

NBCUniversal

2023

Financial Services Industry Assessment



Welcome!



Introduction

Explore NBCUniversal's latest perspectives and insights into the Financial Services industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for Financial Service brands and marketers as they navigate what's next.

Our Approach

At NBCUniversal, we have a legacy of working with a diverse range of Financial Service partners to build their brands. This report has been created based on NBCU's:

- Ongoing Industry Evaluation
 - Conversations with Financial Service Advertisers and Agencies
 - Continual Marketplace Analysis
 - Examination of Consumer Attitudes towards the Financial Services Industry
-

NBCUniversal Has a Unique Perspective

In 2023, NBCU worked with:

130+ Financial Service Industry Advertisers



Retail & Consumer
Banks



Credit Cards
& Payments



Loan
Services



Tax
Services



Fintech



Investing &
Wealth
Management

Content

01.

Looking Back:
2023 in Review

02.

Looking Ahead:
Key Industry
Trends
to Watch

03.

The Power of
Advertising &
Media Trends to
Watch

04.

Partnering
with NBCU

Looking Back

2023 IN REVIEW

Plagued by a variety of high-profile scandals, collapses, & regulatory seizures, the Financial Services Industry

Battled Through Increased Scrutiny

in 2023, as brands fought to regain trust



Financial Service Brands Re-Assess Strategy & The Landscape in 2023

Rebuilding & Maintaining Trust



Economic headwinds and recent banking sector turbulence placed a spotlight on the financial services industry. Consumers were left in a state of uncertainty, forcing brands to pivot messaging toward re-establishing trust.

The Competitive Web Gets Sticker



In addition to competition from "Fintech", "Big Tech" further encroached into the financial landscape w/ mobile wallets & payment solutions, making traditional financial service brands no longer the most convenient payment options.

Renewed Emphasis on Customer Experience



Inflation and rising interest rates continued to create a challenging economic environment for consumers, leading brands to support customers through financial literacy, product innovations & easier access to resources.

Payments Palooza 2.0



Payment innovations continued to dominate the sector w/ consumers & retailers adopting BNPL, tap-to-pay, biometric verification & other technologies as brands continue to invest in these innovations.

BRANDS ACROSS FINANCIAL SERVICE SUB-CATEGORIES ARE

Addressing New Needs and Expectations Of Consumers

Retail / Consumer Banking

With the banking sector riddled with failures, seizures, and acquisitions during the first half of 2023, consumer sentiment has soured, leading **many to re-evaluate their banking relationships.**

23%

of consumers are considering starting a new banking relationship in the next 6 months ¹

Credit Cards & Payments

With inflation forcing consumers to adapt with new cost-saving behaviors, **rewards programs and benefits have emerged as key differentiators for credit cards** beyond interest rates and other product/service features.

>80%

Of consumers have become more interested in credit card reward programs due to inflation ²

Wealth Management

Stock ownership amongst Americans has reached a 15-year high (**61% of US Adults own a type of stock³**) as consumer interest in investing continues to grow and Fintech solutions make it increasingly accessible.

53%

of consumers trust Generative AI to assist with financial planning⁴

Mortgage & Loan Services

Banks and other loan services are **facing a steep decline in demand for loans** as interest rates remain high.

-33%

Dip in mortgage demand in August '23, bringing demand to its lowest point in 28 years⁵

MARKETPLACE PARTNERSHIP EXAMPLES

How Our Partners Are Evolving Their Media Strategy & Storytelling



Inclusive Storytelling

Leveraged Generative AI to display and then disprove a gender bias across the financial sector



IP Partnership

Using “The Count”, from Sesame Street, NerdWallet shed light on the economic uncertainty consumers are facing and tapped into nostalgia to promote its educational resources



Going Local at Scale

As the BIG10 continue to expand in size (18 teams) and prominence, Old National Bank partnered with the league to take advantage of its massive reach across priority markets



Leaning Into Cultural Moments

Celebrating 30 years of partnership, AMEX hosted a variety of on- and off-site activations for the US Open as well as premiered a new creative centered on experiential rewards

Looking Ahead

KEY INDUSTRY TRENDS TO WATCH

LOOKING AHEAD

Key Financial Service Trends & Emerging Sub-Categories We Expect to Influence Marketing & Media Strategies



The Future of
Finance “Super Apps”



Payments
Plus...



