Predictive, Data-Driven Digital Marketing Strategies for Customer Acquisition & Deposit Growth

Tom Sullivan, CEO
Princeton Partners

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What We'll Cover

1. **The Battle for Market Share: What Winners Are Doing**

2. **How the Changing Landscape Levels the Playing Field**

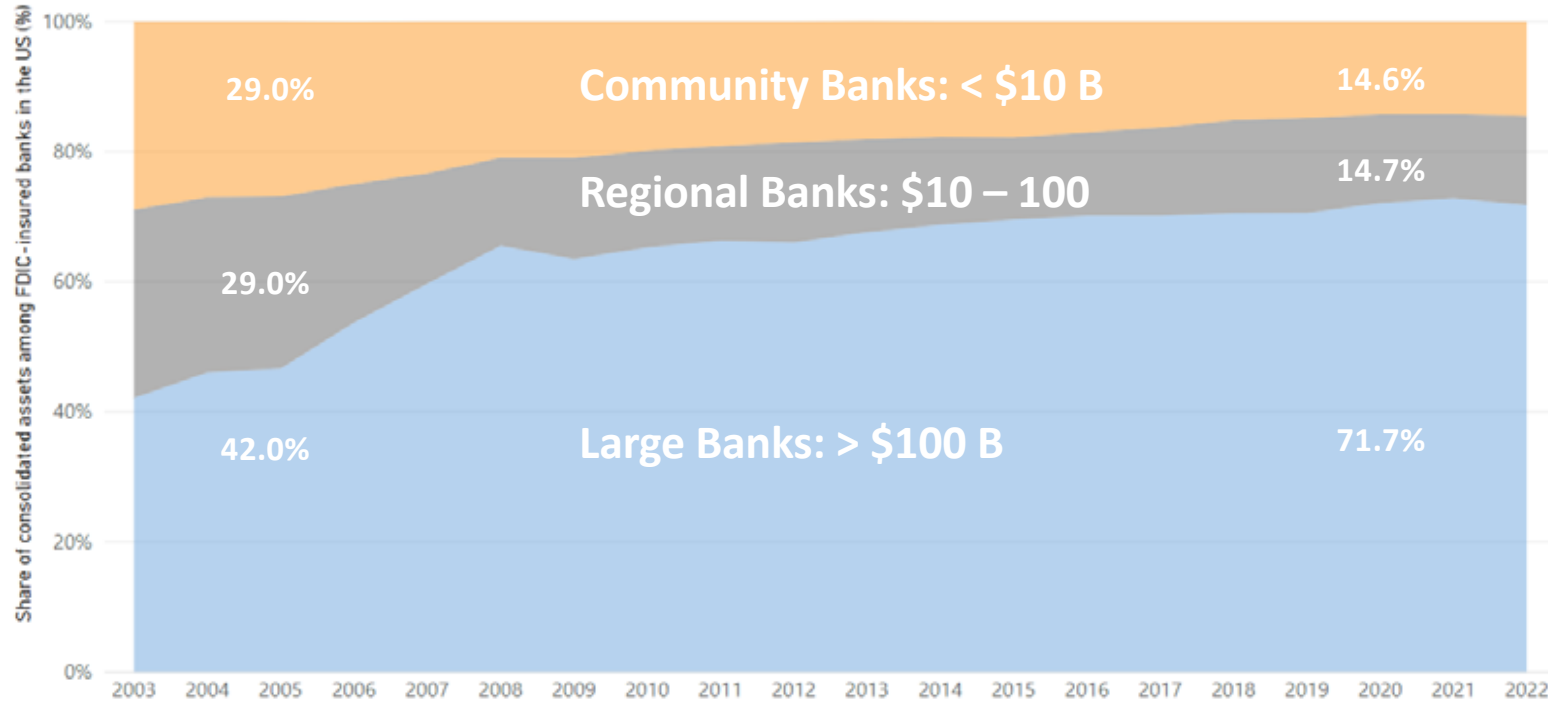3. **How You Can Grow with Data-Driven, Digital Marketing**

Why Am I Here

Preamble: It All Starts with the Brand

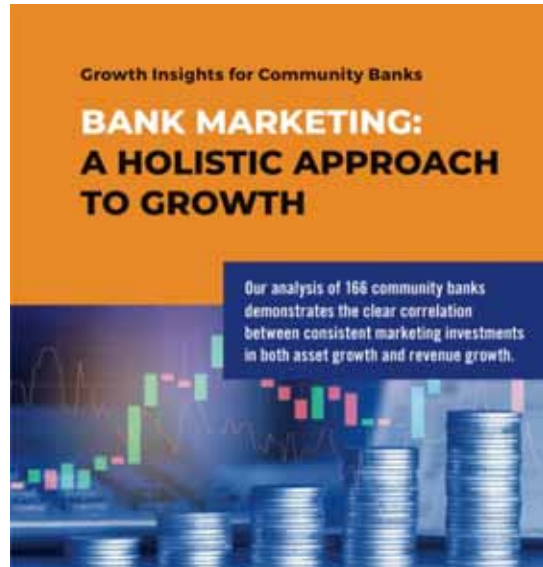# The Problem of Declining Market Share

Data-Driven Digital Marketing Drives Share

Client Branch 5-Mile Radius	Pre-Period Dep Change 2015-2016	Client Growth Tot Dep 2015-2019	Market Growth Tot Dep 2015-2019	Market Share of Deposits 2015	Market Share of Deposits 2019	Market Share Growth:
Branch A Sub Center HHI Aver+ $5.1 billion deposits: 2019	-15%	39%	8%	1.69	2.17	130%
Branch B Dense Suburban/High NW $8.5 billion deposits: 2019	21%	195%	18%	1.58	3.96	250%
Branch C Suburban/Aver HHI $1.5 billion deposits: 2019	-13%	123%	29%	5.33	9.26	170%

3 Studies

166 Banks

Growth Insights for Community Banks

**BANK MARKETING:
A HOLISTIC APPROACH
TO GROWTH**

Our analysis of 166 community banks demonstrates the clear correlation between consistent marketing investments in both asset growth and revenue growth.

