

Industry Overview

The demand for banking services is directly tied to the economic activity and the level of interest rates. Generally speaking, the profitability of banks depends on effective marketing skills, efficient operations and strong risk management. In this industry, major products are account services, bank loans, brokerage services, credit card and leasing services, trust management and investment services. Banks generate revenue primarily through interest income and service fees. Typically, customers care more about the quality and availability of services than about the cost of services. Because of this behaviour, customers are usually approached by a sales force aiming to maintain long-term relationships with customers, especially commercial customers. Larger banks may also segment their sales force according to the size of potential customers.

Business Challenges

- **Exposure to New Business Risks:** A lift on restrictions has allowed banks to enter fields that were once more volatile than banking, including insurance, securities brokerage and investment banking. Identifying and mitigating these risks in these particular sectors is often more difficult than in traditional banking. Additionally, banks now make more loans to customers like hedge funds that are lightly regulated and more difficult to analyze.
- **Investments in Computer Technology:** Consolidation across the banking industry requires continuing investments in computer and communications technologies. Advances in technology require banks to constantly upgrade or replace existing equipment. Sophisticated systems are essential for processing transactions, operating networks and Internet sites, and for analyzing operations.
- **Exposure to Foreign Economics and Politics:** Expansion of international trade makes local banks and their assets vulnerable to international conditions.

Industry Opportunities

- **Online Banking:** This is becoming more common with both businesses and consumers. Cash-management services are a particularly well-developed feature of online banking, combining account balance information with electronic bill payments and the ability to move excess funds into short-term investments. Additionally, some banks are developing online loan services.
- **Alternative Bank Locations:** The popularity of ATMs (Automated Teller Machines) has proven that convenience and location is a key factor to the industry's retail customer service. Increasingly, banks are placing branches in supermarkets and other high-traffic stores like Walmart. Since these are typically open on evenings and weekends to match store hours, the main attraction for such branches is consumer convenience.
- **Expansion into Non-Bank Financial Services:** By way of a financial holding company structure, banks are able to provide more services to consumers or businesses including insurance, stock brokerage and investment

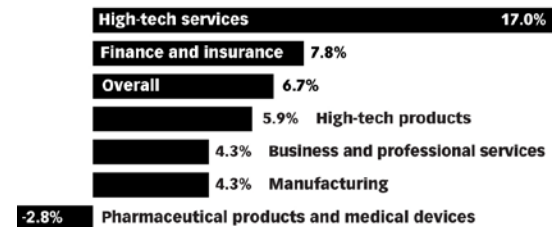
management. Also, to attract assets, some banks offer free stock trading. Demand for these services is geared to increase rapidly as the number of consumers who are 65 years of age and older (ie: Baby Boomers - typically those with the largest financial assets) also skyrockets by the tens of millions.

Digital Marketing Trends

Marketing Budget Changes

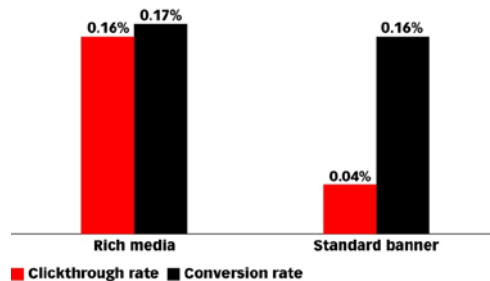
Despite the economic challenges of recent years, B2B marketers worldwide from various industries have increased their marketing budgets for 2011. According to eMarketer, companies within the finance and insurance industry increased their marketing budgets by 7.8% in 2011, just under high-tech service companies (which increased their marketing budgets by 17.0% this year).

Marketing Budget Change According to B2B Marketers Worldwide from Select Industries, 2011
% change vs. prior year



Source: Forrester Research, "Bigger B2B Marketing Budgets Come With Great Expectations" as cited by BtoB magazine, March 22, 2011
126095 www.eMarketer.com

Clickthrough and Conversion Rates for the Financial Services Industry Worldwide, Rich Media vs. Standard Banner, Q4 2009-Q3 2010



Source: MediaMind, "Financial Services: Making Smart Investments in Online Advertising," March 8, 2011
125557 www.eMarketer.com

Clickthrough and Conversion Rates

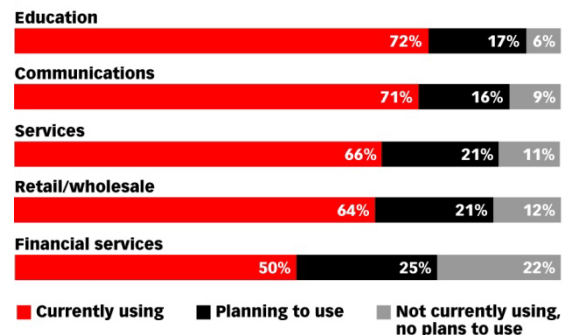
Companies in the financial services industry worldwide are engaging in online banner advertising. When evaluating the clickthrough and conversion rates for the financial services industry, we see that the clickthrough rate for rich media ads was 0.16% between Q4 2009 and Q3 2010. Meanwhile, the conversion rate for rich media ads during the same period was 0.17%. On the other hand, clickthrough rates for standard banner ads in the financial services industry were lower (only 0.04%). But according to eMarketer, the conversion rates for standard banners were higher at 0.16% (as reported between the end of 2009 and Q3 of 2010).

