



# **Financial Services and Digital Influence**

July 2017

# Methodology

**IAB conducted a custom analysis of syndicated Prosper Insight data** to look at consumer and media behaviors of investors, defined as US adults 18 or over who answered the question ‘Which of the following investments do you currently have?’ with ‘Annuities’, ‘Bonds’, ‘Company sponsored 401k’, ‘Mutual fund investments’, ‘Stocks in companies’ or ‘Treasury Bills.’ Investors were compared to the general Adult 18 and over population in the US. The report was supplemented with the media influence of investors.

The report is derived from the Prosper Insights & Analytics Monthly Consumer Study (May 2017) of 7,335 respondents surveyed online which focused on the 4,839 respondents who invest and the annual 2017 Media Behaviors & Influence™ (MBI) Study of 16,644 respondents surveyed online, focusing on the 6878 respondents who regularly make purchases online. The studies have a margin of error of 1%, at a 99% confidence level.

## **Sample Sizes**

- **Prosper Insights & Analytics Annual Media Behaviors & Influence™ (MBI) Study**
  - **16,644 Adults 18+** representative of the general US population
- **Prosper Insights & Analytics Monthly Consumer Survey** conducted online in May 2017
  - **7,335 Adults 18+** representative of the general US 18+ population

## **About Prosper Insight™**

Prosper Insight delivers customized timely market intelligence from various sources through its cloud-based technology-driven Integrated Solutions Platform. Solutions are delivered on multiple devices (PC/Tablet/Smartphone) through the InsightCenter™ tool using diverse information sources relevant to clients' business needs.

[www.GoProsper.com](http://www.GoProsper.com).

# Summary

## Who Are Investors and What Are They Invested In?

- Over half (52%) of US adults are invested in the stock market via stocks, 401ks, IRAs or other investments. They tend to be 35 and older and earn over \$75k.
- Roughly half of investors have a 401k (55%) or IRA (46%). 40% own stocks directly and 35% invest in mutual funds.
- Investors are financially secure: They report that they are saving enough, financially better off and financially stable.
- Investors are saving more, providing investment opportunities.
- Consumer confidence is up, particularly among investors, with July showing the highest rating this decade.
- Over two-thirds of investors (69%) would invest in the stock market.

## What Are Their Financial Plans?

- Investors have immediate financial plans: In the next 3 months, one-third plan to increase savings or pay down debt, 12% plan to buy stocks and 5% plan to refinance.
- Financial plans vary by age group: 18-34 and 35-54 year olds are more likely to refinance than to sell stocks while those 35 and older are more likely to pay down debt than increase savings.
- Investors, especially 18-34 year olds, are more likely than the general population both to own credit cards and to open new accounts whether credit cards, savings, brokerage accounts or trading. 42% of 18-34 year old investors will open a new credit card within the year.

# Summary

## What Financial Services Do Investors Use? Are They Planning to Buy or Switch Insurance?

- › Use of financial services varies by age group with investors 55 and older more likely to use a bank or brokerage firm while investors 18-34 are more likely to use Insurance, S&Ls or check cashing firms.
- › Investors are more likely to buy or switch insurance (41%), especially auto (28%). This is especially true of 18-34 year olds, among whom nearly half (47%) are planning to buy or switch insurance, as are two-thirds (66%) of 18-34 year old investors.

