



Digital Ads Are Growing - Why Your CFI Should Jump In

technology marketing

Summary: Digital ads have evolved in the past few decades. Is it time to take the plunge? We give you the lay of the land.

Ben and Jerry supposedly wanted to start a bagel company, but the expense of a bagel machine was too much. They turned to ice-cream instead and the rest is history. Like businesses, community financial institutions (CFIs) understand the idea of reducing expenses, especially these days. This is one reason why we discuss digital advertising today.

Over the past couple of decades, digital advertising has transitioned from obtrusive banner advertisements to ads that now blend seamlessly into people's social media and news feeds; they are now the go-to method of advertising for many businesses and can be reasonably priced. While other ways of advertising still may fill a purpose, [Google believes it is just a matter of time](#) before digital ads take over totally -- five years, to be specific. We explain why this may be an area for your institution to explore, if you haven't already.

Digital advertising takeover. Google's chief search evangelist predicts that 100% of advertising will be digital and automated by 2025, driven largely by artificial intelligence and data mining algorithms that allow businesses to focus their message and strengthen their brand. Comparatively, in 2019 roughly 55% of advertising was already done digitally.

Main benefits of targeted advertising. One of the most attractive aspects of digital advertising is the fact that machine learning algorithms are able to analyze massive amounts of data extremely quickly. This way, companies can target the ads by demographics, specific interests, lifestyles, and where the customer is in the buying cycle. The speed and flexibility of digital advertising also allow you to pivot your message or content as you see fit.

Currently, your marketing team or outsourced agency spends hours analyzing keywords, optimizing media, website selection for ad placement, and other tasks. All of that can be automated with machine learning algorithms. This automation, with the right key performance indicators (KPIs), ensures your advertising campaign is hitting the intended goal and if not, allowing you to quickly adapt.

KPIs can vary. Click-through rates and time spent on your website are KPIs that can determine if your marketing messages are meeting the target's needs and encouraging more engagement on your site. A decent click-through rate can vary, but 3-5% is a good rule of thumb, depending on the channel.

Internal content feedback. One quick way to get feedback on your content is to ask your employees, or whoever the target demographic is. They can tell you if it resonates with them or not and maybe even give you some additional feedback to craft your messages. Gen Z is the generation that is [most receptive to digital messages](#) (52%) according to Adobe research, so that is a good demographic to start with.

It is important these days to watch your bottom line while engaging customers and prospects; digital advertising helps you do it with automation and KPIs. It may be time to give it a try.

NEED MORE FEE INCOME? TRY HEDGING.

Financial institutions seeing long-term, fixed-rate demand from business clients can transform payments into a floating rate on their books using [Borrower's Loan Protection \(BLP\)](#). Contact us today for more information.

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.