



DIGITAL MARKETING REPORT

FOR BANKING & FINANCIAL SERVICES

Q1 2024 EDITION



IN FOCUS:

Reddit & TikTok

Opportunities for marketers

About iQuanti's quarterly report for digital marketers

This guide arms marketers with data and insights on the latest industry trends, key performance indicators, acquisition trends, as well as challenges and opportunities across digital channels.

FOREWORD

2024 promises to build on exciting trends from the last few years:

- **Digital marketing spend for financial services expected to bounce back:** As consumer health markers revert to pre-pandemic levels, BFSI brands are set to up budgets.
- **A fundamental change in how consumers take in information:** Users are shifting away from reading on the web to consuming information through short form videos on YouTube, Tiktok, and Instagram.
- **Reddit as an emerging platform:** As the platform that's one of the most trusted by users, Reddit is increasingly the place to be for mid funnel marketing. In Q4 '23, 65% of Reddit's revenue came from Fortune 500 companies, which speaks to its mainstreaming. Driven by contextual ads, it's more immune to cookie deprecation, too.
- **A gradual move toward contextual targeting:** With Google starting to deprecate cookies for 1% of Chrome users and Apple's privacy-first changes to iOS 17, marketers are rethinking how they track and measure digital performance.

Broadly, these trends reflect a shift across the board. Those who embrace the changes are likely to win in the brave new world.

Looking forward to a great 2024!

Vish Sastry Rachakonda
Founder & CEO, iQuanti



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Q1 2024: Key Performance Marketing & Acquisition Trends Highlights



Google is transforming Search, YouTube, and Cloud with AI

Google is aiming to use AI to improve the user experience and advertiser performance across products



Meta reported 25% YoY growth, driven by Threads and Reels

New ad formats and measurement tools offered for Reels, even as competition from TikTok remains a challenge



As Reddit files for IPO, brands take a closer look at its advertising opportunities

Nearly 65% of its Q4 revenue came from Fortune 500 companies, pointing to its broadening appeal



Google Chrome turned off cookie tracking for 1% of Chrome users

That's nearly 30M users! This move will force marketers to rethink targeting and measurement tactics



Financial services digital ad spend is expected to pick up after a dip in 2022-23

Digital ad spend by the financial services industry is slated to go up 10.6% this year, up from \$30B in 2023



Robust spending and rising customer confidence in Q4 2023

However, the average credit card balance per American has reached record-high levels and delinquencies have risen



One



Performance Marketing Platform Updates



Google Injecting AI into all Areas of its Platform to Drive Advertiser Growth

- **Total revenues were \$86.3B, up 12% YoY, with Google Search ads remaining the biggest revenue driver**
 - Alphabet’s core business of Search and YouTube delivered revenues in line with market expectations
- **AI is transforming Search, YouTube, and Cloud offerings**
 - AI is now integrated into Google Search to enhance the user experience and advertiser performance
 - The conversational experience workflow in Google Ads uses Google AI to create quicker search campaigns by automating much of the process. This is expected to make it easier for SMBs to create campaigns
 - Performance Max continues to be a focus with a revamped asset creation flow (powered by Generative AI) that builds out additional advertising assets based off limited inputs
 - In response to criticism of placement quality, Google has enabled a temporary “search partner exclusion.” The long-term plans to fix quality have not been confirmed but could include the ability to refine traffic by excluding these search partners

	Q3 2023	Q4 2023	QoQ Growth	YoY Growth
Revenue	\$76.7B	\$86.3B	12.54%	11.89%
Google search Ads revenue	\$44B	\$48B	9.07%	11.28%
Google network revenue	\$7.7B	\$8.3B	8.19%	-2.15%
YouTube Ad revenue	\$7.9B	\$9.2B	15.69%	13.45%
Other revenues (including YouTube TV & Music Premium)	\$8.3B	\$10.8B	29.44%	18.51%
Traffic acquisition costs (TAC)	\$12.6B	\$13.9B	10.63%	7.59%

“We are pleased with the ongoing strength in Search and the growing contribution from YouTube and Cloud. Each of these is already benefiting from our AI investments and innovation.”

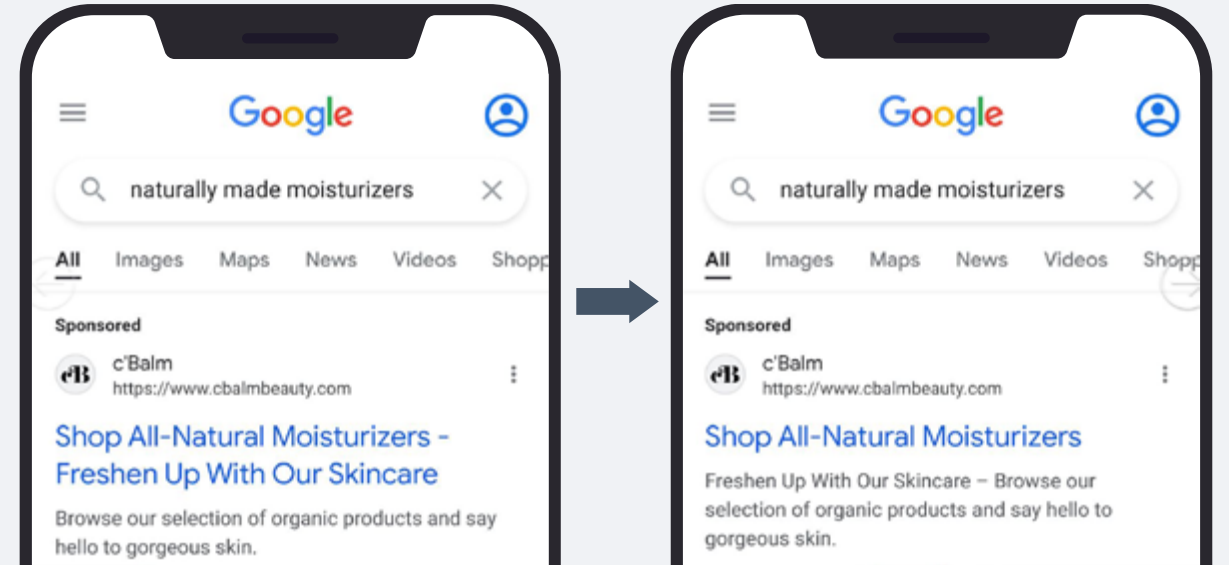
Sundar Pichai
CEO, Alphabet and Google



Google Taking Control of Ad Formats and Opening up Youtube Ad Inventory to a Wider Market

In February 2024, Google launched single headline responsive ads, where it will show one headline when it's predicted to improve ad performance

- As part of this change, a headline will now be eligible to show at the beginning of description lines
- This AI-led change can improve performance but also indicates a future where advertisers have less control over the final ad; this can potentially create compliance issues



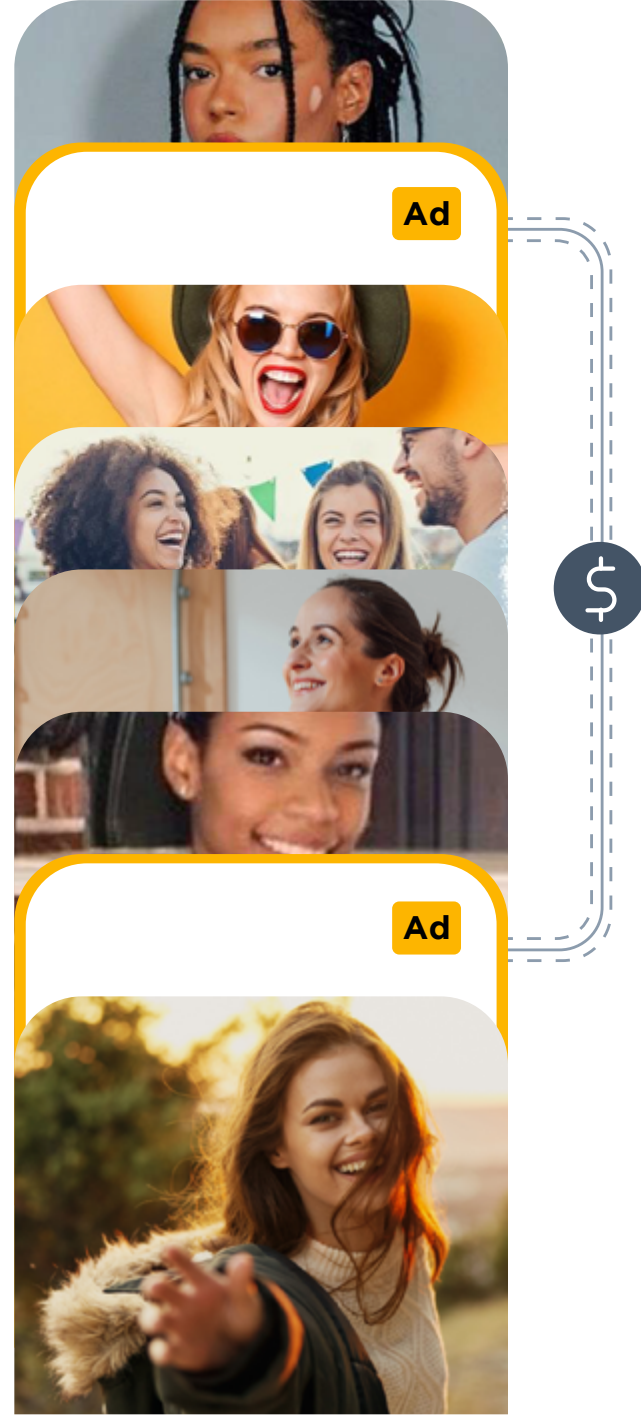
Expect single headline RSAs to be served more

The number of YouTube Shorts is expected to pass 1B in H1 2024

- YouTube Shorts ads in video reach more advertisers as the solution moves from beta to general availability
- Creators get an easier path to earning ad revenue from YouTube Shorts (1,000 subscribers plus 10M Shorts views over 90 days), opening additional advertising opportunities for marketers

Google launched an easier way to buy high-visibility reservation media in Google Ads. This launch includes self-service setups for:

YouTube Select Lineups	YouTube Select Shorts Lineups	YouTube TV Lineups
Cost-Per-Impression Masthead	Standard Run of YouTube reservation	



Google expanding monetization of YouTube shorts

Google Search Supports Discussion Forum and Profile Page Structured Data

About

At the end of 2023, Google introduced support for structured data for discussion forums and profile pages.

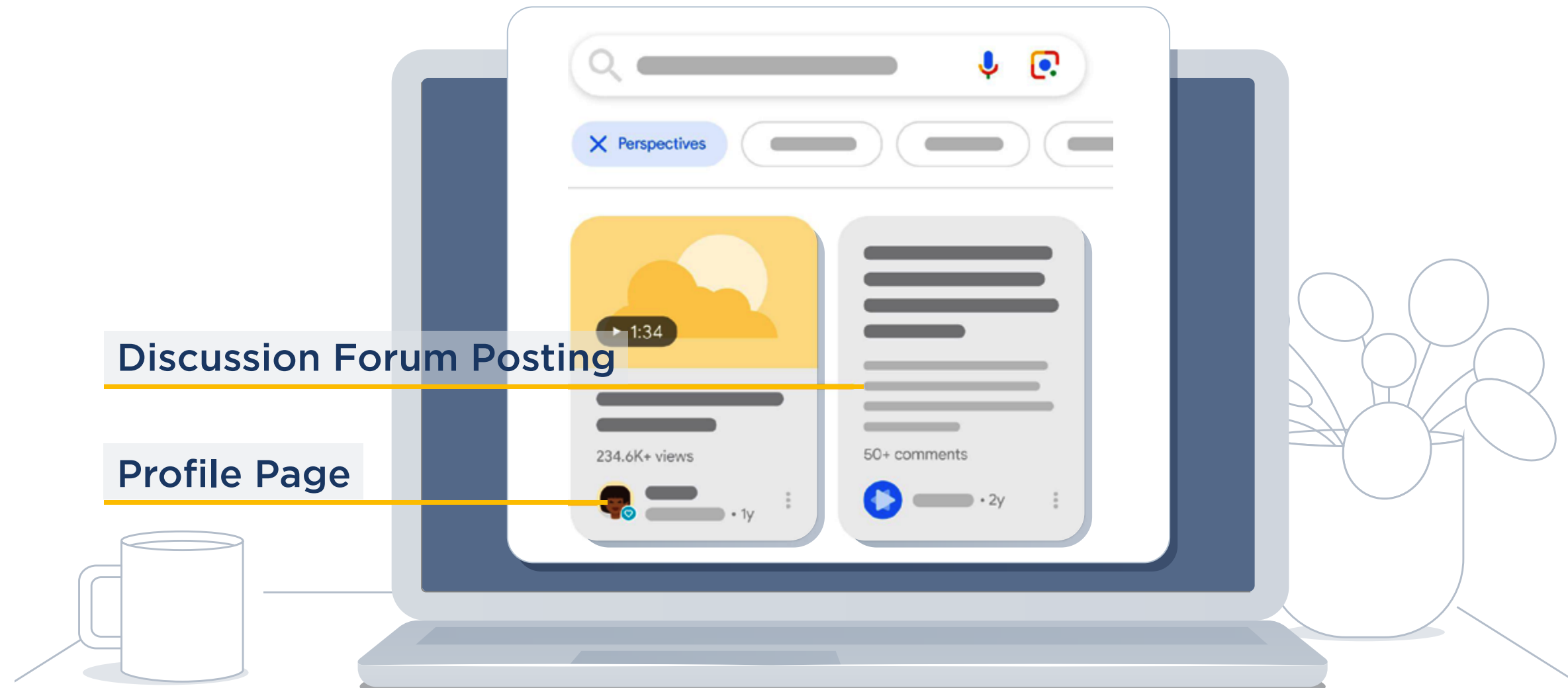
This allows for the display of first-person perspectives from social media, forums, and communities in search results. New Search Console reports are available to monitor these structured data types.

