



financial
narrative

Financial Marketers' Index

2020 Report

About This Report

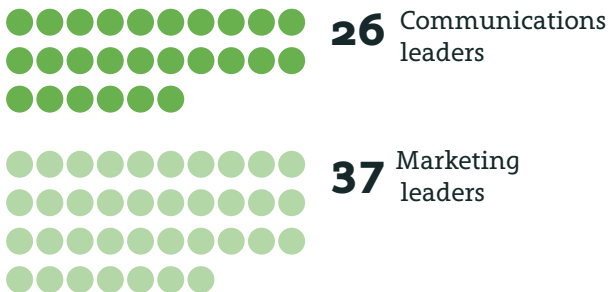
This inaugural Financial Marketers’ Index explores the key challenges, most effective strategies, and future predictions of financial marketing and communications (marcomms) leaders across the globe. It was borne out of a collaboration between strategic insight agency Opinium and Financial Narrative to give financial marcomms leaders visibility into a rapidly evolving landscape.

Some of the best-laid marketing and communications plans were rendered obsolete due to the COVID-19 pandemic, as leaders had to rethink their strategies overnight to respond to the mounting crisis. This research explores which strategies worked - and which ones didn’t – and most importantly, looks at the broader picture of where financial marcomms is headed next.

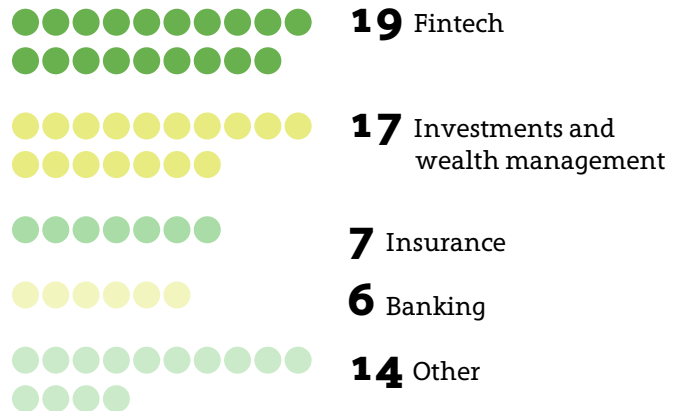
Methodology

The study is based on an in-depth online survey of 63 financial marcomms leaders across the globe. Respondents were responsible for overseeing a mix of international and domestic remits.

Respondents by role



Respondents by type of company



About Opinium:

Opinium is an award-winning strategic insight agency, built on the belief that in a world of uncertainty and complexity, success depends on the ability to stay on the pulse of what people think, feel and do.

About Financial Narrative:

As a community of the world’s leading financial marketers and storytellers, Financial Narrative is committed to facilitating conversations between financial communications and marketing leaders.

Executive Summary

The purpose of the Financial Marketers' Index was to explore the drivers of recent change in the financial marcomms space, combined with a deep-dive into where leaders see the discipline going in the future. Their candid insights and feedback helped to shape the report's four key findings:

1. COVID-19 impact: A function with growing importance

Financial marcomms leaders have successfully navigated the turbulent waters of COVID-19, with the vast majority responding that their function has become more important since the pandemic, or remained as important as before. Pivoting strategies due to COVID-19 was the top area of focus, and most felt they did so successfully.

2. Changing shapes of teams and budgets: A tale of two halves

While marketing teams saw the size of their budgets and teams increase in the midst of the pandemic, communications leaders saw their resources cut. Many marketing leaders attributed these shifts to their ability to demonstrate return on investment (ROI) of past efforts, as well as increased investments in digital and crisis response. Communications leaders cited revenue decline and difficulty in proving ROI as some of the key factors driving cuts to their budgets.

3. Overcoming barriers: Growth and team expansion remain the biggest hurdles

In 2020, marcomms leaders have returned to more traditional areas of focus such as brand awareness, expanding their category, and stealing share from competitors. While short-term messaging continues to focus on conveying trustworthiness and stability in uncertain times, messaging key value propositions, brand authenticity, data privacy, and Environmental, Social and Governance issues (ESG) will become top priorities in the next two to three years. The success of these efforts will depend on the ability to overcome time, resource, and budget constraints.