2,291 Banks

The Relationship Between Marketing Investments and Revenues

An Analysis of 2,291 Banks
(2015-2019)

November 8, 2021

1,402 Banks

The Relationship Between Consistent YOY Increases in Marketing Investments and Growth in Revenues

An Analysis of 1,402 Banks
(2015-2023)

January 2024

Financial Brand Survey, Plus FFIEC Revenue Data

Banks with $1 Billion to $5 Billion in Assets				
Quartile	1	2	3	4
Aver Ann Increase in Marketing $	29.49%	11.14%	3.10%	-8.08%
Aver Ann Increase in Revenue	19.0%	11.5%	6.7%	7.3%

The Marketing Impact Threshold = .0007 to Assets

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2024

Tier 1

Tier 2

Tier 3

Tier 4

Marketing Investment Above Median = Growth

Quartiles 3 & 4

Ratio Marketing $ to Assets	
Tier 1: Median	**0.06%**
Tier 2: Median	**0.07%**
Tier 3: Median	**0.07%**
Tier 4: Median	**0.07%**

	Slope	R^2	Correlation
Tier 1	**10.3**	0.67	Strong Positive
Tier 2	**6.3**	0.45	Medium/Strong
Tier 3	**25.5**	0.55	Strong Positive
Tier 4	**17.5**	0.87	Strong Positive

1,402 Banks: Consistency of Investment Counts

Category	# Institutions
Reported Marketing Expenses in Some years	2370
Reported Marketing Expenses in **All years**	1402
Did not report Marketing Expenses in all years	729

Tier	Tot 2023 Assets	# Banks
1	< $500M	714
2	$500M - $1B	316
3	$1B - $5B	305
4	$5B - $25B	67

Consistent Marketers Grew Much Faster

Avg Cumulative Revenue YoY Growth
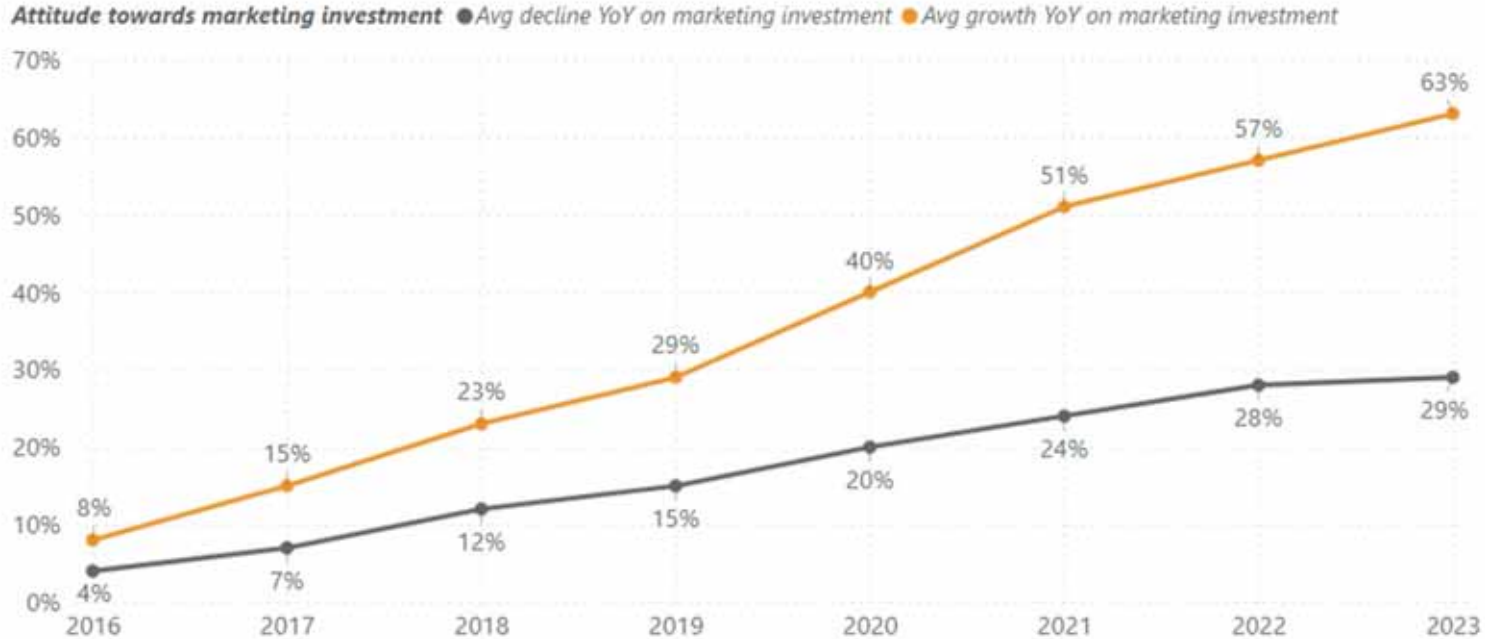
Attitude towards marketing investment ● Avg decline YoY on marketing investment ● Avg growth YoY on marketing investment

Median MI/A:

.063%

.048%

Orange line (Avg growth YoY on marketing investment):
- 2016: 8%
- 2017: 15%
- 2018: 23%
- 2019: 29%
- 2020: 40%
- 2021: 51%
- 2022: 57%
- 2023: 63%

Dark line (Avg decline YoY on marketing investment):
- 2016: 4%
- 2017: 7%
- 2018: 12%
- 2019: 15%
- 2020: 20%
- 2021: 24%
- 2022: 28%
- 2023: 29%

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2024

How the Changing Media Landscape Levels the Playing Field

Shift 1

From Traditional to Digital Media

Shift 2

From a Cookie-Driven World to a Cookie-Less World

Shift 3

From Unknown to
Known Audiences

Shift 4

From Flying Blind to
Visible Campaign Optimization

Shift 5

From Estimates of Impact to Predictive ROI

- Matching & Attribution
- Driving Factors:
    - Audience Segment
    - Media and Mix
    - Static vs Video
    - Offers
    - Creative

How You Can Grow with Data-Driven Marketing

The New Playbook:
A Data-Driven
Digital Marketing Approach

1. Discovering Your Audiences

2. Reaching Curated Audiences

3. Gaining Insights Before Investing

4. Optimizing Your Performance

5. Measuring ROI - Precisely

1. Discovering Your Audiences

Use a data-driven approach, analyzing demographics, psychographics, and proximity data to pinpoint the best audience for campaigns.