Impact

The introduction of these structured data types could enhance the visibility of creators and forum discussions in Google Search, potentially increasing engagement and click-through rates.

iQUANTI'S APPROACH

As Google's SERP becomes increasingly perspective-diverse in 2024, iQuanti SEO will explore integrating these new structured data types for relevant content, especially for creators and forum-style sites.



Discussion Forum Posting

Profile Page

“We’re announcing support for profile page and discussion forum structured data for use in Google Search, including new reports in Search Console. This markup works with Google Search features that are designed to show first-person perspectives from social media platforms, forums, and other communities.”

Google

Google Core Web Vitals Changes Announced: INP to Replace FID

About

Google is set to replace the First Input Delay (FID) metric with Interaction to Next Paint (INP) in its Core Web Vitals on March 12, 2024. This change aims to enhance the measurement of webpage responsiveness by assessing the latency of user interactions more comprehensively.

While FID focuses on the delay in processing the first user interaction, INP provides a broader evaluation of the webpage's responsiveness across all user interactions.

Impact

- **INP Measurement:** Leveraging data from the Event Timing API, INP provides a more detailed assessment of webpage responsiveness by measuring the latency of all user interactions, reporting a single value that reflects the experience.
- **SEO strategy:** Sites should now shift focus to improving webpage responsiveness and user experience.
- **Google Search Console Integration:** Google will integrate INP into the Core Web Vitals report in Google Search Console later this year, allowing webmasters to measure and optimize their INP scores.

May 2022

May 2023

March 2024

Experimental

Chrome announced experimental support for INP

Pending

Today, Chrome is announcing that INP will become a Core Web Vital metric

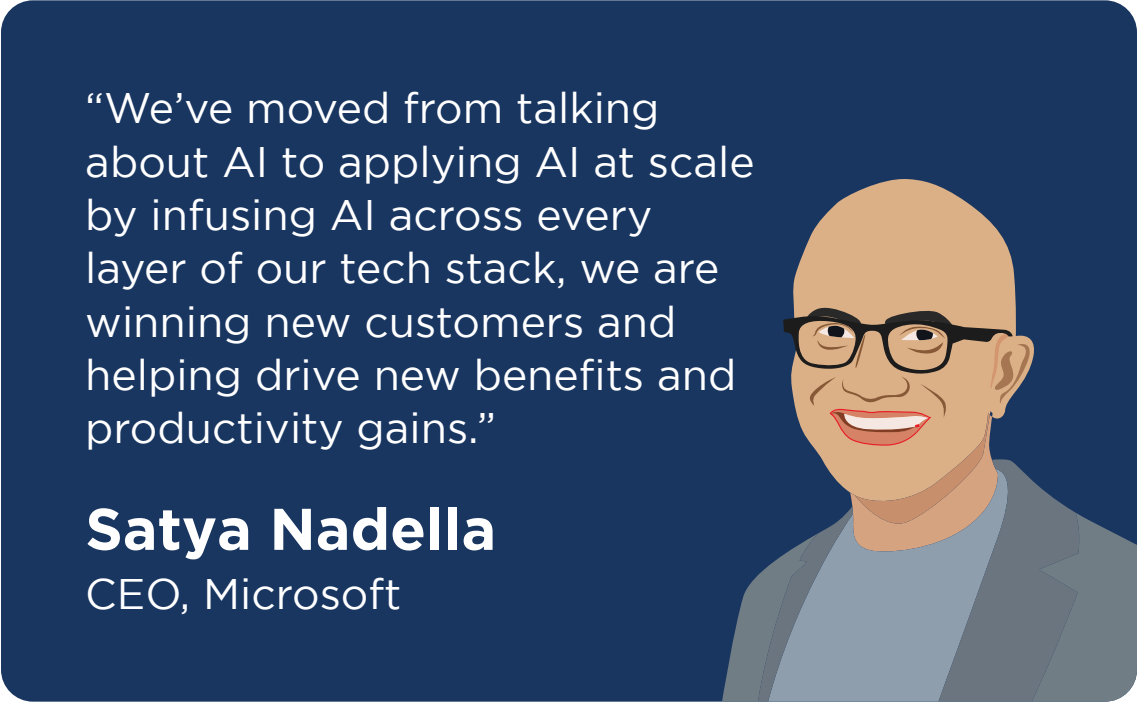
Stable

INP becomes a stable Core Web Vital metric, replacing FID

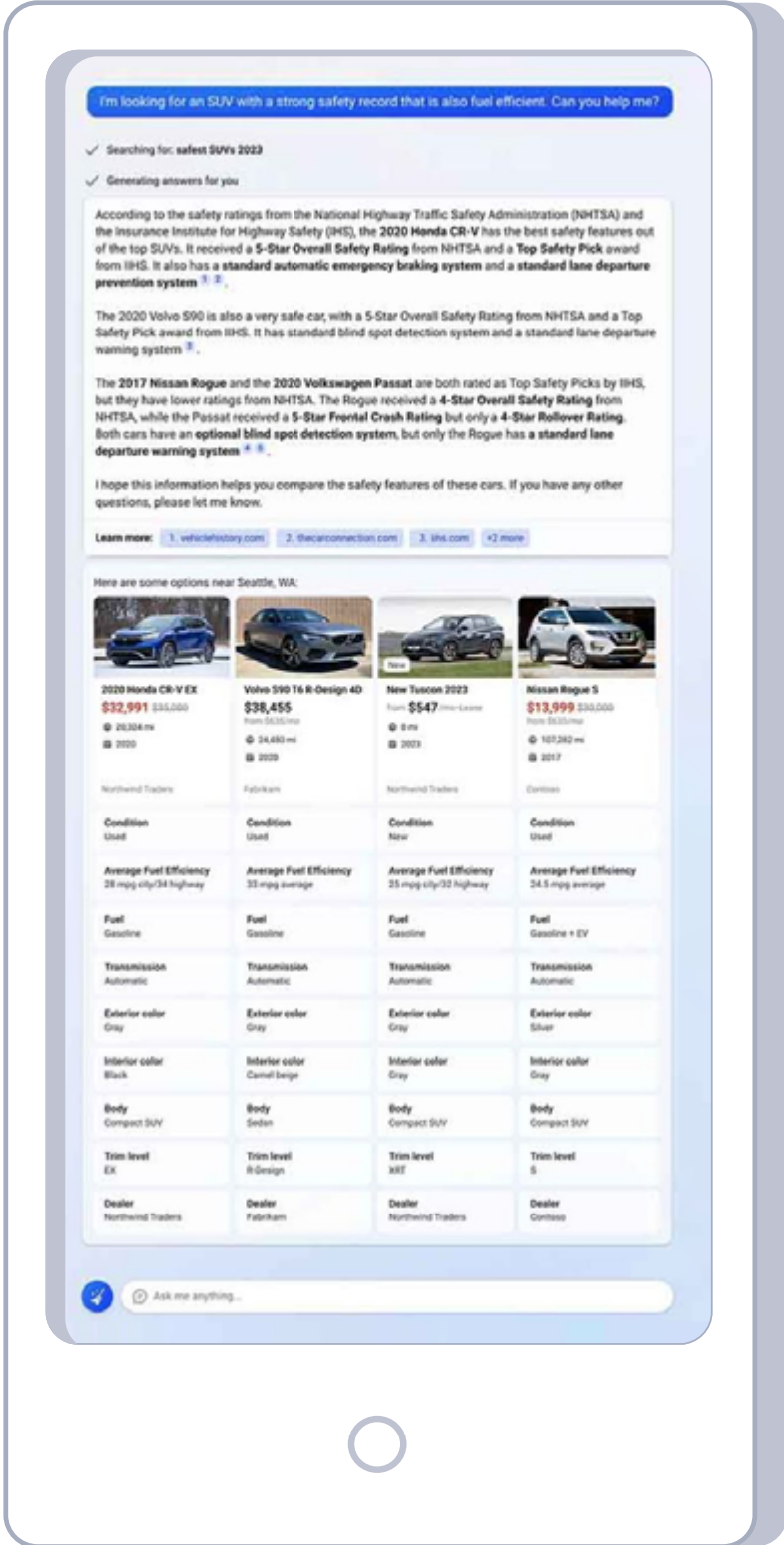
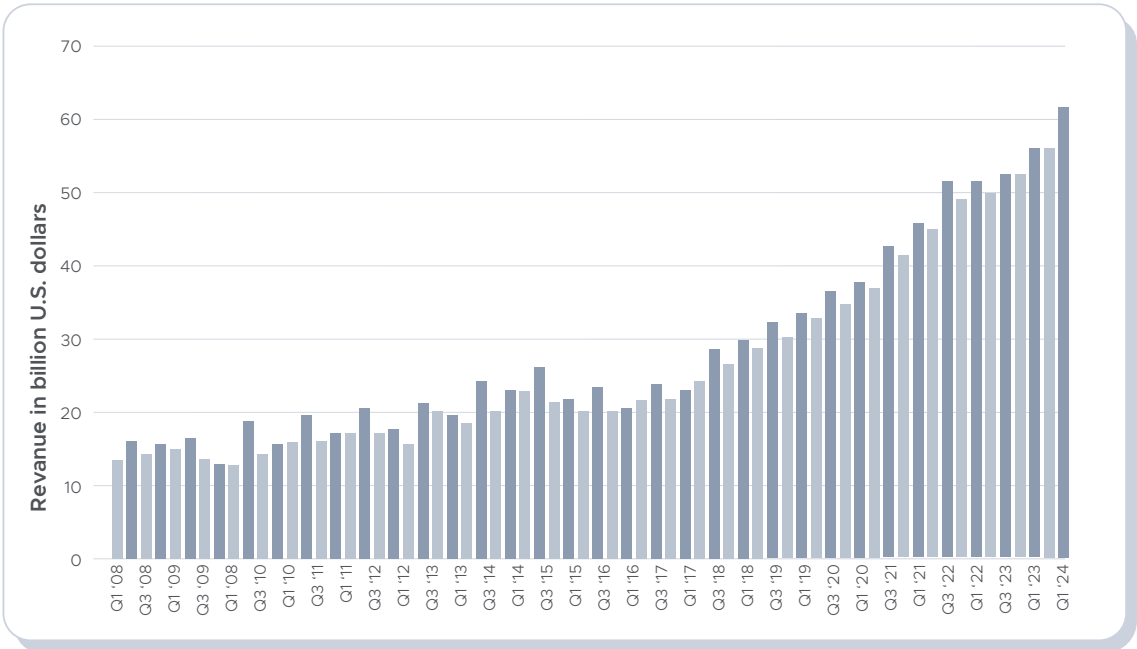


Microsoft Eyes New Opportunities in Search and Advertising Through AI Integrations and Acquisitions

- In terms of search revenue, Microsoft grew by 8% with a continued focus on AI.
 - It extended Copilot Pro, its AI-powered Office features, to consumers
 - Rising adoption of Copilot Pro among enterprises after its launch last year may spur adoption of Copilot powered Bing search for personal searches, helping increase Bing’s market share
- Activision’s acquisition led to a 61% revenue increase from Xbox content and services.
 - Xbox’s 200M active monthly gamers across PC and mobile might help Microsoft tap into advertising in the mobile gaming space
- Microsoft’s also identifying ways to monetize AI-powered chat experiences.
 - Rolling out a series of ad formats such as “Compare & Decide” tailored to the AI powered Bing Chat experience. Initially focused on retail, travel, and auto, this ad format has the potential to expand into financial products
 - Snapchat and Axel Springer identified as the first set of partners for its new product, Ads for Chat API. As companies such as Snapchat utilize Microsoft’s chat software it gives advertisers more opportunities to reach audiences in key research moments



Microsoft Corporation’s quarterly revenue from fiscal year 2008 to 2024 (in billion U.S. dollars)



Strong Growth for Meta While TikTok Survives Senate Committee

Updates from Meta:

- Reported fourth-quarter revenue of \$40.1B, up 25% year-over-year
- Headwinds from Apple's privacy changes are impacting targeting capabilities and measurement for advertisers. However, advertisers can:
 - Focus on **personalized and contextual advertising**, leveraging AI and user data to improve ad relevance to the end user
 - Utilize **Advantage+** which helps simplify campaign setup and utilizes broader targeting and machine learning to find new audiences
 - Implement **Conversions API** to counteract tracking problems caused by Apple's App Tracking Transparency (ATT) update
- Continued **strong growth in Reels and Threads** as they're seen as key drivers of future user engagement
 - New ad formats and measurement tools offered for Reels
 - Competition from TikTok remains a challenge, especially for younger users
 - Expect Meta to push harder on Reels
 - Meta's committed to building the **metaverse** and sees significant long-term potential. Apple's launch of Vision Pro product might accelerate adoption of VR/metaverse



Daily Active Users:
3.19B; +8% YoY

Revenue:
\$40.1B; +25% YoY



Monthly Active Users:
482M; 8% YoY

Revenue:
\$3.1B; +9% YoY



US Users: 150M

Estimated 2023 Annual Revenue (US):
\$6.2B, +23%.YoY

Updates from TikTok:

- CEO Shou Chew testified before the US Senate Judiciary Committee on child safety concerns even as TikTok has escaped any regulatory restrictions
- TikTok **becomes the first non-game app to exceed \$10 billion in user spending**, with predictions to be the highest spending app in 2024. While most revenues are coming from the retail sector, **finance is becoming a significant source as audiences use TikTok**
- New trends such as #loubudgeting and micro-investing are becoming popular as younger generations seek financial advice on TikTok. **As younger audiences change their media habits it's becoming even more important for advertisers to embrace platforms such as TikTok**

Analytics Platform Updates

Google Chrome turned off cookie tracking for 1% of Chrome users

Tests to limit cross-site tracking by restricting website access to third-party cookies have begun for 1% of Chrome's users, with plans to ramp up third-party cookie restrictions to 100% of users from Q3 2024.

