



Visa Advisory Services

Five ways financial institutions can maximize returns on marketing spend



How to send the right message, to the right audience, to prompt the right action.

Each month, the experts at Visa Advisory Services deep-dive into one of [10 key priorities for payments-industry stakeholders in 2024](#) using anonymized VisaNet data and insights.

This month, Visa advisors are focusing on ways financial institutions can optimize their marketing spend- by making better use of data and collaborations and by reaching intended audiences with more ease and accuracy, thereby improving returns on marketing investments.

In the ever-evolving world of financial services and payments, financial institutions (FIs) face one constant: The challenge of effectively communicating the right message to the right audience through the most effective channel at the right time. This paper explores five strategic approaches designed to optimize marketing investment and to maximize returns.

The strategies include ways to use incremental data to refine audience understanding and message development. Our advisors highlight the importance of clear audience selection and execution to mitigate complexities and outline the potential of relationships and sponsorships to be used as platforms to amplify messaging. Key to providing effective communication is transparency and building trust in how consumer data is used. Obtaining affirmative, express consent and overseeing these communications with strong data governance are also important considerations for FIs.

In today's payments landscape, it has never been more important to get things right. To drive customer acquisition and engagement in a fiercely competitive sector, FIs need to make effective use of marketing funds. They should also look for new ways to extend and amplify their marketing initiatives - and an often-underappreciated way to achieve this is to make better use of available resources, including the data available to them, and the opportunity to work more closely with network partners.

