



BANKING ON DISRUPTION

How to safely accelerate
digital marketing in the
financial sector



The customer is in charge

Marketing and digital teams in the financial sector know today's stark truth: the customer is in control. Customers have more product options, a wider variety of potential providers and a vast reservoir of online data about the financial sector to inform their decision making. It is easier for them to understand, evaluate, bargain and switch than ever before.

As a key player in your marketing team, you realise this is an enormous opportunity to outperform your competitors, but it's also a huge challenge. Digital channels offer new ways of connecting, engaging and nurturing new and existing customers, particularly in mature financial markets like the US and the UK.

The fundamental challenge of building and retaining trust with your customer remains, and is more important in your sector than almost any other, especially online. You need to respond faster to these better informed, more demanding customers without increasing your organisation's risk profile.

SilverStripe has been working on digital projects in the financial sector since 2011. It's one of the most exciting and challenging areas for digital innovation, particularly in the areas of customer acquisition and nurturing. In this eBook, we've assembled some ideas and observations based on our experience about how you can safely and effectively increase the pace of your digital marketing.



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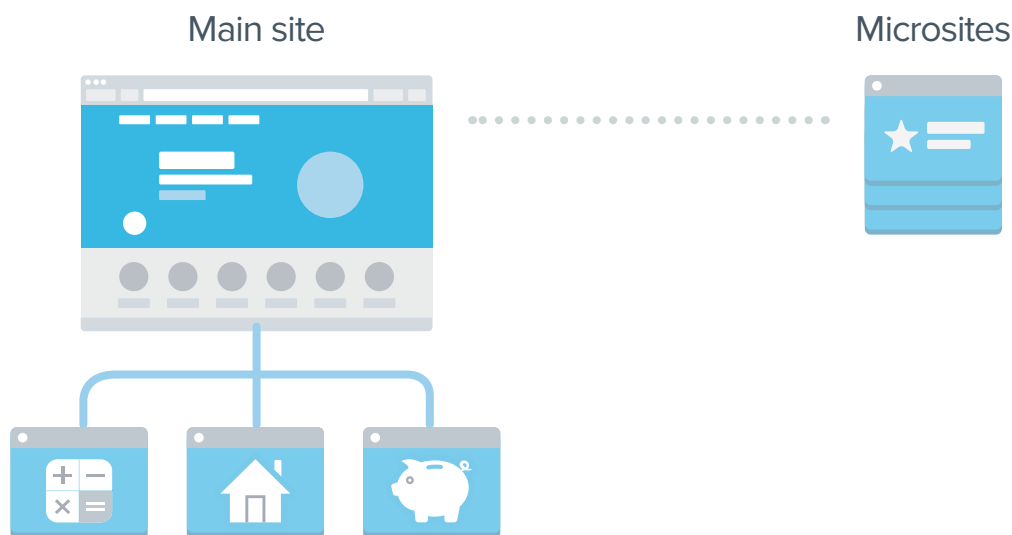
Banking on marketing

Digital technology is core to the modern financial institution. Online technology began as a way for banks to achieve cost reductions, matured into a way of selling and servicing customers more effectively and is now increasingly about creating the best customer experience.

An important frontier in digital innovation for banks, whether you are in London, England or London, Ohio, is marketing. For financial marketers, wonderful

opportunities exist to connect with customers in richer ways, such as social media channels, or through innovation around location aware mobile devices.

As a bank marketer you will have key market data, such as your customer's insights and offers, ready to deploy, along with traditional marketing channels such as print and television advertising, but you may remain frustrated at being unable to respond quickly with your main digital platforms, in particular, your corporate website.



Across many US and UK financial institutions, marketers will enjoy more control over your social media channels than over your organisation's own website. You may have been forced to create microsites (i.e. campaign specific websites separate from your main corporate web domain) as a way of responding effectively to market opportunity. The result can be a messy tangle of online initiatives, as confusing for your customer as they are for your internal team.

The reason is understandable. By nature, banks must be risk-averse—after all who wants to trust their money to an institution that is not? Banks are very good at being

aware of the legal, compliance and reputational risks of getting it wrong with their customer's funds, and any digital marketing initiatives need to operate within these constraints.

