

# How the events of 2020 will shape banking brands in 2021

*Six industry trends that reveal the importance of language in increasing customer loyalty, acquisition, and engagement*



## How the events of 2020 will shape banking brands in 2021

Managing the relationship between your brand and its customers is a moving target that requires constant vigilance, human insights, and the help of the best available technology. This rule is even more important during difficult times – perhaps now more than ever, as life becomes virtually entirely... well, virtual.

In this report, we explore six key trends in the banking and financial services market, as well as opportunities to craft more effective digital marketing in the new world order. Across the trends and data, you'll discover why language optimization has emerged as a crucial strategy for marketers tasked with enhancing operational efficiency, deepening customer engagement, and driving revenue in 2021.



### Trend 1:

COVID-19 has heightened digital adoption and the importance of language



### Trend 4:

Banking brands must reevaluate messaging to capture younger audiences



### Trend 2:

Reducing spend during difficult times damages future market share



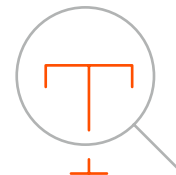
### Trend 5:

Neglected customers need digital banking services more than ever



### Trend 3:

Demand for content is at an all-time high



### Trend 6:

Banking and financial services brands are seeing the opportunity in Brand Language Optimization

## Trend 1: COVID-19 has heightened digital adoption and the importance of language

[A trends report from IDC UK](#) asserts that "In 10 years' time we will look at the pandemic as a trigger that enabled us to spend our time more efficiently and to focus more on activities that matter."

Catalyzing technological innovation may be a silver lining in an otherwise bleak year, but it also means that consumers are increasingly overwhelmed with digital communications. Brands no longer have the full array of traditional advertising at their disposal – instead, all opportunities for customer interaction have abruptly shifted to the screen and away from the storefront.

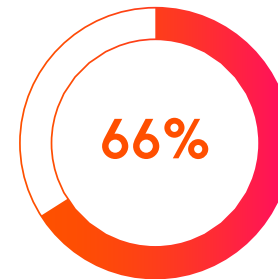
The reduction in available media for reaching customers has resulted in a deluge of digital communications across all industries, making the marketer's job of cutting through the chaos more difficult than ever. Consequently, the language brands use to connect with customers has become a crucial tool for establishing differentiation, enhancing engagement, and salvaging mindshare.

Our global survey of 300 marketers across six industries found that **66%** of financial services marketers believe **COVID-19 has made language more important than ever** in connecting with customers.

And they're not alone; 38% of these marketers said that their CEO now pays more attention to the power of language than before the global pandemic.

In the all-important battle for conversion, effective copywriting is now table stakes as the world doubles down on digital. This has left marketers scrambling to find a reliable, scalable way to deliver engaging content via email, SMS messages, push notifications, digital ads, and social media. Research indicates that in order to fulfill this need, **76% of banking and finance marketers** plan to focus more on content and language in their next planning and budgeting cycle.

Unfortunately, just as marketers are embracing the importance of language in this tumultuous time, our next trend reveals that a reduction in resources for marketing could limit their ability to fully leverage communications opportunities.



*of financial services marketers say COVID-19 has made language more important than ever in helping them connect with customers.*

[See the stats](#)