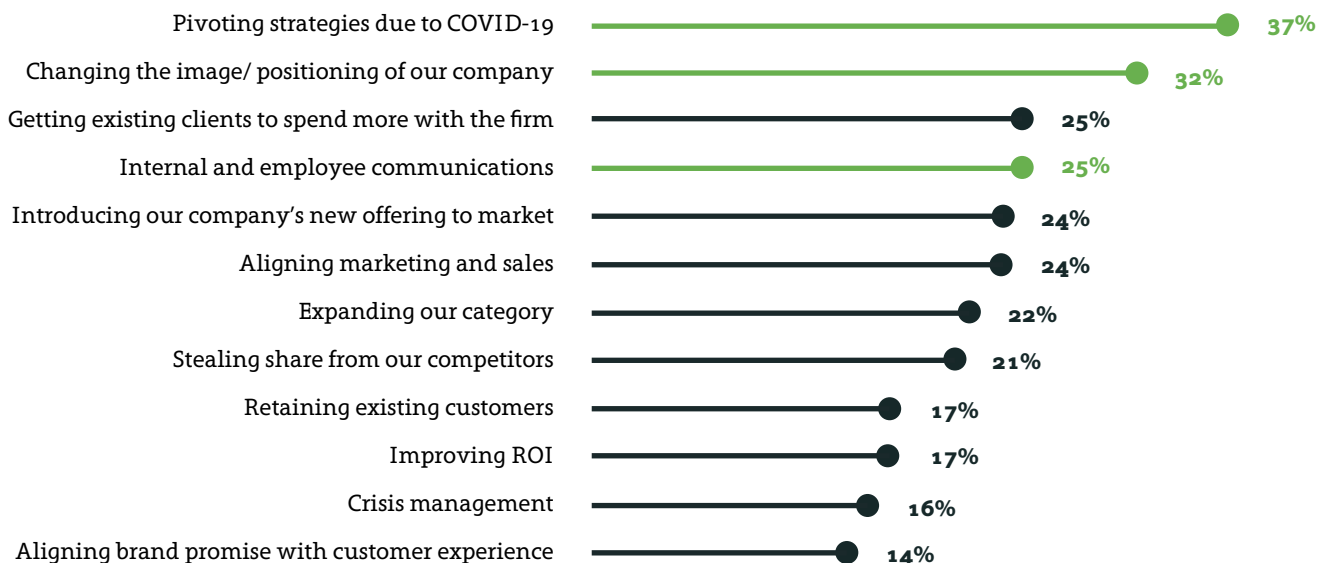
4. Room for (personal) growth

While most financial marcomms leaders are satisfied with where they are in their careers and feel valued by their organizations, finding new ways to be effective and joining executive boards are key goals they aspire to. To get there, leaders say they need more networking and connections as well as opportunities outside their current organizations.

COVID-19 impact: A marketing function with growing importance

Pivoting due to COVID-19 was a key strategic focus

Leaders tore up the rules of traditional marketing, as they grappled with the challenges that COVID-19 brought to the industry. As market and category expansion took a back seat, responding to the pandemic in the appropriate way became a key area of focus, with marcomms leaders implementing clear shifts in strategy. Leaders abandoned original plans and instead focused on business continuity messaging; pivoted marketing plans towards digital; placed a renewed focus on purpose marketing; and developed content and systems to maintain a strong internal culture.



“Our original 2020 plan was delayed and replaced by the immediacy of continuity messaging driven by the pandemic.” **Head of communications**