Social Media Usage in the Financial Services Industry

The majority of financial services companies around the world are using social media in their marketing efforts or have plans to use social media in the near future, according to eMarketer. Half of worldwide companies in the financial services industry currently use social media as part of their overall marketing strategy. Meanwhile, 25% of respondents in the financial services sector are planning to integrate social media into their marketing programs in the near future. Only 22% of financial companies are not currently using social media or have no plans of using it as part of their marketing strategy.

Social Media Use by Companies Worldwide, by Industry, July 2010

% of respondents



Note: numbers may not add up to 100% due to rounding
Source: SAS and Harvard Business Review, "The New Conversation: Taking Social Media from Talk to Action," Oct 27, 2010

121441 www.eMarketer.com



Mobile Marketing Activities of Financial Services and Insurance Companies Worldwide, May 2010

% of respondents

Short message service	55.6%
Mobile applications	55.6%
Mobile version of your website	44.4%
Mobile email	22.2%
Multimedia message service	11.1%
Location-based services	11.1%
Mobile ads	11.1%
Voice messaging	0%
Other	0%

Source: Omniture, "2010 Online Analytics Benchmark Survey," provided to eMarketer, May 17, 2010

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Mobile Marketing Activities

Financial services and insurance companies around the world are using mobile marketing in their businesses. Specifically, 55.6% of respondents used text message advertising (short messaging services) as part of their marketing efforts as of May 2010. The same percentage of financial and insurance companies have a mobile app. Meanwhile, 44.4% of financial and insurance companies have a mobile version of their websites. Mobile email was another popular mobile strategy among financial services and insurance companies around the world (according to 22.2% of respondents). Other common mobile tactics in this industry include multimedia message services (11.1%), location-based services (11.1%) and mobile ads (11.1%).

Digital Marketing Opportunities

Immediate Areas of Focus for Social and Mobile

When we look at the latest digital marketing opportunities of social media and mobile for businesses in the financial services sector, their main considerations and focus should be on how they can use these technologies to increase their brand awareness, serve existing clients and attract new customers. On the social front, financial companies are leveraging social technologies like blogs to educate consumers on their products and services and provide information on general financial related news.

They utilize Facebook and Twitter to create support communities for their clients to engage more effectively with their clients and improve their overall customer service. For financial companies where it's important for individual financial professionals to have an established personal brand, LinkedIn is also highly used to help build credibility and connect with clients on a more individual level. Like most businesses they also leverage news feeds and social alerts to help monitor their online brand mentions.

On the mobile front, companies in the financial services sector are primarily focusing on how they can make it easier for clients to do business with them directly from their mobile devices, via mobile websites and apps. They are also exploring mobile advertising and text messaging to improve their communication process with clients and send messaging quickly and spontaneously to reflect changes in the market conditions or services offered. When it comes to social technologies and mobile marketing, below is where we see the majority of building and construction companies making considerations from a strategy standpoint.

Social Technologies

Blog	Facebook	Twitter	LinkedIn	YouTube	News Feeds/ Social Alerts	Social Bookmarking	Forums	Review Sites
✓	✓	✓	✓		✓			

Mobile Marketing

Mobile Site	Mobile Local Search	Mobile Ads/ Text	Mobile Apps
✓			✓

Popular Pay-Per-Click Keywords

Keyword	Advertiser Competition	Global Monthly Searches	Estimated Cost per Click
financial services	0.48	22200	\$5.79
finance	0.04	1500000	\$1.64
online banking	0.37	110000	\$6.02
investment	0.76	60500	\$5.62
investment banking	0.57	49500	\$5.50
financial management	0.29	40500	\$2.03
financial advisor	0.9	27100	\$10.95
financial planning	0.75	27100	\$7.36
financial news	0.21	27100	\$1.71
financial review	0.19	18100	\$0.32
financial planner	0.79	12100	\$9.32
mortgage lenders	1	9900	\$8.64
financial institutions	0.17	8100	\$2.50
financial advice	0.85	8100	\$9.79
financial advisors	0.89	6600	\$10.42
financial adviser	0.82	6600	\$6.70
national financial services	0.12	5400	\$1.63
financial plan	0.43	5400	\$5.78
finance companies	0.8	5400	\$4.25
financial consultant	0.57	4400	\$5.81