**Consolidation
& Stabilization**



Finance
Gets Personal



Emerging Sub-Categories & Brands
Buy Now, Pay Later

The Future of Finance “Super Apps”

While “super apps” are already prevalent in other countries, the discourse around them in the U.S. has grown substantially in 2023, driven by some of the biggest names in tech.

After successful initial pushes into the financial services landscape, tech brands including Apple, Google, Meta, and X are all furthering investment in the development of holistic ecosystem.

As Consumers Look For Convenience,
Tech Brands Are Dominating

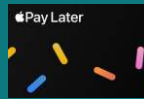


Apple Pay

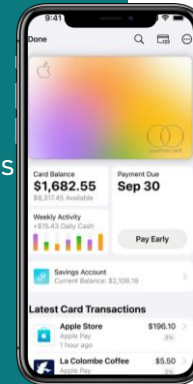
55.8M MAU users
by end of 2023¹



Apple Card's Savings
reached **over \$10 billion** in deposits²



New **Buy Now, Pay Later** service



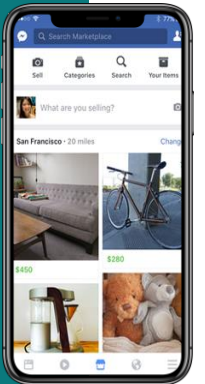
1.2B average monthly users (March 2023)³

16% of active users only use Facebook for shopping³



Meta Pay

Secure **payment processing platform**



72% of consumers in the US are interested in super apps⁴



Twitter was acquired by X Corp both to ensure freedom of speech and as an accelerant for **X, the everything app...** In the months to come, we will add comprehensive communications and **the ability to conduct your entire financial world.**



Elon Musk

Payments Plus...

With inflation forcing consumers to adopt with new cost-saving behaviors; rewards and other benefits have emerged as differentiators for payment brands.

Despite record high interest rates, consumers are still spending; YoY credit card spend increased **+18%** in Q1 '23¹ and total credit card balances hit **\$1T** for the first time in Q2 '23¹.

Savvy consumers are adapting to the current economic climate by leaning into the various benefits and rewards provided by their payment options to maximum reward potential.

Rewards Emerge As The Key Differentiator

58%

Of Americans go out of their way to spend money w/ companies that give them extra credit card rewards²

>67%

Of American's are open to using multiple reward credit cards to maximize rewards earnings²

73%

Of people are most interested in earning cash-back rewards³

Most Popular Bonus Reward Categories³



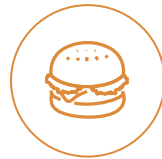
Grocery 47%



Gas 17%



Travel 14%



Dining 11%



Entertainment 6%



Department Stores 5%

Consolidation & Stabilization

Various weaknesses (lack of diversification, liquidity issues), were exposed across the sector in 2023 with dire consequences, and brands must respond accordingly.

Significant increases in interest rates and market volatility exposed the flawed strategies banks have leveraged in recent years to take advantage of lax regulation.

With a renewed regulatory focus demanding increased liquidity (capital holdings)¹, brands must futureproof for the years ahead.

The Sector Is Due For **Consolidation**, Which Can Provide **Stability**



4,839

total number of US commercial banks²



1,201

total number of commercial banks in all other G7 countries²

However, Declining Deposits still Plague the Industry, Leaving Brands to **Focus on Profitable Audiences for growth**

Black Entrepreneurs

The share of black entrepreneurs has tripled over the past four years³

Affluent Consumers

Consumers with >\$250K in deposits were the most active bankers in 1Q23⁴

Hispanic Homeowners

96% less likely to be deterred from buying a home due to high interest rates⁵

Gen Z

Forecasted to open 4M+ new bank accounts each year over the next 6 years⁶

Finance Gets Personal

As the distinct financial needs of different segments continue to become more apparent, brands will experiment with new messaging and targeting strategies to better service their clients.