As marketers, you have to be able to respond to opportunity. You need to differentiate quickly in a world where financial services are being delivered by a broader range of companies who have fewer natural constraints. How can you reach past this and digitally deliver the campaigns, offers and product innovations your customers demand?



The eight principles of safe digital marketing innovation

Digital marketing has become synonymous with speed: focusing on using powerful, cost-effective tools to deploy online campaigns quickly and reduce reliance on expensive, pitched-battle traditional advertising campaigns. Marketers see an opportunity and respond.

In the financial sector, speed for speed's sake is not a sustainable approach. In a digital world, customers expect a consistent experience from a bank's initial brand touchpoints like advertising or social media through to fulfillment. Undue haste can undermine the delivery of that smooth interaction.

The real challenge is not simply about implementing projects quickly, which is relatively easy to do. It is about changing the way your bank does things so you can continuously execute more quickly.

From our financial sector engagements, we've developed a set of eight principles to help increase speed while managing risk with your digital marketing.

1

Customer-led From personas to person

Bank marketers typically have this challenge nailed, being rich in customer data and insight. The challenge is deploying marketing strategies that are more and more personalised, rather than focused just on age and stage i.e. matching product offerings to maturity and major life events.

With digital technology it is increasingly possible to know who you are talking to, and have a tailored conversation with that person online.



TAKING ACTION: Create user groups with real target customers to drive ideas. Gain feedback in real time as people use your products or services, and don't be afraid to ask what they think—people are actually really happy to help out.

2 Data driven Drowning in analytics

Financial institutions, and banks in particular, have incredibly rich information about their customers. They know what they spend, on what types of brands, how often and through what channels.

As a bank marketer, you have the incredible opportunity to use this 'big data' to provide customers with highly targeted and relevant offers, from both your own institution and from a broad range of partners. What executives want to understand is how this can be effectively monetised in a digital sense.



TAKING ACTION: Clearly define the value proposition to your user, and analyse the data to see if it supports your proposition. It's easy to get data overload, so testing your hypothesis early with real users, based on what you think you know, will really refine and focus your product offerings.

3 Tech-enabled Digital readiness

To respond to change in a digital landscape, technology needs to be seen as an enabler, not the end goal. This means a commitment to the best tools, processes and web technologies, to empower your team to support digital innovation.

TAKING ACTION: Take a look at your tools and tech, and make sure you have the best tools for the job, and that everyone knows how to, and is authorised to use them.

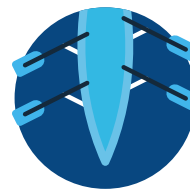


Ensuring your staff have been trained in key applications, have the right devices to maximise their work, and are encouraged to try new things, will mean you are able to innovate effectively.

4 EMPOWERING WITH Distributed authority Trust your people

Bank marketers tend to have more control over paid (TV, print, online) and social media channels than your own digital channels. The result is an inability to provide customers with a seamless experience, from initial touch points to conversion online.

A key to innovating quickly with digital marketing is safely empowering your marketing teams. A simple example is building graduated levels of control into your web platform's content management system. That is, allowing levels of approval relevant to the significance of the project—from a simple text change on your website through to a major integration with backend systems. The underlying principle: what can you safely do as marketers without needing to bring the tech team in?



TAKING ACTION: Collaboration is more difficult with a top-down, command-and-control approach. Create highly functioning teams, and give them the autonomy to decide how to best solve their own problems, united by a common purpose.

5 Responsive

Disrupting yourself

Digital means disruption, and there are plenty of players ready to challenge mainstream banks and financial institutions across the UK and the US. At one end, technology giants like Amazon, Google and Apple have the resources, customer reach and technical capability to compete aggressively in financial services while, at the other extreme, challenger banks like Atom, Starling and Mondo in the UK are more agile than traditional banks.

Disruption requires looking at risk in a different way, especially in customer facing areas like marketing. Combining the right technology, with distributed authority and continuous quality processes to achieve the same result, such as safely deployed digital initiatives, but at a faster pace.



TAKING ACTION: It's critical to be in a position to respond rapidly, so look for any constraints that may be holding you back, and work out whether they are real constraints versus perceived constraints that can be removed.