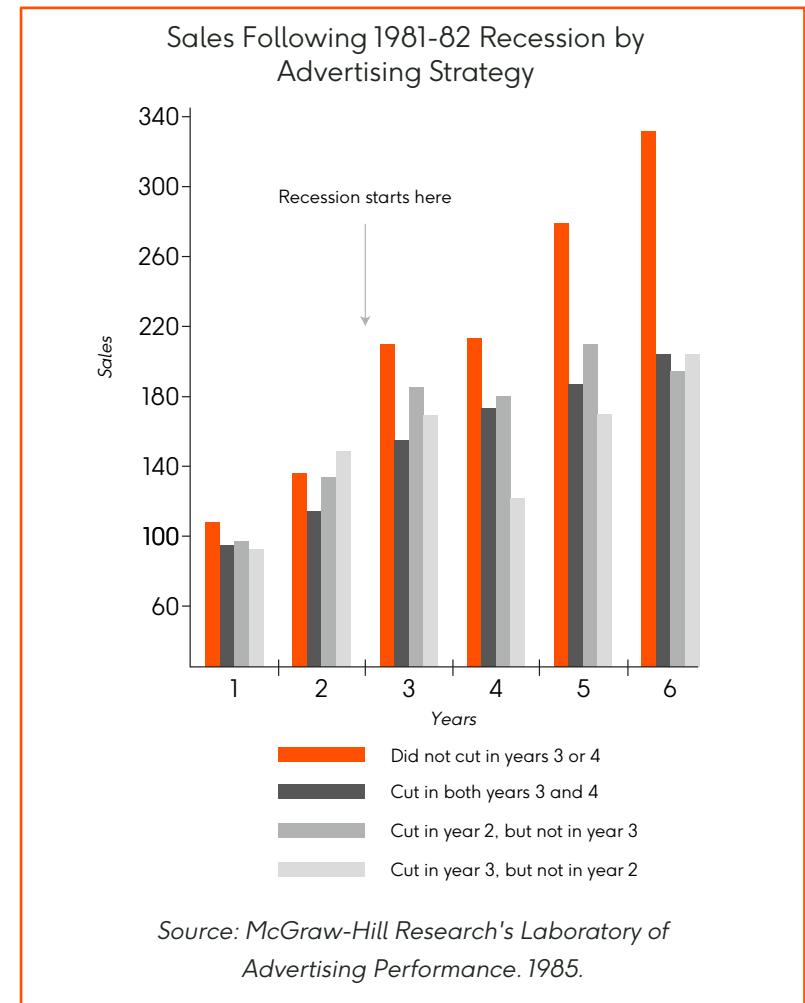
## Trend 2: Reducing spend during difficult times damages future market share

Cutting marketing and advertising budgets is a natural response when faced with a global economic crisis. [This Marketing & Ad Spend Impact Report](#) that surveyed 237 brands across the world in March of 2020 noted that 69% of brands planned to decrease ad spend in 2020 in response to the pandemic; 38% felt they may have to lay off workers. Perhaps unsurprisingly, just one in four companies participating in the survey planned to increase their marketing activities.

However, as history has demonstrated time and again, brands that cut back on advertising during difficult or uncertain times suffer in the long run.

Brands that continue investing in marketing **reap substantial benefits**, as market data surrounding the recession of 1981-1982 illustrates.

Our next trend demonstrates why easing off the gas is particularly unwise for financial services marketers at this critical time.



## Trend 3: Demand for content is at an all-time high

According to the [United Nations](#) and the International Labour Organization ([ILO](#)), the COVID-19 pandemic has wiped out the equivalent of over 400 million full-time jobs worldwide, and a second wave of infections threatens to be equally as devastating. Understandably, this has taken a toll on wallets (and spirits) everywhere, leaving consumers in need of more support than ever navigating their finances.

Crisis communications from banking brands are a lifeline for customers who need **guidance and assistance** to endure economic hardship.

Actively disseminating information and resources (such as [loan repayment deferment](#) programs like RBS, TSB, and Lloyds recently announced) can enhance brand loyalty amongst existing customers and drive new customer acquisition.

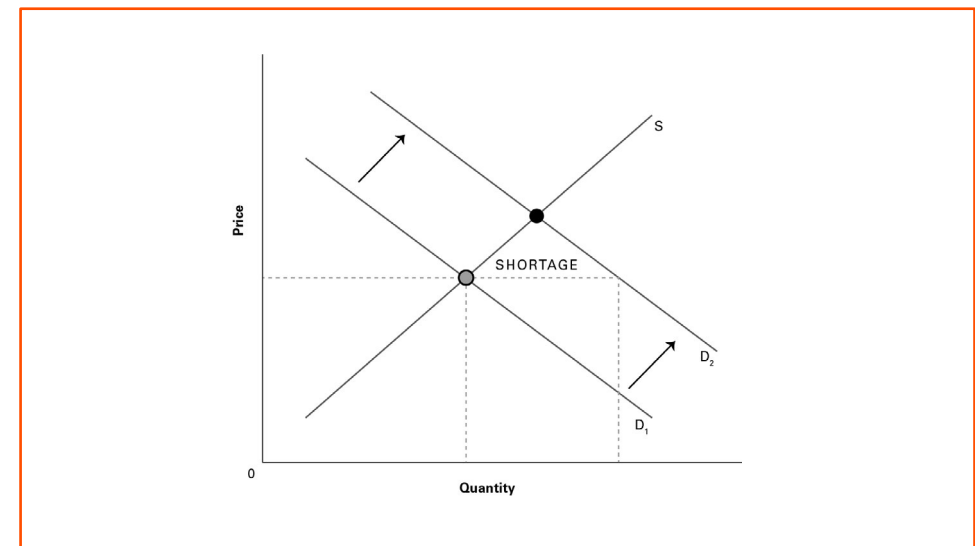
It's not just banking brands that are poised to cash in on digital marketing while supporting customers through crisis. Trend 1 described the rapid expansion in digital innovation in 2020 – and this shift has spurred a new wave of fervor for finding effective ways to engage consumers online.