## What Media Has Influence on Consumers' Financial Services Purchases?

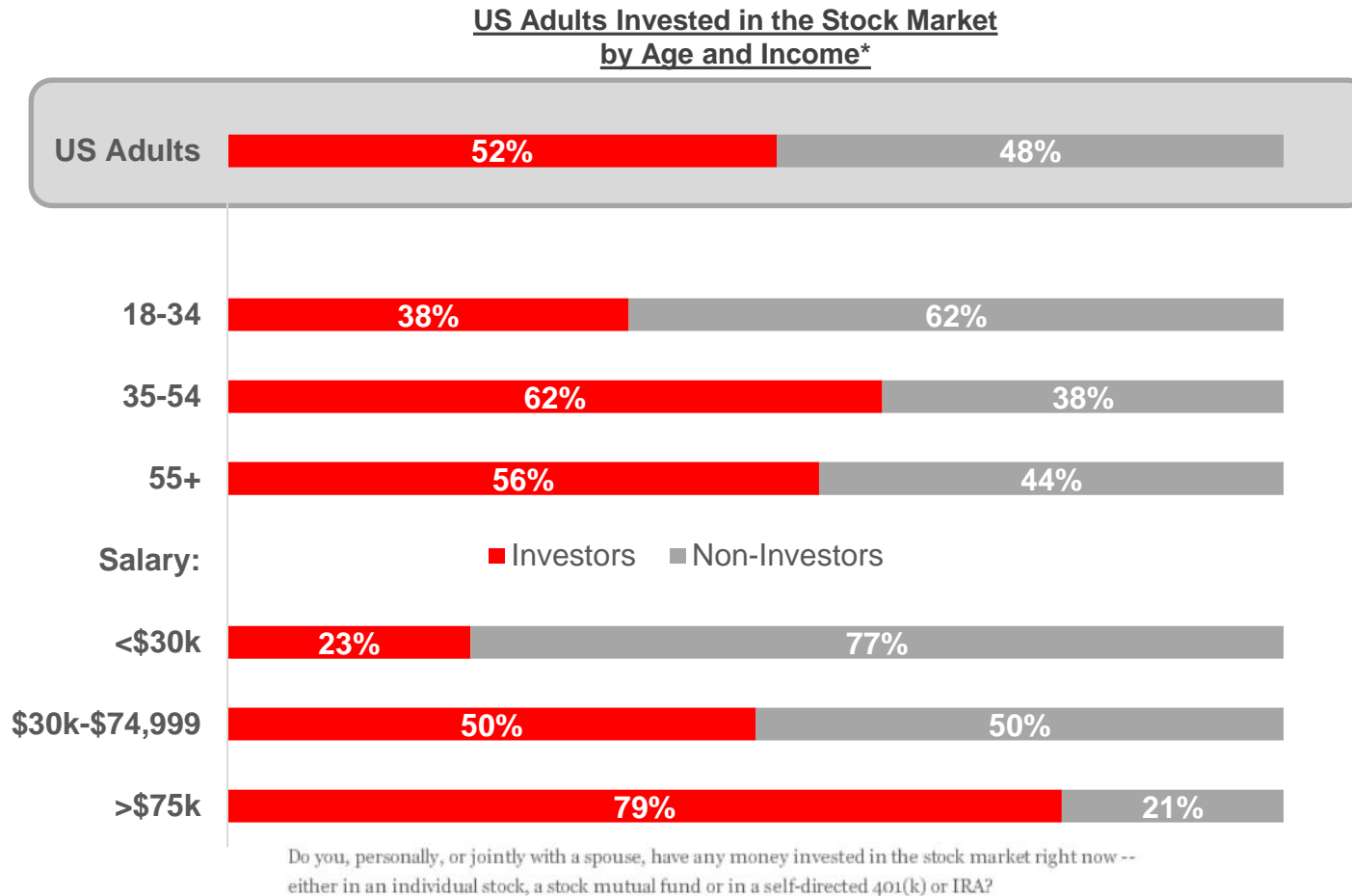
- › Word of mouth, internet, TV and articles have the most influence on consumers' financial services and insurance purchases: The internet has more influence than TV for financial services and insurance and is the #1 influence on 18-34 year olds.
- › Digital media, especially the internet, influence financial/insurance purchases.
- › Search is also important in consumers' financial services and insurance Decisions: Roughly two-thirds of investors (64%) and half (53%) of all consumers search online for financial info or services.
- › Both traditional and digital media inspire online search, illustrating the importance of cross media advertising.

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# **Who Are Investors and What Are They Invested In?**