Meanwhile in the UK, the Competition & Markets Authority reiterated in a new report that Google cannot proceed with third-party cookie deprecation until competition concerns are resolved. This is to ensure that Google does not use the tools in a way that self-preferences its own advertising services over other adtech players.

Impact:

With an impact on nearly 30 M users, this 1% test will require marketers to rethink key marketing functions like targeting and measurement and will push developers to preserve their site's functionalities using Google Privacy Sandbox led options or other martech.

What should marketers do:

After understanding their current dependencies on third party cookies and the impact of their removal on marketing operations, marketers should plan to invest in alternative tactics such as first party data, contextual targeting, cross channel measurement, incrementality testing, etc.

LinkedIn to sunset lookalike audiences

LinkedIn has announced that it will start phasing out lookalike audiences as an ad targeting option from its platform from February 29, 2024.

Impact:

Advertisers will no longer be able to create new lookalike audiences or edit existing lookalikes. LinkedIn's API for creating lookalike audiences through third-party marketing platforms, such as HubSpot, will no longer be available.

What should marketers do:

Advertisers must modify their audience targeting strategy to replace their current lookalike targeting with others like predictive audiences or audience expansion. LinkedIn is also providing a 30-day grace period during which unused lookalike audiences can still be accessed before being archived.



Analytics Platform Updates

TikTok launched two ad performance measurement tools

The new ad measurement tools by TikTok aim to help advertisers make informed decisions via journey tracking. These include:

Cross Channel Partners: Analyzes how ads perform across different online platforms and touchpoints before a purchase is made to understand their overall impact

Lift Partners: Assesses the effectiveness of ads on brand metrics, sales, physical store visits, and viewership for shows or media

Impact:

These tools will help marketers analyze a user's journey better and assess the impact of each touch point. This change is also aimed at proving the efficiency of TikTok's advertising capabilities.

What should marketers do:

Advertisers should use these measurement insights to better evaluate their channel mix and adjust ad budgets accordingly.

NielsenIQ and TransUnion collaborate to build richer audiences for activation

This collaboration will connect measurement and data analytics leader NielsenIQ's first-party retail consumer data with partners' identity spaces for audience modeling and data connectivity.

Impact:

This agreement will help media and adtech companies create impactful campaigns at scale with richer third-party data audience segments informed by consumer purchases.

What Should Marketers Do:

Advertisers should look out for the latest advancements in this collaboration, and once available, see which audiences offered would work best for their business.



PLATFORM IN FOCUS

**As Reddit
Prepares for its IPO,
Should Advertisers Be
Taking a Closer Look at the
Opportunities it Offers?**

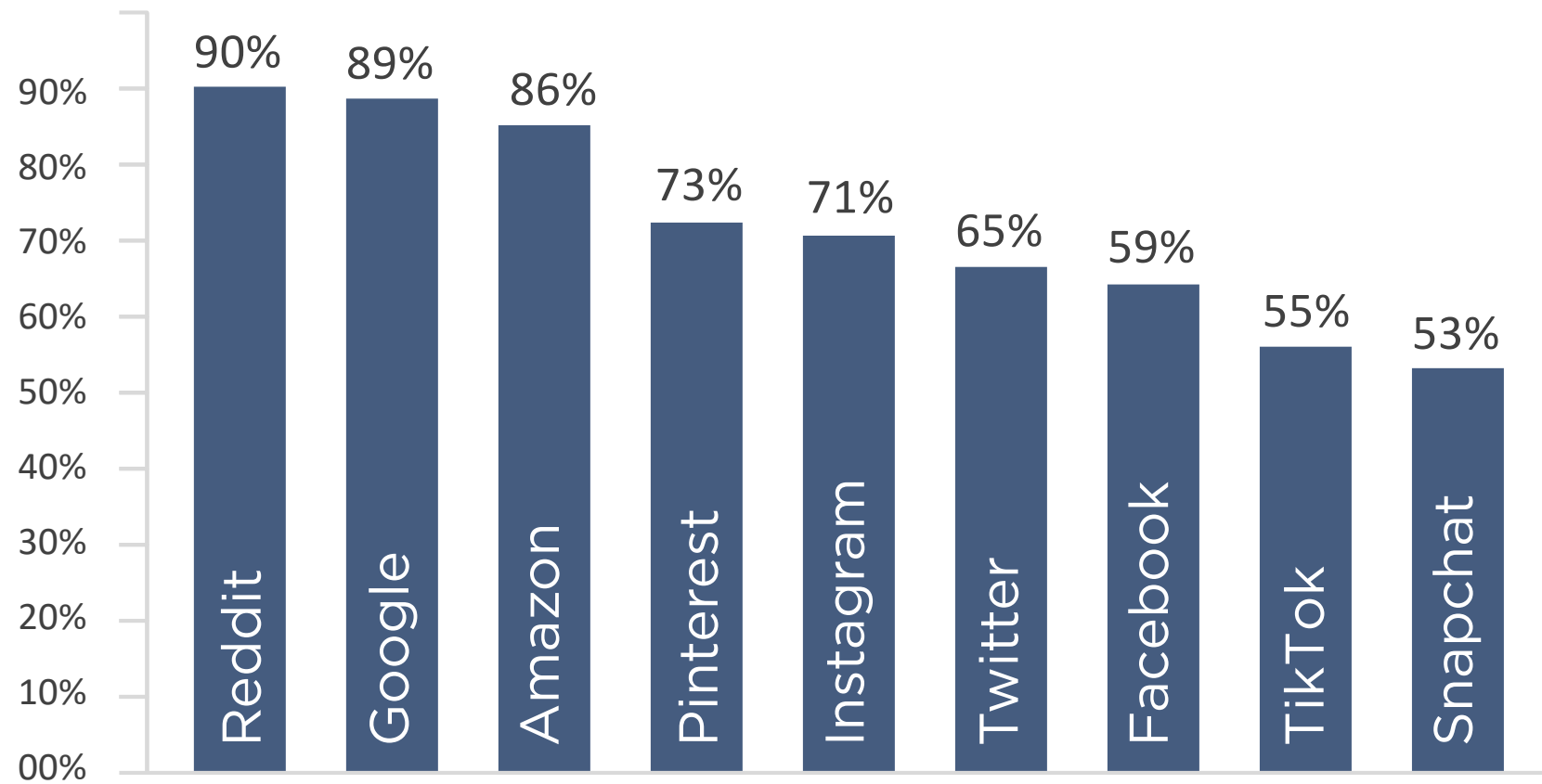


Reddit Builds Community and Trust

As search behavior expands past Google, Reddit is emerging as a platform that users trust when it comes to news, views, reviews and product recommendations.

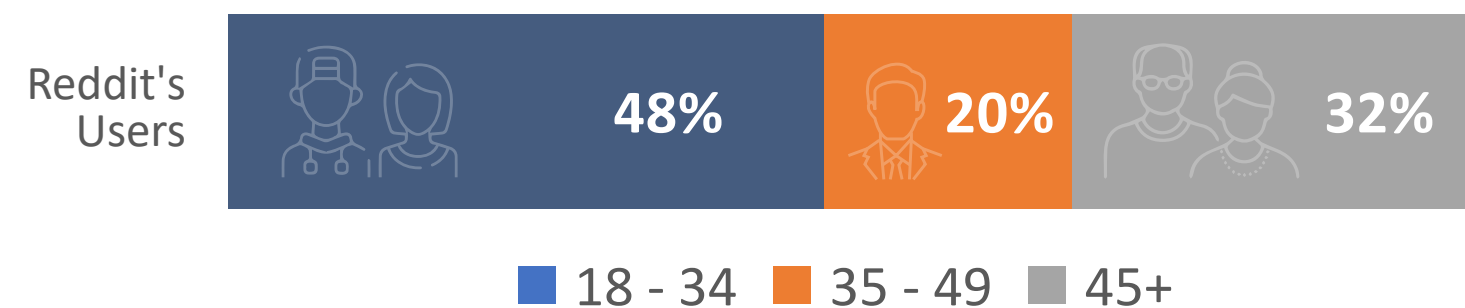
- Reddit is made up of communities, called Subreddits, that are organized around particular topics or interests. Users can post, comment, upvote, or downvote other posts.
- It claims to be the most trusted platform for learning about new products and brands.
- Nearly 50% of its users are between the ages of 18-34, making it a key platform for brands to reach Millennial and Gen Z audiences.

% of users who trust each platform to learn about new products and brands



“In 2023, users added “Reddit” to Google searches 32B times as they sought answers from real people rather than traditional influencers, digital articles or sponsored listicles. This growing behavior shows that the conversations happening within online communities -- which are full of real people, speaking from their own experience and without any kind of ulterior motive or incentive – are often the most valued search result”

Reddit’s Trust, Recommendations, and the Next Era of Influence 2024 report



Reddit is Going Public – and Mainstream!

Reddit's long-rumored IPO is finally underway. The company's SEC filing demonstrates why.

- It grew 30% YoY to 70M Daily Active Users in 2023, offering a valuable base of engaged users
- Multiple advertising options are available to reach these users, with strong targeting based off the various subreddits
- Its top ad verticals in Q4 were technology, finance, and media & entertainment, which added up to 52% of its ad revenue
- In the same period, 50% of ad revenue came from performance campaigns and not branding campaigns
- Nearly 65% of Reddit's Q4 revenue came from Fortune 500 companies, pointing to its mainstream appeal
- The platform has its own third-party pixel (called the Reddit Pixel) for tracking off-platform user behavior
- But despite the large amount of first-party behavioral data Reddit has on its logged-in user base, it's putting all its eggs in the contextual basket
- Reddit introduced a contextual tool last June that uses natural language processing to analyze user-generated content for interest-based keywords

The combination of high user trust and the potential for highly targeted advertising makes Reddit a platform to keep an eye on.



“The foundation of our ad performance is based on context and interest instead of tracking users based on personally identifiable information. Our lack of reliance on third-party data makes our offering more resilient to the loss of signal that other platforms rely upon as well as forthcoming changes to the internet ecosystem.”

