



LOAN STRATEGIES TO HELP YOUR CUSTOMERS FIGHT INFLATION AND EARN THEIR TRUST

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It's no secret that over the last two-plus years public trust in our nation's leading institutions has severely declined. Whatever the reason, people are less likely to look outside of their inner circles for guidance and advice on important life decisions.

Vericast Survey Reveals a Disturbing Trend

What you may not realize is the shift from institutional trust appears to have bled into the financial services industry. Our recent survey of 1,000 U.S. adults revealed this alarming trend: people are increasingly turning to alternative sources for financial information, advice and assistance.

While our poll shows that every generation is affected, the change in attitude and behavior of Generation Z (ages 10–25, our survey included those 18–25) stands out. This coming-of-age generation, now with more income to spend, save and invest, is the most likely to report that they may seek financial advice from online practitioners who in many cases appear far less qualified, knowledgeable and accountable than professional financial advisors.

It's Not Only Gen Z With Trust Issues

A notable percentage of millennials (25%) and Generation X (22%) say they also turn to YouTube videos for important financial planning advice for paying off debt, choosing loans,

34% of Gen Z consumers surveyed say that they are getting financial advice from TikTok® and **33%** are getting it from YouTube®, while only **24%** of this age group are seeking advice from financial advisors.

opening credit card accounts, taking out home equity lines of credit, and more.

Yes, It has Come to This ...

More than 60 percent of all survey respondents said they seek financial advice from social media. Institutions must now compete with Tik Tok®, YouTube® and other sometimes opportunistic social media influencers for the opportunity and privilege of being consumers' go-to for the financial advice, products and solutions they need to navigate surging inflation and a slowing economy.

Interestingly enough, the resource that scored highest across all generations was *friends and family*.

Financial Institutions Have a Clear Advantage

This additional survey information provides financial institutions with valuable insight into

“I get my financial advice from *family and friends*.”

45% Gen Z
45% Millennials
47% Gen X
45% Baby Boomers

the unique advantage they hold over their social media rivals: an ability to proactively reach out and connect on a personal level with customers and prospects anytime, anywhere and from any channel.

Does that mean “friends and family” status with consumers is achievable?

How Do You Promote Loans *and* Build Trust?

The answer is *ubiquity, relevance and empathy*. People not only want — *but expect* — to receive easy and convenient access to loans, advice, guidance, and financial services designed to help them survive inflation and prepare for the economy’s next period of growth.

Omnichannel Lives Require Omnichannel Approaches

It’s not enough to focus your loan marketing efforts on a single channel, or two, even. Successful financial marketers know their customers expect a connected and omnichannel experience and make a point to deliver that experience to the channels they prefer to interact with most.

Understand Customers Better Using Data and Insight

All those channels mean there’s no single path consumers will follow to engage with you. It also means the paths will be more complex. There are numerous data points involved that indicate consumers’ needs and preferences, their key decision drivers and acceptance barriers, and what inspires them to act, just to name a few. It’s critical to get to know your customers and potential customers, including how they navigate life, both online and offline. Only then can you build an efficient and effective loan marketing strategy that engages consumers how, when and where it matters.

Provide Value Financially and Emotionally

Rising prices are putting a strain on consumers financially and emotionally. A slowing economy and skyrocketing inflation are eating up their savings as they struggle to fill their tanks, put food on the table, and even purchase everyday essential retail products.

Our survey revealed three out of four of respondents say the amount of money in their bank account impacts their mental health.

Customers will still need money for the basics, like food, gas and essential everyday items but also seek funds for major purchases, home repairs, tuition, and savings for unplanned expenses. Offers for **home equity loans**, **credit cards** and **personal loans** provide the immediate financial relief for mounting consumer money woes.

- > **Home equity loans** allow homeowners to leverage elevated home values and turn them into the funds they need to pay bills, make overdue home improvements, pay off debt, or even take a vacation — and, best of all, provide much-needed peace of mind.
- > While **credit card** offers on the surface seem like a solution inconsistent with rising debt, a closer look shows how credit cards can stem the rising tide of debt with low- and no-interest rate balance transfers and squelch rising prices with rewards for groceries and gas.
- > **Fixed-rate personal loans** offer a quick, no-collateral way for qualified customers to have the flexibility to make large purchases, consolidate debt, or tide them over until the economy improves.

Be Data-Driven and Creative

Data is key to lending success during inflationary times. With the right targeting, you can lend smartly, with fewer concerns. Here are a few proven strategies:

- > **Run a one-time or ongoing loan generation campaign.** Target homeowners with credit

card debt. You could also enroll in trigger-based alerts for customers applying for loans with other lenders.

- > **Conduct a proactive outbound call campaign.** Use your data for a variety of targets including existing mortgage holders or customers who have payments going to credit cards other than yours.
- > **Use highly targeted digital advertising.** Use demographic, intention and behavioral data points to connect with customers through digital banking, and on connected tv or the web. Using data will help you be top of mind — and trusted — when the need arises.

It's Primetime for Lending and Connecting

Now is the time to pour your energies into executing a successful omnichannel, data-driven loan acquisition campaign. Show customers and prospects that you truly understand and care about their problems and challenges by offering solutions that address their financial and emotional needs and *gain their trust*.

Source for All Data: 2022 Vericast Dynata Financial Health Survey, n=1000

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Stephenie has more than 20 years of experience in direct marketing, strategic planning, product management, and promotions in the financial services industry.

Find out how Vericast can help you build a winning lending strategy for what's now and what's next.

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