

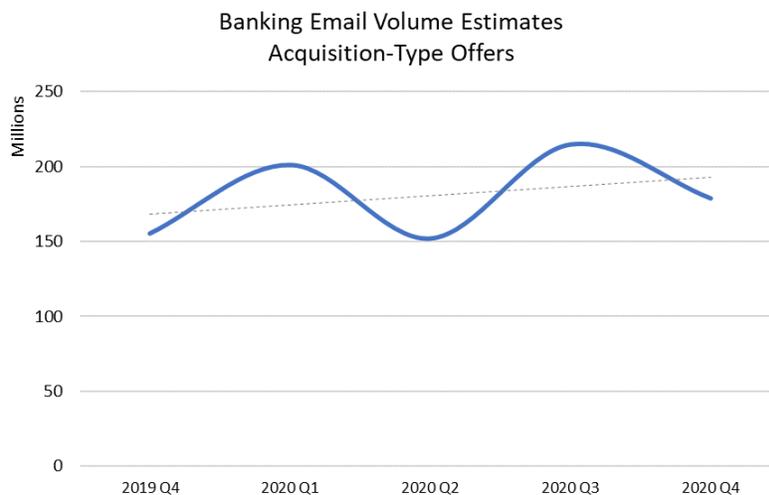


Are fintechs taking over the inboxes of your prospects?

By Meg Cipperly, Senior Director, Competiscan

The banking industry has experienced a surge of new product launches from fintechs and disruptors promoting digital checking and savings products in the past few years. What does this influx of new entrants mean for marketers?

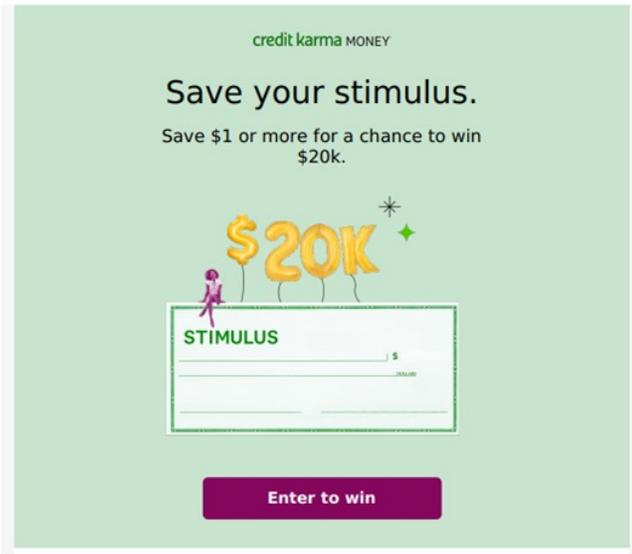
In many financial services categories, promotional marketing activity decreased in the past year. However, Competiscan has observed a 27% increase in email volume year-over-year in the banking sector, primarily driven by fintech activity.



Media Channel: Email | Sector: Banking | Audience: Consumer | Added to database: Between October 2019 and December 2020 | Country: US | Primary: Primary | Mailing Type: Acquisition, Follow-Up, Upgrade/Cross-Sell, Win-Back

In Q4 2020 fintechs Credit Karma, Credit Sesame, SoFi, and Chime were among the top ten banking email marketers, outpacing many traditional brick-and-mortar banks. Notably, Competiscan observed tens of millions of emails from Credit Karma in Q4 2020 promoting its Credit Karma Money Checking and Savings accounts. In addition to sending high volumes of campaigns for both products, Credit Karma incorporated unique and timely incentives to encourage users to open a new account.

From: Credit Karma
Subject: \$20k could be yours
Date: December 31, 2020 at 9:57:08 AM EST



In an email campaign from December 2020, Credit Karma encourages users to open a savings account and deposit their stimulus payment for a chance to win a cash prize.

Fintech marketing is here to stay

Increasingly, fintechs are positioning themselves to their prospect base as the sole source for their clients' financial needs. While many fintechs began with a foothold in one product category like personal loans or mobile investing – most are diversifying their product lineup to provide a suite of solutions that allow consumers to bank, invest, borrow, and manage their finances from one platform. This strategy is more convenient for the consumer, and more profitable for the financial services provider as it lowers customer acquisition costs and retains stickiness with the customer relationship. Competiscan has observed continued investment in this strategy from many fintechs in the past year – with notable product launches and enhancements from companies like Credit Karma, Credit Sesame, Betterment, Ellevest, and Radius Bank (to name a few). With their expertise in providing digital/mobile-first financial solutions, these companies can introduce new products and tools at neck-breaking speeds.

What about traditional banks?

Some banks including Bank of America and Capital One have retained a strong presence with email marketing for banking promotions throughout 2020. However, there may be opportunity in the mailbox to stand out – while inboxes are crowded with the presence of fintech marketers, most have not ventured into the direct mail media channel yet. Marketers looking to capture attention may find success through a multi-channel approach. For example, both Citibank and American Express dominated the share of voice for savings account offers in the second half of 2020. While interest rates remained at historically low levels, these two banks accounted for the majority of primary deposit promotions observed in Q4 2020. While Competiscan did observe a more diverse mix of banks in the mailboxes promoting checking and combination offers, total activity in the direct mail channel was still well below pre-pandemic levels.

Offer differentiation is key

Banking offers are becoming increasingly competitive. In the direct mail media channel, cash incentives have long been a staple of promotional marketing materials. For banks utilizing this approach, it should be noted that the median and maximum observed cash incentives for these promotions have continued to climb over the past couple of years.

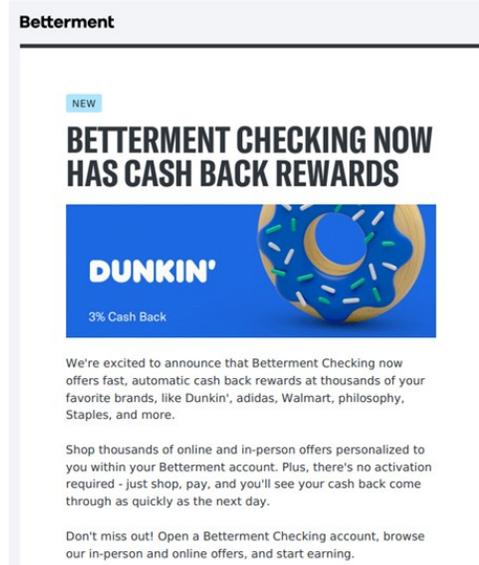
Meanwhile, fintechs are taking a different approach to acquisition strategy, promoting ongoing benefits like no fees, access to early direct deposit, credit score monitoring, and rewards programs. For reference, within direct mail marketing promotions (primarily comprised of marketing from brick-and-mortar banks), less than 4% of checking acquisition materials referenced a rewards program in Q4 2020. Alternatively, in the fintech-dominated email channel, rewards programs were mentioned in checking acquisition campaigns ten times as often.

As the landscape of consumer banking continues to evolve and fintech adoption becomes more mainstream, it is essential for marketers to stay on top of what offers and value propositions are presented to their prospects to remain competitive.

For more information on consumer banking trends, Competiscan clients can view the full Banking Overview Trend Report [here](#). Not a client? [Sign up for a demo today](#).

From: Betterment
Date: Thu, Nov 19, 2020 at 5:44 PM
Subject: New: Cash back rewards with Checking

Log in



In an email campaign from November 2020, Betterment promotes its new Cash Back Rewards feature on its Betterment Checking account.

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