AdAge

The marketers, brands, categories, media and strategies that drive more than $14 billion in financial services advertising

FINANCIAL SERVICES MARKETING

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FOLLOW THE MONEY

By Julie Liesse

Ten years after the economic collapse of 2008 and the subsequent Great Recession, financial services marketing has changed dramatically—and in some ways, almost not at all.

After peaking in 2007, then plummeting in 2008 and 2009, U.S. measured-media ad spending in the financial services industry rebounded with 26.1 percent and 11.2 percent increases in 2010 and 2011, according to Kantar.

Spending has bounced up and down by single-digit percentages from year to year since then. Overall spending has been surprisingly stable: Total spending of $14.486 billion in 2018 is eerily similar to the $14.487 billion posted in 2011.

But beneath that top-line appearance have been striking changes in terms of who's spending and where they're spending ad dollars.

"We're now a full 10 years past the recession, and ad spending across many sectors in financial services has rebounded," says Jon Swallen, chief research officer for Kantar's Media division. "They've put the recession behind them. But many consumers have not yet forgotten or forgiven what happened in the economic collapse and the role financial services companies played in it. That still affects consumers' perception of the companies they interact with, from mortgage brokers to credit card companies and banks.

"For financial services marketers, it continues to be a difficult navigation: To connect with consumers, to understand what they want and need, and to sell them services, and at the same time ... convince consumers that this industry has their best interests at heart," Swallen says.

For instance, ad spending in the investment and retirement services category never has recovered from the headlines of 2008. Ad spending dropped dramatically in 2009 and—despite a bull market on Wall Street—has continued to decline over the past decade. Spending has fallen to $1.4 billion in 2018 from $2.4 billion in 2009.

Some of the top 10 investment advertisers back in 2011, including Goldman Sachs and T. Rowe Price, are no longer among the big spenders. The investment and retirement category's spending now is dominated by self-service and largely online investment brands including TD Ameritrade, Fidelity and Charles Schwab.

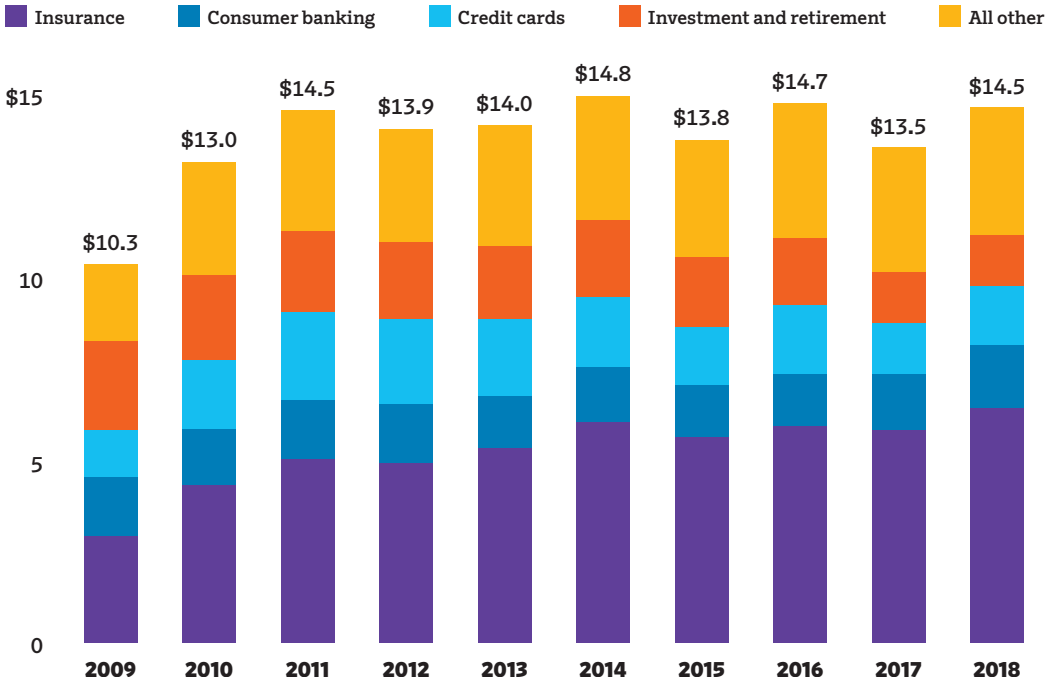
Swallen says the industry's 10-year ad spending trend—its relative stability and narrow range of ups and downs—makes financial services appear "not one of the strong growth industries. But in terms of marketing dollars, budgets are very healthy."

For 2018, overall financial services industry measured-media ad spending was up 7.3 percent from 2017, led by increases in TV and online spending.

The industry is made up of four key categories: insurance, consumer banking, credit cards, and investment and retirement.

In addition, nearly a quarter of spending now comes from a variety of "other" companies, from tax preparation and credit monitoring services to online mortgage providers. Ad spending by those assorted companies has grown 68 percent over the past decade, to $3.5 billion in 2018.

Financial services U.S. measured-media spending: 2009 to 2018
Dollars in billions.



Source: Kantar. More info: kantar.com/media. Measured media include network TV, spot TV, Spanish-language network TV, cable TV networks, syndicated TV, magazine, Sunday magazine, local magazine, Spanish-language magazine, business publication, national newspaper (New York Times, USA Today, Wall Street Journal), local newspaper, Spanish-language newspaper, network radio, national spot radio, local radio, cinema, desktop internet display, mobile web, online video, desktop search and outdoor.

Going digital

One of the other significant transformations over the past decade is financial services companies' use of digital and social media. In just the past year, industry spending on the online media Kantar measures—mobile web, video, display and paid search—was up 7.6 percent, to $4.3 billion, or 30 percent of the industry's total measured ad spending. Since 2010, paid search spending alone has grown 63 percent, to $3.3 billion in 2018.

"Like the rest of the world, financial services advertisers are putting more money into digital. But we forget that the financial services industry also was one of the first industries to embrace digital advertising," Swallen says.

He points out that 10 years ago, financial services companies were spending three times the proportion of budget in digital compared to other categories. "Now, other industries have caught up; the digital share benchmark is higher," he says. "But financial services is still one of the leading spenders in digital media. They've continued to move dollars into digital, but now it's at a slower rate than other categories which started off farther behind."

