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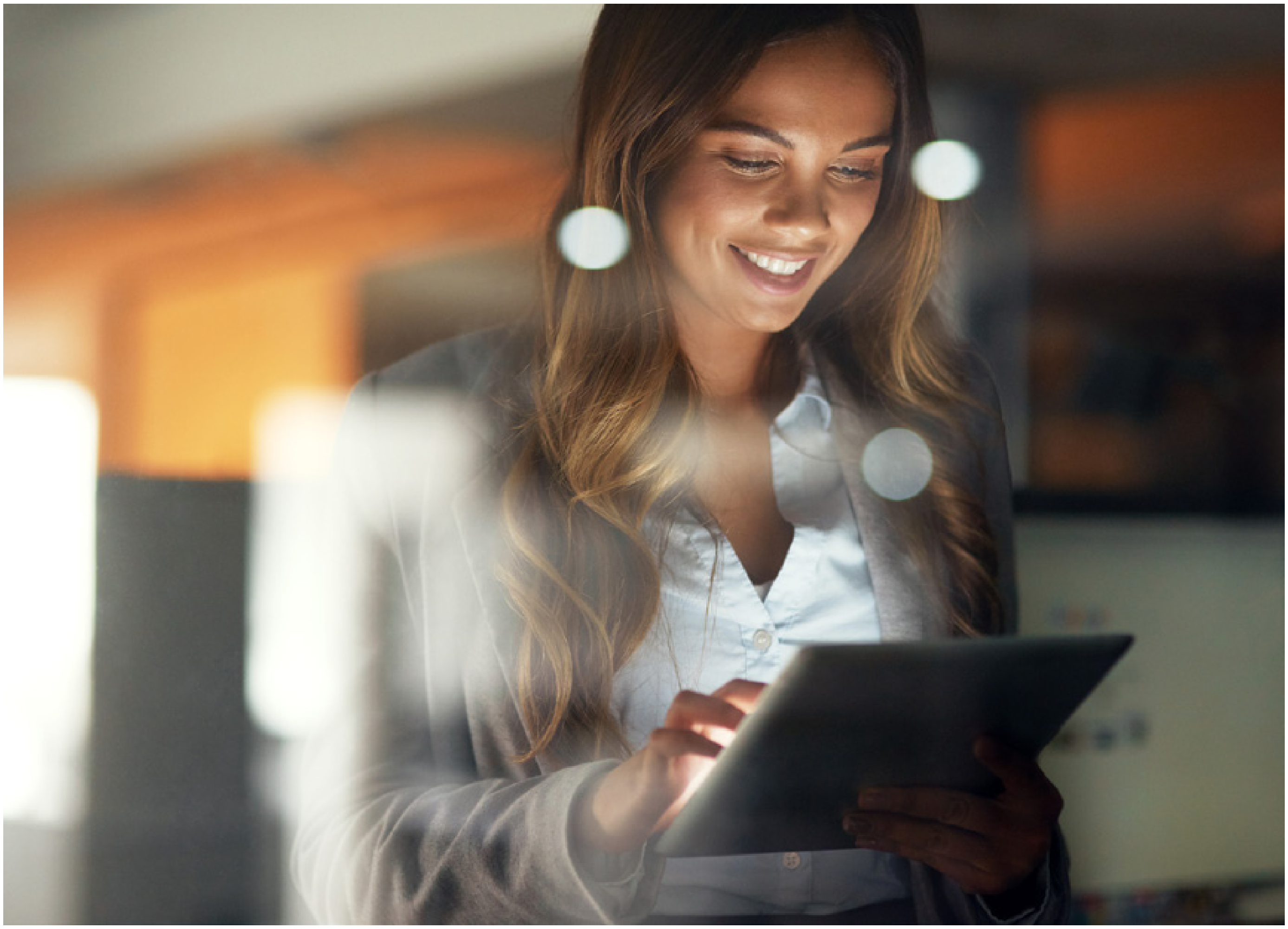
FINANCIAL MARKETING STRATEGY