Look-alike Modeling of Current Clients

Proximity Analysis

Predictive Models

Audience Segment Research

Use Audience Discovery Tools

Life Stages

Purchase Behaviors

Media Behavior

Income Producing Assets
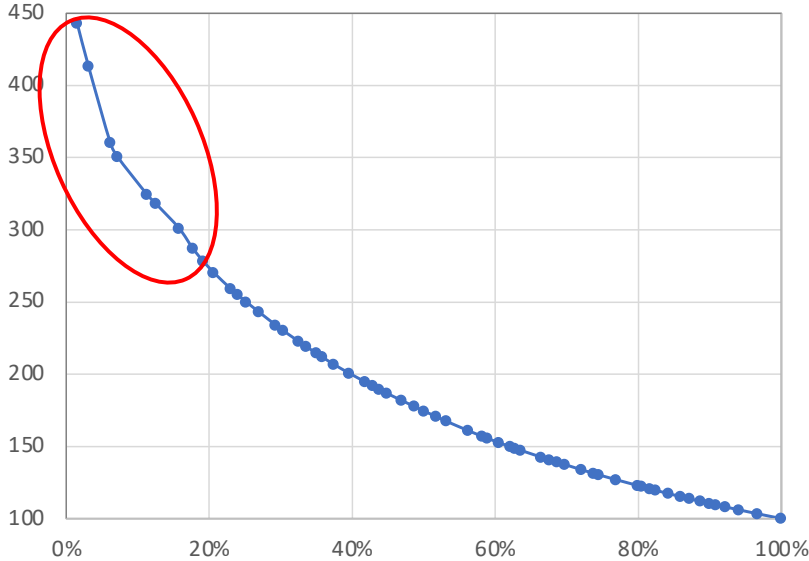
Hidden Audiences

Acxiom Personicx®

P$YCLE® Premier

Quintilian.

Use DPA and Segmentation to Lift Performance

#	P$YCLE Cluster	Number of Customers	Customer Share by Cluster	U.S. HH Share by Cluster	MPI
02	Business Class	723	6.8%	1.5%	443
01	The Wealth Market	642	6.1%	1.6%	384
05	Capital Accumulators	987	9.3%	3.0%	307
24	Work Hard, Play Hard	311	2.9%	1.0%	291
13	Ready, Set, Retire!	1,230	11.6%	4.2%	279
03	Power Couples	337	3.2%	1.2%	260
23	Value Seekers	812	7.7%	3.3%	235
14	School Daze	349	3.3%	1.9%	172
07	IRA Enthusiast	268	2.5%	1.5%	172
12	New Money	258	2.4%	1.5%	167
09	Booming Nests	411	3.9%	2.4%	162
38	Nesters & Investors	163	1.5%	1.0%	157
26	Pensions & Ports	189	1.8%	1.2%	150
20	Home Sweet Equity	266	2.5%	1.7%	144
17	Leisure Land	327	3.1%	2.4%	129
25	Annuity Street	138	1.3%	1.1%	123
08	Savvy Savers	269	2.5%	2.1%	119
10	Leasing Luxury	122	1.2%	1.1%	108
31	Online Living	156	1.5%	1.4%	106
45	Cash Back Consumers	90	0.8%	0.9%	100

P$YCLE Lift Curve by Cluster

Use Custom Predictive Modeling To Increase ROI

Create the Custom Model

Use the Model to Select Campaign Audiences
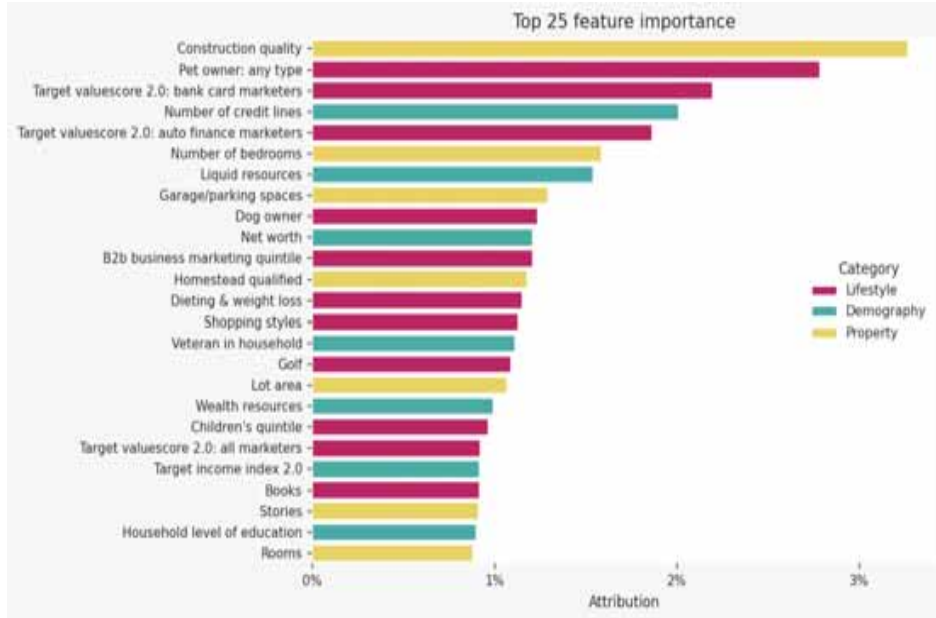
Use Personas to Better Reach Target Groups