Swallen says digital makes sense, considering that three-fourths of credit-card applications, for instance, are filled out online. "Even people who receive a piece of U.S. mail will go online and fill out the application," he says. "That motivates credit-card companies to run digital advertising, where you're one click away from bringing people to that application."

Similarly, as banks provide more online and mobile functions to their customers, digital advertising is a complementary way to reach customers, already on phones and laptops, to manage their finances.

Despite their commitment to digital, financial services marketers' use of traditional TV

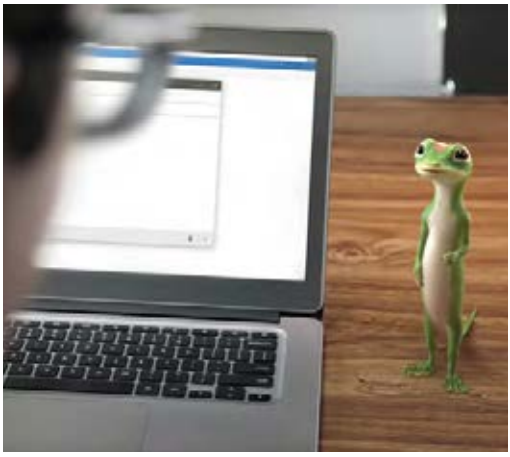
advertising was up strongly in 2018, accounting for $7.4 billion, or more than half of the industry's total measured spending.

"TV advertising still gets used for brand awareness, while digital is being used to target narrow audience segments with more specific products and services," Swallen says. For instance, investment firms that specialize in wealth management might find TV and other mass media inefficient. Better suited to these companies' needs are digital campaigns that make use of all the data these marketers have on their customers.

Follow the gecko, go with the Flo

Some of the industry's biggest TV spenders are insurance companies. And one of the biggest changes over the past decade has been the geometric growth of those companies' ad spending, which has more than doubled, to $6.4 billion in 2018 from $2.9 billion in 2009. The insurance category's share of financial services ad spending has exploded over the decade, to 44 percent from 29 percent.

In 2018, five of the top 10 financial services advertisers, listed by parent company, were insurance companies. Although many of the companies sell a range of coverage—home, auto, life—the focus of much insurance advertising is automotive.



Geico's hard-working gecko. Geico and Progressive in 2018 accounted for more than half of auto insurance ad spending in 2018.

Geico

Specific auto insurance advertising totaled $2.3 billion in 2018. Just two brands, Berkshire Hathaway's Geico and Progressive Corp.'s Progressive, accounted for more than half of auto insurance ad spending in 2018.

"Think about the total volume of premiums that auto insurers write," Swallen says. "More than 90 percent of American households own at least one passenger vehicle and every state requires insurance."

The National Association of Insurance Commissioners reported that property and casualty insurance companies in 2018 wrote $246.1 billion in auto premiums. The top 10 companies account for 72 percent of that total.

"But auto insurance is a product you never expect to use; you tend to buy it based on price," Swallen says. "So for most consumers, this is a low-interest, low-involvement category. There's a six- to 12-month purchase cycle, so it only comes on the average consumer's radar once or twice a year. That means the insurers have to continually advertise to stay top of mind. And the price of entry keeps getting higher and higher."

Indeed, Geico in 2018 was the nation's most-advertised brand; Progressive ranked third, behind Amazon.

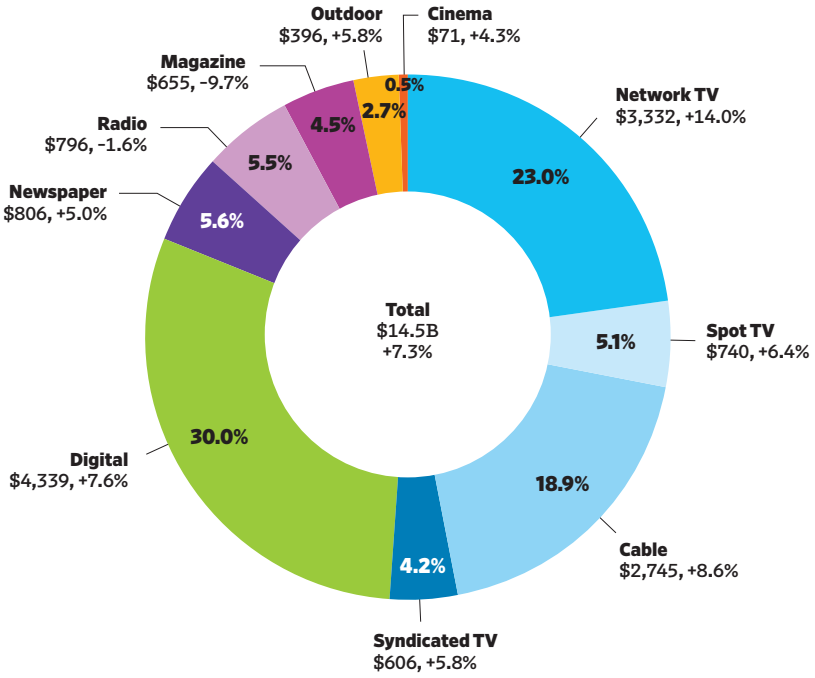
For brands like Geico, Progressive and Liberty Mutual, the role of TV advertising, Swallen says, is strictly to drive top-of-mind awareness. "When people do come into the market, they go to the two or three websites that are top of mind—the ones they've seen on TV. That's why you see the diversity of crazy characters and situations that attract attention, that get people buzzing."

That translates into TV ads featuring the Geico gecko, Flo from Progressive, Mayhem from Allstate and the Farmers "professor." Or repetitive jingles from Nationwide and Liberty Mutual—and other quirky characters and outlandish settings.

"It proves the point that advertising is not always designed to sell a product," Swallen says. "In this case, the focus is to get people to remember your name by using one key selling point hammered home over and over, like the 'Nationwide is on your side' jingle."

For other financial services companies, marketing messages have shifted over the past

Financial services U.S. measured-media spending by medium in 2018
Dollars in millions. Percent change vs. 2017.