HOW TO MASTER NATIVE ADVERTISING IN FINANCIAL SERVICES



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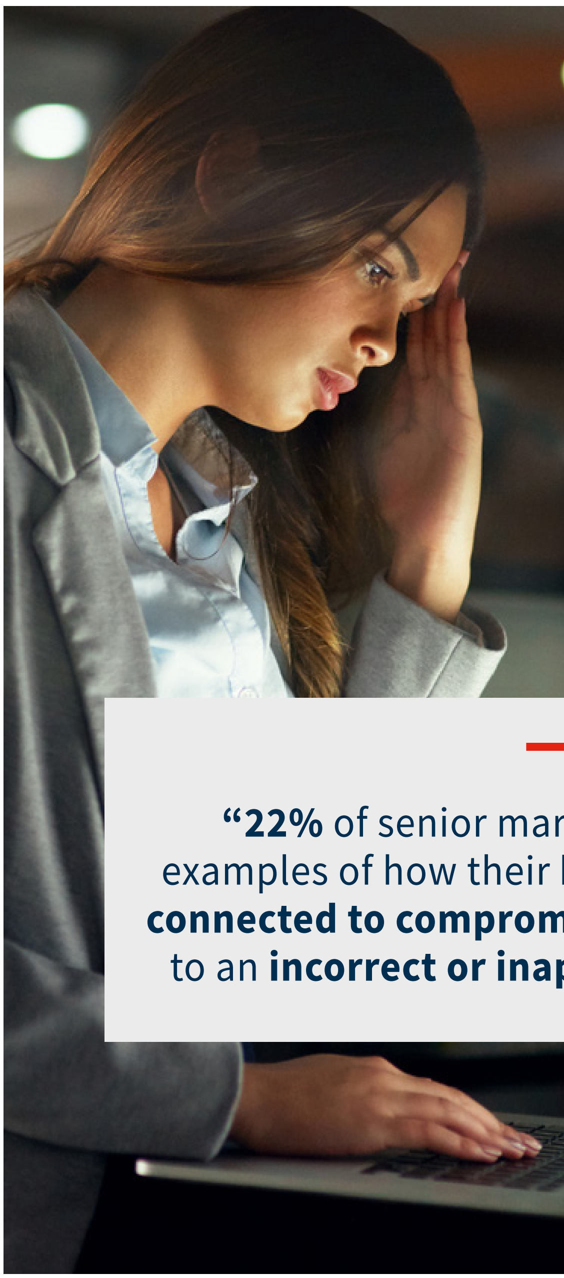

INTRODUCTION

The use of content marketing in financial services is nothing new, but it has developed differently and has taken diverse shapes and forms. In the pre-Internet era, banks published full-fledged magazines for consumers and could tightly control the message and experience. Today, they have evolved and now create digital magazines, websites, blogs and white papers and are active users of content marketing via social media.

Yet, while the options for content marketing have never been greater or more diverse, this opportunity also presents financial marketers with a number of challenges related to getting their message heard, distributing it and measuring impact. One of the biggest is brand safety. One study found that **"22% of senior marketers have specific examples of how their brand advertising was connected to compromising content or served to an incorrect or inappropriate audience."** For example, Last year, JPMorgan Chase learned that its ads had appeared on a website called Hillary 4 Prison.

> "**22%** of senior marketers have specific examples of how their **brand advertising was connected to compromising content** or served to an **incorrect or inappropriate audience**."

With **trust being one of the most important factors to success in financial marketing, and trust and brand safety intrinsically linked**, brands like JPMorgan have rethought their strategies, moving away from large scale (400K sites) programmatic buys to a pre-approved list of just 5000 sites.