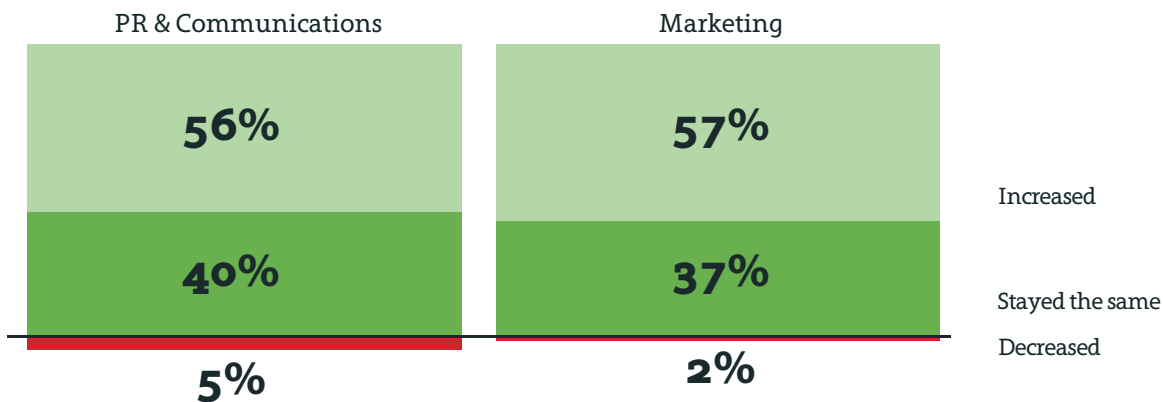
“In Q2 2020 we slashed acquisition and marketing budgets and removed all TV and offline ads. Rebuilding a digital-only funnel has improved our CPA tremendously.” **CMO**

“We increased our messaging emphasis on how the company is supporting those in need.” **Head of marketing**

The good news is that 87% of marcomms leaders felt that their pivoting strategies had been a great success. 88% of leaders were also encouraged by the success of their internal and employee communications, when maintaining a sense of corporate culture was made more challenging by so many employees working remotely.

90% of respondents judged their team's crisis management to have been successful, and this may be partly responsible for the growth in the importance of the marcomms function over this period. Over half of the leaders said their Communications and Marketing function became more important.

How has the importance of the following function in your organization changed since COVID-19?



This was particularly marked amongst smaller firms (< 250 employees), who were able to focus on expanding their offering and category to strive ahead of competitors, on top of their COVID-19 response programmes. Three quarters of leaders within small firms responded that their marketing function had become more important since COVID-19 compared to just under half of larger firms.

Investment in tech, tools and techniques made a positive impact – and increased the emphasis on measurement.

Perhaps as a result of the increased importance of digital and virtual marcomms, some of our leaders invested in a number of key areas last year, including:

- Automation and analytics, including measurement and AI tools;
- CRM to enhance the customer experience and journey; and
- Digital and social, such as an improved digital interface, deeper SEO, and social listening tools.

“We added additional marketing automation investment to track engagement with existing and new clients, [plus] a webcast platform.”

Head of content marketing

“Our team leveraged extensive digital marketing tools, CRM, back office digital support, virtual marketing, meeting and distribution tools.”

Senior marketing director

These investments appear to have led to an increased emphasis on measurement and evaluation, with marcomms leaders using a range of methods to track and report the impact of their team’s efforts. Marketing respondents cited email (84%) and ad (73%) engagement metrics alongside website traffic (78%) as their top three areas for measurement, with communications professionals ranking quality (69%) and number of media mentions (65%), alongside perception of key opinion leaders (54%) as their top barometers of success.

A change in budgets and teams: A tale of two halves

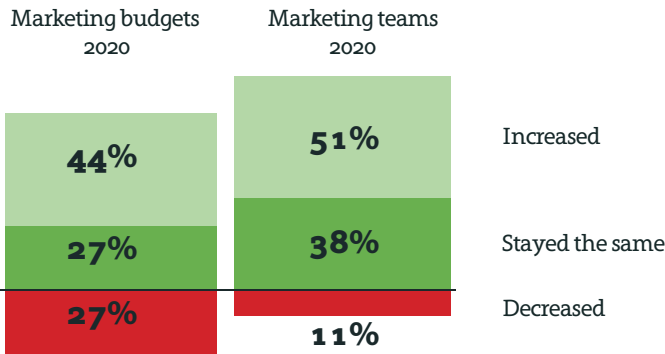
The investment into tech, tools and techniques revealed the changing fortunes between marketing and communications’ budgets and teams.

Marketing fared well - with approximately half of firms seeing their budgets and teams grow - and that trajectory is expected to continue into this financial year. Respondents noted that the success of virtual activity had led to increased investment in digital marketing (as noted above), and additional resources had also been allocated to support firms’ growing crisis response teams.