Source: Kantar. More info: kantar.com/media. Network TV includes Spanish-language network TV. Magazine includes consumer magazine, Sunday magazine, local magazine, Spanish-language magazine and business publications. Newspaper includes national newspaper (New York Times, USA Today and Wall Street Journal), local newspaper and Spanish-language newspaper. Radio includes network radio, national spot radio and local radio. Digital includes desktop internet display, mobile web, online video and desktop search.

decade to reflect changes in the demographic composition of the U.S. Swallen points to more women, families and a variety of ethnic groups in ads for banks, credit cards and brokers—ads that once might have featured mostly white men.

As more women work and remain single, they have become responsible for more financial decisions—although the financial services industry is not wholly successful marketing to them, Kantar research has found. (See related story on women's relationship with the financial services industry on p. 14.)

"That inclusiveness is the easy part to accomplish in advertising," Swallen says. "But in addition, compared to 10 years ago, as many more ads are now casting Millennials and Gen X, they are talking about needs specific to people in those life stages, in a language that resonates and is relevant to younger generations."

Generational shift

The gradual generational shift also reflects the fact that Millennials and Gen X have a different relationship with the financial services industry than Baby Boomers do, he says.

"Financial companies have to navigate that divide and find not only the right message and tone, but the right message and tone for the right segment," Swallen says.

That can be challenging with both generations. Gen X has a skeptical worldview in general, while Millennials were coming of age during the Great Recession—an event that affected their perception of banks and other financial services companies. (See related story on Gen X and financial services marketing on p. 16.)

One of the campaigns Swallen finds interesting is American Express Co.'s advertising that plays on the brand's venerable "Don't leave home without it" tagline—with an

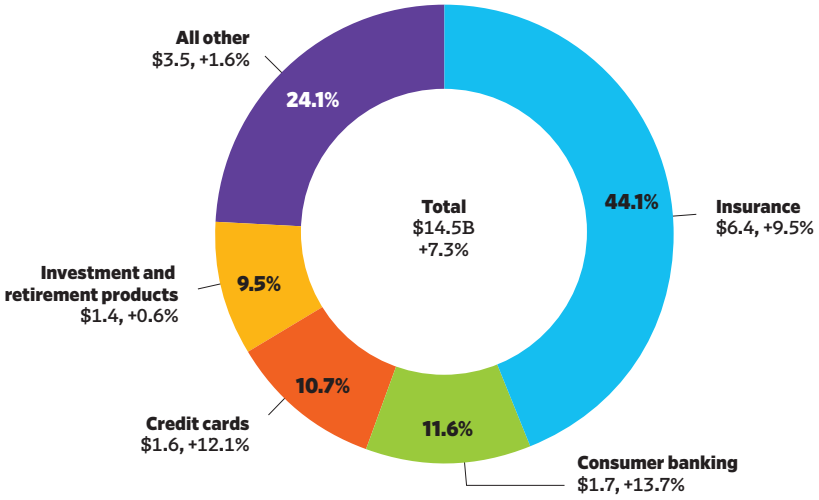
25 biggest financial services advertisers

By 2018 U.S. measured-media ad spending. Dollars in millions.

		Measured-media spending			
Rank	Advertiser	2018	2017	Percent change	Most-advertised categories
1	Berkshire Hathaway (Geico)	$1,646	$1,538	7.1%	Insurance
2	Progressive Corp.	1,096	758	44.6	Insurance
3	Capital One Financial Corp.	665	462	43.8	Credit cards
4	State Farm Mutual Auto Insurance Co.	639	647	-1.3	Insurance
5	Allstate Corp.	452	343	31.8	Insurance
6	Rock Holdings (Quicken Loans)	418	410	1.9	Banking
7	American Express Co.	310	288	7.6	Credit cards
8	Liberty Mutual Holding Co.	305	313	-2.6	Insurance
9	Discover Financial Services	271	224	21.2	Credit cards
10	Wells Fargo & Co.	258	204	26.3	Banking
11	JPMorgan Chase & Co.	241	264	-8.7	Credit cards, banking
12	Experian	230	229	0.3	Financial services data
13	TD Ameritrade Holding Corp.	228	219	4.4	Investing and retirement
14	Citigroup	220	271	-18.9	Credit cards, banking
15	Bank of America Corp.	194	156	24.4	Credit cards, banking
16	United Services Automobile Association	194	188	2.9	Insurance
17	Credit Karma	185	181	2.5	Financial services data
18	LendingTree	184	140	31.8	Investing and retirement
19	FMR Corp. (Fidelity Investments)	173	168	2.7	Investing and retirement
20	H&R Block	169	141	20.1	Tax preparation
21	American Family Mutual Insurance Co.	166	179	-7.3	Insurance
22	Nationwide Mutual Insurance Co.	160	189	-15.6	Insurance
23	Charles Schwab Corp.	145	106	36.4	Investing and retirement
24	Zurich Insurance Group (Farmers)	141	150	-6.0	Insurance
25	Navy Federal Credit Union	134	137	-2.0	Credit cards, banking
Top 25		8,824	7,905	11.6	
All other		5,662	5,593	1.2	
Total		$14,486	$13,498	7.3%	

Source: Kantar. More info: kantar.com/media. Measured media include network TV, spot TV, Spanish-language network TV, cable TV networks, syndicated TV, magazine, Sunday magazine, local magazine, Spanish-language magazine, business publication, national newspaper (New York Times, USA Today, Wall Street Journal), local newspaper, Spanish-language newspaper, network radio, national spot radio, local radio, cinema, desktop internet display, mobile web, online video, desktop search and outdoor.

Financial services U.S. measured-media spending by category in 2018
Dollars in billions. Percent change vs. 2017.



Source: Kantar. More info: kantar.com/media. Insurance includes life insurance, homeowners and personal property insurance, auto insurance, agencies and brokers; excludes medical and dental insurance. Credit cards includes credit cards, prepaid cards, prepaid gift cards and travelers checks. For a description of measured media, see bottom of p. 8.

updated "Don't live life without it" that references the "powerful backing" of AmEx.

"The whole point is to demonstrate that people today, particularly Gen X and Millennials, have lifestyles that integrate business and life—there's less of a divide between them," Swallen says.

One AmEx TV commercial features "Hamilton" creator Lin-Manuel Miranda seamlessly moving between "work" moments and "life" moments. "Inspiration will strike while you're walking your dog," Miranda says in the spot.