To the financial marketers, this quickly changing landscape might seem somewhat intimidating. But, it need not be. At Dianomi, we have been working closely with financial services clients for nearly a decade, designing and optimizing campaigns to help them navigate this evolution. Here are some of the strategies we've seen smart financial marketers deploy to create a successful native advertising program:

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1

PUT TRUST FIRST

With two out of three consumers trusting branded content more than traditional advertising, content marketing should be part of every financial marketers' advertising strategy. But, to gain the benefits of that value-added trust, marketers must make sure that the message is just as trustworthy and meaningful as the unit.

As readers, we've all seen untrustworthy native ads: those with topics that aren't relevant or clickbait images advertising products, such as refinancing student debt, in a weird and dodgy way. That's a bad move for any advertiser but especially those in financial services where credibility and trust is both imperative and where it has also taken a recent hit. The 2017 Edelman Trust Barometer found that **46 percent of U.S. consumers believe they can't trust financial brands.**

But, why is trust so important in financial services?

In a recent presentation by Luigi Zingales to the World Bank, he proposed that **"more trusting people are more likely to invest in stock and risky assets and that, other things being equal, less trusting people keep their money under the mattress."** He went on to proffer that trust in mutual funds increases probability of switching by 27 percentage points. **Simply put, the more money invested and the more complex the product, the more important role trust plays in relationships.** Investors will only invest in the brands they trust. Thus, wise financial marketers today anchor their message and associations on trust.

"When you bear all the downside and enjoy no upside, **as for a credit relationship, trust is even more important**."

LUIGI ZINGALES, PROFESSOR,
THE UNIVERSITY OF CHICAGO BOOTH SCHOOL OF BUSINESS

"**75 percent** of consumers **feel brands are accountable** for the high or low **quality of content that appears adjacent** to their advertising."

So, how can this be achieved through content marketing? First, it's not just about creating catchy or optimized ad copy that gets a user to click. Inside, focus your message on the core of what matters to them--what drives them--and give something of value in exchange on which a relationship can be built.

Brighthouse Financial is a brand who gets this. CMO, Matt Quale, told Brandchannel that their core customers are looking for predictability in their retirement so their message is focused on how the company is there to help them protect their financial futures.

A company can also convey trust through a value exchange. One Dianomi customer--a firm who sells retirement products--was able to cultivate trust between itself and potential financial advisor clients by offering advisors content that would help them educate their own customers on market risk and volatility. The company created content in the form of a white paper and videos, of which over 2,500 financial advertisers download/watched. This was their most successful online campaign to date.

Ad adjacency or context is another factor in trust. One research report found that **75 percent of consumers feel brands are accountable for the high or low quality of content that appears next to their advertising.** Our data confirms this: conversion rates drop dramatically for content when it's out of context. Finance is a category in which products can become very sophisticated, so reaching those audiences when they're reading about finance and business topics will increase engagement.

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KNOW YOUR AUDIENCE BROADLY AND DEEPLY

Publishing high-quality content is not enough. With financial services and banking topics being active categories online, generating more than 2.5 million posts per month (Gramercy Institute), there has never been more clutter for your customer to wade through. Thus, it should come as no surprise that this activity has not resulted in increased engagement but instead a noisy atmosphere with customers having to filter out the messages that don't relate to them. This wastes both consumers and marketers time (and the latter's money).

The trust example from earlier tells us just how complex different consumers can be. Depending on the customer's combined attributes and mindset, marketers need to pull different levers to influence them. That is why it's so important for financial institutions to maintain an ongoing dialogue with current and future customers and why they should also use third-party research and data sets to augment their DMP and site analytics. This will help them to both better **understand** and better **target** customers.

At Dianomi, we work with over 350 top-tier publishers. We recently analyzed over 1 million clicks and 3 billion impressions from those publishers to dig deeper into the financial products that are trending with the Millennial and Boomer investor segments. Our data found that millennials demonstrated intent in basic financial products, such as bank accounts and credit cards. Specifically, with regard to bank accounts, millennials are about 14 percent more interested than Gen X. Millennials are also almost equally interested in credit cards as Gen X. Boomers were much more interested than other demographics in investment guides and stock newsletters.

