



Six Key Trends in Consumer Finance Shaping Marketing

*And the crucial questions you must consider
if you're going to use marketing data*

 **AnalyticsIQ**

Basis[®]
Technologies



Are cashless transactions and digital payments here to stay or just a fad?

Each year, we consistently move towards a digital society; payment methods are no exception. Cashless technology and apps, such as Venmo, Zelle, and Apple Pay, have increased their in-store presence among major retailers. In fact, nearly one in four business owners have seen contactless payments rise since March 2020.¹

But is this trend here to stay?

According to AnalyticsIQ's consumer insights, not only is 24.2% of the US population already likely to incorporate digital transactions into their everyday lives, but that number is expected to accelerate.

What does this mean for businesses and marketers?

In today's world, brick and mortar stores should seriously consider offering digital payment options. And when you do have these solutions available, let your customers know – they'll be eager to spend some 'digital' dollars!

AnalyticsIQ Audiences

Reach customers who have adopted and prefer the digital payment solutions your brand offers:

AnalyticsIQ > Finance > FinTech > Digital Payment Users

AnalyticsIQ > Finance > FinTech > Mobile Wallets

AnalyticsIQ > Interest > High-Tech Innovations

AnalyticsIQ > Persona > Technology Adopter



Are online and mobile banking solutions exclusive to younger generations?

While bank branch visits have remained flat, the use of online and mobile banking services has experienced a rather sharp spike in recent years. And while some may assume that this increase has been driven by younger, tech-first generations, you may be surprised.

Not surprisingly, 60% of Millennials are already using or planning to use digital banking, but older generations aren't far behind. In fact, nearly 54% of Generation X and 56% of Baby Boomers plan to do the same.²

AnalyticsIQ's data and research supports these findings. Did you know...

- The average age of mobile and online banking users is around 50 years old
- Younger consumers avoid in-person banking completely
- Individuals who prefer to bank face-to-face are over the age of 64

For financial services and banking marketers, it's key to realize that a wide swath of consumers - not just Millennials - are seeking out digital services. And if you provide a hybrid approach - both in-person and digital - that offering will hit home with a key audience.

AnalyticsIQ Audiences

Reach customers who are a perfect fit for your financial products:

AnalyticsIQ > Regulation B (Reg B) Friendly Audiences > Finance > Banking Access Preference > Mobile Banking

AnalyticsIQ > Regulation B (Reg B) Friendly Audiences > Finance > Banking Access Preference > Online Banking

AnalyticsIQ > Regulation B (Reg B) Friendly Audiences > Finance > Banking Access Preference > In Branch Banking

AnalyticsIQ > Demographics > Generation

AnalyticsIQ > Demographics > Age

AnalyticsIQ > Persona > Technology Adopter



Do credit card users really spend more money?

Did you know that consumers who use credit cards for purchases generally spend about 12-18% more on average than when using cash?³ Simple enough – target credit card users and capture more spend!

While this may initially seem true, there is actually more to the story than meets the eye.

Upon an analysis of our consumer database, we discovered that it is important to make a distinction between the two different types of credit card users within the market – credit revolvers and transactors. In comparison, credit transactors are people who pay off their balance every month, while credit revolvers carry a balance on their credit card month after month, only paying a portion of their outstanding balance.

Between the two groups, credit transactors not only spend more overall than their credit revolving counterparts, but they are also likely to spend more on discretionary items than the average consumer.

In fact, credit revolvers actually spend less on discretionary items than the average consumer.

The average consumer spends \$14,652.13 on discretionary items annually. When we compare that to \$16,941.90 spent on average by credit transactors and \$12,743.99 by credit revolvers, it becomes clear that not all credit card user spend is created equal!

AnalyticsIQ Audiences

Reach consumers based on their credit card and spending behaviors:

AnalyticsIQ > Finance > Credit Cards

AnalyticsIQ > Regulation B (Reg B) Friendly Audiences > Finance > Credit > Credit Revolvers

AnalyticsIQ > Regulation B (Reg B) Friendly Audiences > Finance > Credit > Credit Transactors

AnalyticsIQ > In Market > Annual Discretionary Spending > Total

Perhaps credit transactors are on top of their balances and use credit as a tool, giving them the freedom to spend more. On the other hand, credit revolvers may limit their spending in order to pay off balances. Keep this in mind before acting on any trend – there are often nuances that can greatly affect your marketing strategy.



Do men and women invest differently?

Men and women consistently behave differently in a number of ways, investment strategies being one of them. For example, in general men have been found to be more open to speculative investments whereas females take a more cautious approach.⁴

Sounds about right – but is it the truth?

Based on our analysis, absolutely. In fact, our data reveals that males are a whopping 43% more likely to be financially adventurous than females. This does suggest that there are differences in investment vehicle preferences among males and females. Males are more likely to be drawn to things like stocks, hot industries, and cryptocurrency while females are more than happy to focus on bonds and mutual funds.