Wanda
50 Years old, Married

Include HHI 150-300K
HH Size 3-4

Housing Low Density Urban
Frequent Online Shopper
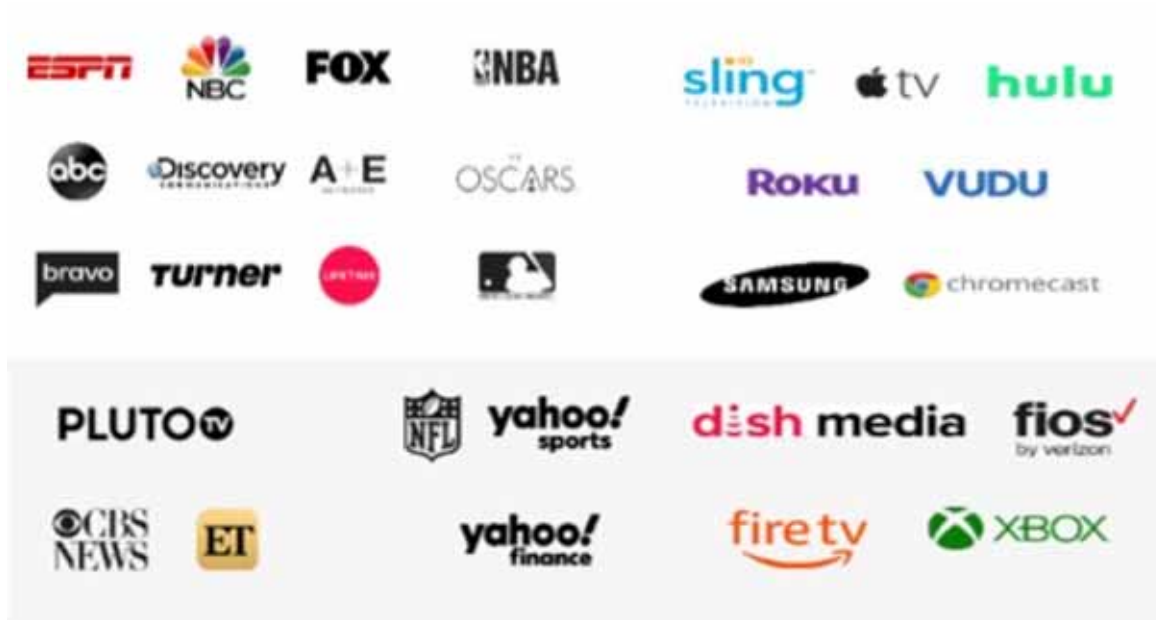
Use Predictive Modeling to Predict Lift

Top 25 feature importance

Category
- Lifestyle
- Demography
- Property

800% Lift!

Lift Table

Decile	Customers	Prospects	Lift
Top 10%	3,431	48,979	8.027
Top 10-20%	226	52,188	0.529
Top 20-30%	170	52,260	0.398
Top 30-40%	127	52,163	0.298
Top 40-50%	85	52,239	0.199
Bottom 40-50%	69	51,951	0.163
Bottom 30-40%	56	53,078	0.129
Bottom 20-30%	58	51,359	0.138
Bottom 10-20%	33	52,702	0.077
Bottom 10%	21	53,142	0.048

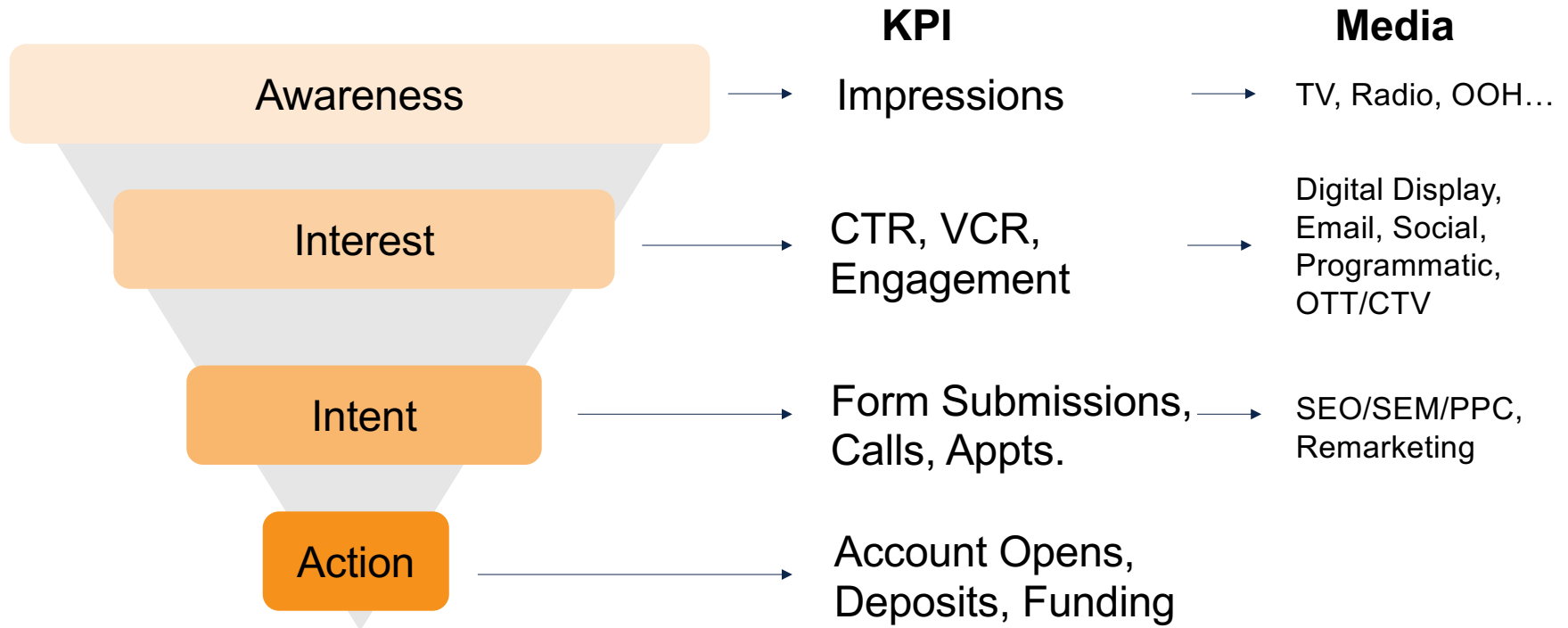# Predictive Modeling Boosted Results by 3x