Our data, which analyzes more than 18 million articles across our network, can also pinpoint articles and topics that are trending with specific audiences, including those that demonstrate intent. For example, our daily index of surging content recently surfaced an article from Seeking Alpha that was trending the highest with ETF audiences. Combined with ETF demographic data, advertisers can target these readers ensuring that their contextually relevant native ads are aligned within the publisher's environment.

For one client whose ads run on our platform, **we were able to identify four very specific job functions for their customers**, with one generating the most traffic to their ads.

3

OPTIMIZE YOUR CREATIVE

The hard lesson is that without optimization and targeting, even the best content doesn't perform as well as it could. At Dianomi, we spend a great deal of time analyzing campaign performance data to understand why certain ads perform better. Part of the reason is targeting and the other is creative. We evaluate creative variations and make real-time optimizations with placements, so that the advertiser achieves the best performance. Once you have a thorough understanding of who are you targeting, and have developed the best content based on their levers (and that your message strikes a chord and is meaningful), you should optimize this creative for the best performance.

START WITH THE HEADLINE

Data shows that the better the headline, the better a native ad performs. The best performing headline that we've seen performed at 650 percent more than the average. In native advertising, certainly the headline is the best chance for a quick win to drive more sales. We share five surefire tips to master your headline creative in your next native ad:

> **"A change in headline can make a difference of ten to one in sales.** I never write fewer than 16 headlines for a single advertisement"
>
> DAVID OGILVY

» WRITE FOR THE TIME-POOR READER According to data from Microsoft, people lose concentration after eight seconds. This is why the best headlines are 70 characters or fewer and get straight to the point.

» USE HIGH PERFORMANCE WORDS There are 49 words that best perform in headlines. Some of them are:

- **Numbers and years:** 5, 7, 9, 10, 20XX: The No. 1….
- **Questions:** What, Why, When, Which, Will, etc.
- **Adjectives:** Top, Exclusive, Essential and Critical
- **Benefit:** Ways, Rules, Tips, Facts, Lessons, Reasons and Secrets

» QUALIFY THE AUDIENCE Words like Trader, Investor Financial Advisor, Retiree

» A/B TEST There is no reason why you cannot and should not test your native ad content. In one situation, we tested two headlines where one headline generated a 48 percent higher click-through rate than the other by making small tweaks to the overall headline. Note: make sure your A/B tests are statistically significant with less the a 5% chance of random error.

» GET INTO YOUR CUSTOMER'S HEAD The key to any marketing is knowing what is important to your customers. A/B testing will only tell you how one ad performs against another. Spending time with your sales team, and understanding what's important to your customers, should be key to informing any content strategy. The more meaningful your communication, the more likely a reader is to take notice.