By tapping into the right data, you can reach the individuals who have the exact appetite for your financial services and investment offerings.

AnalyticsIQ Audiences

Tailor communication to consumers based on their investment tolerance and capabilities:

AnalyticsIQ > Demographics > Gender > Male

AnalyticsIQ > Demographics > Gender > Female

AnalyticsIQ > Persona > Financially Adventurous

AnalyticsIQ > Persona > Financially Cautious

AnalyticsIQ > Finance > Investing >
Active Investors

AnalyticsIQ > Finance > Investing >
Overall Investable Assets



What types of financial education are my customers seeking?

In an effort to take a more hands-on approach to personal finances, consumers are looking to empower themselves with the ability to make savvy financial decisions through their own research and education. Noticing a clear opportunity to engage with potential clients and prospects, major banks and other financial institutions are beginning to offer these courses to their customers – teaching everything from budgeting basics to identity theft protection best practices. ⁵

But with so many customers with diverse wants and needs, how can financial institutions effectively offer relevant resources to the right customers? At AnalyticsIQ, we have segmented individuals based on their financial motivations - such as financial-growth motivated, interested in financial planning, or a desire to get organized. So how do people's life stages correlate to their goals?

Here are a few findings based on our proprietary research...

AnalyticsIQ Audiences

Drive Awareness of Financial Well-Being Resources and Education to Key Audiences based on Lifestyle and Motivators:

AnalyticsIQ > Demographics > Generation

AnalyticsIQ > Demographics > Age

AnalyticsIQ > Demographics > Education Level

AnalyticsIQ > Finance > Financial Motivations > Financial Organization

AnalyticsIQ > Finance > Financial Motivations > Financial Planning

Mid-Life Hunger

Consumers who are actively seeking opportunities to maximize their financial growth are, on average, 39 years old. They are entering their prime earning years but still have a runway ahead of them to drive growth.

Planning for Retirement

Those who are likely to be motivated to have a financial plan in place come in at just under 60 years old. As they near retirement, consumers become more receptive to guidance on how to plan for their golden years.

Never too Late to Get Organized

And finally, individuals who are likely to be motivated to organize their finances are 74 years of age on average, indicating a desire to have all ducks in a row as they grow older. Financial institutions should focus efforts to assist with financial organization on their most senior customers.



Is cryptocurrency just a bunch of noise?

Since Bitcoin's launch in 2009, cryptocurrency has made headlines. Now, digital currency has exploded with many investors seeking to participate and capitalize on the opportunity. Perhaps the only thing more difficult to understand than cryptocurrency itself is understanding who is likely to be a cryptocurrency investor.⁶

Are they hardcore techies? Is crypto of particular interest to young people? Or, are investors simply folks looking to make a quick buck?

AnalyticsIQ's data reveals this about the average cryptocurrency investor:

- They are 47 years old.
- Their annual income is 7% higher than average.
- But, their overall investable assets are nearly one-third lower than the average investor.

Not the 20-year-old digital wizard you envisioned, is it? Another misconception is that this is a fringe, niche audience. According to AnalyticsIQ's data, nearly 1 in 3 shoppers is highly likely to be a cryptocurrency user, like Bitcoin.

So what does that mean for your business? If you are looking for a differentiator, consider accepting cryptocurrency as a form of payment. Many financial tech companies, like PayPal and Venmo, are getting on board and supporting these forms of payment.⁷ And if you do offer this, you're opening your business up to a larger, tech-first, global audience

AnalyticsIQ Audiences

Drive awareness of your cryptocurrency-related products, services or payment solutions:

AnalyticsIQ > Regulation B (Reg B) Friendly Audiences > Finance > FinTech > Cryptocurrency

AnalyticsIQ > Demographics > Generation

AnalyticsIQ > Demographics > Age

AnalyticsIQ > Finance > Investing > Active Investors

AnalyticsIQ > Persona > Technology Adopter



If you want financial data that keeps up with consumers, let's talk.

AnalyticsIQ's data and team of data science gurus are here to help you navigate it all. From spending behaviors to investing habits to purchase motivators, our FinancelQ dataset has the power to unlock key insights into not only your current customers, but your key prospects as well.

Our flexible approach makes using sophisticated data to improve your organization's marketing effectiveness easy. Whether you are looking to test data, build custom audiences, or target prospects across channels, we are here to help, and we have over 1,900 audiences available at Basis Technologies.

Are you ready to learn more about AnalyticsIQ, our PeopleCore and BusinessCore databases, and the specific FinancelQ audiences Mentioned throughout this eBook? To get started on your data-driven journey to better modeling, campaign targeting, and analytics – contact us today at margoh@analytics-iq.com.



Sources

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