Reddit's IPO filing in February 2024

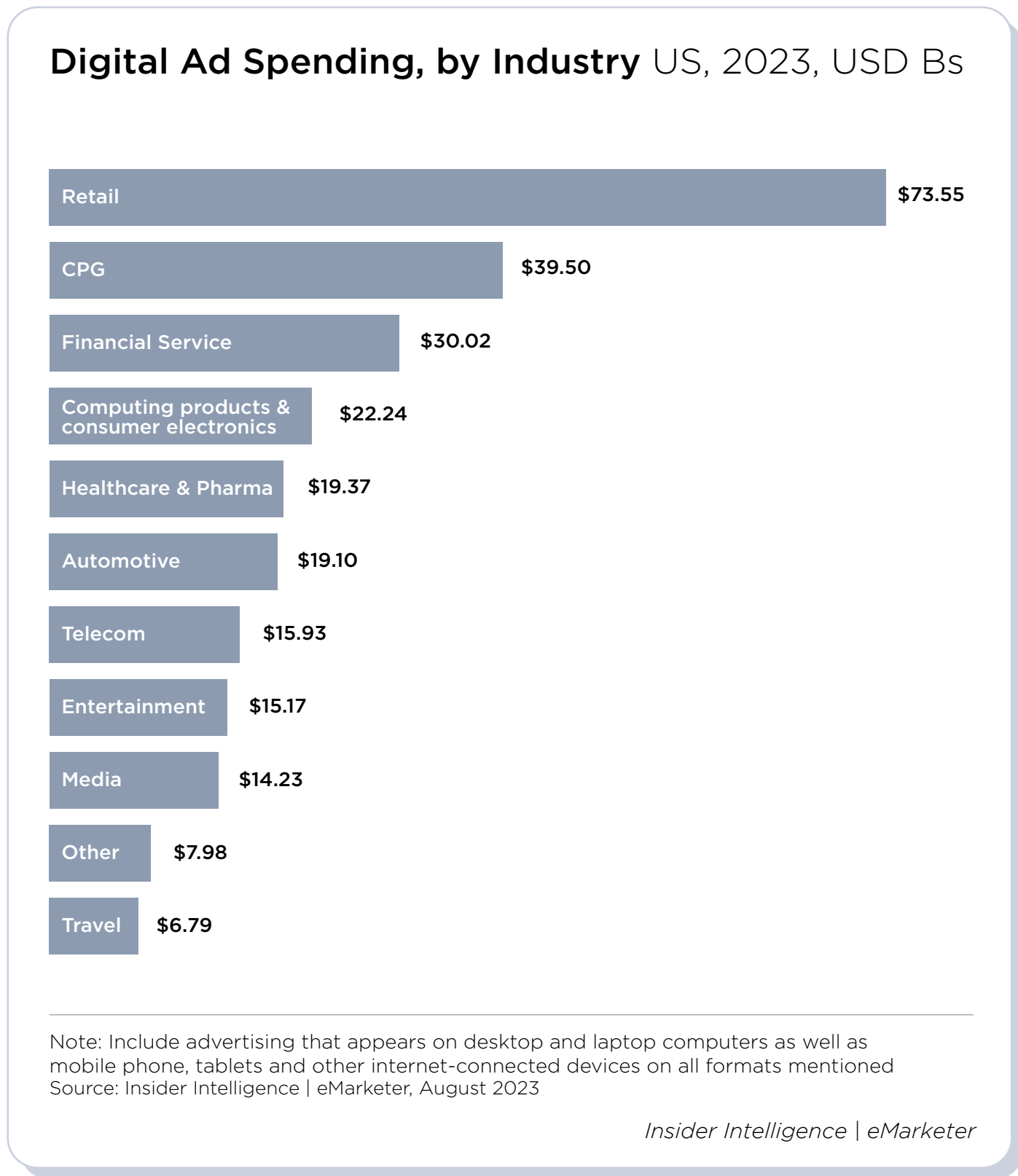
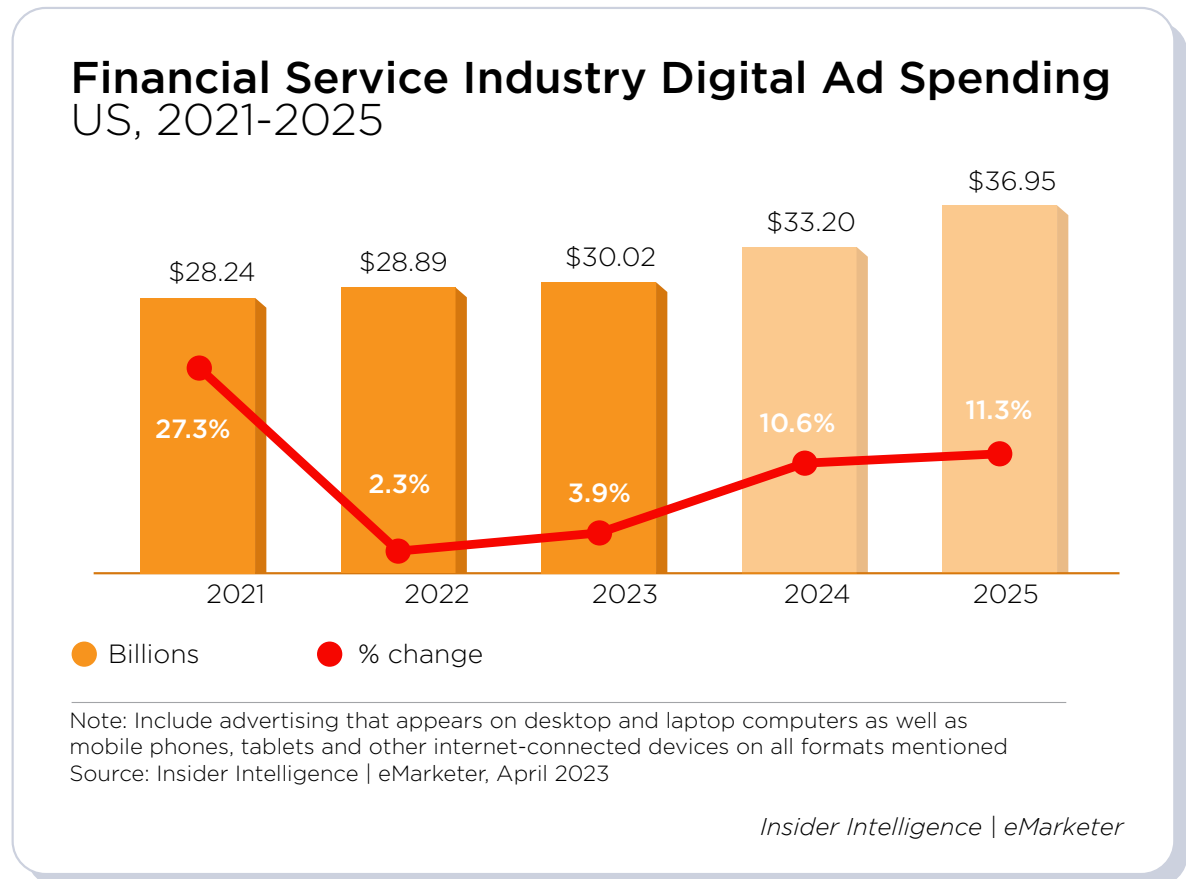
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BFSI Performance Marketing Updates & Insights



Financial Services Digital Ad Spend is Expected to Pick Up as Companies Realize they may have Overcorrected on Recession Fears

- Digital ad spending plummeted in 2022 and 2023 as bearish sentiments flooded the economy. But with unemployment still near historic lows, financial services brands are ready to open their wallets again.
- Financial services will become only the third industry to surpass \$30B in digital ad spend in 2023. Growth will also surpass total average spend across US industries in 2025 after three years of underperformance.



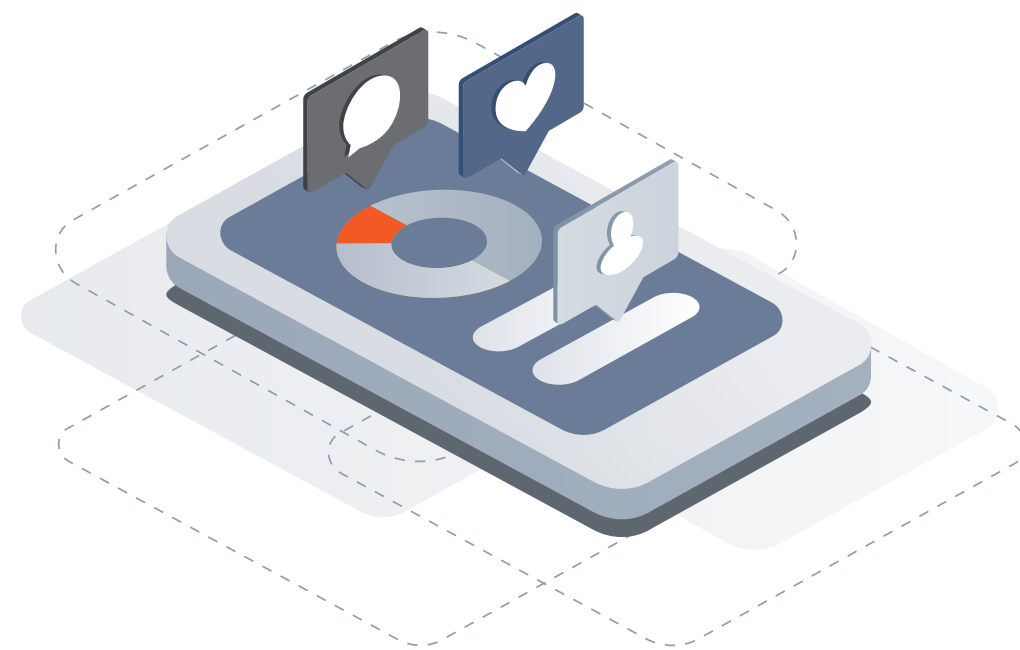
Digital Media Insights to Guide Your 2024 Strategy

Even as digital marketing spend is expected to go up, marketers remain under pressure to do more with less. Contact us to access an exclusive report for data-led insights on channel strategy trends across leading brands in life insurance, credit cards, personal loans, mortgage, and more.

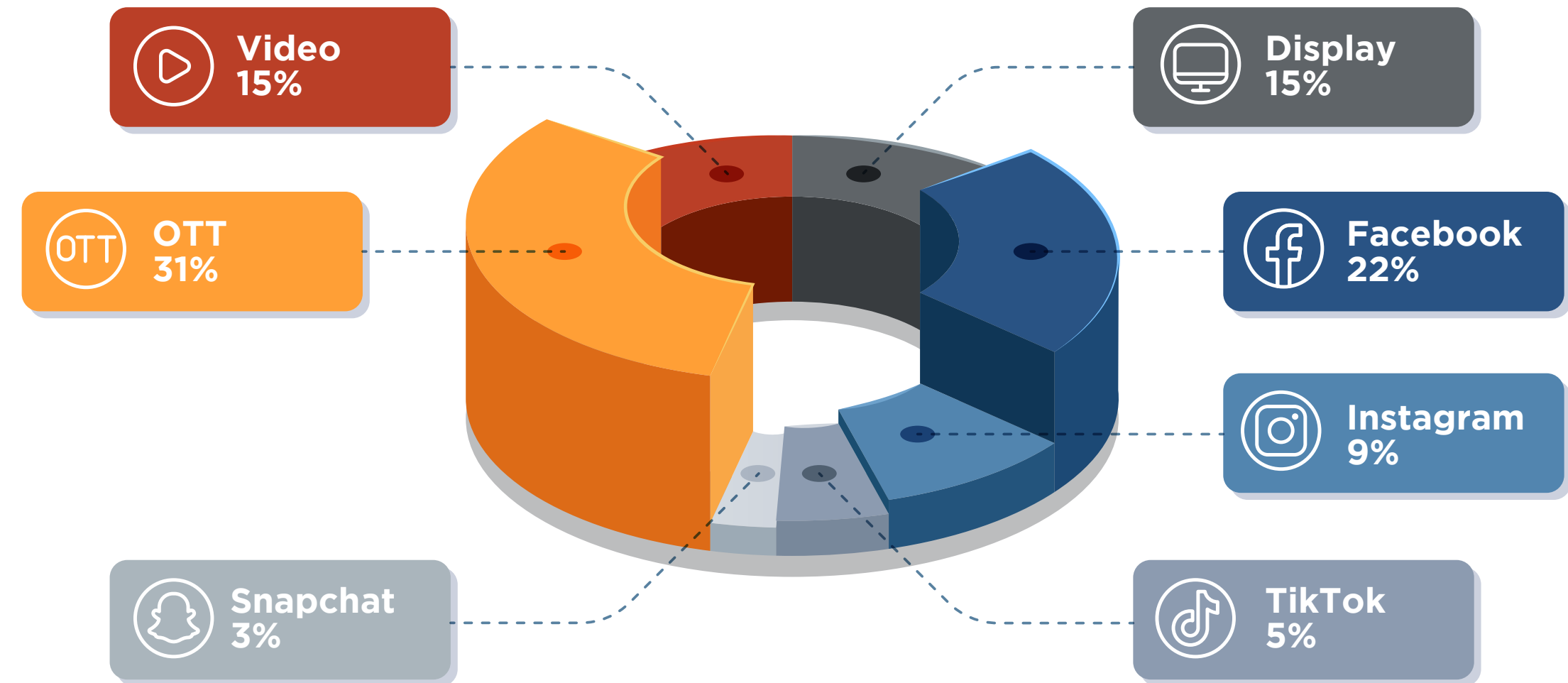
[Contact Us](#)

In Push Media, Social Continued to Dominate Spend for Financial Services

- While social media continues to be the leading channel, its share within the channel breakdown has gone down. TikTok and Snapchat's share in the channel breakdown has increased.
- OTT remained second, but their share increased considerably versus 2022.
- Due to the current ongoing issues with Twitter, the platform has seen negligible spends in most categories.



US Financial Service & Insurance Push Media Spending-Channel Breakdown for 2023



Advertisers in Most BFSI Categories are Increasingly Focusing on Video-Based Content

- Channels supporting video content are increasingly favored by advertisers, with an uptick noted in all major BFSI categories.
 - Nearly 2/3rds of the overall push media spending is around video (OTT, YouTube, Facebook, Instagram, and TikTok)
 - The share of video and OTT has increased YoY across most BFSI categories including credit cards, personal loans, student loans, and life insurance
- The trend is important for financial marketers as the GenZ is an increasingly key target audience for the category and its shown a clear preference toward video content.