As you've just learned, language is one of the most valuable tools marketers can leverage to strategically respond to shifts in the market and customer preference. Quality content has been the golden goose of marketing since the widespread adoption of the internet; and as technology advances, turning marketing away from traditional media, the demand for skilled digital copywriting continues to grow. COVID-19 has accelerated this trend further, leaving brands with many new and emerging channels to fill with a steady stream of fresh, engaging content.

The scale at which modern brands need to generate marketing copy to service these channels is staggering and has left many marketing departments rushing sub-par copy out the door to meet consumers' growing thirst for content.

At the same time, marketing budgets are shrinking and teams are downsizing, eliminating the ability to hire staff writers to keep up with demand. Currently, **25% of banking and finance marketers** report a lack of staff writers to draft content like blogs, articles, email, and social posts. This describes the content disequilibrium.

Clearly, there is room to capitalize on the demand for digital content in banking and financial services. But as Trend 4 illustrates, the language comprising that content plays a decisive role in its effectiveness.



*The scale of marketing copy required has surpassed the copywriting industry's capability to meet the demand. **This is the content disequilibrium.***

## Trend 4: Banking brands must reevaluate messaging to capture younger audiences

Brands across every industry are examining and adapting their marketing practices to account for the impact global events have had on human relationships and communication in 2020. But banking brands are behind the curve. Among this group, 14% are unsure of their brand voice during these unstable times, and equally as many do not currently know or measure the impact of brand language on their customers. This is particularly worrisome given that banking institutions now face the additional challenge of evolving their brands to appeal to younger consumers just starting to use financial services.

### Millennials are poised to inherit **more money than any generation in history.**

The "social generation" accounts for [27% of the US population](#), and is known for a passion for brand authenticity and the expectation of a holistic brand experience around their purchases.

Regrettably, millennials are also known for their growing skepticism of traditional financial institutions. Thus, building a foundation of trust and authentic connection with this generation today could result in outsized lifetime customer value. Tone, sentiment, and language are the marketer's most potent tools to achieve this given that [83% of millennials](#) say they want brands to align with their values.

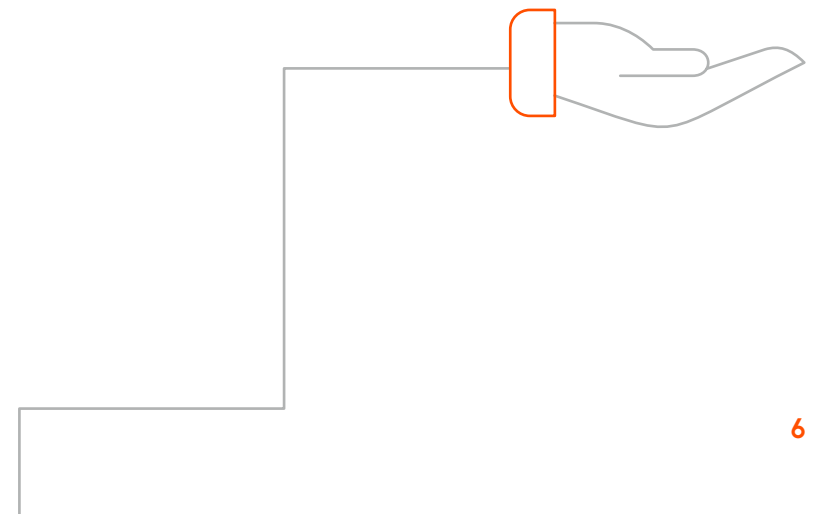
Adjusting messaging for millennials is a wise way to boost revenue in 2021, but this is not the only audience ripe for addressing at this time. Our next trend explores an additional opportunity to expand the customer base for banking and financial services brands.