Attitudes toward Retirement

Gen Z Starts Early

62% of Gen Z has started saving for retirement

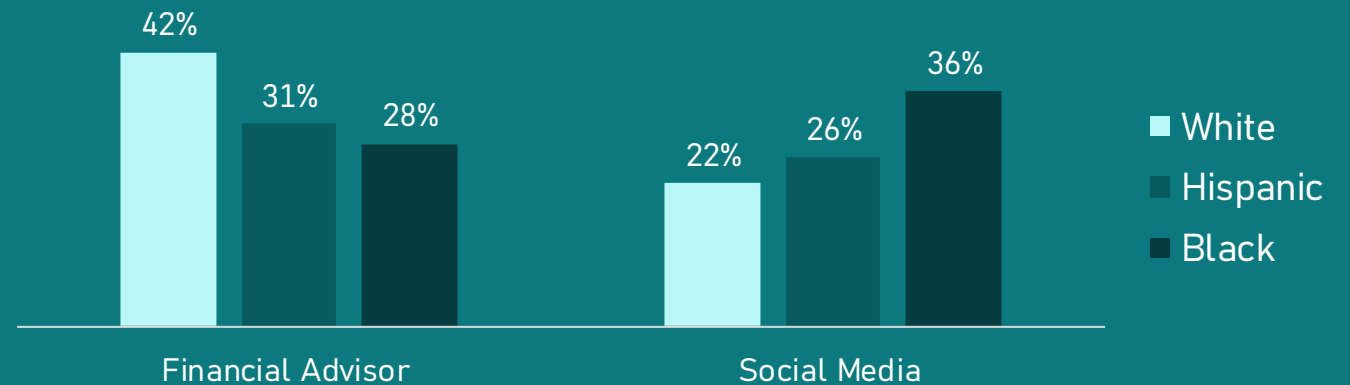
Millennials aren't Ready

Millennial **readiness** to retire scores have **dropped 10** points according to Fidelity

Gen X Pulls Back

64% of Gen X has **stopped saving** for retirement

Sources of Investing Advice



Investing Strategies

Young Investors Diversify

75% of Investors 21-42 are in favor of diversifying beyond stocks & bonds

Older Investors *Don't* Diversify

68% of investors over 43 are **not** in favor of diversifying beyond stocks & bonds

EMERGING SUBCATEGORY

Buy Now, Pay Later

Empowers consumers to finance purchases & pay them off through installments & has therefore increased in popularity as consumers look to lighten the burden of spending

Why To Watch

\$3.5T

Projected Volume by 2030 | +39% vs. 2022

35%

of Americans have already used BNPL

27%

of BNPL users use the service more than credit cards
of Gen Z consumers won't buy an item if BNPL is unavailable

Brands to Watch

Klarna.

afterpay

zip|pay

affirm

VISA

Apple Pay

sezzle

openpay

PayPal

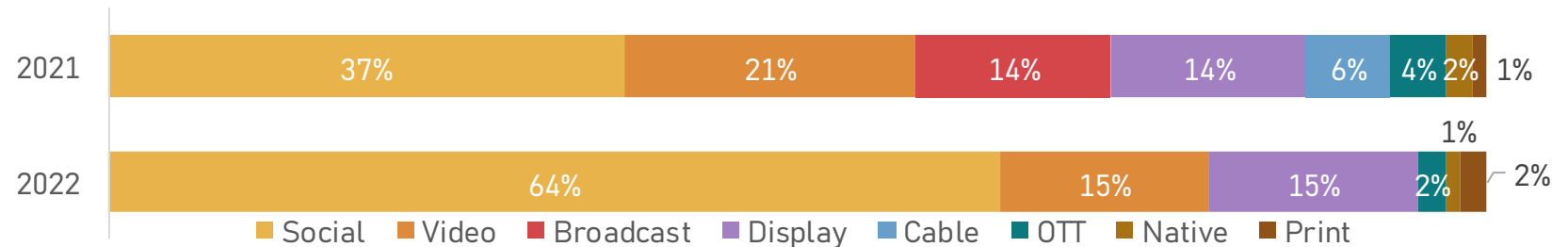
splitit

Ad Spend

\$47M

BNPL Specific 2022 Ad Spend
+266% vs. 2020

21/22 Media Mixes



SUMMARY

Key Tech Trends We Expect to Influence Marketing & Media Strategies



The Future of Finance “Super Apps”

As the conversation around them grows, “super apps” will slowly be integrated by big tech brands



Payments Plus...