OTT

Category	2022 Channel Share	2023 Channel Share
Credit Card	29%	33%
Personal Loan	12%	42%
Student Loan	9%	26%
Life Insurance	25%	36%

Video

Category	2022 Channel Share	2023 Channel Share
Credit Card	20%	26%
Personal Loan	5%	12%
Student Loan	9%	18%
Mortgage	11%	17%
Life Insurance	6%	10%

Consumer Financial Health: Robust Spending and Rising Customer Confidence

Spending	About 2.6% YoY increase in spending in Q4, with strong holiday spending. Witnessed a sustained “YOLO” spending behavior despite a high interest-rate environment, depleted savings, and high inflation. Behavior more pronounced amongst younger, upper-middle class segments, many of whom are open to turning to BNPL products
Balances	Significant increase (14.5%) in credit card debt YoY in Q4, reaching \$1.13T. The average credit card balance per American has reached record-high levels of \$6,360. Signs of certain segments struggling to manage their debt
Credit Quality	About 6.4% of all accounts are now 90 days past due, up from 4% at the end of 2022. Most banks reported double digit delinquency growth QoQ, but most regard this as a period of normalization and on expected lines relative to pre-pandemic levels, while admitting that certain low-income cohorts could be hit harder
Customer Confidence	After dips from July to November 2023, rose 10 points to 79 in January (the highest since Jul '21), backed by the confidence that inflation is turning a corner and strengthening income expectations
Unemployment	Rate unchanged at 3.7% for 3 months since Nov 2023, after falling 10 basis points from October levels

SCRATCHING THE SURFACE

While the consumer data looks good, it hides the reality that US consumers’ financial health is diverging sharply.



About two-thirds of Americans who own their homes and have invested in the stock market are doing well because they had the savings required to ride out high inflation.

Middle- and lower-income renters and young people who’ve been hit by high inflation, especially the sharp rise in rent and restarting of student loan payments, are falling behind on their debts.

THE IMPACT

While credit card companies like Amex that serve more affluent consumers showed lower delinquency rates than brands like Synchrony or Discover, the banking industry overall is lending more conservatively.

Credit Card Trends

- **Net new card accounts grew marginally** 1% QoQ, 5% YoY.
 - Gen-Z & Millennials accounted for 75% of Amex Gold & Platinum accounts acquired in 2023
- **Card spending saw a marginal 4% increase QoQ**, 7% YoY.
 - Amex reported 5% growth in goods & services spending, 9% growth in T&E led by restaurant spending, while travel growth slowed
 - Wells Fargo reported lower growth in discretionary spend vs. non-discretionary. Fuel spends were impacted by lower gas prices
- **Higher loan balances seen** due to new accounts and spending growth and normalization of revolving credit across most players.
- **Credit quality continued to normalize**, reaching pre-pandemic levels for some.
 - Firms expect QoQ delinquency to stay marginally higher and then plateau with some seasonal patterns in the 2nd half of 2024
 - Key players consider this a period of normalization after two years of low delinquencies post pandemic. Compared to pre-pandemic levels, they are moving in line and are at stable ratios to 2018 and 2019
 - Firms are confident of the cumulative wage growth in the past few years, except for some low-income cohorts who may be hit harder by inflation and the restarting of student loan repayment

Card Spending	QoQ	YoY
	4%	7%

Search demand for credit card categories	QoQ	YoY
Travel	-7%	10%
Business	-1%	15%
Cashback	7%	12%
Reward	8%	12%
Balance Transfer	1%	28%

	QoQ	YoY
Marketing Spending	-1%	-3%
Net New Card Accounts	1%	5%

Delinquency rate (90 days)	QoQ growth	YoY growth
Discover	26%	86%
Chase	12%	54%
Bank of America	20%	71%
Wells Fargo	8%	47%

Deposits Trends: Online Banks Continue to Grow at Pace off the Back of Higher Rates and Improved Security

- **Total deposit balances saw dips in large national banks** and were relatively flat for large regional banks.
 - However, **online banks and large players saw a growth in digital deposits** balances due to higher rates & FDIC insured assurances.
- **Average deposits balances were down across** players owing to improved consumer spending, and high balance accounts moving money to higher yielding alternatives.
- Despite the decline, **average deposit balances were reportedly higher** than corresponding pre-pandemic levels.
- Some players captured the deposits outflow into their wealth portfolio, offering high yield options for investments.
- Even within wealth platforms, **deposit mix shifted towards higher yielding instruments.**



Type of Bank	Consumer Deposits Q4'23 (Billions \$s)	QoQ growth	YoY growth
Large National Banks	2936	-3%	-7%
Online Banks	535	2%	8%
Large Regional Banks	1319	0%	1%

New BFSI Products and Tactics

Discover launched their Cashback Debit account nationally. They've announced they're exiting the student lending business and plan to stop receiving further applications from February 2024.

Wells Fargo launched new co-branded credit cards with Choice Hotels. They plan to launch a new travel-oriented credit card as part of their Autograph suite of products and a new small business credit card this year. They're launching a partnership with Centerbridge to help provide their middle market clients access to alternative sources of capital.

Amex recently announced their agreement to sell Accertify, which offers fraud prevention, digital identity, and chargeback services, to Accel-KKR, a tech focused private equity firm.

Capital One increased marketing for franchise enhancements like travel portals, airport lounges, and Capital One Shopping. They plan to aggressively push National Digital Bank.

U.S. Bank launched Avvance, a point-of-sale lending solution, to help business owners offer affordable financing options to their consumers at the point of sale.

Introduced in October 2023, **Neu Card** offers attractive features for students with cash-back rewards and lower pricing with no late fees, no compounding interest, 1.25% cash back, and a maximum spending limit of up to \$1,000.



On-Demand Webinar

Unlocking Growth: Strategies to Scale Digital Acquisition for Banks in 2024

iQUANTI™ | Insights

How can you win at digital customer acquisition this year? Our **Founder and CEO Vish Sastry** recently discussed this with our guest speaker **Raghu Vasu (SVP of Digital Marketing & Transformation, US Bank)** in an American Banker webinar.

Watch the video for proven strategies and success stories from their experience driving digital marketing ROI for top banks and financial services companies.

[Access Now!](#)



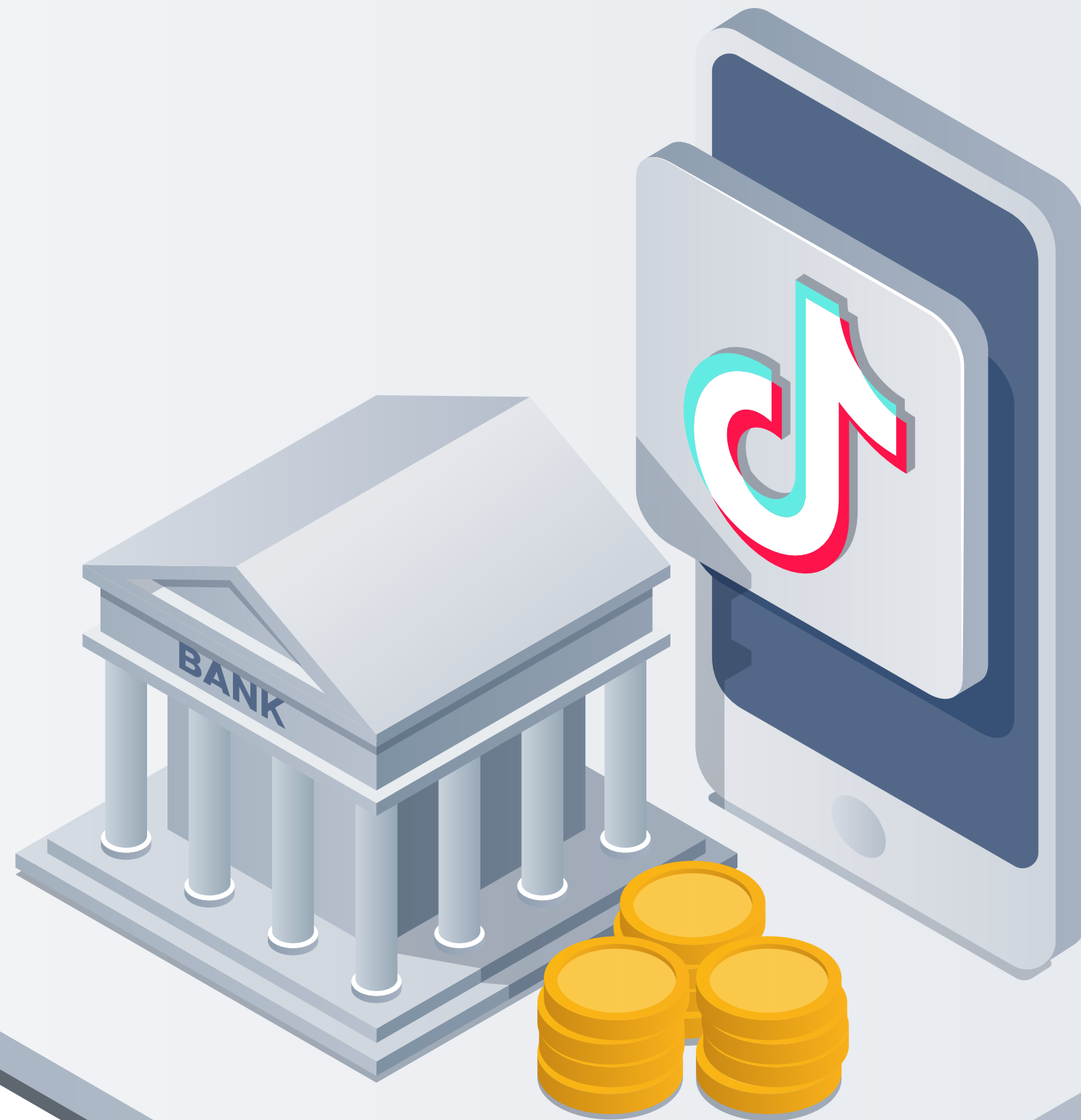
Vish Sastry
Founder & CEO
iQuanti



Raghu Vasu
SVP of Digital Marketing &
Transformation, US Bank

SPECIAL STORY

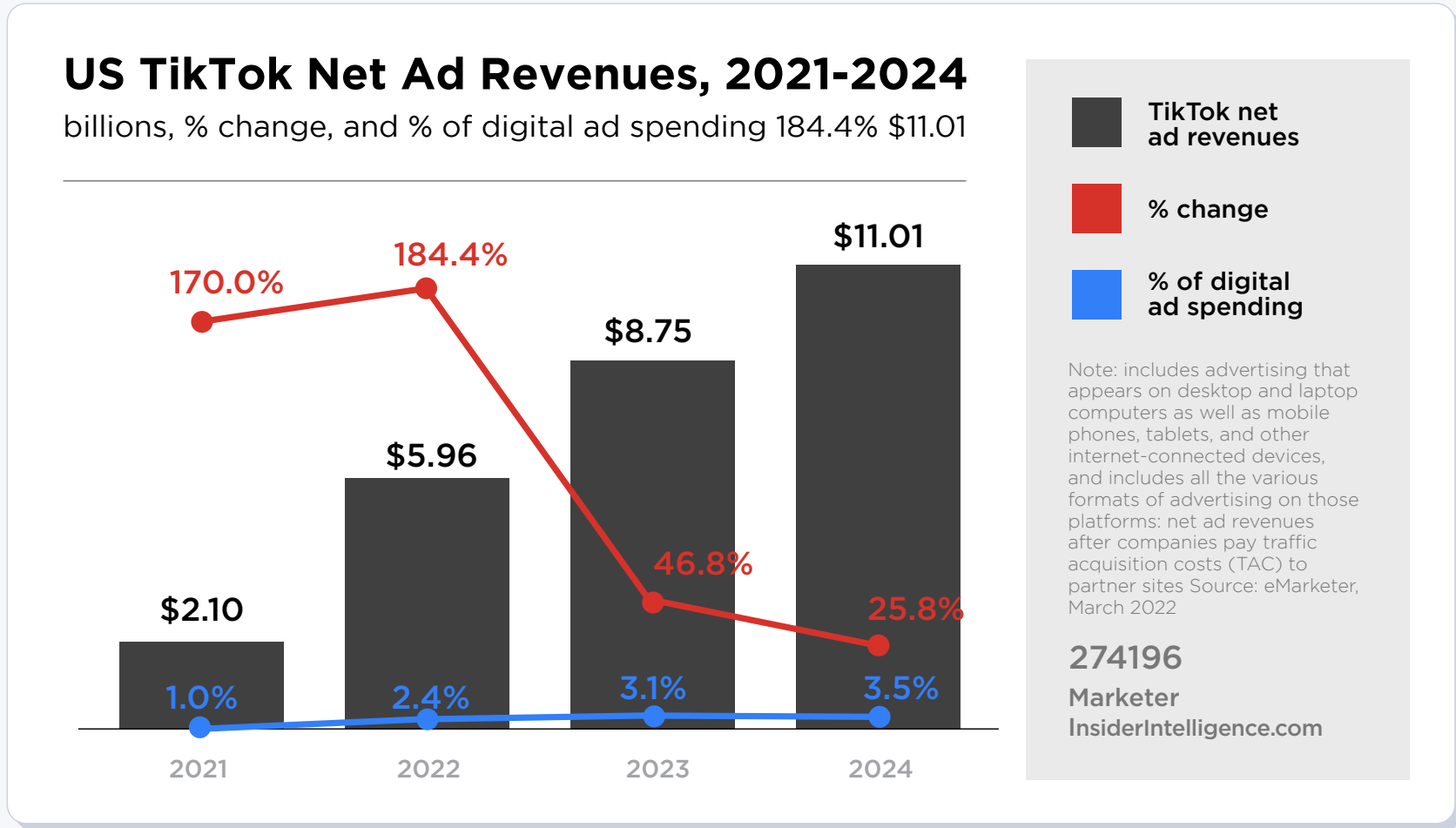
How BFSI Brands are Using TikTok to Engage with their Audiences