	Number of New Customers / Month	Cost Per New Customer ($)	Reduction in CPA vs. Traditional
Traditional Targeting (Demographic Filters)	98	$259	
Lookalike Audience (Segmentation System)	186	$128	~1/2 of Traditional Targeting Cost
Customer Predictive Model Audience (Machine Learning)	218	$94	~1/3 of Traditional Targeting Cost

2. Reach Your Curated Audiences, Not Channels!

Guide Consumers Through the Funnel

Funnel Stage	KPI	Media
Awareness	Impressions	TV, Radio, OOH…
Interest	CTR, VCR, Engagement	Digital Display, Email, Social, Programmatic, OTT/CTV
Intent	Form Submissions, Calls, Appts.	SEO/SEM/PPC, Remarketing
Action	Account Opens, Deposits, Funding	

Build a Balanced Plan/Budget to Maximize Results

Always On	PPC/SEM	Conversion	Customer
• Build brand awareness • High propensity prospects • Target across multiple channels	Capture search traffic when prospects are: • In market • Ready to purchase	• Targeted, higher frequency campaigns • Drive conversions • Capture new accounts	• Expand retention messaging across channels • Cross-sell products & services

Build Your Media Plan to Create Synergies

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Proof of Concept Campaign	Systematic testing											
Always-On Campaign				Brand Awareness: Digital Display, Social and Video								
PPC/SEO	Capture In-Market Prospects and Defend your Brand											
Prospect Conversion						Product-Specific					Product-Specific	
Customer Marketing	Communicate and Cross-Sell Products & Solutions											

3. Gain Insight with Test Cells

Audience Testing
- Demographic/Psychographic
- Audience Clusters
- Known vs. Modeled vs. Native

Media Testing
- Direct Mail
- Digital
- Control Group (No Media)

Creative Testing
- Design/Format
- Messaging
- Offers
- Subject Lines

4. Optimize Campaign Performance – Real Time
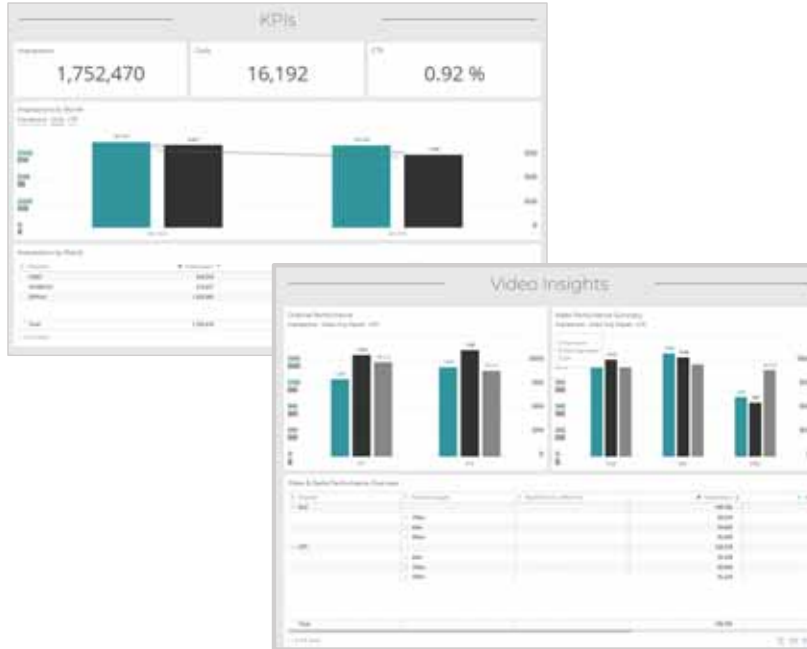
- Manage Campaign Adjustments with customized, on-demand reporting
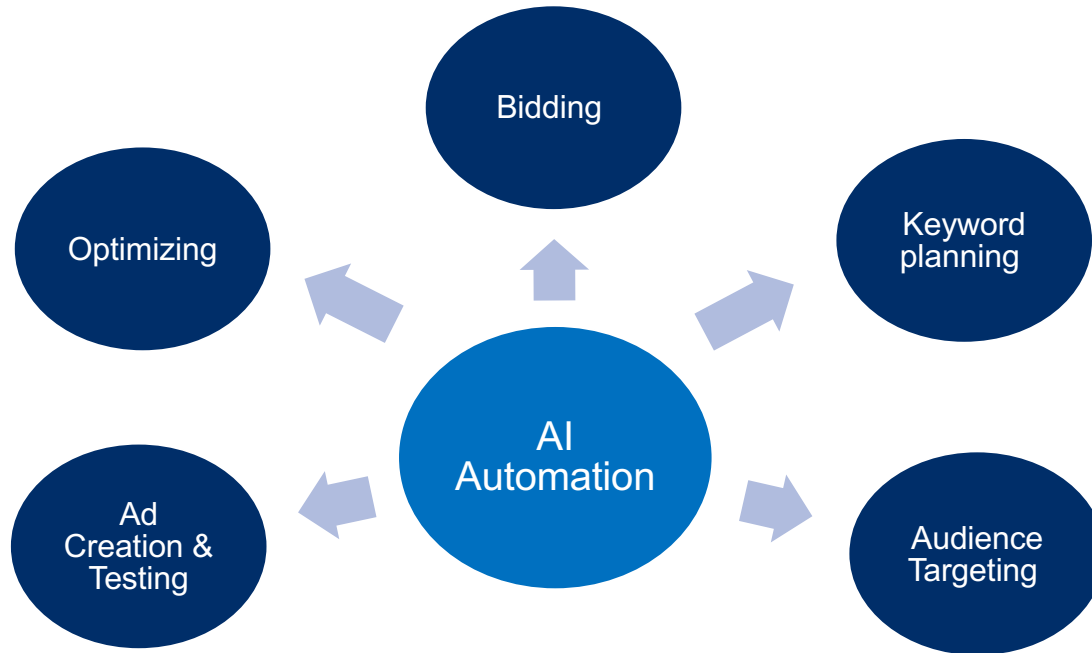 - Appointment conversion tracking
  - Call tracking
  - Online form conversion
  - Link/Button tracking