“We are finding success in our virtual efforts, and are accelerating [in that area].”

Senior marketing director

How has the size of your budget/team changed in 2020 relative to last year?

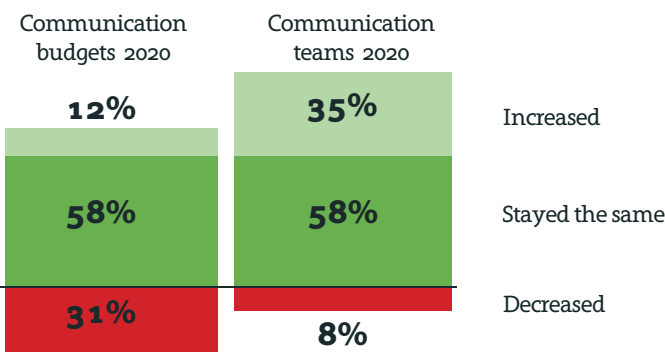


“The CEO and CFO think Marketing is extremely effective and can see an immediate ROI.” **CMO**

There is a more pessimistic outlook for communications teams, however, as budgets suffered and are expected to continue doing so in 2020. Those surveyed cited a number of reasons for the drop in communications budgets including: revenue decline at the corporate level due to COVID-19, resulting in cost-cutting measures; and difficulty for the function to prove ROI as a result of paused or cancelled communications activities.

The budget pain for communications teams looks set to continue, with nearly a third of respondents believing budgets will reduce this year, compared to just 12% who think they will increase. Despite budgets falling, however, projections around the size of team are more optimistic, with an expectation of increased hiring in 2020.

How do you expect the size of your budget/team to change in 2020?



“Lower revenues are driving major cost cutting across the organization.” **Head of communications**