How BFSI Brands are Using TikTok to Engage with their Audiences

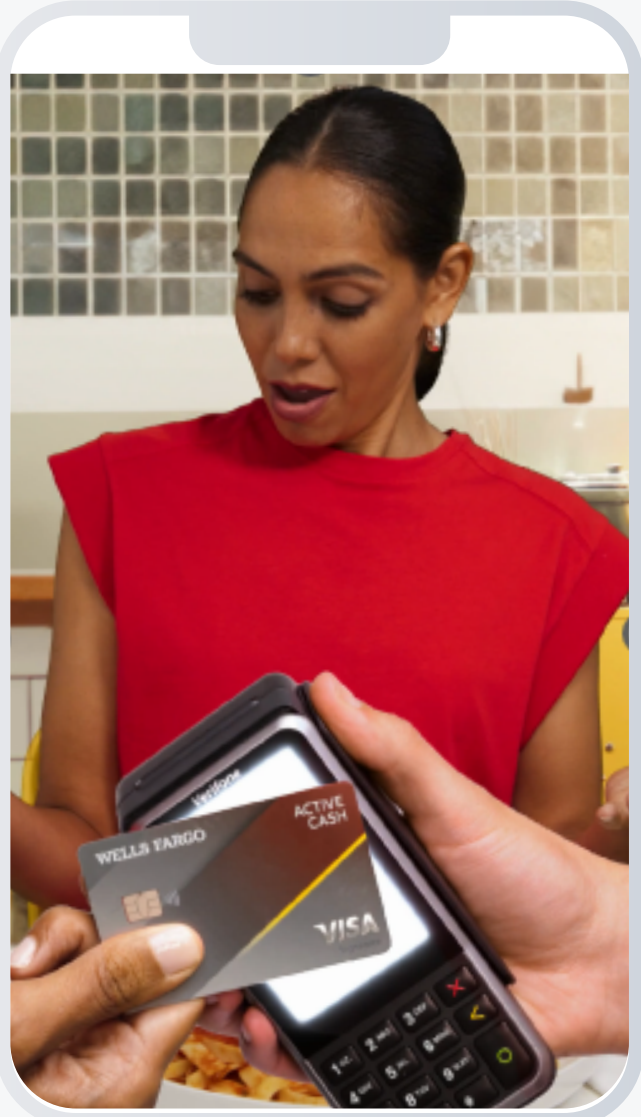
With over 1B users worldwide and 150M in the US (the country with the most TikTok users by far), TikTok has been the fastest growing social media platform. It had already been an important channel for industries such as CPG and e-commerce, but it has become a key channel for financial services as well. Financial services brands are adopting a wide range of strategies to use TikTok to their advantage.

It is no longer a question of whether this platform can play a role in customer acquisition, but more of how to effectively use this platform and implement the right tactics to drive acquisition.



Advertising on TikTok

TikTok advertising revenues grew exponentially in 2021 and 2022, followed by a strong 47% growth in 2023. With financial services, we saw advertising spending double with TikTok, standing now at 5% of the total push media spending. For credit cards, the YoY growth has been even stronger (3X), with TikTok now constituting 7% of the total push media spending.



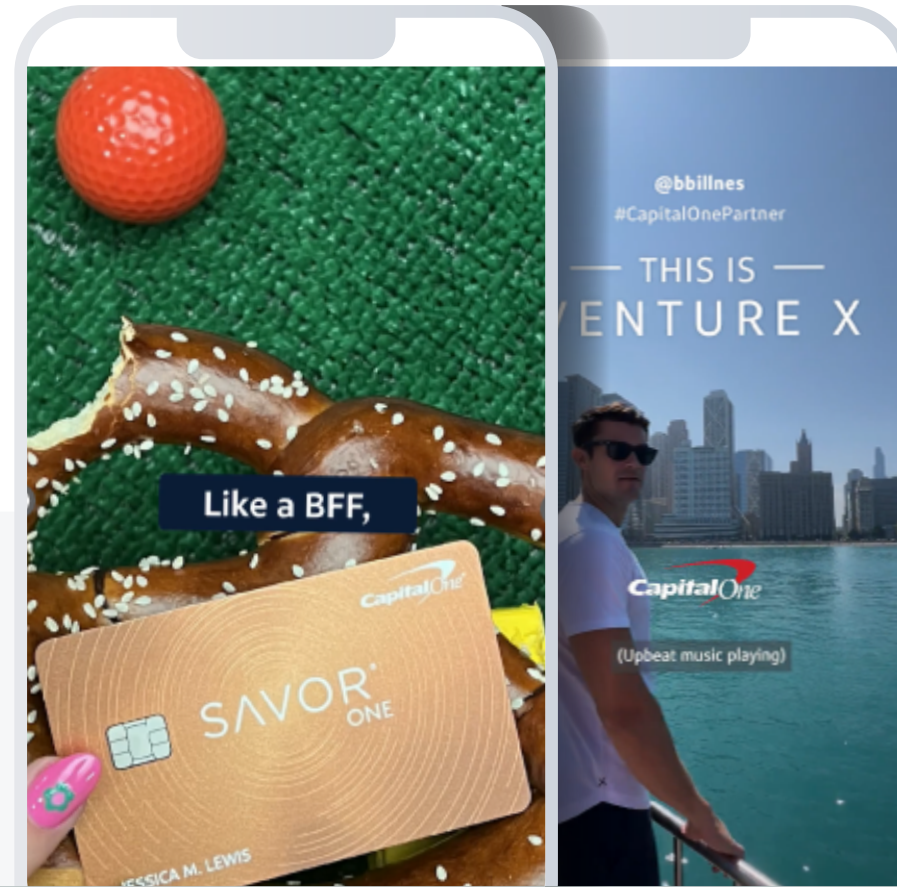
Influencer Marketing

There are several prominent financial influencers that are actively being leveraged by brands (directly and through affiliates) to promote specific offers, features, and products.

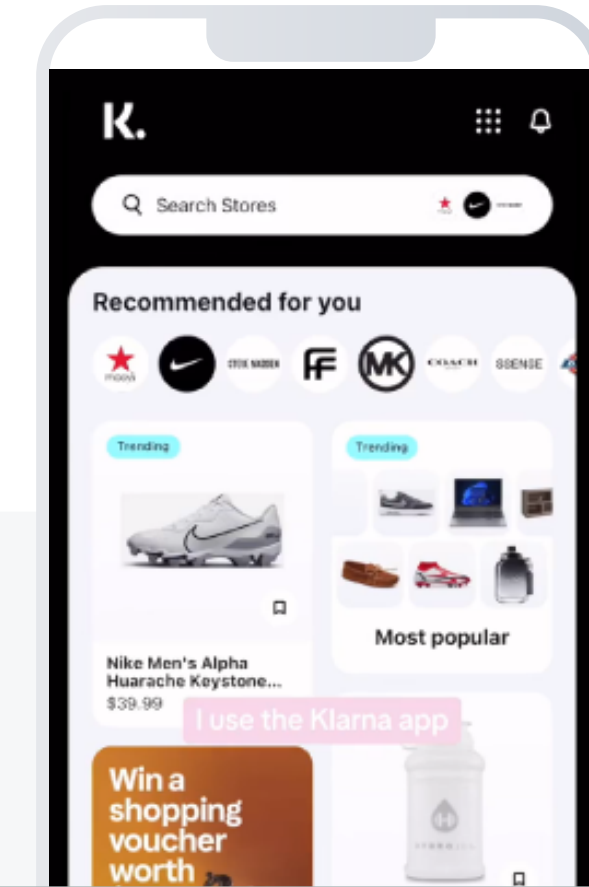
Different BFS Firms Use TikTok Differently to Engage with their Audience, with Capital One Doing it Best



Most of the large traditional banks are leveraging TikTok in a limited capacity for advertising. Only Wells Fargo and US Bank have decent spends on the platform, with Wells Fargo having a good native to platform creative approach. Chase ran one set of native creative campaigns using Kevin Hart for promoting Chase Credit Journey.



Capital One has the highest spend amongst all on the platform and has a solid strategy for the platform. It is primarily catering to the audience on the platform - Gen Zs by focusing on Savor One card for students. It is also promoting Venture X using influencer style creatives.



Discover also has a sizable spend on TikTok promoting cashback for debit, but it is repurposing TV ads with Jennifer Coolidge, adapted to short-form video format.

Many fintechs that cater to young audiences are also using TikTok in different ways. Klarna and Robinhood has considerable portions of their media spends on this platform - 15% and 22%, respectively.

Different BFS Firms Use TikTok Differently to Engage with their Audience, with Capital One Doing it Best

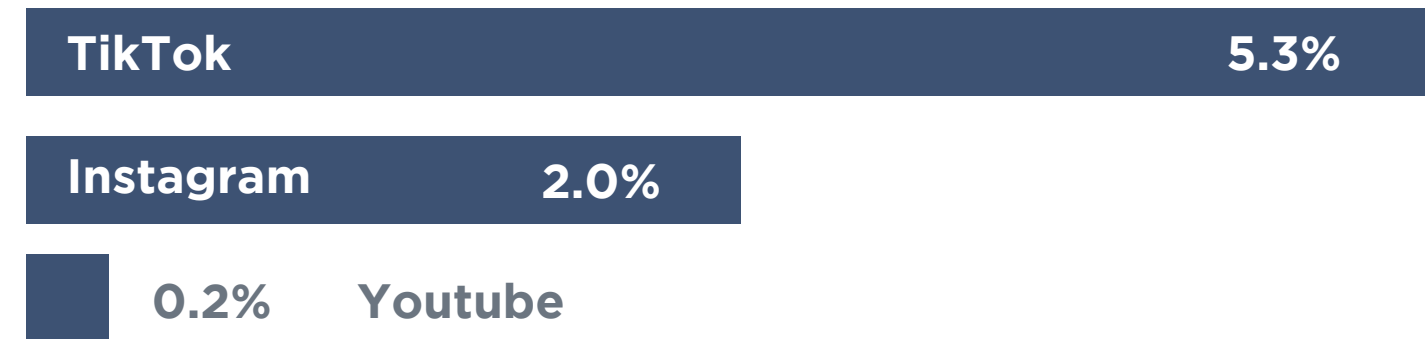
Brand	Spend	Media	Creative Approach
Chase	\$2M	1%	Primarily promoting Chase Credit Journey using Kevin Hart, leveraging TikTok/reel style creative format
Bank of America	Negligible	0%	NA
Wells Fargo	\$3M	4%	Primarily promoting Active Cash, with good TikTok/reel style creative formats
Citi	\$1M	1%	Primarily for promoting CSR activities, no acquisition messaging
US Bank	\$2M	8%	Repurposing TV commercials, adapted to short-video format
Capital One	\$23M	8%	Primarily promoting Savor One for Student credit card, using native TikTok style story telling formats. Also promoting Venture X using native influencer style creative formats.
American Express	\$2M	2%	Promoting some co-brand cards as well as targeting existing card members to drive spending. Creative formats not apt for TikTok
Discover	\$13M	8%	Primarily promoting cashback debit, repurposing TV commercials with Jennifer Coolidge
SoFi	\$2M	3%	Leveraging influencers for promoting student loans
Chime	\$3M	3%	Leveraging influencers for promoting banking
Klarna	\$1M	15%	Leveraging influencers as well as video ads
Robinhood	\$3M	22%	Primarily leveraging video ads

Source: Pathmatics

Influencers are Playing a Key Role on this Platform, Promoting Different Financial Products and Offers, Mostly Through Affiliate Partners

- Several influencers are directly involved in promoting different products and offers. Most work through affiliates and not directly with brands, likely due to legal/compliance constraints
- Many influencers have a strong brand for themselves, and affiliates reinforce these influencer recommendations on their website
- A few fintech brands directly engage influencers, driving users straight to their websites
- TikTok delivers better engagement rate and affiliate link performance vs. Instagram across influencer sizes and industries
 - Overall engagement rate runs north of 14% for influencers with up to 100k followers
 - Affiliate link view rates on TikTok are at least 2x of rates observed on Instagram
- Increased preference for micro-influencers
 - The 50-100k follower range delivers the best affiliate link engagement rates for brands across TikTok and Instagram
 - Adding them to campaigns after brand alignment checks improves engagement likelihood from exposed audiences

Industry KPI's: Social Affiliate Engagement Rate Worldwide, by Platform, Oct 2023