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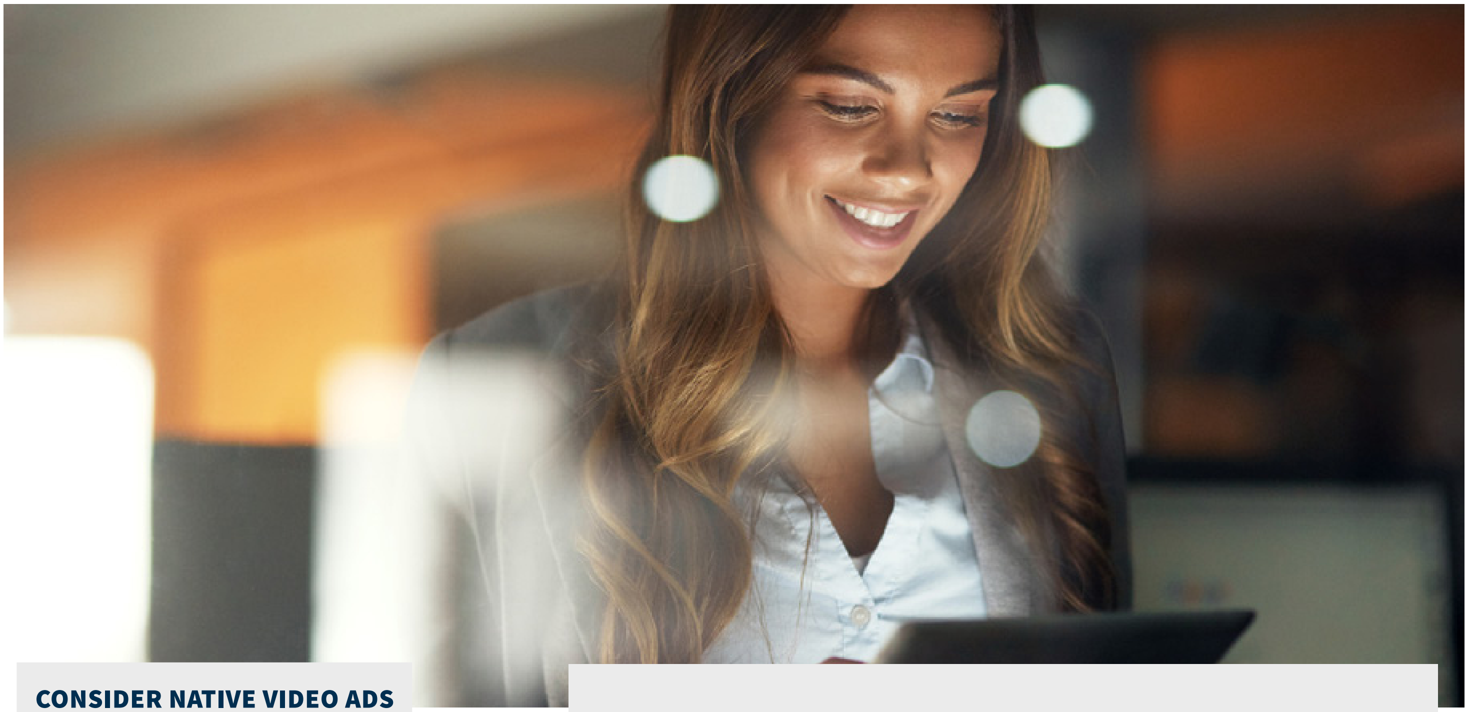
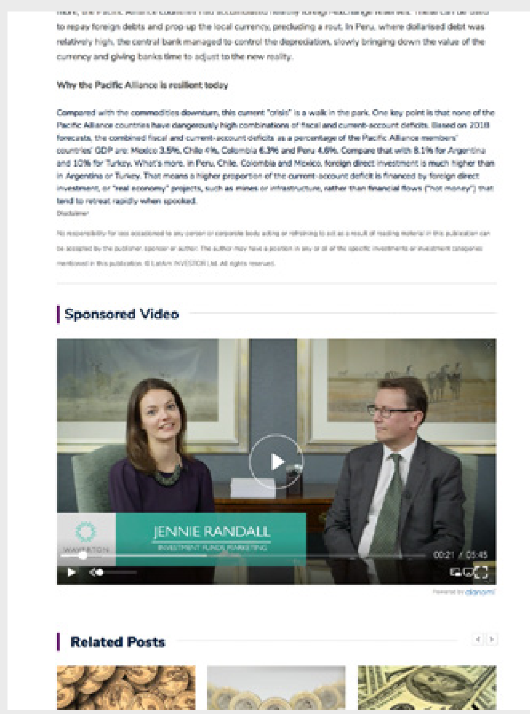


CONSIDER NATIVE VIDEO ADS

Chances are that video is already a big piece of your native strategy, but thus far that video content has likely not been used in a native ad unit. Well, this is all about to change. At Dianomi, we recently debuted a new native video ad unit that places video content within contextually relevant articles. For financial marketers, this means that the videos that they are likely already creating for their website or landing pages can now be distributed in a native ad unit. When done well, video offers advertisers an unmatched opportunity to engage with the customer and tell a compelling story.