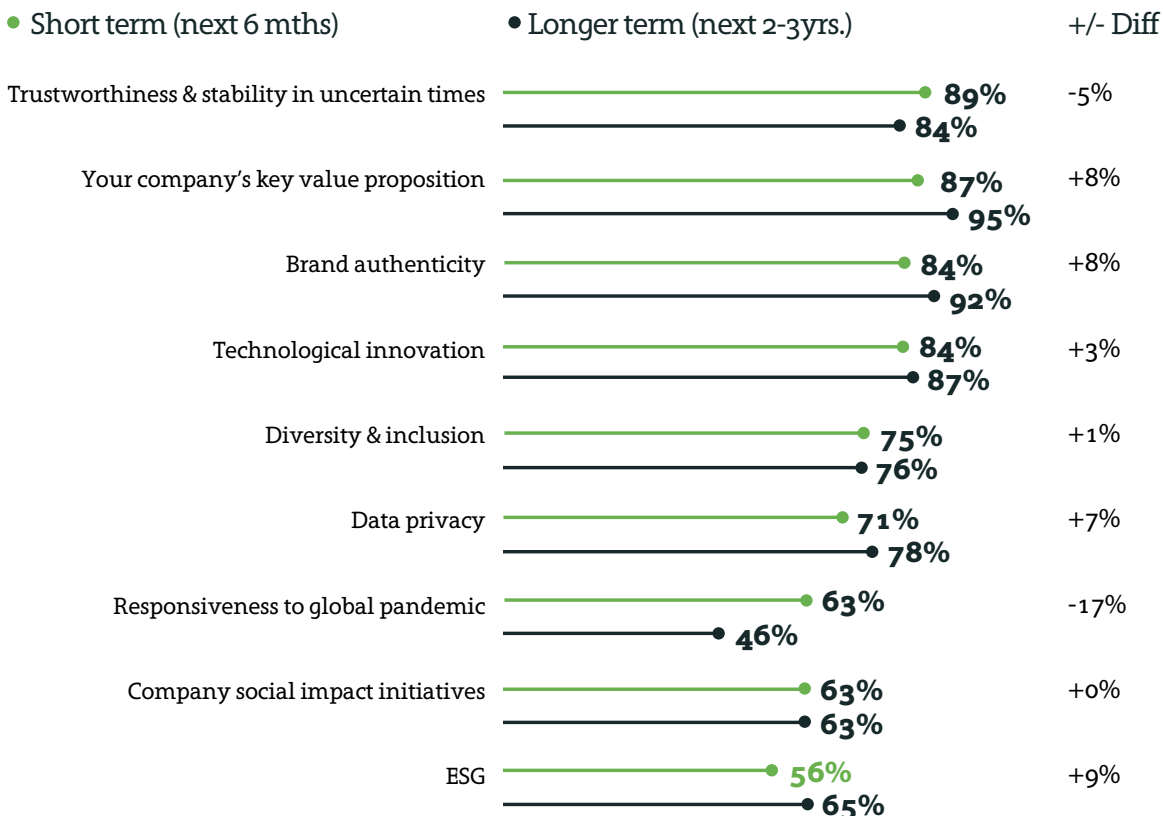
Section 2

Overcoming barriers: Growth and team expansion remain the biggest hurdles

Turning the page – what comes next?

This year, marcomms leaders are returning to more traditional areas of focus. Their top priorities are introducing the company or new offerings to market (an area of focus for 40% of respondents), expanding their category (33%), and stealing share from competitors (30%). While short-term messaging in 2020 will continue to focus on conveying trustworthiness and stability in uncertain times (considered important by 89% of respondents), messaging the company’s key value proposition (95%), brand authenticity (92%), technical innovation (87%), data privacy (78%), and ESG initiatives (65%) will become increasingly important in the next two to three years.

How important do you think it is for your company to communicate/market itself in the following areas in the...?