"AmEx's message to younger people is: Whatever your need is, we can help you achieve it," Swallen says. "Lin Miranda is the heart of that 35 to 50-year-old demographic, the next wave of customers [that] credit card companies have to attract and retain. You're selling them a product that's not as relevant as it was to their Boomer parents." It's a group that has access to and has adopted multiple payment methods, from mobile banking to PayPal to Venmo, that don't involve credit cards.

AmEx is the largest credit card marketer in terms of card purchase volume, and the third-largest advertiser among credit card companies. Although AmEx spent $223 million on measured-media advertising in 2018, that was down 17 percent from the previous year. No. 3 card company Citigroup registered an even larger decline in ad spending, down 42 percent in 2018, to $81 million.

By comparison, Capital One Financial Corp., Discover Financial Services, Visa, JPMorgan Chase & Co. and MasterCard all posted big increases in measured spending in 2018. Spending increases ranged from a 16 percent boost for Chase credit cards to 122 percent for MasterCard.

In the consumer banking category, spending is dominated by five of the nation's giant national banks: the top four banks in terms of assets—Chase, Bank of America Corp., Citigroup and Wells Fargo & Co.—along with No. 10 Capital One. Together, those five spent $660 million on measured-media advertising in 2018, up 42 percent as a group over 2017, with increases of 25 percent or more from each company. Overall measured spending for consumer banking advertisers rose 15 percent in 2018. AA

10 biggest auto insurance advertisers

By 2018 U.S. measured-media ad spending. Dollars in millions.

		Measured-media spending		
Rank	Advertiser	2018	2017	Percent change
1	Berkshire Hathaway (Geico)	$739	$706	4.7%
2	Progressive Corp.	457	385	18.9
3	Liberty Mutual Holding Co.	263	236	11.4
4	Allstate Corp.	216	228	-5.2
5	State Farm Mutual Auto Insurance Co.	201	288	-30.2
6	American Family Mutual Insurance Co.	137	138	-1.0
7	United Services Automobile Association	51	103	-50.3
8	Safe Auto Group	45	31	43.0
9	Hartford Financial Services Group	28	18	50.4
10	American Automobile Association	22	19	16.4
Top 10		2,159	2,153	0.3
All other		164	128	27.7
Total		$2,323	$2,281	1.8%

Source: Kantar. More info: kantar.com/media. Measured media include network TV, spot TV, Spanish-language network TV, cable TV networks, syndicated TV, magazine, Sunday magazine, local magazine, Spanish-language magazine, business publication, national newspaper (New York Times, USA Today, Wall Street Journal), local newspaper, Spanish-language newspaper, network radio, national spot radio, local radio, cinema, desktop internet display, mobile web, online video, desktop search and outdoor.

10 biggest auto insurers

By 2018 market share of direct premiums written for auto insurance.

Rank	Marketer	Market share
1	State Farm Mutual Auto Insurance Co.	17.1%
2	Berkshire Hathaway (Geico)	13.4
3	Progressive Corp.	11.0
4	Allstate Corp.	9.2
5	United Services Automobile Association	5.9
6	Liberty Mutual Holding Co.	4.8
7	Farmers[1]	4.3
8	Nationwide Mutual Insurance Co.	2.7
9	Travelers Cos.	1.9
10	American Family Mutual Insurance Co.	1.9
Top 10		72.2
All other		27.8
Total		100.0%

Source: National Association of Insurance Commissioners. More info: naic.org. Market share of direct premiums written for 2018 for private passenger auto insurance in the U.S. and Canada. Numbers rounded. 1. Part of Zurich Insurance Group.

10 biggest consumer banking advertisers

By 2018 U.S. measured-media ad spending. Dollars in millions.

		Measured-media spending		
Rank	Advertiser	2018	2017	Percent change
1	Wells Fargo & Co.	$203	$136	49.4%
2	Capital One Financial Corp.	195	148	31.5
3	Citigroup	125	74	68.6
4	JPMorgan Chase & Co.	75	60	26.1
5	Bank of America Corp.	62	47	31.7
6	Navy Federal Credit Union	46	57	-19.4
7	Synchrony Financial	44	44	0.3
8	PayPal Holdings	43	89	-51.7
9	U.S. Bancorp	41	34	21.0
10	HSBC Holdings	31	30	2.8
Top 10		865	718	20.4
All other		811	743	9.2
Total		$1,676	$1,461	14.7%

10 biggest credit card advertisers

By 2018 U.S. measured-media ad spending. Dollars in millions.

		Measured-media spending		
Rank	Advertiser	2018	2017	Percent change
1	Capital One Financial Corp.	$454	$305	48.7%
2	Discover Financial Services	266	211	25.6
3	American Express Co.	223	269	-17.3
4	Visa	116	70	66.2
5	Citigroup	81	140	-42.0
6	JPMorgan Chase & Co.	76	66	15.8
7	MasterCard	56	25	122.1
8	Red Ventures[1]	46	51	-10.6
9	Barclays	42	43	-3.2
10	Navy Federal Credit Union	39	25	60.0
Top 10		1,399	1,206	16.0
All other		153	179	-14.3
Total		$1,552	$1,384	12.1%

Source: Kantar. More info: kantar.com/media. Measured media include network TV, spot TV, Spanish-language network TV, cable TV networks, syndicated TV, magazine, Sunday magazine, local magazine, Spanish-language magazine, business publication, national newspaper (New York Times, USA Today, Wall Street Journal), local newspaper, Spanish-language newspaper, network radio, national spot radio, local radio, cinema, desktop internet display, mobile web, online video, desktop search and outdoor. 1. Primarily spending for CreditCards.com.