Visitors exposed to videos and features are more likely to view a brand more favorably.



CONTEXTUALLY RELEVANT

Dianomi's In-article video ad units run next to contextually relevant business and financial content.

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DISTRIBUTION

It used to be that marketers would work directly with news organizations to create and distribute their native content through one publication in what's called an advertorial. That opportunity still exists today but now there are many more opportunities, varying in levels of complexity. The first thing that you should know about distribution is that it goes hand-in-hand with audience. You will know where and how to distribute when you know who exactly you want to reach and have established specific program goals. Then you move on to the harder part: choosing a distribution method that will meet those goals. Here are some tips to help you get there:

» KNOW THE PROGRAMMATIC PITFALLS Much has been written about the benefits of programmatic to automate your ad buy and reach audiences wherever they are, but we encourage financial marketers to ask themselves: **"do I really need to be *everywhere* my customers are?"** In the JPMorgan example in the intro, we talked about how the company went from a large scale strategy of hundreds of thousands to just 5000. Despite the significant reduction in sites, the company visibility remained nearly the same. Conclusion: hundreds of thousands of sites were not performing and some of these sites were not brand safe. Better options for financial marketers include: working only with a network of high quality sites, whitelisting your buy and only paying for actual clicks.

» KNOW HOW MUCH OF THE NEEDLE YOU NEED TO MOVE If your campaign goals are on the smaller side, and so are your in-house content resources, perhaps you want to work directly with a web site or magazine that can create the content and distribute it for you. Know, however, this content was designed for that publisher's specific audience and could have limited utility in other places. If you have already developed content specifically for your audience, and want to reach audiences independent of a single publisher, then you need to work with a company that has breadth. If you want to reach specific audiences at volume, that partner needs to have breadth and depth. For example, at Dianomi, we have access to over 350 publishers in business and finance and the ability to target broadly and deeply.

» UTILIZE LOOKALIKE AUDIENCES Using our tracking pixel, clients know what topics interest their existing clients, including topics that are trending. Dianomi uses this data to create lookalike audiences to extend the reach of your campaign and identify new potential customers who may also be in market.

WHAT ABOUT YOUR OWN CHANNELS Consider how you can incorporate your own channels into your broader strategy. This doesn't necessarily fall into the "ad" bucket but you would be remiss not to take advantage of your own email marketing list and social channels as content distribution tactic. Your own email list is one of your most valuable assets that you have likely expended significant resources to build and likely ripe with opportunity. Don't forget to use it.

SEARCH Lots of companies buy keywords to drive traffic to their content, and that's not a bad thing. But, search should be a part of your strategy not ***the*** strategy. Companies should supplement search with contextual keyword targeting to extend their paid search activity out across the business and financial to drive scale and ROI.

Your own email list is one of your most valuable assets that you have likely expended significant resources to build and likely **ripe with opportunity**.

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MEASUREMENT

Measurement doesn't have to be a tricky subject but measurement is by no means straightforward, because every campaign is measured by its unique goal. For example, companies like Wells Fargo measure attitudinal shifts, business outcomes and engagement as well as operational metrics. In a recent article, the company said: **"Engagement is an important performance signal**. We look at content consumption behavior, from when the ad is delivered, through the click on a call-to-action to visit a richer content experience, and beyond. In this case, **we prioritize click-through and audience quality**. It's about how many of the right people take the next step and then what they do after the experience."

Since Dianomi charges on a cost-per-click, we also encourage clients not to get mired in the ad viewability metric and to instead measure two things: engagement and conversions. ***Engagement:*** did the user click through to your content and read it/watch it? ***Conversions:*** did they then download a whitepaper, buy a product, sign up for a newsletter etc. Customers can easily see if Dianomi drove a result for a marketer by monitoring those conversions that happen on your website after a user clicks.

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