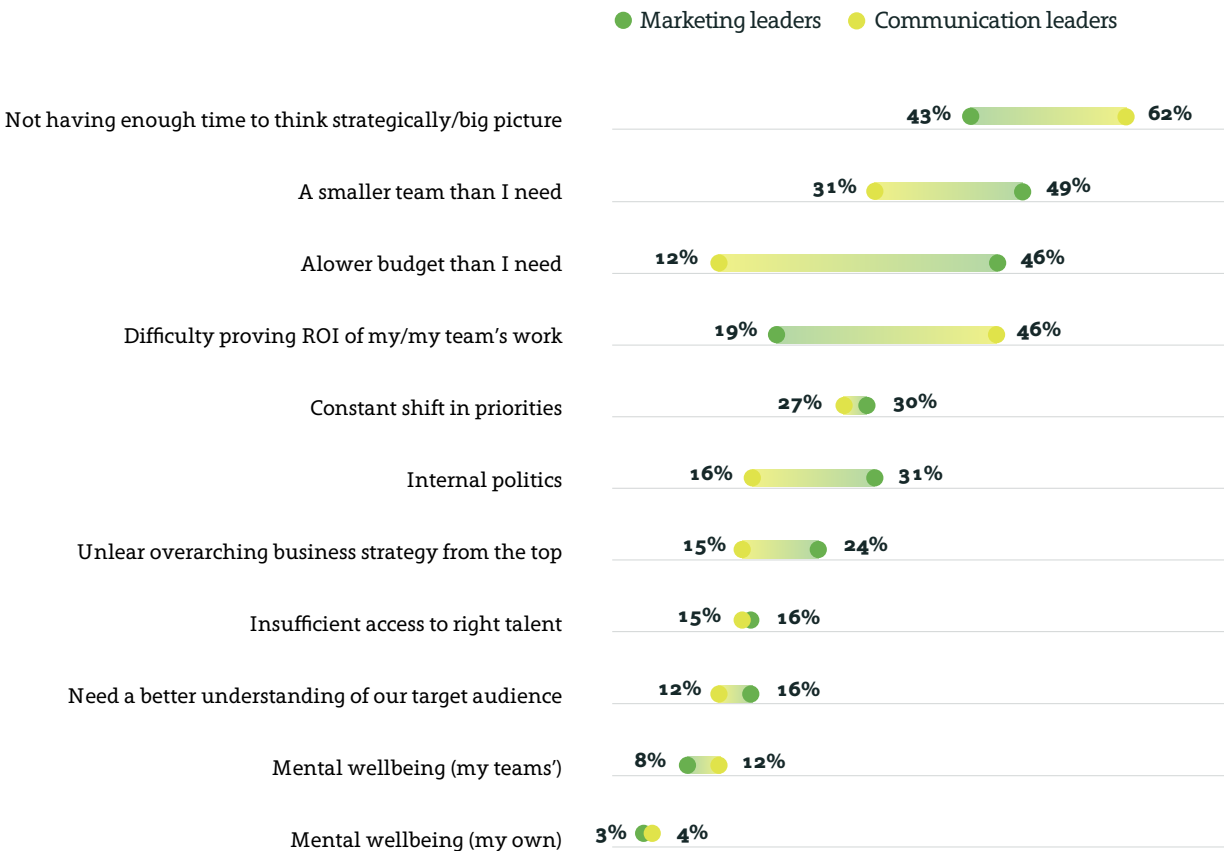


Key Barriers

The success of these efforts will depend on the ability to overcome time, resource, and budget constraints. Despite the earlier finding that 2020 drove increases in marketing budgets and team sizes, the top barrier for marketing leaders is feeling under-resourced: almost half (49%) say having a smaller team than they need remains a top barrier, and almost as many (46%) say having a lower budget than they need is holding them back.

For communications leaders, not having enough time to think strategically, and the difficulty around proving the ROI of their team's work are the top barriers (for 62% and 46% respectively).

What are the top barriers you face in your role today?

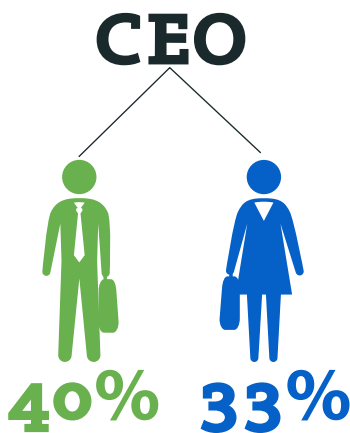


Section 3

Room for (personal) growth: Networking is key to reach the next step

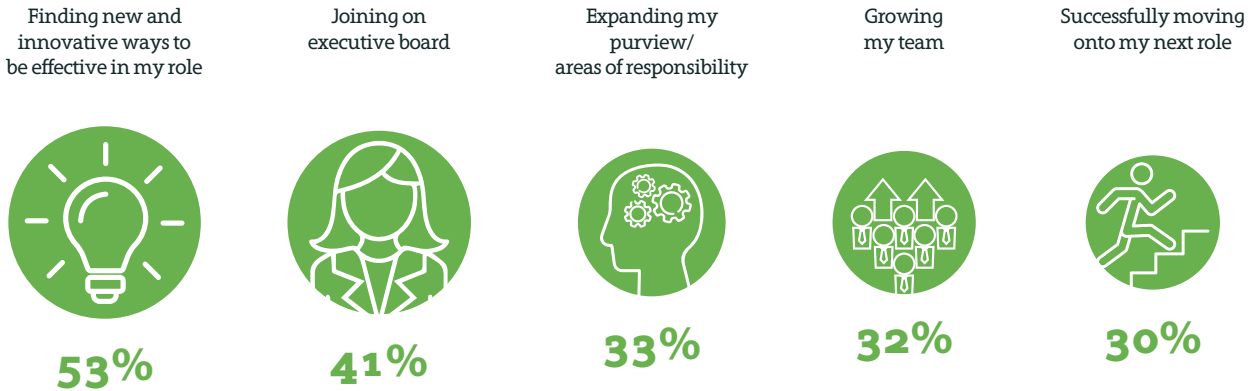
Overall financial marcomms leaders are satisfied with where they are in their careers. (70%) of them feel they are ahead of or where they thought they would be in their careers at this point in their lives. This is compared to only (30%) who feel they are behind. The vast majority feel the work they do is important (98%) and almost as many feel they are effective in their roles (97%). Whilst (76%) agreed their role is well understood by their firm's C-suite, only (59%) felt they exerted a strong influence on the C-suite, opening up a broader debate around the impact of marcomms at Board level.