10 biggest investment and retirement advertisers

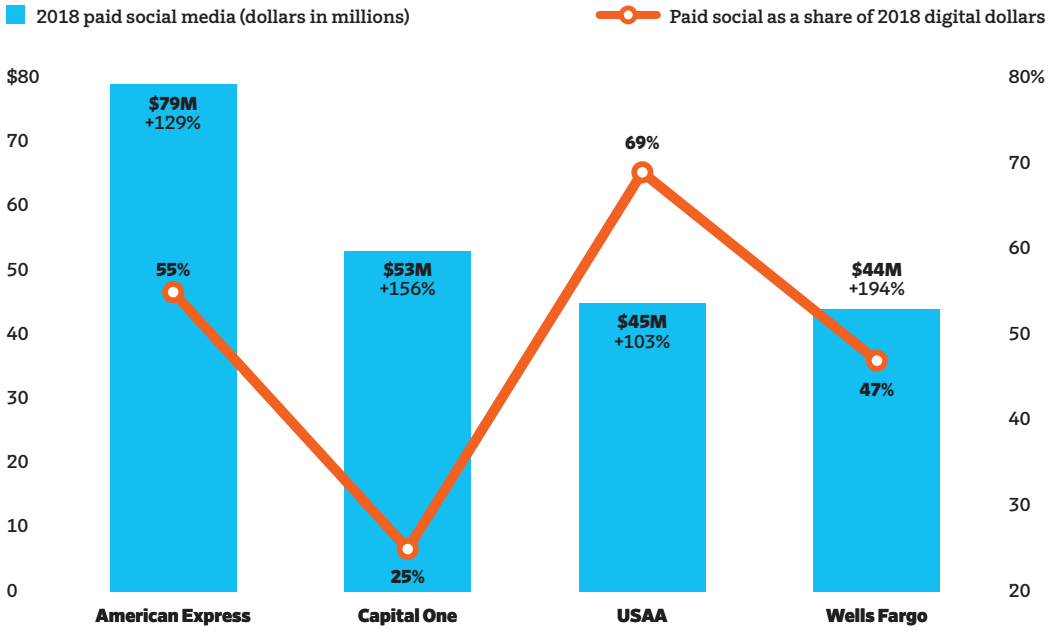
By 2018 U.S. measured-media ad spending. Dollars in millions.

		Measured-media spending		
Rank	Advertiser	2018	2017	Percent change
1	TD Ameritrade Holding Corp.	$227	$218	3.9%
2	FMR Corp. (Fidelity Investments)	149	160	-6.8
3	Charles Schwab Corp.	117	93	25.0
4	E-Trade Financial Corp.	75	72	4.3
5	Fisher Investments	58	57	1.4
6	MetLife	44	68	-34.9
7	Prudential Financial	44	41	8.2
8	Bank of America Corp.	37	37	-1.5
9	Vanguard Group	30	19	55.8
10	Jones Financial Cos. (Edward Jones)	30	30	0.8
Top 10		811	796	1.9
All other		562	569	-1.2
Total		$1,373	$1,364	0.6%

Source: Kantar. More info: kantar.com/media. Measured media include network TV, spot TV, Spanish-language network TV, cable TV networks, syndicated TV, magazine, Sunday magazine, local magazine, Spanish-language magazine, business publication, national newspaper (New York Times, USA Today, Wall Street Journal), local newspaper, Spanish-language newspaper, network radio, national spot radio, local radio, cinema, desktop internet display, mobile web, online video, desktop search and outdoor.

Getting more social

Major financial services advertisers that more than doubled social media ad budgets in 2018.



Source: Pathmatics. More info: Pathmatics.com.

WOMEN AND INVESTING

The financial services industry needs to build its credit with women.

Research from Kantar shows that financial services marketers have not done the best job communicating and engaging with women customers, especially in terms of investment and retirement products and services.

The changed social and economic status of American women makes it a priority. The first generation of women who worked full time have been retiring, and more women are choosing to remain single, says Audrey Looker, senior VP-qualitative for the Insights division. Women now account for 47 percent of the U.S. workforce, and that shows no signs of shrinking; 56 percent of college students are women, according to the U.S. Census Bureau.

"Women are reaching higher levels of financial success; you'd think naturally that they'd become more comfortable and engaged with financial services products," Looker says. "But it's not happening."

Looker says Kantar research shows that although women are often tasked with managing everyday banking and insurance for their households, they feel less confident than men do in making decisions about long-term investments and retirement income.

Combined with the severe time pressures women face, the result is that they often choose not to engage with the financial services industry—for example, delegating investment decision making to others or simply operating with a "set it and forget it" mentality on savings and retirement programs.

Kerry Sette, VP and head of consumer insights and research for investment firm Voya Financial, says her company's research shows that women are often "undersaved" in terms of their retirement accounts. "As an industry, we have a long way to go," Sette says. "But the transfer of wealth to women is happening and we need to respond to that."

Part of the issue is that women approach their personal finances differently than men do. "Women have an end-benefits perspective," Looker says. "They're interested not so much in whether they beat the market, but 'is this going to get me to the retirement I want? Is this going to help send my kids to college?'"

Another problem is that financial services marketing is clearly more focused on men. Kantar took a look at media spending data and found that in 2017, financial services companies spent 13 times more money advertising banking, investment and retirement products and services in male-oriented magazines than in women's magazines. "That says to women: 'You are not our target,'" Looker says.

Kantar's insights suggest several ways marketers can better engage female customers, according to Looker.

First, banks and other financial institutions can increase trust by building deeper, individualized relationships with women.

Even making sure that websites and apps are personalized and address customers by name makes a difference to women.

In advertising, marketers should avoid fear-based communications—Looker says those turn women off—as well as messages that are condescending and patronizing.

Representing a diverse employee and customer base in marketing communications resonates with women.

Sette says it's important that women are not an afterthought and made to feel that financial services is a man's world. Her recommendation: "Design for a woman and the men will also come." AA

Women and financial services

Attitudes toward financial services.

Percent of women who:

Have been a customer of their bank for more than five years (compared to 46 percent of men)

Say they understand everyday banking

Say they understand longer-term borrowing like mortgages and loans

Say they feel overwhelmed by the different ways to invest their money (compared to 45 percent of men)

Say they are worried about running out of money in retirement

Say they are not involved in decisions on long-term investment products (compared to 16 percent of men)

Fast facts on women and personal finance

There are

126 MILLION

adult women in the U.S., according to the U.S. Census Bureau.

Women control

51 PERCENT

of personal wealth and 80 percent of consumer spending.

In more than

40 PERCENT

of U.S. households, women are the primary source of income.

Source: Kantar Winning Over Women Program. Data from Kantar TNS survey on financial services; Kantar TNS qualitative focus groups with women; Kantar TNS in-depth interviews, August-November 2018. More info: kantar.com. Additional data from U.S. Census Bureau 2016 reports. More info: census.gov.