With rewards becoming the key differentiator among payment brands, new innovations in the space will be in focus



Consolidation & Stabilization

The current landscape of the banking sector is unsustainable, and we’re likely to witness seismic shifts in the coming years



Finance Gets Personal

As the distinct financial needs of different audiences become increasingly evident, brands will get more targeted and personalized with their messaging



Emerging Sub-Categories & Brands
Buy Now, Pay Later

The Power of Advertising

& MEDIA TRENDS TO WATCH

Increased ad spend positively correlated to higher brand metrics for banks

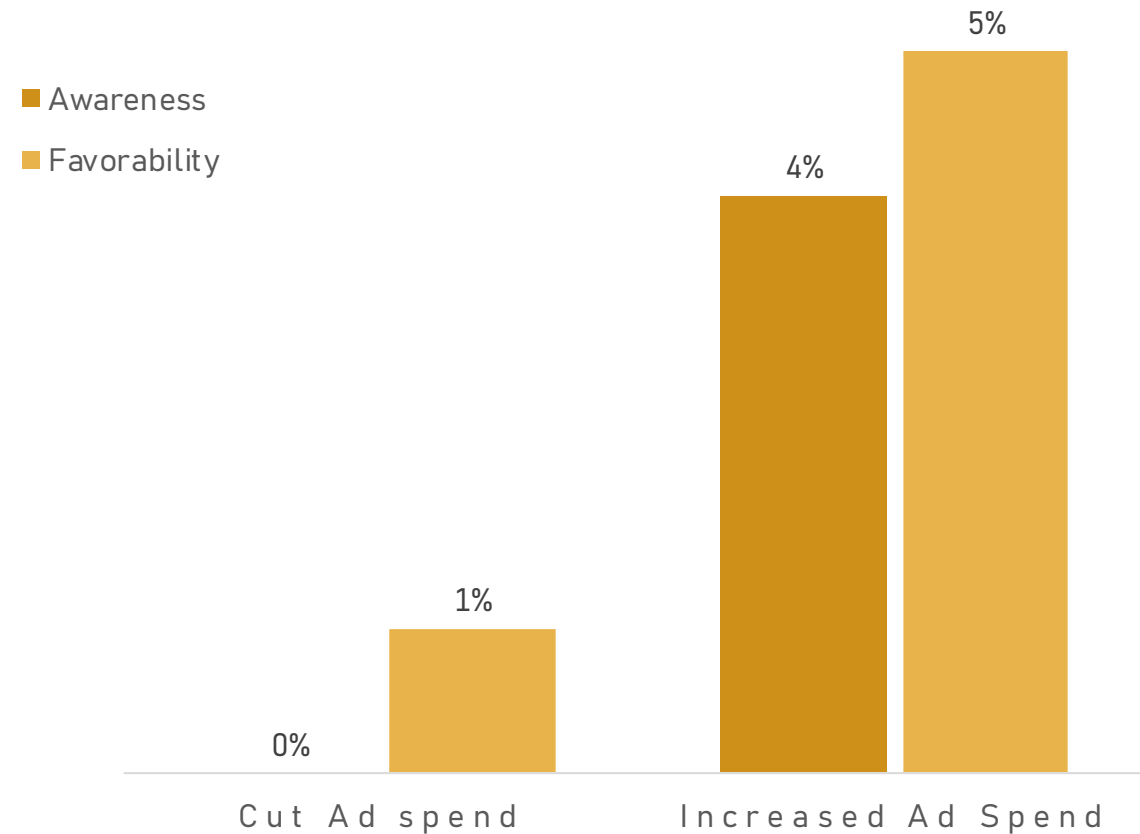
Additionally, consumers' perception of a bank's community impact was

4.2x higher

for banks that maintained ad spend vs brands who cut

Average Change in Brand Awareness and Favorability YoY (Q1' & Q2' 2022 vs 2023)

For banks that increased vs decreased ad spend YoY



Media Trends to Watch

Aligned with the stability the sector aims to convey, brands continue to follow the media trends that have defined the previous years – shifting share into more efficient and profitable areas of business such as payment cards

THE REIGN OF Reality TV

Across linear channels, Reality TV remains the favorite genre for Financial Service brands

33% of non-sports or news linear spend is dedicated to Reality TV (#1 Genre for past three years).