## Trend 5: Neglected customers need digital banking services more than ever

A major side effect of the Coronavirus pandemic is an overwhelming shift toward digital payments and away from the cash economy. This creates a significant barrier to economic participation for unbanked and underbanked consumers across the globe. [According to the World Bank](#), "Globally, 1.7 billion adults remain unbanked, yet two-thirds of them own a mobile phone that could help them access financial services. Digital technology could take advantage of existing cash transactions to bring people into the financial system."

Financial Services brands that can provide traditional and alternative digital banking solutions to these populations can create a new stream of lifelong customers. Importantly, message tone, syntax, sentiment, and word choice must be chosen carefully and empathetically to appeal to customers normally excluded from traditional banking products and services.

Our final trend discusses how banking and financial services marketers can turn the insights in this report into action – with the power of artificial intelligence.



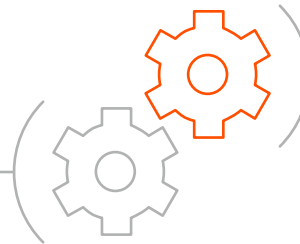
## Trend 6: Banking and financial services brands are seeing the opportunity in Brand Language Optimization

Banking and finance marketing teams always seem to pull more than their weight when it comes to digital marketing and customer engagement. Nimble and powerful as they are, there's nothing easy about being asked to do more with less year over year.

Hoping to gain operational efficiency under time and budget pressure, banking and finance marketers are beginning to explore the power of AI. In fact, **83% of marketers in this industry plan to invest in AI** in the next 18 months, and 53% said they would implement AI in content production if it could reliably align with their brand.

Until now, there was no technology on the market that could easily optimize brand language at scale, without sounding "spammy" or robotic. **Then, Phrasee's Brand Language Optimization emerged.**

Phrasee is a revolutionary language optimization platform that uses your brand's historic data and artificial intelligence to produce timely, authentic, and engaging copy while providing customer insights that keep you a step ahead of the competition. In short, it helps brands drive revenue up and marketing costs down.



*Phrasee makes you money, so you're more likely to get your bonus.*



Gareth Jones, former CMO, **eBay UK**

Phrasee enhances customer engagement over the full customer lifecycle, **boosting open rates, clicks, and conversions** with the help of natural language generation (NLG) and machine learning.

It's what we call The Language Effect: the measurable impact that better copy has on your brand's marketing campaigns.

Learn more about Phrasee as we review why words are a surprisingly mighty driver of ROI – and [why failing to optimize brand language leaves literally millions on the table each year](#).

## Proven ROI

Even the most strategic marketers are haunted by the elusive visage of marketing ROI. Notoriously difficult to quantify, the quest for ROI often leads to following false best practices or going all-in on subjective "gut instincts." Phrasee eliminates human emotional attachment to writing by surfacing only solutions that are best supported by data. Let's take a look at the difference in outcomes between a "best guess," A/B test, and the Phrasee platform.

Think it's all too good to be true? [Schedule a phriendly consultation](#) to see the platform in action and discover how Phrasee can boost revenue, operational efficiency, and customer engagement for your organization without breaking the bank.