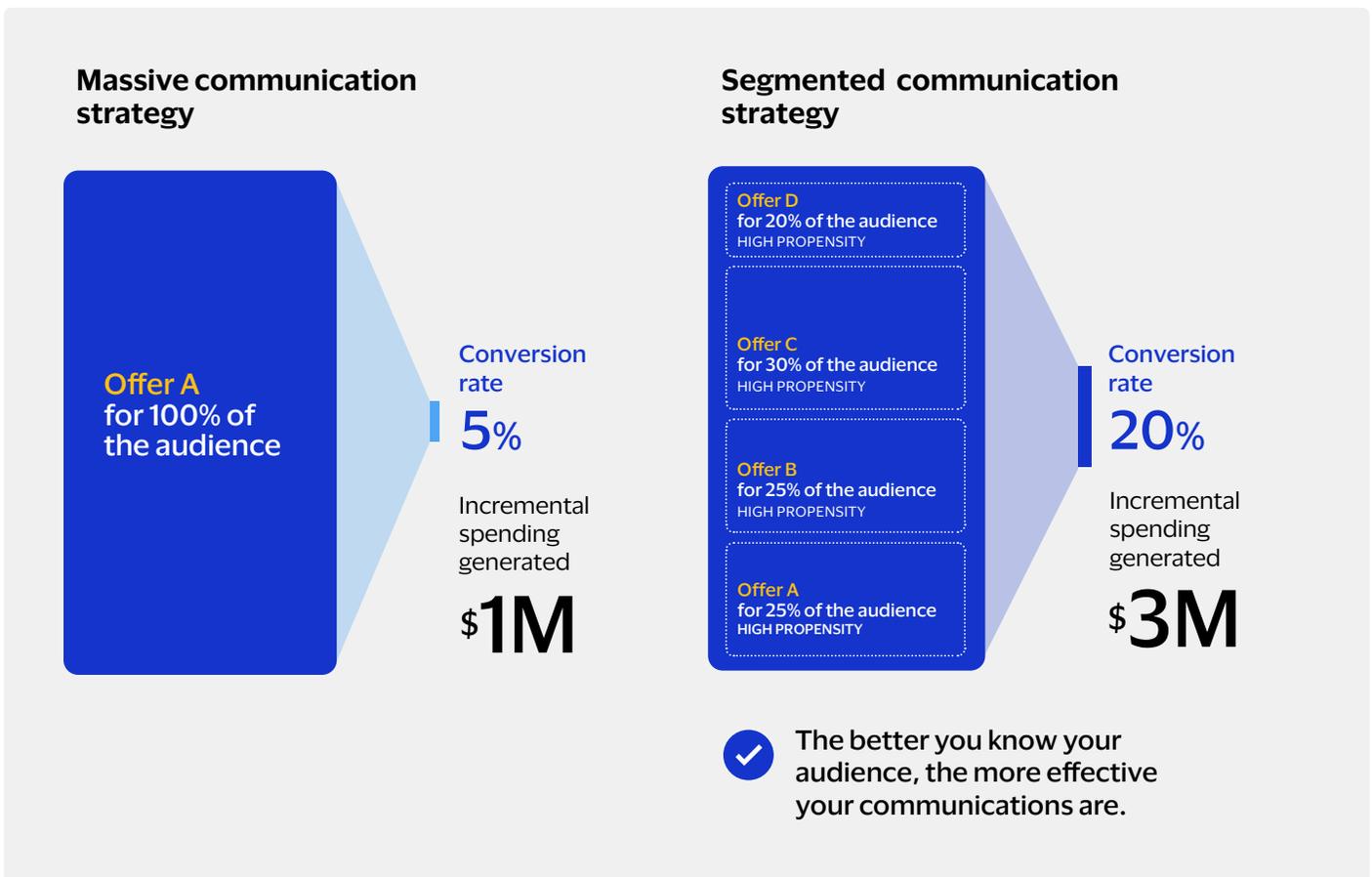


Let's work through the five strategies one by one:

Strategy #1 Supplement and complement your own data sets with external data

FIs tend to have a wealth of customer data—often used to design and deliver personalized campaigns. However, as rich as it may be, relying on one source of data never tells the whole story.

Adding and integrating different sources of data creates opportunities to develop advanced analytical models that provide a more holistic picture of customer preferences. These insights, in turn, allow for more precise segmentation, enabling the delivery of personalized and relevant content to more clearly defined and relevant customer segments.



Illustrated example - Improving results through Audience Segmentation



Here are three examples of how the integration of external data creates value:



Drive segmentation by channel interaction

Online activity (by users who have opted in to share interaction data) can be helpful in determining consumer preferences, and, in turn, can help FIs determine the most effective communications channels by segment. This analysis can help FIs ensure the right messaging is personalized and delivered via the most well-received channel. This approach improves the customer experience and increases engagement, thereby optimizing marketing spend and maximizing profitability.

Campaign #1

In one Visa campaign, transactional and demographic datasets were supplemented with channel interaction data, which led to an incremental payment volume and associated revenue increase by a factor of three.*



Integrate different types of transactional data

For any marketing campaign, it is best to get the most holistic view possible of target customers, and one of the ways to do this is to integrate transactional data from several trusted sources to build more accurate personas of customers. This multifaceted approach can help enable more personalized micro-segmentations that reflect the customer's preferences and spending habits.

Campaign #2

In another campaign, granular and highly personalized segmentation strategies boosted campaign reach and effectiveness – which ultimately was successful in recovering 10 percent of at-risk revenue.*



Use data to enable non-traditional campaigns

Many FIs routinely turn to traditional usage-driving campaigns. By following the data, FIs can find other ways to drive increased payment volumes and/or create new efficiencies. For example, by analyzing authorization data, FIs can target customers who have recently had a transaction declined to explain the cause of the decline and how it can be avoided in the future. This can strengthen trust between FI and cardholder, reduce frustrations, deter recurrence, and increase loyalty and engagement.

Campaign #3

With Visa's help, one FI reduced the number of transactions declined due to insufficient funds 1.5 to 3.0 percentage points in the following month – and there was a commensurate improvement in the customer experience.*

* Visa analysis. Results may vary and are not claimed to represent typical results or experience(s) and not intended to represent or guarantee that anyone will achieve the same or similar results.