Payment Cards Become CENTRAL TO MARKETING

Banking brands are leaning into payment card offerings, favoring a more even marketing split between Banking and Cards.

46% increase in card brand marketing for banking institutions

8% of total spend shifting from bank brands to card brands

VIDEO CATCHES UP To Display

35%

of spend on digital in 2023 was for video formats, up from 26% in 2019, while display was down from 41% in 2019 to 35% this year.

Lack of SPANISH LANGUAGE CREATIVE

Brands continue to allocate Spanish language creatives to mobile and general banking campaigns, neglecting other areas of business such as payment cards and loans.

Partnering with NBCU

CATEGORY PERFORMANCE, STRATEGIC CONSIDERATIONS
& PARTNERSHIP EXAMPLES

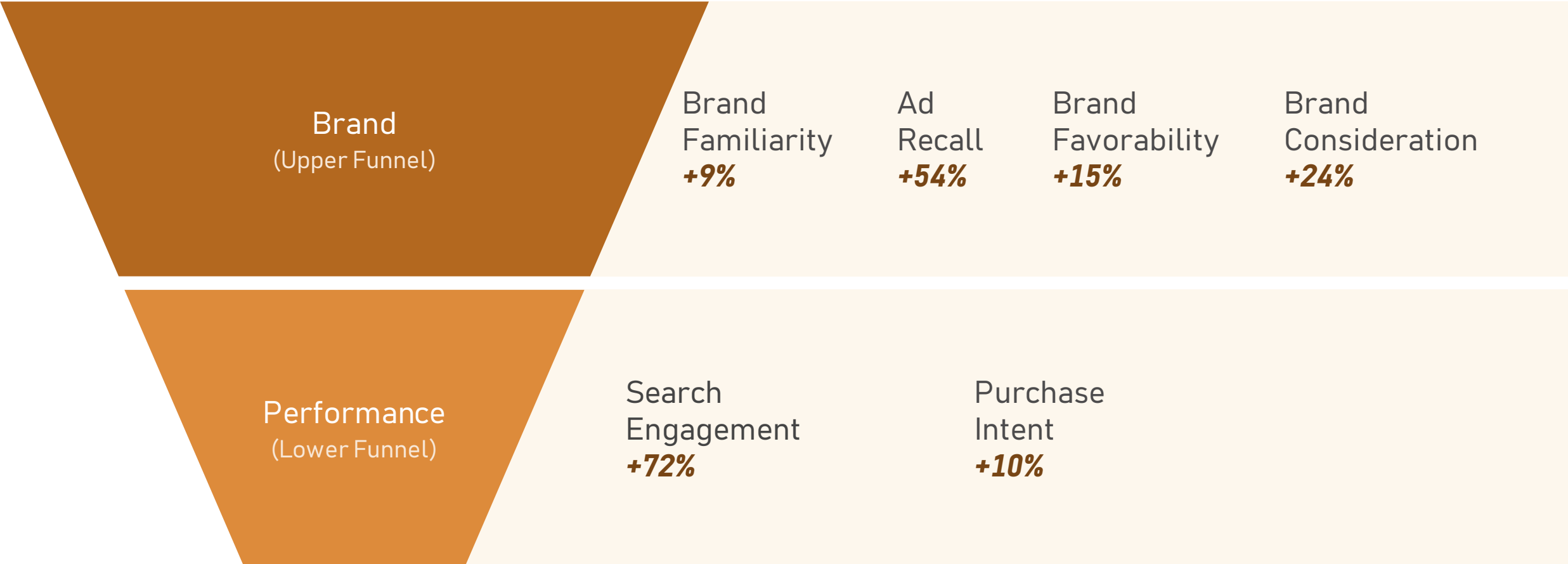
Finance

Proven Impact: Across Brand KPIs



BUSINESS OUTCOME

NBCU FINANCE CAMPAIGNS – *Test vs. Control*



Source: NBCU Ad Impact Database 2017-2022, 80 Brand Impact, 6 Attribution NBCU measured Finance campaigns
Custom research, vendors vary. Average of exposed vs. control cells for NBCU. Top 2 box familiarity, favorability, consideration, intent and recommendation; aided ad recall;
Search Engagement (SER Index): EDO, Volume in five minutes following ads airing on NBCU vs. same brand competitive averages expressed as an index (172).