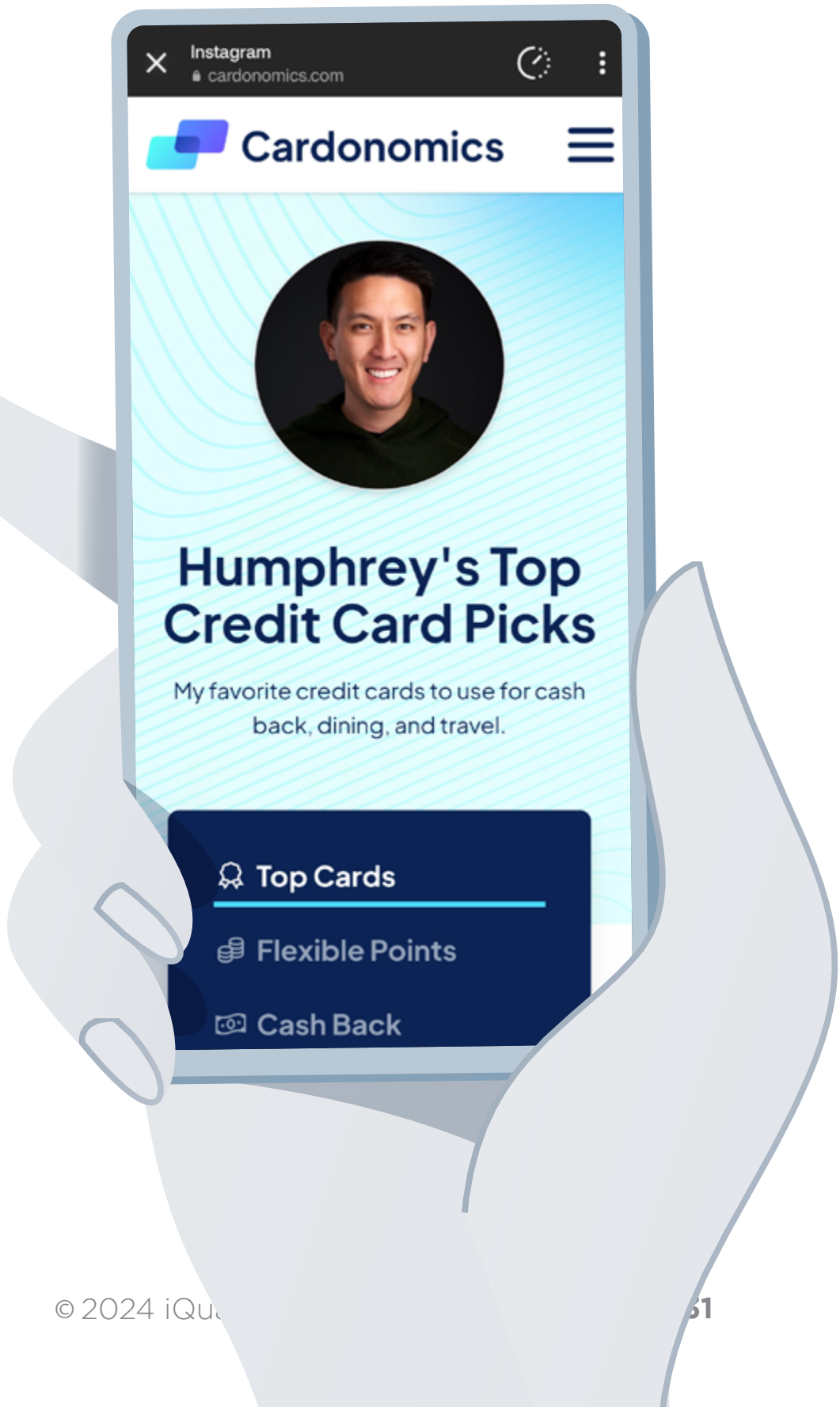
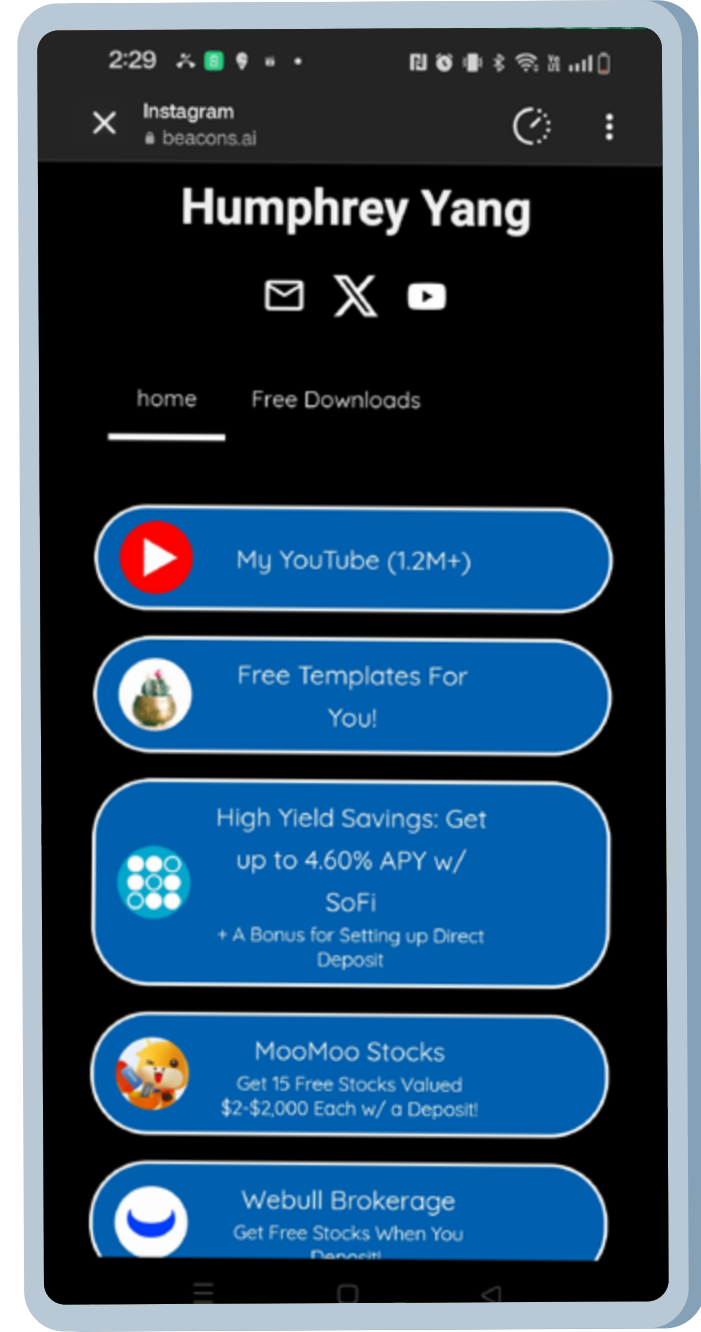
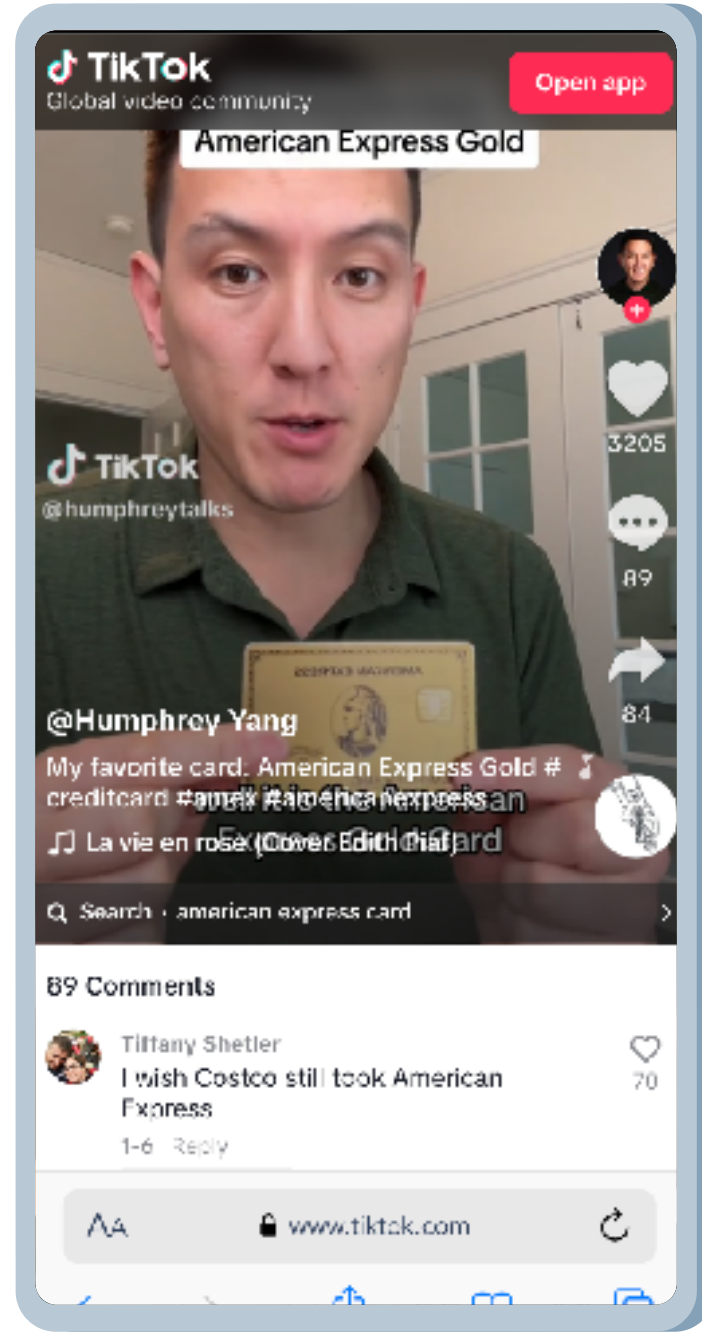


Note: Percentage of an affiliate influencer's audience that interacts with an affiliate influencer's campaign or post on each platform: includes likes, comments, and shares| Source: Captive8, Affiliate Influencer Marketing Benchmark Report, "Oct 14, 2023

Followers	Overall Eng. Rate	Affiliate Link View Rate
0 - 50k	TikTok - 30.1% Instagram - 1.8%	NA
50k - 100k	TikTok - 14.5% Instagram - 2.5%	TikTok - 157% Instagram - 67%
100k - 200k	NA	TikTok - 7% Instagram - 2.3%

