

Pandemic Causes Financial Services Advertisers to Emphasize Online Banking

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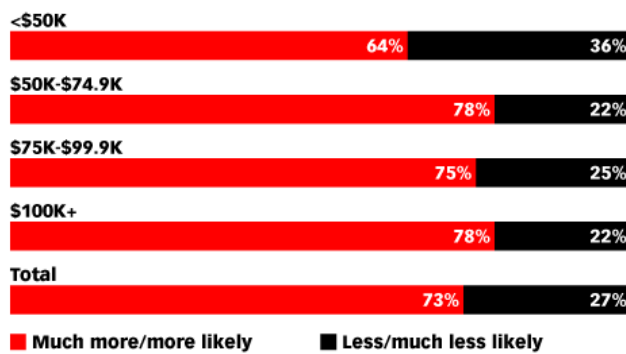
Despite this year's decline in total ad spending in the US, the financial services industry will increase its digital ad outlays.

The pandemic has prompted many consumers to reassess their personal finances and change how they bank, leading the industry to continue spending on digital ads. We expect digital ad spending in the US financial services industry will increase 9.7% in 2020, to reach \$19.62 billion.

Consumer banks have closed a significant number of branches, temporarily or even permanently, because of the pandemic. Without a physical location to visit, many consumers have shifted to online banking. According to an April 2020 William Mills Agency survey conducted by The Harris Poll, 73% of US adults said they were more likely to use digital banking and digital payments during the coronavirus pandemic.

US Adults Using Digital Banking and Digital Payments During the Coronavirus Pandemic, by Income, April 2020

% of respondents in each group



Note: n=1,043

Source: William Mills Agency survey conducted by The Harris Poll, April 2, 2020

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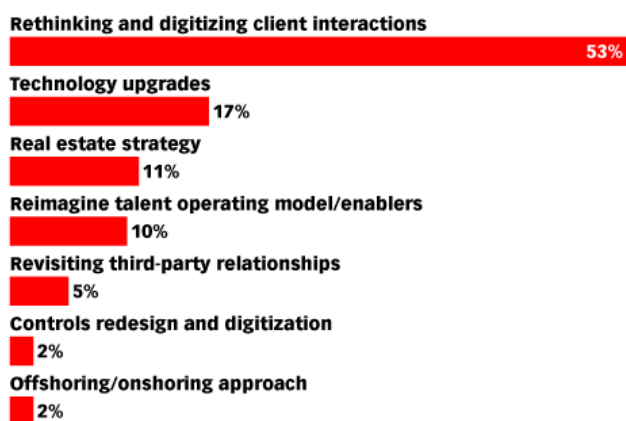
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In response to the online banking surge, banks and other financial services providers are focusing on improving the customer experience of their digital properties.

Deloitte surveyed US financial services executives in April 2020 about their top strategic initiatives post-pandemic. More than half of respondents said they would rethink and digitize client interactions.

Top Strategic Initiatives for US Financial Services Executives Once the Coronavirus Pandemic Is Over, April 2020

% of respondents



Source: Deloitte, "Confronting the Crisis: How Financial Services Firms Are Responding to and Learning from COVID-19," April 29, 2020

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It's likely that companies will spend more digital ad dollars to promote new digital products.

Consumers are also reassessing their personal finances in light of the pandemic, which has affected nearly every facet of the industry, from mortgage refinancing and credit loans, to tax filing and stock market investments.

For example, with interest rates at historic lows, more homeowners are looking to refinance their mortgages. Digital trading platforms, too, like E-Trade and Robinhood saw record numbers of new account sign-ups, thanks to bored, locked-down day traders trying to take advantage of market volatility. The postponement of tax filing deadlines had companies like H&R Block and TurboTax targeting consumers on digital platforms through the extended filing season.

Accordingly, advertisers want to market their services in these areas and clearly communicate with their customers in uncertain economic times.

"Interest in personal finance has accelerated because of COVID-19, which makes it a prime environment for finance advertisers," said James Malins, general manager of cross-channel strategic solutions at ad platform Amobee. "As a result, we've seen increased investments, especially in branding and awareness campaigns."

As the economic effects of the pandemic persist, financial services businesses will continue to use digital advertising to vie for customers and boost brand reputation.

To learn more about how financial services marketers are responding to the pandemic, eMarketer PRO subscribers can read our recent report:

Report by Blake Droesch Aug 19, 2020

US Financial Services Digital Ad Spending 2020

US FINANCIAL
SERVICES DIGITAL
AD SPENDING
2020

Ad Spending Continues to Grow,
Despite the Pandemic

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