5. Precisely Measure Campaign Attribution

**Use Linking Technology to Identify New Customers from Campaign and Measure:**

- ROI, CPA, CPL

- ROI-Lift over Control Groups/Channels

- Test Cell Performance

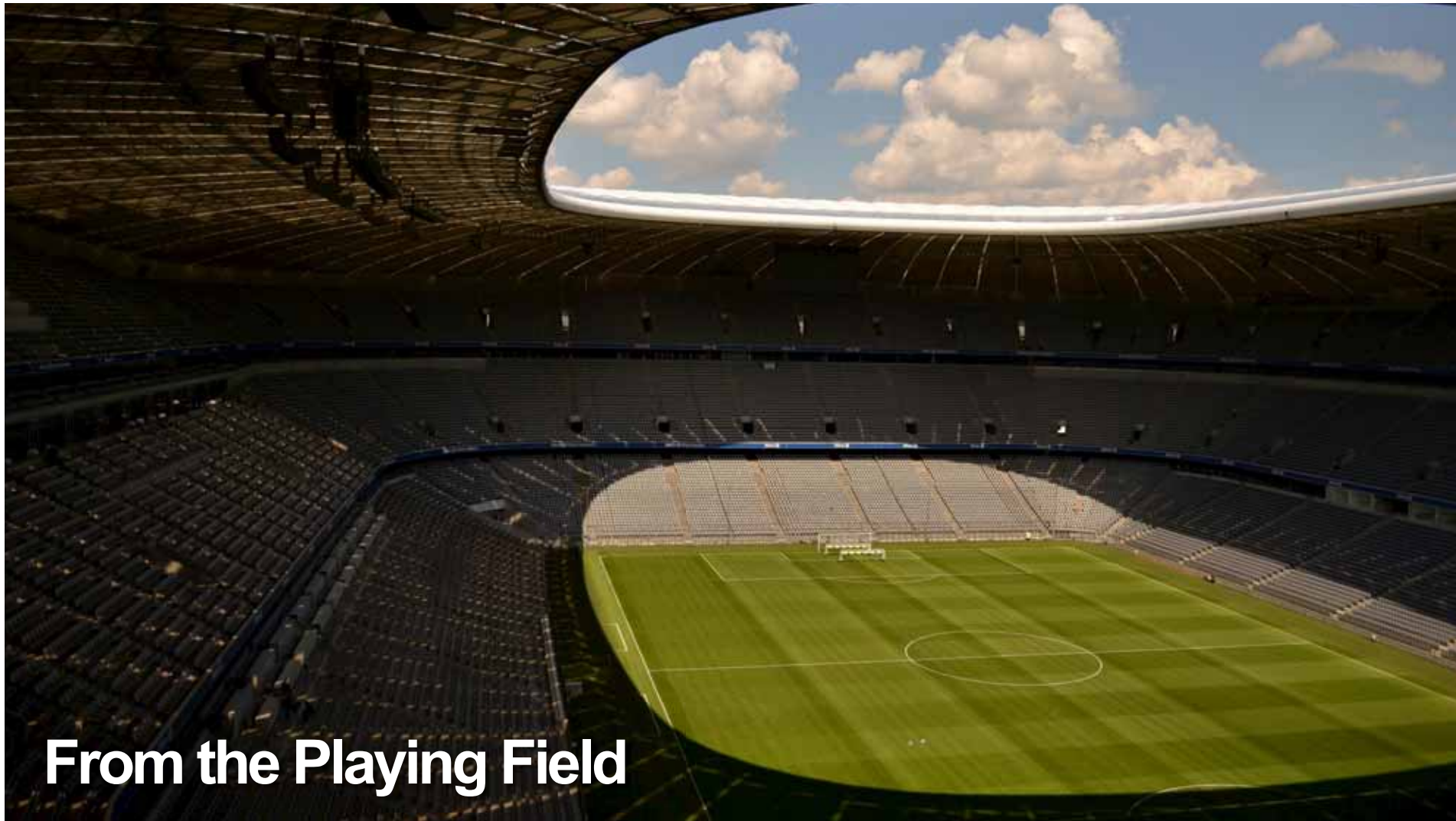# Hyper-Drive: How AI Elevates The Game

Bidding

Optimizing

Keyword planning

AI Automation