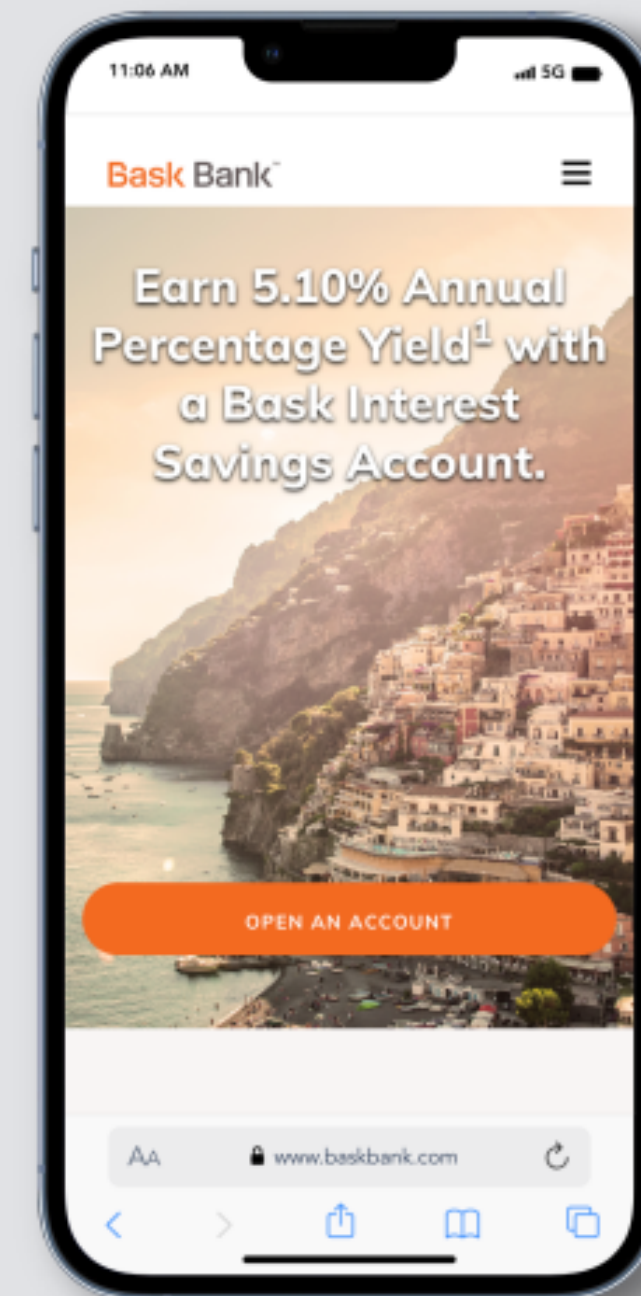
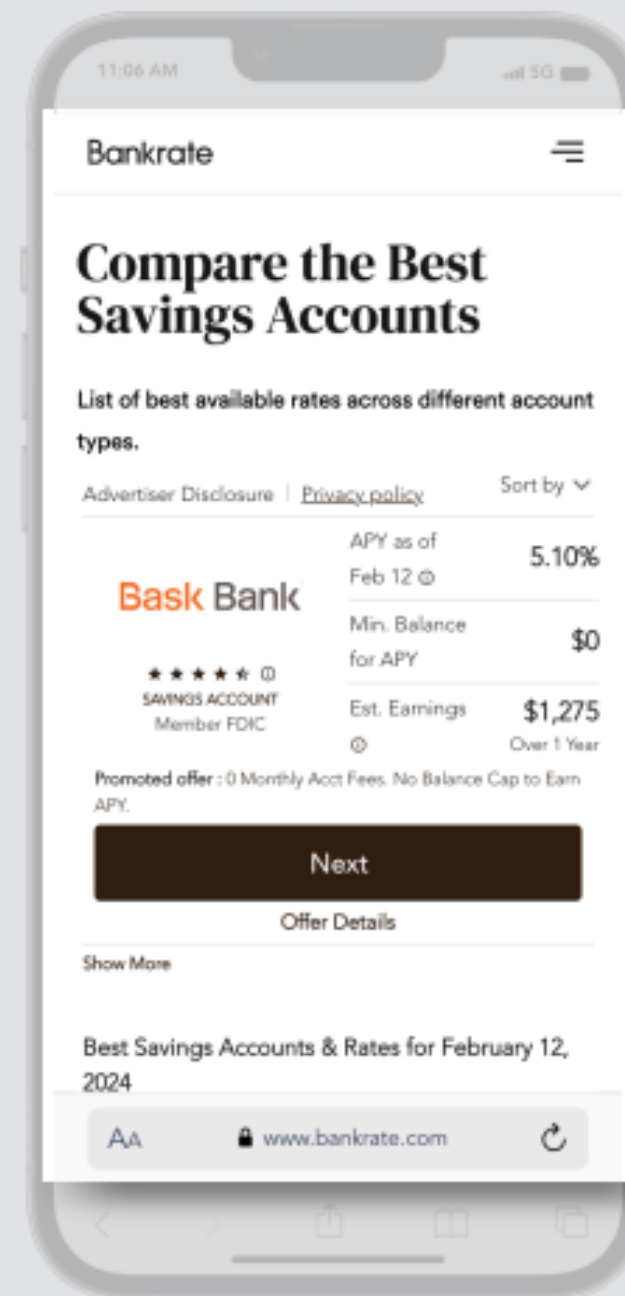
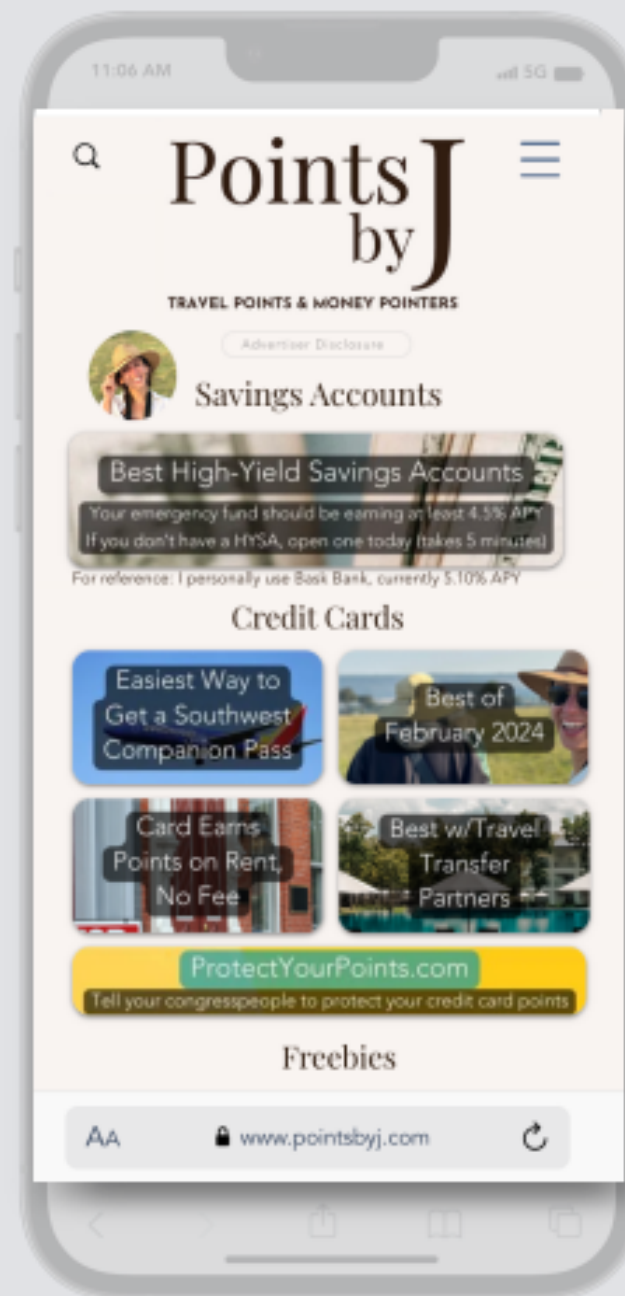
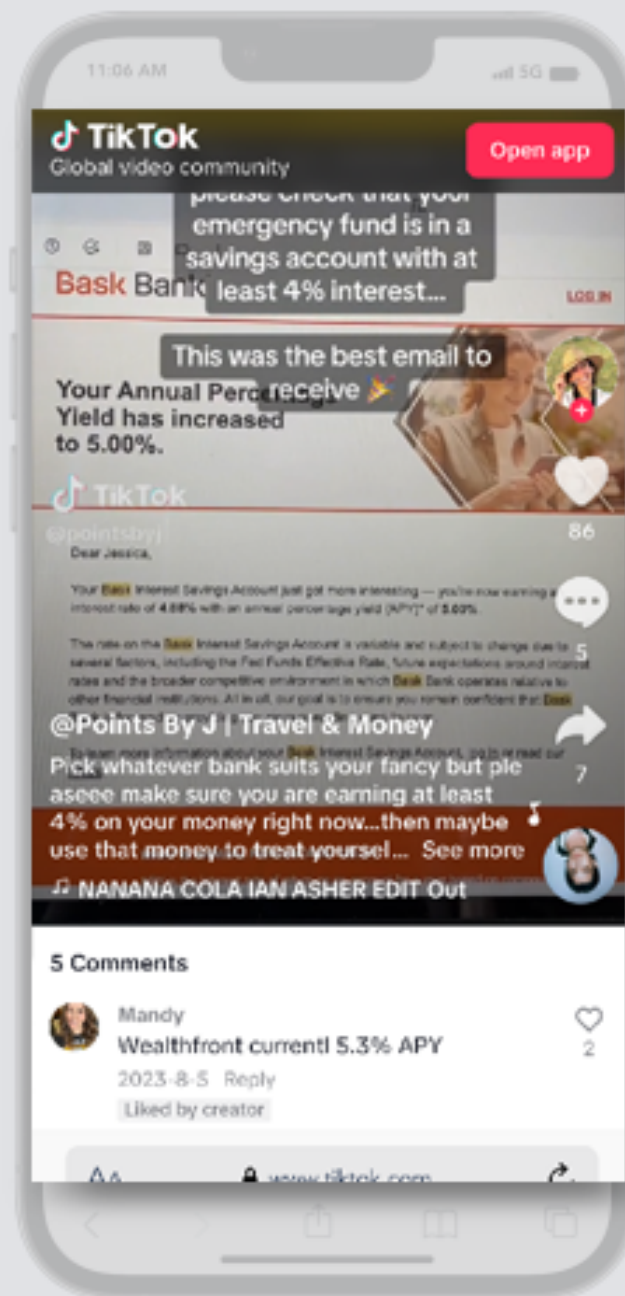
Influencers Partner with Affiliates to Promote Offers and Products of BFSI Companies

Top influencers like Humphrey Yang – one of the first to break down complex finance concepts for a lay audience on TikTok, winning him 3.3M followers on platform and a Gen Z fan following that trusted him over Warren Buffet – work with multiple brands and across platforms.



Influencers Partner with Affiliates to Promote Offers and Products of BFSI Companies

Here's an example of how finfluencer Jess Bohorquez (@pointsbyj), who has more than 76K followers on TikTok, guides users on a journey from her Instagram page to her website to an affiliate site, eventually ending up at Bask Bank's website.



Caveat Emptor

TikTok is a great platform for companies of all sizes for a lot of reasons:

- Significantly lower CPCs, allowing even small brands to grab eyeballs with creative content strategies
- Potential for engaging, authentic communication that build trust and suits the short attention spans of audiences today

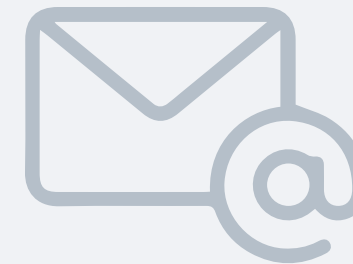
However, TikTok has its disadvantages, too:

- Experts have flagged rampant misinformation on the platform, including for financial advice
- Regulators have expressed concerns about data security at the Chinese-owned company
- With the wide range of content available on TikTok, your ad could potentially appear next to content that doesn't align with your brand
- TikTok attracts a younger audience than FB and Twitter, so it may not be for more traditional brands

“Where young people go, older cohorts tend to follow. So, brands ignore TikTok at their own peril.”

Vish Sastry,

Founder and CEO, iQuanti



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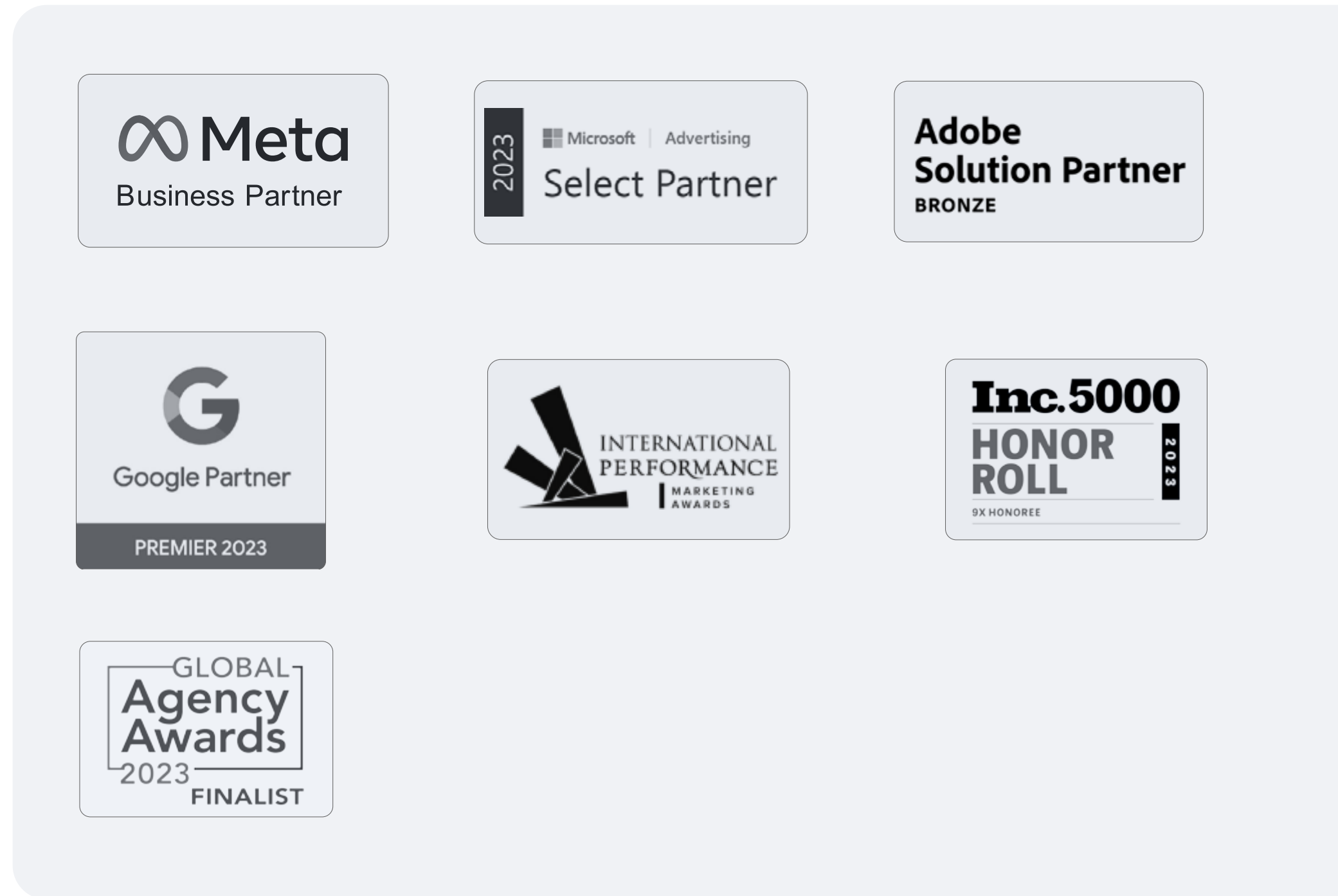
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iQuanti ignites powerful and predictable digital marketing performance for global brands with an approach rooted in data science and deep vertical knowledge.

iQuanti offers a unique blend of channel management services, strategic consulting expertise, and proprietary product offerings to empower brands to exceed their customer acquisition, engagement, and conversion goals.

iQuanti's award-winning and patented enterprise SEO platform ALPS™ uses proprietary data science and machine learning to build predictive enterprise-level SEO roadmaps that deliver stronger ROI.

Founded in 2008, iQuanti now has 600+ employees across New York, Chicago, Dallas, and San Francisco, as well as Bangalore, London, Singapore, Mexico City and Toronto. In 2022, iQuanti's top performance marketing results were recognized on multiple global platforms including the Global Agency Awards, UK Search Awards, and International Performance Marketing Awards. iQuanti was named to the Inc.5000 list of fastest-growing private companies in the U.S. for the ninth time in 2023.



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