Report directly to the CEO

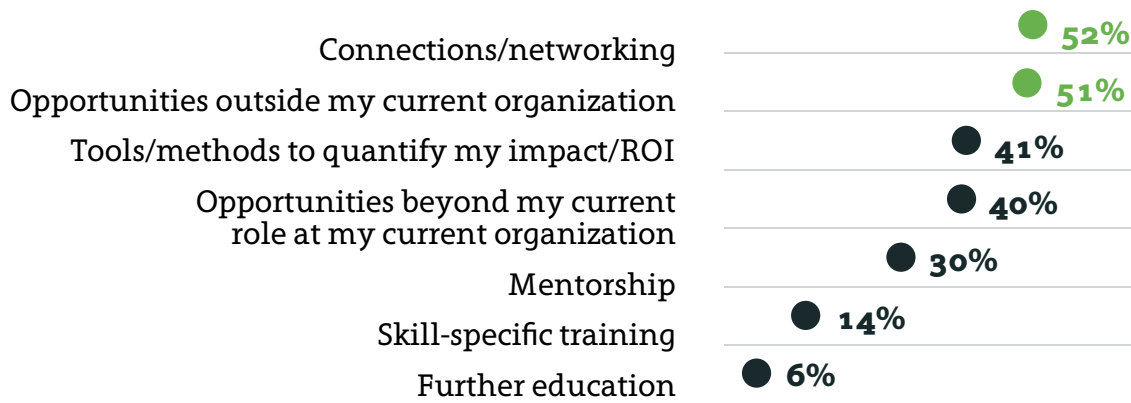


When we look at which respondents have a direct reporting line and access to the top, there are clear gender differences. Forty percent (40%) of male financial marcomms leaders report directly to the CEO compared to only a third of females surveyed (33%). This is reflective of the reality that more men than women are reaching the top roles of CCO and CMO in the financial services industry. In line with this, our male respondents were slightly more likely to be asked to attend key meetings, such as budget and strategy meetings with the CEO.

Which of the following do you aspire to next in your career?



Which of the following do you aspire to next in your career?



Finding new, innovative ways to be effective, and joining an executive board are the top two goals that marcomms leaders aspire to next in their careers (43% and 41% respectively). To get there, over half of marcomms leaders (52%) said they need more networking and connections, and (51%) said they need opportunities outside their current organization, likely having already reached the top rungs at their current company.

Conclusions

Taking stock of everything that has changed, we asked financial marcomms leaders to predict how COVID-19 would change the future of their function. In addition to the normalization of virtual work - particularly in the areas of conferences, events, working habits and networking - their responses pointed to three key trends that may be here to stay:

1. Accelerating the shift to digital

Many leaders shared their belief that COVID-19 has accelerated the shift towards digital touchpoints. They referred to this shift not only from the standpoint of digital marketing and communications channels, but also in the way customers increasingly prefer to conduct financial services transactions online without the need of a physical branch. One CMO said: "Digital engagement is more important than ever... trends from the past five years [have] turbo-charged."

2. Prioritization of social good

COVID-19 has increased the emphasis on social responsibility, authenticity, and transparency for financial services companies, both within their organizations and in how they service customers. For some, there is a mission of financial inclusion. Reinforcing this point, one CMO noted: "[There will be] more focus on inclusion and diversity [with] access to financial services for everyone."

3. Increased speed and agility of the function

COVID-19 forced many financial marcomms leaders to ideate and implement new strategies more quickly than usual in response to the crisis. By adapting to consumer and employee needs quickly through this 'trial by fire', marcomms departments proved the benefits of more nimble processes - not only to their organizations but to themselves. As one marcomms leader put it:

"We will be more agile to meet shifts in consumer needs. Less 'set it and forget it' marketing and comms plans, and thinking more on building a constant feedback loop to address changes in what our audience needs from us."

Marcomms leader

Thank You

Thank you for taking the time to participate in, and read, this inaugural Financial Marketer's Index from Opinium and Financial Narrative. We will use these findings as the initial benchmark, and will measure changes to the financial marcomms landscape year on year, building up a comprehensive picture of the sector over time. We look forward to working in partnership with you to further develop our research.



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