Ad Creation & Testing

Audience Targeting

Audience Insights

Text/Image Suggestions

Adaptive Creative

Targeting & Remarketing

Adaptive Segmentation
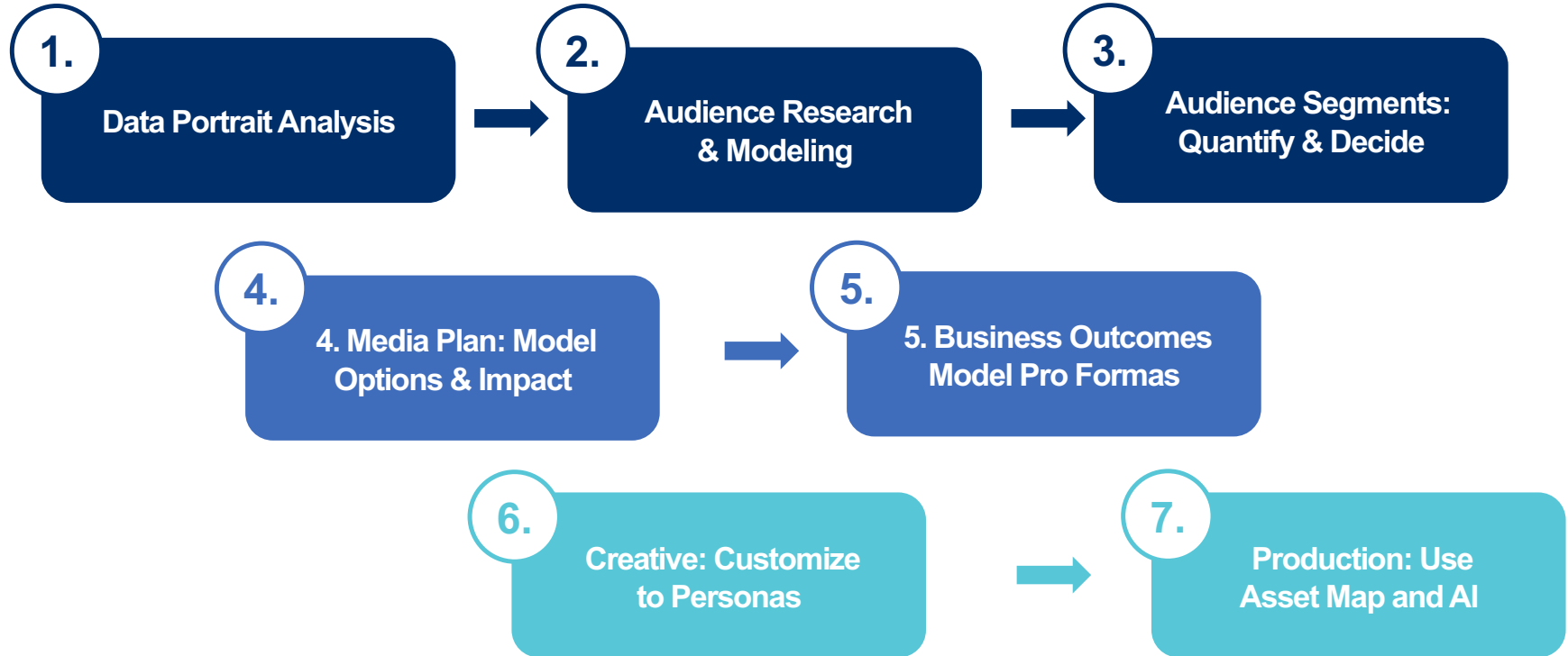
From A - B Testing to Dynamic Creative Optimization

CLUEP!
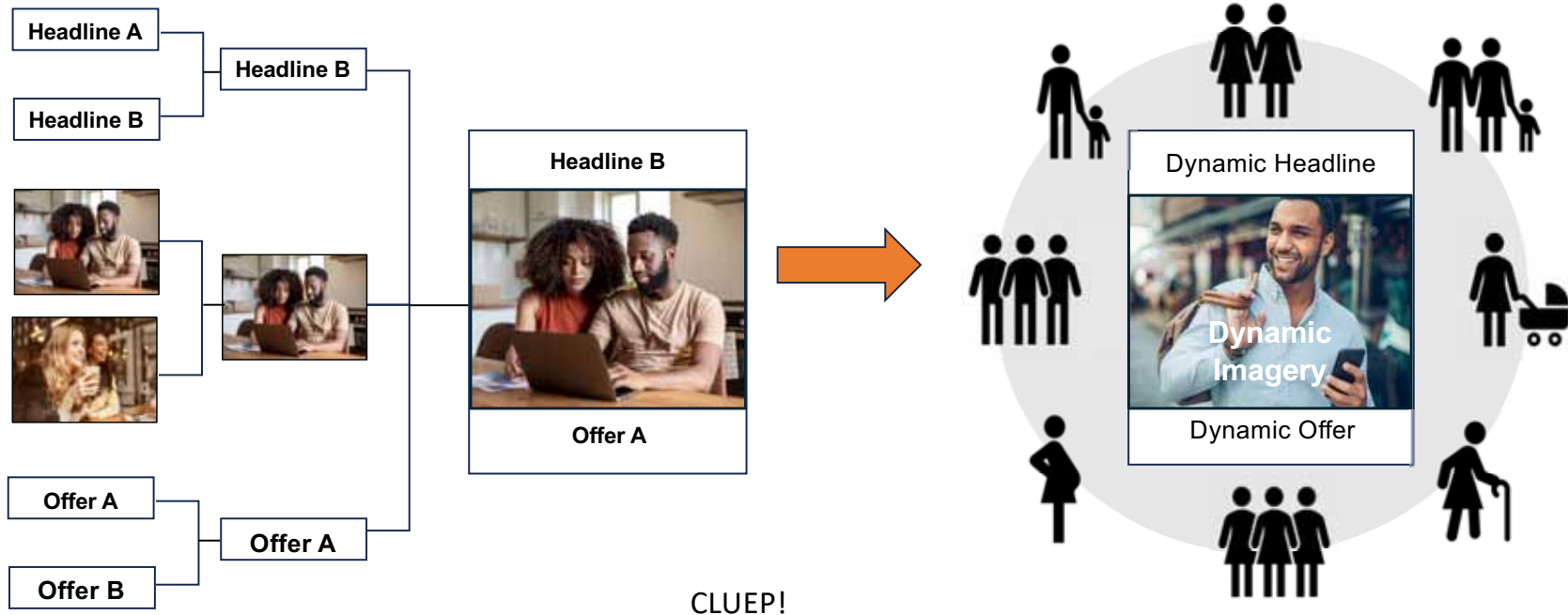
Use AI Tools for Research, Creation, Optimization

