefit of easy entrance to its [“walled garden.”](#) We [forecast](#) that 97% of Gen Z consumers will have smartphones by 2026, and 80% of those phones will be Apple iPhones.

**Apple promotes privacy and security:** It's using features like facial recognition for access to Apple Pay and its efforts to provide data privacy, like its [AppTrackingTransparency policy](#), to

present itself as a challenger brand. Consumers view privacy and security as part of the product, not an extra or add-on that's only available through a premium tier.

- That's an area where traditional FIs still have some work to do. A recent study [found](#) that 47% of consumers are unsatisfied with their FIs' security measures for everyday digital activities.

**Apple can build on its previous innovations:** Just for one example, Apple could also apply its learnings from health monitoring using the iPhone and the Apple Watch combination to its approach to financial services.

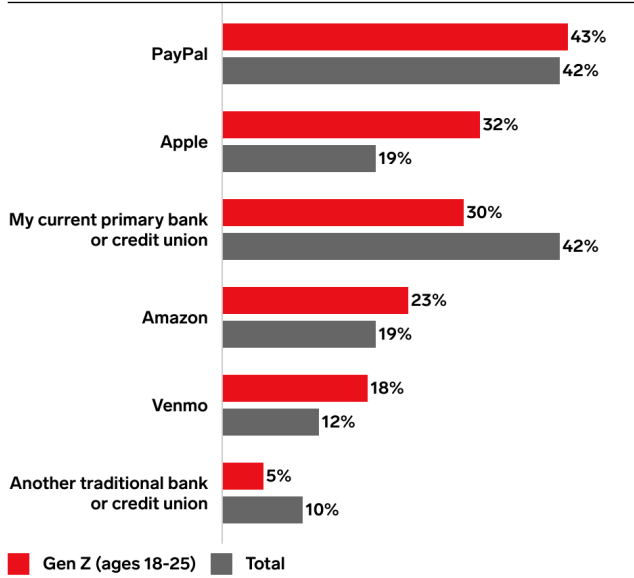
- With 70% of consumers wearing some type of health-tracking device, a tool that would offer real-time updates on financial health looks like less of a stretch. Especially because millennials and Gen Z have put financial matters at the top of the list of things that [stress them out](#).

**Yes, but:** Apple isn't used to the escalating demands of financial services regulators—and of late, they've been upping their scrutiny of the shadow banking system.

- The Office of the Comptroller of Currency is keeping a close eye on [bank partnerships with tech companies](#), and the Consumer Financial Protection Bureau is already [investigating](#) the credit card practices of Apple's credit card partner, **Goldman Sachs**.
- And in July, Apple was [sued](#) in a class-action antitrust lawsuit alleging that its monopoly on iPhone tap-to-pay allows it to charge card issuers exorbitant fees.
- Last year, European Union antitrust regulators sent Apple objections to its exclusive hold over the iPhone's payment technology.

**Companies US Gen Z Digital Banking Users Would Trust to Provide Them With Banking Services, June 2022**

% of respondents



Note: primary bank could include either a traditional bank or a digital-only bank  
 Source: Insider Intelligence, "US Banking Digital Trust Benchmark 2022," Aug 2022

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