THE X FACTOR

Sandwiched between the Baby Boomers and the Millennials, Gen X often appears to be the country's forgotten generation.

In January, when BuzzFeed News and CBS famously left Gen X off a list of American generations—skipping right from the Boomers to the Millennials—it inspired an eye-rolling Twitter barrage from Gen X users, famous and non-famous. "Remember us?" tweeted author Megan Kelley Hall.

Financial services marketers also seem to be ignoring the Gen Xers, moving from sunny retirement messages aimed at Boomers to the early-career concerns of Millennials, says Kantar's Ryan McConnell.

"In a lot of ways it's an odd situation: As Gen X is taking over leadership positions in the world, taking the lead in earnings and spending among all generations, it suggests there should be more of a financial focus on Gen X—more ads focused on their needs, more ads alluding to Gen X nostalgia, of Gen X coming of age," says McConnell, senior VP for Kantar's Consulting division.

"But that doesn't seem to be happening as much as it did with the Boomers. It seems to be an enormous missed opportunity."

Birth-year definitions of Gen X vary, but the cohort roughly includes Americans born from the early 1960s through 1980—people now in their late 30s, 40s and 50s.

Gen Xers came of age post-Watergate and Vietnam, when Americans had lost trust in institutions, when divorce rates accelerated and women began entering the workforce in larger numbers. There was an emphasis on the free market and individual choice, but also skyrocketing national debt and inflation.

These factors contribute to Gen Xers' worldview, McConnell says, which is portrayed as more skeptical, self-reliant and pragmatic than either the Boomers or the Millennials.

Now in their prime work years, Gen Xers earn the most money per year ($95,052) and spend the most of all current generations ($72,459), according to the Consumer Expenditure Survey released in September 2018 by the U.S. Bureau of Labor Statistics.

Financially speaking, Gen Xers' concerns are different from those of the Boomers for several reasons.

Gen Xers are the new "sandwich" generation; 47 percent of adults in their 40s and 50s have a parent aged 65 or older while they are simultaneously raising a young child or supporting a grown child aged 18 or older.

They take that responsibility seriously and strive to achieve the work/life balance that their parents missed.

In Kantar's U.S. Monitor research, 67 percent of employed Xers agreed with the statement, "I would be willing to pass up a promotion if that promotion meant that I would have less time with my family."

U.S. Monitor research pegs Gen X as the most financially insecure generation: Gen Xers feel less in control of their financial future, and they are less confident in their ability to retire when they want to.

They're also the least likely to pay off the full balance of credit cards every month.

More than half of Xers agreed with the statement, "I feel overwhelmed by the number

iStock

of different ways I can invest my money," compared to only 40 percent of Boomers who say they felt that way.

Yet 88 percent of Gen Xers say the No. 1 sign of success and accomplishment is being debt-free—ahead of things like being in good health, being really good at your job and retiring when you want to.

McConnell thinks financial services marketers are not addressing many of these Gen X-specific concerns.

Given their age and the responsibilities they are juggling, there are plenty of reasons Gen Xers might need financial help—for planning retirement, supporting aging parents or getting kids through college.

However, McConnell says, the investment messages for retirement planning, for instance, still reflect a Baby Boomer worldview.

"The common message is 'You just gotta retire and you'll be on the golf course, on Easy Street for an idyllic retirement,'" he says. "But that does not resonate with Gen X's more cynical, practical view that there will be ups and downs now and after retirement."

Framing features in a more realistic way is more likely to resonate with Gen X, he says.

McConnell also thinks marketers should appeal to and innovate around Gen Xers' need for family security and their general skepticism.

"It's a generation that struggles with trust. Financial services professionals should work to reach them, to give them the feeling they're in control," McConnell says. He says Gen Xers will respond to a collaborative approach with financial advisers.

Finally, Xer nostalgia does not get the same consideration in marketing as does the popular culture of the Boomers' years or even those of the Millennials. McConnell thinks savvy marketers who tap into the right cultural icons and markers will more effectively connect with Xers.

"Someday soon a smart marketer will seize this opportunity to own a group that is not getting the attention it deserves," McConnell says. AA

Social insecurity

How GenXers feel about financial matters.

Gen X: more financially insecure	Millennials	Xers	Boomers
I feel financially secure	28%	24%	37%
I feel I am in control of my financial future	67%	60%	72%
I pay the full balance of my credit card by the due date[1]	57%	45%	61%
I pay more than the minimum amount due but less than the full balance due[1]	32%	44%	33%
I pay the required minimum amount due[1]	11%	10%	6%
Gen X vs. Boomers		**Xers**	**Boomers**
I feel overwhelmed by the number of different ways I can invest my money (among age 18+)		51%	40%
I am happy to take some risks for the chance to enjoy greater rewards		56%	41%
I prefer to play it safe and not take unnecessary risks		44%	59%

Source: Kantar. More info: kantar.com. 1. Attitude toward normal credit card payment method (among those who currently have a credit card).

HOW SEARCH IS CLICKING FOR THE NEOBANKS

Disruptors are using paid search ads to cash in on consumer interest in digital banking.

Digital-only "neobanks" including Aspiration, Chime, Simple and Varo are challenging the major traditional banks by promising a more efficient, convenient and sometimes less expensive way to access checking and savings accounts.

Although the banking powerhouses still have huge numbers—Bank of America says it has 37 million digital accounts, and J.P. Morgan Chase boasts 50 million—the neobanks are growing fast.

Aspiration has more than 1 million users, and Chime quadrupled its customer base to more than 4 million in 2018, adding 1 million customers in the fourth quarter of 2018 alone. Neobanks have become even more of a factor in Europe than in the U.S.

"Just like many other industries, banking is being disrupted by these online-only players," says Amy Rux, VP-sales for Kantar's Media division. "And in terms of marketing, where the disruptors are really starting to compete is in the search space."

A Kantar analysis shows that for the first half of 2019, among the top players in paid search clicks among checking and savings advertisers, seven of the top 10 in desktop clicks and four of the top 10 in mobile clicks were not traditional banks. The nontraditional players included neobanks and online loan servicer SoFi as well as credit card companies promoting their online-only banking services.

Kantar analyzed U.S. Google desktop and mobile clicks on 152 non-branded checking- and savings-related keywords from January through June 2019. Keywords included terms such as "bank account," "online bank account," "open bank account online" and "free checking account."