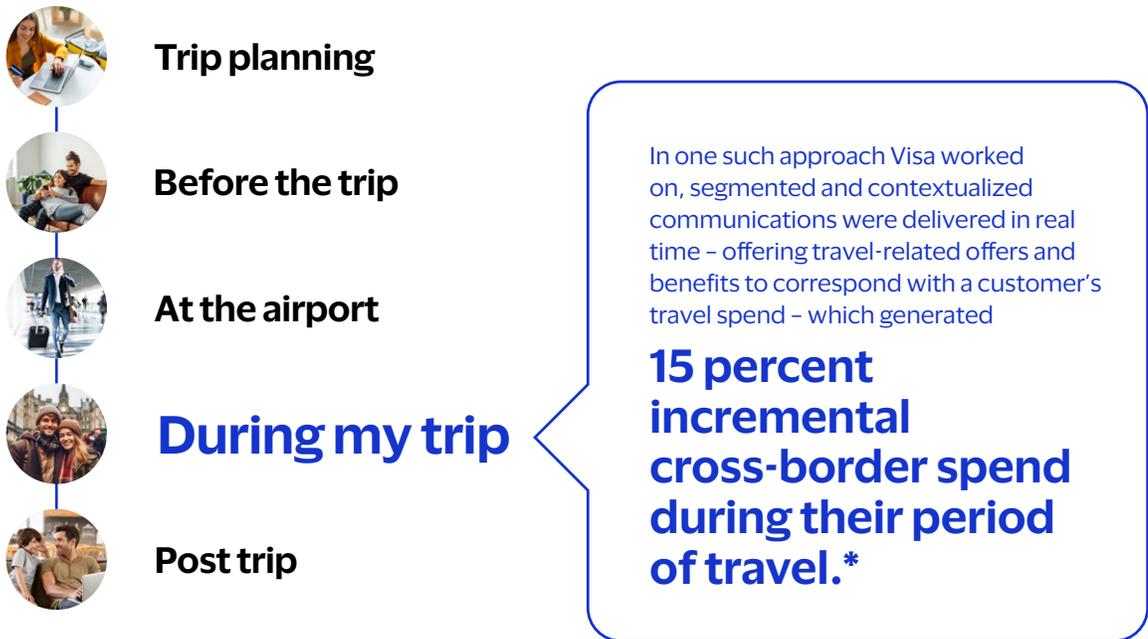
Strategy #2

Use contextualized journeys to influence customer satisfaction

Contextualized journeys enable a shift from generic communication to a real-time, personalized, and omni-channel experience. By analyzing data from customers who have opted-in and by drawing on a deep customer understanding, FIs have the potential to engage with customers at the exact moment when a positive response is most likely. This involves understanding and predicting customer preferences and delivering a highly contextualized message that may resonate with an individual's current situation or context.

Examples include FI's offering travel-insurance discounts to customers who have just booked a flight or restaurant promotions to customers who have completed transactions nearby. These contextualized messages are not only highly relevant but also timely, thereby upping the likelihood of customer engagement.

The results of this approach can be significant. Contextualized journeys enhance customer experience by making interactions more meaningful and personalized. They increase engagement and conversion rates, as customers are more likely to respond to offers and messages that are timely and personally relevant. Additionally, they boost customer loyalty, as customers tend to appreciate and value businesses that understand their needs and provide personalized experiences. Contextualized journeys are a powerful tool for driving business growth and customer satisfaction.



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Strategy #3

Monitor constantly to accelerate results and optimize performance

The constant evaluation of results has become a critical component of any successful marketing strategy. Campaign measurements are essential as they offer valuable insights into the effectiveness of initiatives, enabling FIs to monitor and analyze the performance of their marketing initiatives – providing a clear, near-real-time understanding of which activities are successful and which need improvement.

The ability to identify the right metrics, methodology, and key performance indicators (KPIs) is also crucial. This allows for the implementation of a continuous test-and-learn improvement cycle, which can greatly enhance the optimization of future campaigns. By consistently evaluating and learning from results, FIs can refine their approach, make data-driven decisions, and ultimately drive better outcomes.

This iterative process of testing, learning, and improving is fundamental to achieving marketing efficiency and effectiveness.

The value of test-and-learn

Test-and-learn is a set of practices followed by astute FIs and other consumer-focused businesses to evaluate campaigns with a subset of customers to predict their impacts prior to rollout and to optimize them accordingly. Typically, this process is designed to answer three questions:

What impact will a campaign have if executed across the entire target segment?