6 SHOWING Leadership

Getting in front

Leaders in financial institutions have an immense fiduciary responsibility, especially in the biggest and most competitive markets of the UK and US. Marketers have to recognise this, and help in the understanding that increasing the speed of digital marketing doesn't have to be unsafe.

As marketers and digital managers you must be able to prove to your leadership that you can deliver a better return on investment with digital marketing initiatives, without exposing your institution to greater risks.

TAKING ACTION: Senior leadership need to be engaged, transparent, and giving their teams what they need to execute the necessary changes. Lead by example, and demonstrate that you are serious about change, and that it's not just lip service.



7

INTRODUCING Capability

New blood

New skills, new methodologies and new thinking are often required to change your approach to digital marketing within a financial institution. It is not always possible to hire in-house, but you can engage agencies with specific skills and capabilities in retail banking and other parts of the financial sector.

It's also about having people on the ground who are digitally competent, who have career incentives that are aligned with team success rather than individual competitiveness, and who are resilient to change. Having a flexible mindset and the attitude that change is opportunity means both internal and external personnel move forward with a common goal.



TAKING ACTION: Don't be afraid to outsource to learn new skills, educating your staff in new ways of thinking.

8

Managed risk

The ultimate aim

Banks natural risk aversion works against the fast deployment of digital projects, particularly those supporting marketing. Risk constraints (legal, compliance, brand) mean tight processes are wrapped around any digital projects, effectively squeezing you through a narrow 'channel' of approvals.

The ideal is to develop a continuous quality process. That is, digital marketing initiatives that are being created and deployed within well-defined parameters, and continuously tested during development to ensure they can be safely deployed. With the right structures in place, it is possible to balance control and flexibility in your digital marketing.

Digital marketers need to combine the previous seven principles to achieve this. It is counter-intuitive, but the key to moving faster in the banking sector is improving your quality outcomes by freeing things up. This in turn empowers your organisation to focus on the most important projects and free others to move faster.

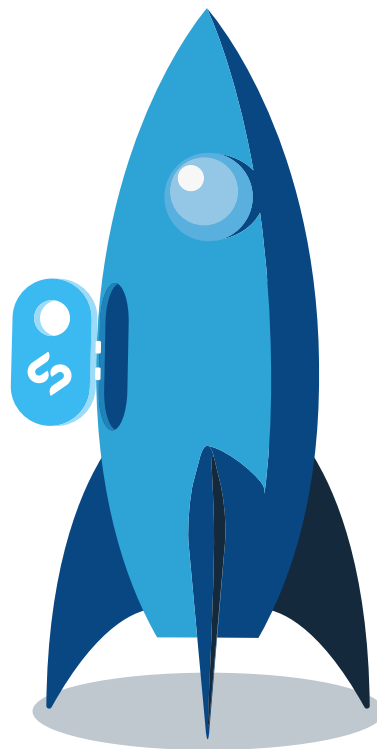


TAKING ACTION: Right-size risk profiles based on business impact and opportunity value. Create loosely coupled solutions, starting with small, experimental projects that you can grow incrementally if they succeed, and ensure that experimentation doesn't hold back quality for long-lived systems.

Accelerating disruption in your bank

Speed is key when it comes to executing digital campaigns in the financial sector, but so is managing risk. Your customer's trust is everything.

A potential risk is focusing too much on rapidly creating digital projects with clever technology, and too little on changing your bank's fundamental approach to responding to change quickly but securely. For innovation and speed to be sustained, you must build the capacity within your bank to continuously execute change more quickly: aligning people, process and smart technology, and balancing risk and opportunity against your return on investment.



Get started

At SilverStripe, we understand that the transformation of your bank's digital marketing has to be achieved one step at a time. We have created a set of components to help financial institutions and your agency partners get started in transforming your digital marketing.

FIND OUT MORE AT
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SilverStripe

SilverStripe Ltd is a New Zealand based company internationally known for our open source web content management system (CMS) and Agile software development prowess. With over 1 million downloads of the CMS and more than 24,000 community members, the open source software is widely known and supported. SilverStripe works across the banking, public sector, telecommunications and utilities and have been delivering digital projects in the financial sector since 2011.

SilverStripe has over 60 staff across New Zealand, Australia and the UK, as well as partners throughout the world, helping clients accelerate their Digital Transformation.

www.silverstripe.com