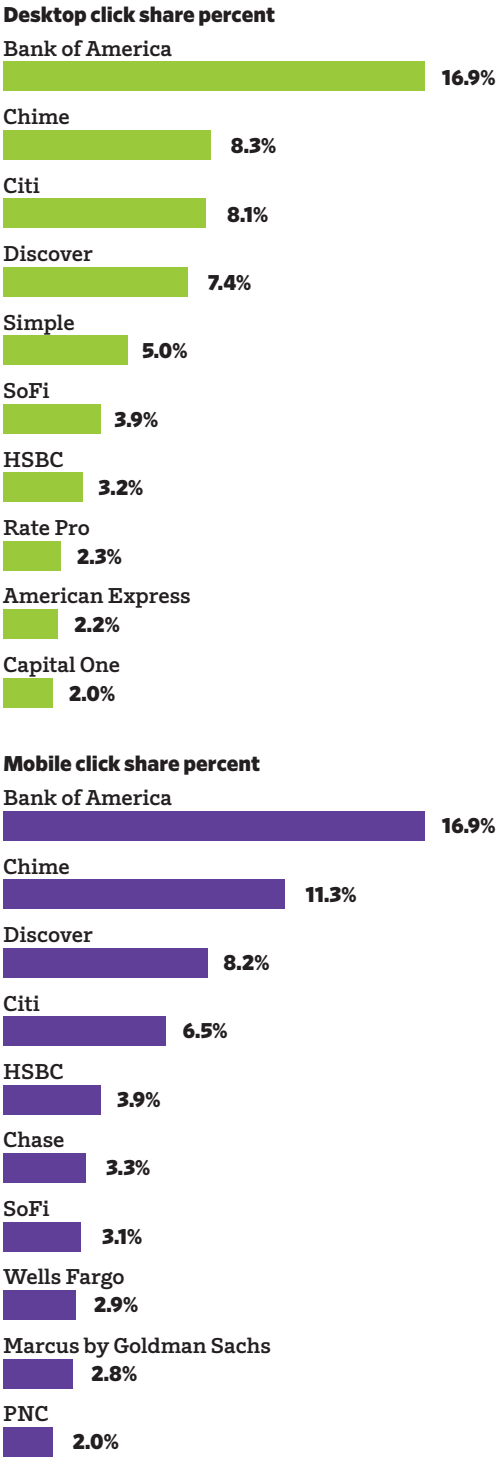
Chime was the clear neobank leader in search advertising. It ranked second among all advertisers in both desktop and mobile search, behind only Bank of America. Chime scored an 11.3 percent click share in mobile and an 8.3 percent share of desktop clicks.

The online-only banking companies—Chime together with Simple, SoFi and Marcus by Goldman Sachs (the online savings and loans arm of Goldman Sachs)—garnered more than 17.2 percent of all clicks on the checking and savings keywords Kantar studied in both desktop and mobile search. That's more than paid search leader Bank of America's total share of 16.9 percent.

"What the findings are telling us is that the neobanks are making it more difficult for the traditional banks to reach the consumer," Rux says. "Because it's more nimble, search allows these players to compete with the traditional banks in the space."

The dynamic in banking is not unlike other categories, where digital-first sellers

Top checking and savings advertisers
By paid search clicks.



Source: Kantar data based on U.S. Google click share percentage for desktop and mobile text ads displaying on 152 checking- and savings-related keywords, January-June 2019. More info: kantar.com.

have upended traditional brick-and-mortar retailers, often by first using search and other digital advertising tools. Rux pointed to Wayfair in home goods, Casper and Leesa in mattresses, Harry's and Dollar Shave Club in men's grooming and—of course—Amazon.

Like some of these digital-only retailers, the neobanks have begun to invest in traditional TV advertising to bolster their digital marketing efforts.

Chime spent $13.8 million on TV ads in the first half of 2019, and Aspiration spent $12.7 million, according to Kantar data.

Of course, those numbers are dwarfed by the big banking giants: Wells Fargo spent $101 million on TV in the first half of 2019, compared to $70 million from Chase, $30 million from Citi and $20 million from Bank of America, Kantar reported.

"It will be interesting to see, as the Chimes of the world get more presence in the industry, if their traditional ad spending will increase as well," Rux says.

The big banks face competition not only from these neobanks, but also from credit card companies that offer online banking.

Capital One and Discover Financial Services offer online checking and savings accounts. American Express offers online savings accounts.

These companies are among the top 10 checking and savings advertisers in paid search clicks. Discover ranked fourth in terms of desktop clicks, and third in mobile clicks, according to the Kantar analysis of the first half of 2019.

Rux says the bottom line for traditional banks is that the competitive landscape has changed significantly, and the big banks will continue to compete for customers against their credit-card nemeses as well as the new and aggressive digital-first players—making it more challenging to get the attention of potential customers.

"There's been a profound shift in how consumers are banking, as they plan and spend more time with their finances online and on their phones," Rux says. "A wide range of companies are starting to realize that—and to use search advertising to reach those customers." AA

CASH BACK IS IN THE CARDS

Actor and comedian Kevin Hart touts the cash back rewards of the Chase Freedom Unlimited Card.

Chase

Despite marketing and media attention on frequent flyer and buyer cards, cash back programs remain the most popular type of credit card rewards with consumers.

A recent study by CreditRatings.com found that nearly three-fourths of cardholders had a cash back card.

But for those cardholders who have the time, flexibility and financial motivation, credit cards with enhanced cash back programs that rotate quarterly between different retail categories are particularly popular.

Kantar research shows that certain groups of cardholders are especially motivated to choose which credit cards they pull out of their wallets based on these quarterly cash back promotions.

According to Kantar research, 21 percent of new credit card holders say they prefer a cash back program that offers not just a standard 1.5 percent cash back on all purchases, but a year-round 1 percent cash back combined with an enhanced 5 percent rotating quarterly cash back reward for certain purchases.

Typically, those quarterly bonuses reward higher cash back rates for purchases in select categories such as gas stations, grocery stores and restaurants, or at specific retailers.

Interestingly, it's younger and more affluent consumers who are most interested in these quarterly bonuses.

