

Making a More Compelling Case for the 2025 Marketing Budget.

It's the fourth quarter, and for many regional and community bank marketing officers it's when the 2025 marketing plan and budget request are being submitted to the C-suite for review and approval. It's also the time of year when the balance of your 2024 marketing budget may have just vaporized after a brief conversation with the CFO (who explains those funds are needed to boost the bank's year-end financial results).

Bank marketing officers often need to address CEOs and CFOs who are skeptical about marketing's return on investment (ROI). They are convinced that marketing is an expense line item, not an investment that can provide a tangible return.

Here are some of the biggest challenges marketing officers often face, along with ways to overcome them when making the budget ask for next year:

1. Aligning Marketing with Strategic Goals

Challenge: CEOs and CFOs may struggle to see how marketing directly supports the bank's broader business objectives, such as loan growth or customer acquisition and retention.

Solution: Marketing officers can bridge this gap by aligning proposed marketing initiatives with the bank's strategic goals. For instance, if the bank aims to increase small business loans, marketing can focus on campaigns tailored to local businesses. Presenting a clear plan that links marketing activities to achieving strategic priorities can help justify the budget.

2. Demonstrate Tangible ROI

Challenge: CEOs and CFOs are often focused on *direct financial outcomes* and may view marketing as a cost center rather than a revenue driver, especially if the results are not immediately measurable in terms of incremental revenue generation.

Solutions: To overcome this, marketers can present data-driven cases linking marketing efforts to specific KPIs, such as customer acquisition costs, retention rates, or cross-sell/upsell rates. By using metrics tied to financial outcomes, they can make marketing's value clearer.

Propose smaller-scale pilot campaigns with clear KPIs to show how marketing initiatives can produce positive results. For example, create an automated customer outreach campaign targeting time-deposit product customer (like CDs) using your CRM can

reinforce their value as a customer and encourage them roll-over their matured funds into a new CD at the end of the term - instead of withdrawing them.

This is a tried-and-true approach of demonstrating value then going for the budget ask.

3. Addressing Digital Transformation Concerns

Challenge: CEOs and CFOs may be wary of investing in digital marketing without clear evidence of its effectiveness or a solid understanding of its importance for competitive performance.

Solutions: Marketing officers can present digital marketing as a necessity for reaching customers (especially younger ones) where they spend time—online. Track and report on KPIs like cost-per-lead, cost per customer acquisition, conversion rates, website traffic and engagement metrics. For example, show that a targeted Facebook ad campaign generated a 25% increase in online applications for a savings account – linked directly to a customer acquisition goal.

Highlight digital marketing’s role in attracting leads. For example, if a content marketing strategy focusing on small business advice led to a 30% increase in business loan applications, report this to show how digital marketing supported product growth goals.

Use data to demonstrate how digital marketing can deliver personalized, segmented marketing campaigns that improve engagement and conversion. An example might be a case study on a segmented email campaign that promotes a specific product like an interest-bearing business checking account (with a sweep feature) to current small business loan / line of credit customers.

4. Prove the Positive Impact of Marketing on Customer Retention

Challenge: CEOs and CFOs may not fully appreciate marketing’s role in improving customer retention, viewing it more as a function of rates or product / service quality.

Solutions: Savvy marketers can use metrics that directly links marketing efforts to retention, such as customer engagement scores or changes in retention rates after targeted loyalty campaigns. Demonstrating the cost savings of retaining customers versus acquiring new ones can be quite compelling

5. Test the Waters of AI Applications

Challenge: CEOs and CFOs are aware of the buzz around AI, but they often have concerns about cost, data privacy and potential ROI (or lack thereof). Board members are also likely asking about this subject as well.

Solutions: Recommend one to three very focused tasks that AI can address well. AI applications using data from your CRM can analyze customer behavior and preferences to inform segmentation and more personalized messages, product recommendations and promotions.

This can increase customer satisfaction, drive cross-selling and improve retention – all contributing directly to revenue growth.

You can overcome CEO and CFO concerns about data privacy and compliance issues like the Gramm-Leach-Bliley Act (GLBA) when using AI-driven customer insights. You can ensure that AI applications meet compliance standard by partnering with vendors experienced in banking regulations. Emphasize that AI can also improve data security by quickly detecting and preventing fraud.

Chatbots and automated customer support can handle routine customer queries and guide customers through tasks like account set up, balance inquiries and transaction history. Chatbot can reduce the burden on customer service teams, improve response times, and provide 24/7 support – all of which can increase customer satisfaction.

6. Consider Hiring an Outside Marketing Agency

Your bank may want to consider hiring an outside marketing agency for the following reasons:

- a) A full-service marketing agency brings a *team of experts across various marketing disciplines*—digital marketing, branding, AI, content creation, and analytics—along with deep knowledge of industry trends.
- b) Outsourcing marketing efforts can be *more cost-effective* than building and maintaining an internal team, particularly for smaller banks with limited budgets.
- c) An agency can *elevate the bank’s digital marketing efforts*, including SEO, social media, content marketing, and paid advertising, while ensuring that campaigns align with the bank’s brand and strategic business goals.

For more information on how Copylab might be the right outside marketing partner – please contact Chris Abelt – Business Development Director at (917) 592-4098 or chrisabelt@copylabgroup.com for a complementary marketing consultation.

