

## The Latest Take on Millennial Bank Marketing

August 9, 2018 by Joseph Lowe

Even as Gen Z comes of age, the term “millennial marketing” is still getting attention across numerous industries as a way to reach a generation that’s becoming increasingly powerful as consumers. According to research collected by the [American Bankers Association](#), millennials are the fastest growing customer base, accounting for 83.5 million people in the United States, and are expected to make up to 44 percent of the workforce by 2022.

It’s critical, then, for banks to continue to evaluate how to market toward and do business with the largest generational group in the U.S. workforce. But who are they?

The [Pew Research Center](#) defines millennials as people born from 1981 to 1996. They’re often described under blanket terms that may or may not be helpful: technology-driven, entrepreneurial, community-focused, entitled, coddled and lazy, among many others. Crafting messaging that resonates with this group can be confusing for banks of all sizes. However, like any other generation, millennials share a distinct set of common experiences and expectations. And there is a plethora of ways banks can rethink their approach to meeting millennial needs. Banks can develop more effective millennial marketing strategies by understanding some of the defining characteristics of today’s largest living generation.

### 1. **Become a conscious capitalist.**

Millennials have been exposed early to the idea of conscious capitalism, and many now take it into account on every [monetary decision](#), including who they decide to bank with. [Conscious capitalism](#), a term coined by Nobel Peace Prize laureate Muhammad Yunus and popularized by management professor Edward Freeman and Whole Foods Market co-founder John Mackey, operates under the notion that businesses can and should consciously create value not just for shareholders but for a broad range of stakeholders, including customers, employees, suppliers, neighbors and the overall environment. To tap into millennials’ interest in conscious capitalism—[nearly 40 percent of them say](#) they are more likely to buy a product or service if it supports a broader cause—banks should make sure they’re communicating their philanthropic and community commitments in your marketing messages.

### 2. **Educate your account holders.**

Four in 10 millennials aged 25 to 29 have earned at least a [bachelor's degree](#)—and that number is rising. However, 75 percent of this highly-educated generation incurred student loan debt, with an average debt burden of \$29,000, according to ABA—and many don't know how to manage it. Financial education is a competitive advantage for banks.

As these young business leaders apply for personal and commercial loans, you should be distributing marketing collateral to detail the life of a loan and the [requirements to gain approval](#). Explain how student loan debt impacts individual credit profiles and the proper documentation required for banks to analyze credit risk and come to a sound credit decision.

### **3. Use advertising technology and target on social media.**

As [technology](#) has become customary rather than an added convenience in their everyday lives, millennials are turning to their phones for an online banking experience. Whether it's for tasks as simple as transferring funds across accounts or providing the ability to apply for a loan entirely online, a web presence is non-negotiable for today's banks. In fact, millennials are [three times more likely](#) to open a new account with a phone than in person. Small gestures like offering the option for borrowers to upload [documents](#) onto a secure portal and sign with an [electronic signature](#) to speed up the loan decision process will increase client satisfaction and play an important role in the decision process for customers searching for the right bank.

Furthermore, think about how your financial institution's messaging is reaching your millennial audience. Are you unlocking the power of digital advertising to target content toward the right screens? According to the [2018 Nielsen CMO Report](#), only 21 percent of marketers deemed print channels effective.

If your bank is only using print or direct mail campaigns, it might be time to reevaluate your strategy. Use platforms such as Google AdWords or Bing Ads to hyper-target potential borrowers by keywords, location, income and previous browsing habits right on their smartphone, tablet or laptop. According to research cited by ABA, 77 percent of millennials say their mobile phone is always with them. For institutions with a social media presence, use LinkedIn or Facebook Ad Manager's audience targeting to tailor messages toward social media profiles right in their pocket.

### **4. Humanize the banking process.**

There is one facet of banking for which smaller financial institutions will always have an opportunity to excel: building personal relationships between lenders and borrowers. While millennials expect an online banking interface that is easy to navigate, it's still important to remember names and personalize each lending approval process based on the specific needs of the borrower. According to [Deloitte](#), millennials value high-quality frontline staff interactions. Perhaps the most fundamental way banks can improve customer service for millennials is humanizing the customer experience with a friendly greeting and

attentive representatives—whether on the phone, in-person or online. Keeping warmth and personalization in mind, even in automated communications, can also bolster efforts to this end.

As consumers, millennials like to see authenticity in the media they engage with. This trend is no different when it comes to financial institutions. The writing adage “show don’t tell” applies here. Rather than writing a text-heavy newsletter or email campaign featuring stock images of people smiling or shaking hands, include images of real bank employees and the communities they engage with. Show customers that your financial institution is made up of community members like them and isn’t just dedicated to supporting the financial health of all of its account holders.

...

For the full story featuring Sageworks, visit [ABA Bank Marketing – The Latest Take on Millennial Bank Marketing](#).