Will the campaign have a bigger impact on some customers than on others?

Which of the campaign components are working best?

Besides building customer personas through segmentation, the test-and-learn approach is crucial in determining the content, channels, messaging, incentives, and creative treatments that are most effective for each target audience. It enables FIs to experiment with different strategies and measure their impact in a controlled environment. By continually testing and learning, FIs can get valuable insights into customer preferences. It reduces the risk of large-scale implementation of ineffective strategies, as it allows for the refinement and adjustment of strategies based on real-world feedback. The test-and-learn approach could potentially accelerate innovation, drive customer engagement, and enhance overall business performance.



Strategy #4

Focus on the quality of execution – not just on the strategy and creative thinking

Operational excellence during campaign execution is a critical factor that can significantly influence its impact and success. FIs should therefore focus on the efficient and effective execution of campaign strategies to ensure all processes and activities are performed optimally.

Here are some key factors FIs should consider to guarantee quality, efficiency, and timely campaign execution:

- ✓ Establishing control points within the campaign design and implementation process
- ✓ Clearly defining roles and responsibilities for all involved teams
- ✓ Setting service-level agreements (SLAs) for each team’s contributions
- ✓ Implementing actions to reduce errors and to avoid inefficiencies
- ✓ Encouraging and enabling teams to take accountability
- ✓ Fostering a culture of continuous improvement
- ✓ Finding ways to enhance the impacts and successes of future marketing initiatives

Ultimately, the quality of each campaign’s execution has as much impact as its strategic rationale or its creative approach. This is particularly the case with multi-stage marketing initiatives, such as early-months-on-book (EMOB) programs. In one such program Visa worked on, a rigorous methodology was devised and implemented to opt-in customers in response to their preferences, and six touchpoints were identified to communicate to them.



After implementation, activation rates increased by **5.6 percent** and incremental transactions in the first 90 days rose by 13.7 percent.*

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Strategy #5

Find ways to amplify marketing messages and extend marketing reach creative thinking

Today's FIs have an unusual, cost-effective, and often overlooked opportunity to amplify their message and extend their reach – that is, by making better use of the sponsorship properties available through their network partners and vendors.

A prime example is the sponsorship and partnership programs negotiated by Visa, which extend to sports, entertainment, fashion, and culinary events. And, of course, other networks and vendors within the financial services ecosystem provide access to a range of analogous opportunities.

Typically, these partnerships enable FIs to associate their brands with an event or initiative which would otherwise be beyond their reach. They can therefore bring to life memorable moments with unique experiences, amplifying their vision and message, and creating strong ties with fans at moments of great passion. Similarly, the FI may also be able to access a range of strategic offers and prizes that can not only drive usage but also encourage people to migrate their payment methods.



How Visa can help

With the support of Visa Advisory Services, FIs can adapt, integrate, and implement these five strategies. This enables them to make the most effective use of their marketing funds, driving customer acquisition and engagement. Ultimately, the goal is not only to spend wisely but also to create value for customers, thereby fostering long-term relationships and sustainable business growth.

Visa can serve as an extension of an FI's in-house team and can deliver turnkey end-to-end engagements on their behalf, helping them accelerate their business outcomes. We offer a full suite of capabilities including research and insights, data analytics and segmentation, and campaign development, execution, and measurement.





About Visa Advisory Services

Advisory Services is a team of 1300+ payments consultants, digital marketing specialists, data scientists, and economists across six continents.

Our deep payments consulting expertise, economic intelligence, and breadth of data allows us to identify actionable insights and recommendations that drive better business decisions.

- Our consultants are experts in strategy, product, portfolio management, marketing, risk, digital and more with decades of experience in the payments industry.
- Our data scientists are experts in statistics, advanced analytics, and machine learning, with exclusive access to insights from VisaNet, one of the largest payments networks in the world.
- Our economists understand economic conditions impacting consumer spending and provide unique and timely insights into global spending trends.

To ensure you receive insights like this directly to your inbox, [subscribe to the Payments pulse monthly newsletter.](#)

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