Campaigns Across More Than One Platform Are More Effective

Finance Category
NBCU Campaigns: Multi-Platform vs. Single Platform
% Lift



+25%

Ad Recall



+14%

Brand
Favorability



+14%

Brand
Consideration



+28%

Purchase
Intent

Strategic
Consideration for

Driving Growth for Financial Service Brands

Establish Trust Through Cultural Relevancy



Why

As consumers continue to distrust the category, brands need to leverage mass reach platforms to build/maintain awareness & inspire confidence among a wide audience

How

Invest in mass reach content aligned with consumer passion points (Sports, Music, Entertainment) to build trust, affinity and credibility

Contextual Alignment to drive Credibility & Expertise



Why

As the financial services landscape gets more competitive and complex, brands need a powerful platform to establish credibility in the eyes of consumers & investors

How

Align with contextually relevant content (Business News) to drive awareness and credibility of new product offerings

Leverage Persona / Lifestyle Targeting



Why

As different audiences have different goals, behaviors & attitudes toward investing, brands need to reach the right person with the right message to be relevant

How

Leverage 1st and 3rd party data along w/ key audience insights to efficiently reach the right person w/ the right message

Invest in CTV / Digital & Commercial Innovation



Why

As media consumption and financial activity continues to move toward digital platforms, brands should capitalize on the storytelling power and targeting capabilities of CTV and other digital media

How

Invest in targeted Digital / Streaming media paired with commercial innovation to drive full funnel impact

NBCU solutions
for delivering

Brand & Business Impact for Financial Service Brands

SCALE

Establish Trust Through Cultural Relevancy



SNL50



bravo CON



PARIS 2024
OLYMPICS



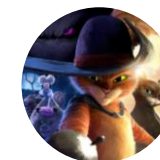
BIG



SUNDAY NIGHT
FOOTBALL



HALLOWEEN
FANDEMONIUM



peacock

NBCUNIVERSAL

Contextual Alignment to drive Credibility & Expertise



Branded
Content



Issue Oriented
Programming



PEOPLE'S
CHOICE
AWARDS

Moments
that Matter

Leverage Persona / Lifestyle Targeting



Potential Personas



Small Business
Owners



Competitive
Customer



Digital Banking
Adopters



New
Homeowner

PRECISION

Invest in CTV / Digital & Commercial Innovation

Audience Targeting & Automation Across One Platform

- ✓ NBCU Streaming (Peacock Premier / PAX)
- ✓ Programmatic (Managed / Self-Service)

- ✓ Apple News
- ✓ Fandango360
- ✓ Anzu

- ✓ Commercial Innovation (Pause Ads, QR Codes, etc.)

NBCUNIVERSAL PARTNERSHIP EXAMPLES

How Our Partners Are Evolving Their Media Strategy & Storytelling



Tapping into IP & Events

Chase Sapphire partnered with us to bring the iconic Sapphire Lounge experience to BravoCon. The SVIP Lounge gave 460 top tier Bravo fans an exclusive area to collide with their favorite Bravolebs and was also featured on Snap, driving 1.1M impressions



In-Show Integrations

Wells Fargo became the “prize partner” for a specific challenge in season 15 of ANW. During the season, eligible Ninjas were able to attempt to climb the “Mega Warped Wall” in the hopes of winning a \$10,000 prize, courtesy of Wells Fargo



Leaning into Cultural Moments

NerdWallet was the presenting sponsor of Boxing day, a major Premier League tentpole when the teams come back from the FIFA Men’s World Cup to continue their Premier League pursuits



Leveraging Contextual Ad Innovations

With customized ad innovations like tune-in and in-film pause ads, Capital One contextually aligned themselves with the in-film experience of the Peacock’s original film, Shooting Stars, produced by LeBron James

2023

Financial Services Industry Assessment

NBCUniversal

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