Research from Kantar's 2019 New Card Acquisition Study shows, for instance, that 27 percent of cardholders 18 to 34 years old say they prefer the higher-earning quarterly cash back programs—six percentage points higher than the average.

Similarly, 23 percent of cardholders with an income of $75,000 to $99,900 say they prefer quarterly cash back programs. That went even higher, to 25 percent, for cardholders whose income exceeds $100,000, the Kantar study found.

"Over the past five to six years, there's been a tremendous overhaul of the cash back credit card market," says Greg Flemming, senior VP of Kantar's Profiles division. "The space has become incredibly competitive. A consumer can get a credit card offering practically any configuration of cash

Credit cards

U.S. market share based on card purchase volume.

		Market share	
Rank	**Marketer**	**2018**	**2017**
1	American Express Co.	20.5%	20.5%
2	JPMorgan Chase & Co. (Chase)	20.1	19.8
3	Citigroup (Citibank)	11.2	11.3
4	Bank of America Corp.	9.8	9.9
5	Capital One Financial Corp.	9.2	8.7
6	U.S. Bancorp (U.S. Bank)	4.0	4.1
7	Discover Financial Services	3.8	3.8
8	Wells Fargo & Co.	3.7	3.8
Top 8		82.2	81.9
Other		17.8	18.1
Industry total (*purchase volume, dollars in trillions)		$3.7*	$3.4*

Source: The Nilson Report. More info: nilsonreport.com. Market share of general purpose credit cards based on total purchase volume (spending at merchants for goods and services) in dollars for U.S. credit card issuers. Numbers rounded. This table was originally published in Ad Age Leading National Advertisers Fact Pack 2019 (June 2019).

back—additional earnings for specific categories or retailers year-round, for instance. All these cash back rewards are consistently the most popular credit card rewards among consumers."

The Chase Freedom and Discover cards publish a yearly calendar offering cardholders the enhanced 5 percent cash back for a different set of retail purchases each quarter.

"These programs demand a more sophisticated user—one who's aware of the quarterly promotions and makes sure to use the right card," Flemming says. "They also benefit people who have multiple credit cards, and have the flexibility to use whichever card can maximize their rewards at the moment. That's often more affluent consumers."

Kantar's research found that these quarterly reward programs generally do provide a bump for the featured retail outlets.

Chase Freedom's quarterly bonuses encouraged more purchasing at gas stations and grocery stores, according to the research.

For instance, Kantar found that Chase Freedom cardholders did appear to specifically pull out their Chase cards during promotional periods for gas stations.

The average number of quarterly transactions at gas stations rose to 9.4 from 7.3 during the Chase Freedom third-quarter 5 percent cash back promotion—with a corresponding dip in the number of gas station transactions made using credit cards from American Express and Bank of America.

The quarterly cash back programs seem to have more impact for certain categories of retailers. For instance, Discover cardholders made significantly more purchases—23.5 transactions, on average, compared to 15 or 16 during a non-promotional quarter—at restaurants during a third-quarter 5 percent promotion period.

Purchases at grocery stores also increased noticeably during featured quarters for both Chase Freedom and Discover cardholders.

On the other hand, Flemming says, the number of transactions at wholesale clubs increased only modestly during promotional quarters for Discover cardholders. AA

Quarterly credit card rewards programs

Attitudes toward offers.

Which of these credit card rewards offers would you most prefer?

Option 1:
One standard earn rate of 1.5 percent for all purchases
40%

Option 2:
A standard earn rate of 1 percent for most purchases; with 2 percent to 3 percent rates for specific categories all year
39%

Option 3:
A standard earn rate of 1 percent for most purchases; with 5 percent rate for categories that vary each quarter
21%

Younger, wealthier customers prefer quarterly rewards programs

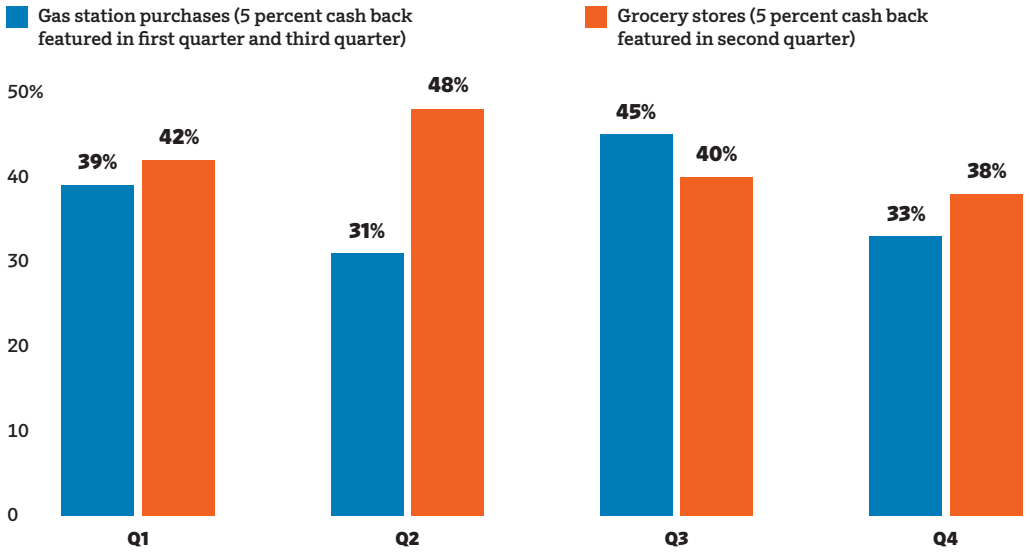
New credit card customers who prefer Option 3 represent:

Percent	of customers aged:
27%	18-34 year olds
22%	35-49 year olds
16%	50-64 year olds
15%	65 and older
Percent	**of respondents with yearly income:**
17%	Under $30,000
20%	$30,000-49,900
18%	$50,000-$74,900
23%	$75,000-$99,900
25%	$100,000 and higher

Source: Kantar New Card Acquisition Study, February-March 2019. Responses from 5,000 consumers with new credit cards. More info: kantar.com.

Quarterly cash back programs induce more purchasing

Percent of Chase Freedom accounts with at least one purchase in the listed category.



Source: Kantar Behavioral Payments Panel, January-December 2018. More info: kantar.com.

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