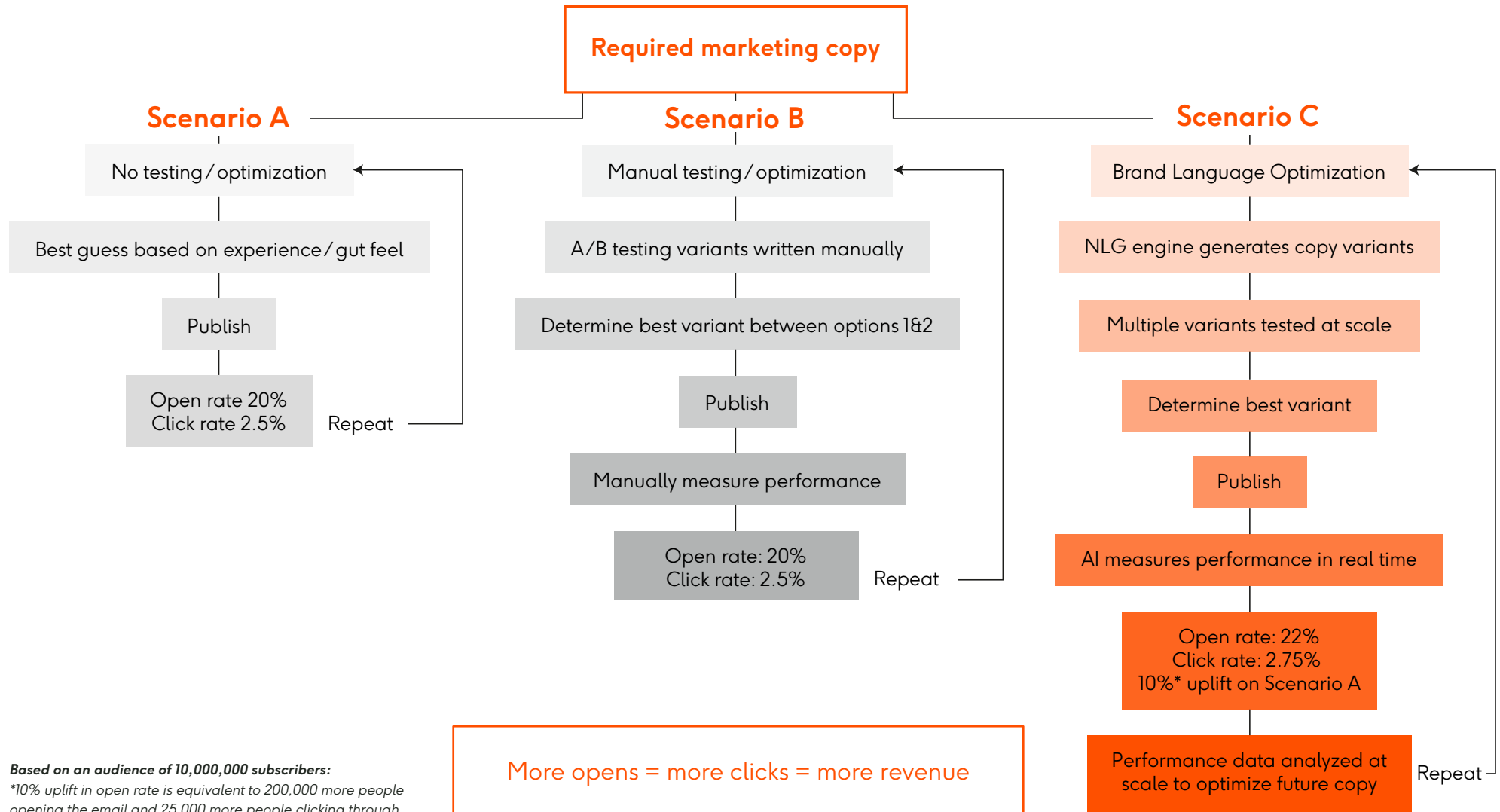
*Phrasee is a fascinating piece of technology and demonstrated value-add.*



Tom Kelk, Marketing Technology Manager, **Lloyds Bank**



## Example of the different testing methodologies



## Measurably better copy (that's compliant and on-brand)

Phrasee's AI technology uses a brand's email subject lines as a language laboratory. Linguistic elements are combined in a language model that's tailored to an individual brand voice and compliance rules. Then, the AI applies this unique language model across CRM and performance-based marketing channels—from email to push, social to display, paid search to web. No more guessing about what works. No more arguments about who's right. No more opens, clicks, and conversions lost to bad language

### Analysis of 76 campaigns for nine Phrasee financial services customers found:

 **19.5%**

average email open rate uplift

 **10.1%**

average email click rate uplift

## How Brand Language Optimization pays dividends for banking brands

With an increasing number of channels to service, and a rapidly shrinking window of time to engage consumers, effective marketing copy is now at a premium. Finding new, cost-effective ways to deliver high-quality, compliant, and on-brand marketing copy to service the digital world's many marketing channels will be the most crucial quest of modern brands in the 2020s.

Phrasee is an innovative solution to this challenge, providing key benefits that support one all-important bottom line: better marketing on a limited budget.



Want to know more? Book a demo.



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