From the Playing Field

7 Pre-Launch Steps in D-D-D Campaigns

1. Data Portrait Analysis →

2. Audience Research & Modeling →

3. Audience Segments: Quantify & Decide

4. 4. Media Plan: Model Options & Impact →

5. 5. Business Outcomes Model Pro Formas

6. Creative: Customize to Personas →

7. Production: Use Asset Map and AI

Example: Data Portrait Output

1-4 Yrs	Personicx Classic	Age	Marital Status	Ownership	Children	Income	Urbanicity	Networth
1	33 - Urban Diversity	46-75	Single/Married	Renter	No Children	$75,000 - $119,999	Downtown Metro	<$500K
2	61 - City Life	18-35	Single	Renter	No Children	$15,000 - $24,999	Downtown Metro	<$50K
3	29 - City Mixers	30-55	Single	Renter/Owner	No Children	$75,000 - $119,999	Downtown Metro	<$1MM
4	32 - Metro Mix	46-75	Married/Single	Owner	No Children	$35,000 - $59,999	Downtown Metro	$50K-$1MM
5	63 - Staying Home	46-75	Single	Renter	No Children	$15,000 - $24,999	City & Surrounds	<$25K
6	02 - Established Elite	36+	Married/Single	Owner	No Children	$120,000 +	City & Surrounds	$2MM+
7	53 - Metro Strivers	36-65	Single	Owner	School-Age Children	$25,000 - $34,999	City & Surrounds	<$1MM
8	36 - Persistent & Productive	66+	Married/Single	Owner	Children - Age Mix	$35,000 - $59,999	Suburbs & Towns	<$1MM
9	09 - Busy Schedules	66+	Married/Single	Owner	No Children	$60,000 - $74,999	Suburbs & Towns	$500K-$2MM
10	08 - Solid Surroundings	36-65	Single/Married	Owner	No Children	$60,000 - $74,999	Suburbs & Towns	$500K-$2MM
11	13 - Work & Play	36-65	Single	Owner/Renter	Children - Age Mix	$75,000 - $119,999	City & Surrounds	$25K-$1MM

Know Your Consumer Potential by Proximity

ID	Branch Name	Consumer HHs				Businesses < 100 EE's			
		.25 Miles	.5 Miles	1 Mile	2 Miles	.25 Miles	.5 Miles	1 Mile	2 Miles
1	Main Office	3,557	13,947	39,661	102,116	317	841	2,449	8,200
3	Branch B	3,672	13,104	28,471	46,401	118	472	2,600	10,295
4	Branch C	887	3,562	17,855	69,798	42	100	475	2,992
5	Branch D	5,695	18,862	50,315	128,213	138	249	1,660	1,924
7	Branch E	4,286	14,329	54,712	103,826	311	1062	4,622	6,833
12	Branch F	6,593	19,080	40,251	89,726	216	531	945	2,475
14	Branch G	3,122	13,767	42,783	104,815	191	595	1,619	2,040
	TOTAL	**27,812**	**96,651**	**274,048**	**644,895**	**1,333**	**3,850**	**14,370**	**34,759**

Develop Your Audience Test Recommendation

Audience Segment	Available Quantity	Proposed Quantity
Proximity: HHs within 0.5-Mile Radius, NW = $100K+	45,274	30,000
Demo 2: NW = $100K, Comm Involved, Select Counties	16,393	15,000
Demo 2: NW = $250K, Select Counties	3,215	3,000
Demo 4: NW = $500K, Comm Involved, Select Counties	91,714	72,000
Demo 4 with Net Worth $1 Million+ & Community Involvement in select Counties	920,959	30,000
TOTAL	**1,077,555**	**150,000**

Model Your Media Campaign Plan Options

	Option 1	Option 2	Option 3
Total Campaign Prospects	75,000	150,000	250,000
Email	45,000	90,000	225,000
Live Intent Email			2,000,000
Display & Retargeting	1,000,000	1,250,000	1,500,000
Adaptive Segment Remarketing Display		100,000	250,000
Social & Social Retargeting	300,000	750,000	1,250,000
High Impact Display (OLV)		200,000	250,000
OTT/CTV	200,000	200,000	200,000
YouTube		200,000	200,000
Streaming Radio	300,000		100,000
Total Digital Impressions	1,845,000	2,790,000	5,975,000
Campaign Cost	$50,000	$75,000	$125,000

Model Your Pro Forma Deposit Outcomes

Scenario	Average Deposit	Description	Likely Outcomes	Grand Slam
1	$25,000	Base Goal	$ 7,500,000	$ 21,875,000
2	$30,880	Initial Deposits LFY	$ 9,263,946	$ 27,019,839
3	$35,287	W. Aver Online-Retail	$10,586,000	$ 30,876,125

Determine Media Savings vs. Brokered Deposits or FHLB

				Low	Likely	High		
Cost of Brokered Deposits or FHLB				5.3%	5.3%	5.3%		
Deposit Costs BD or FHLB				$123,566	$490,989	$1,432,051		
Deposit Costs with Campaign Rates				4.8%	4.8%	4.8%		
Deposit Costs via Campaign ($)				$111,909	$444,669	$1,296,952		
Acquisition Cost Savings				$11,657	$46,320	$135,099		
Media Investment				$75,000	$75,000	$75,000		
Net Cost of Media				$63,343	$28,680	($60,099)		

Create A Campaign Asset Map Then Produce with AI!

Post-Launch Steps in a Data-Driven Campaign (Graphic)

1. **Weeks 1 – 4: Build-up Phase**

2. **Week 4: Early Results Attribution > Allocate $ to Best Segments**

3. **Weekly Optimizing:**

    -   **Audience Segments**

    -   **Media Channels/Mix**

    -   **Creative/Offers by Segment**

4. **Weeks 6, 8, 10, 12: New Client Attribution Reports**

Checklist To Achieve Predictable ROI

☑ **Align Your Marketing Plan with Your Strategic Business Goals**

☑ **Use Data Portrait Analysis to Understand High-Opportunity Consumers**

☑ **Develop Your Audience Strategy First**

☑ **Model Media Impact and Pro Forma ROI Goals**

☑ **Up Your Game with Digital Marketing and AI**

☑ **Attribute Actual ROI with Insights to Drive Predictability**

Thank you!

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