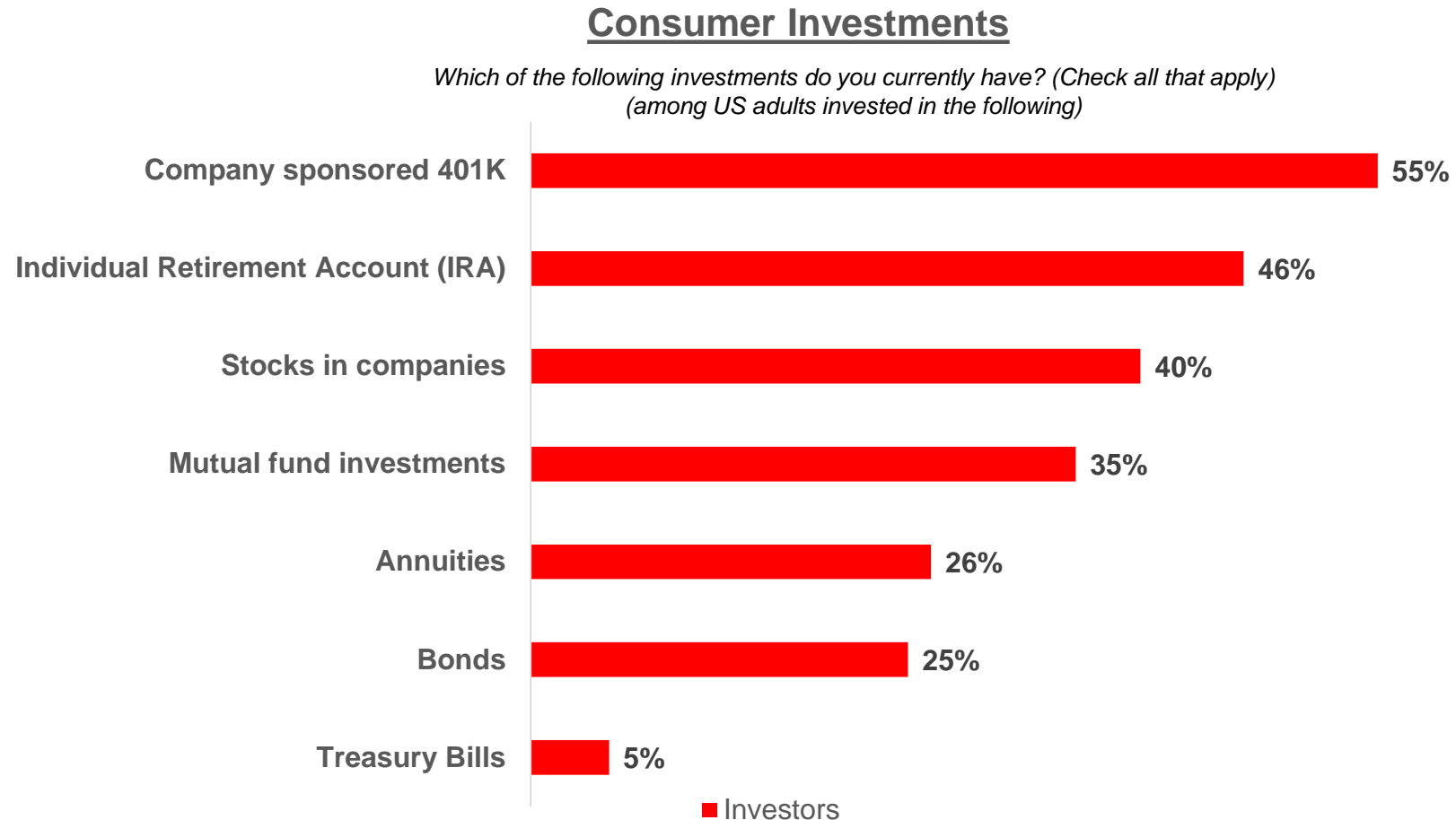
# Over Half of US Adults Own Stocks

- 52% of the US population is invested in the stock market
- US adults 35 and older and those who earn over \$75k are more likely to invest



# Roughly Half of Investors Have a 401k or IRA

- 40% own stocks directly and 35% invest in mutual funds



# Consumer Investors Are Financially Secure

## Saving Enough

How do you feel about the following statement?  
"I am saving enough to meet my future needs."

45%

54%

Agree/Completely Agree

## Investors are...

## Financially Better Off

Regarding your personal financial situation, compared  
to this time last year, are you...

83%

87%

Same/Better Off

## Financially Stable

How do you feel about your overall  
financial security?

Please tell us using a scale of  
1 ("Very insecure/financially vulnerable")  
to 5 ("Very secure/financially stable").

42%

49%

Somewhat/Very  
Secure/Financially Stable

■ Adults

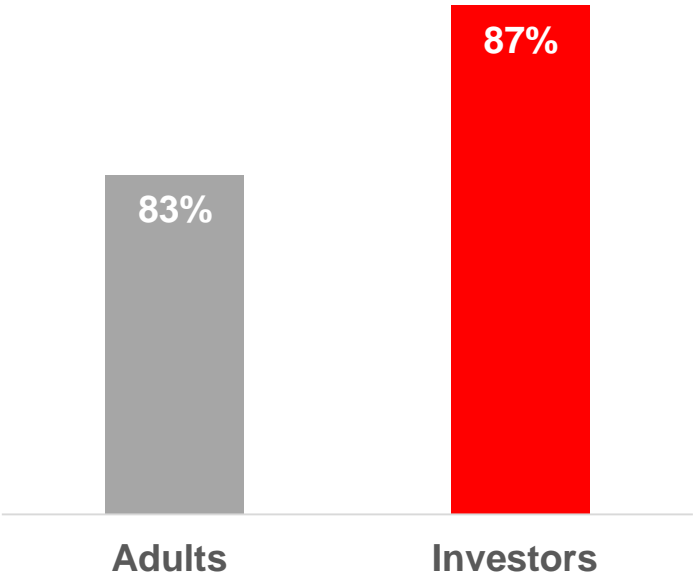
■ Investors



# Investors are Saving More, Providing Investment Opportunities

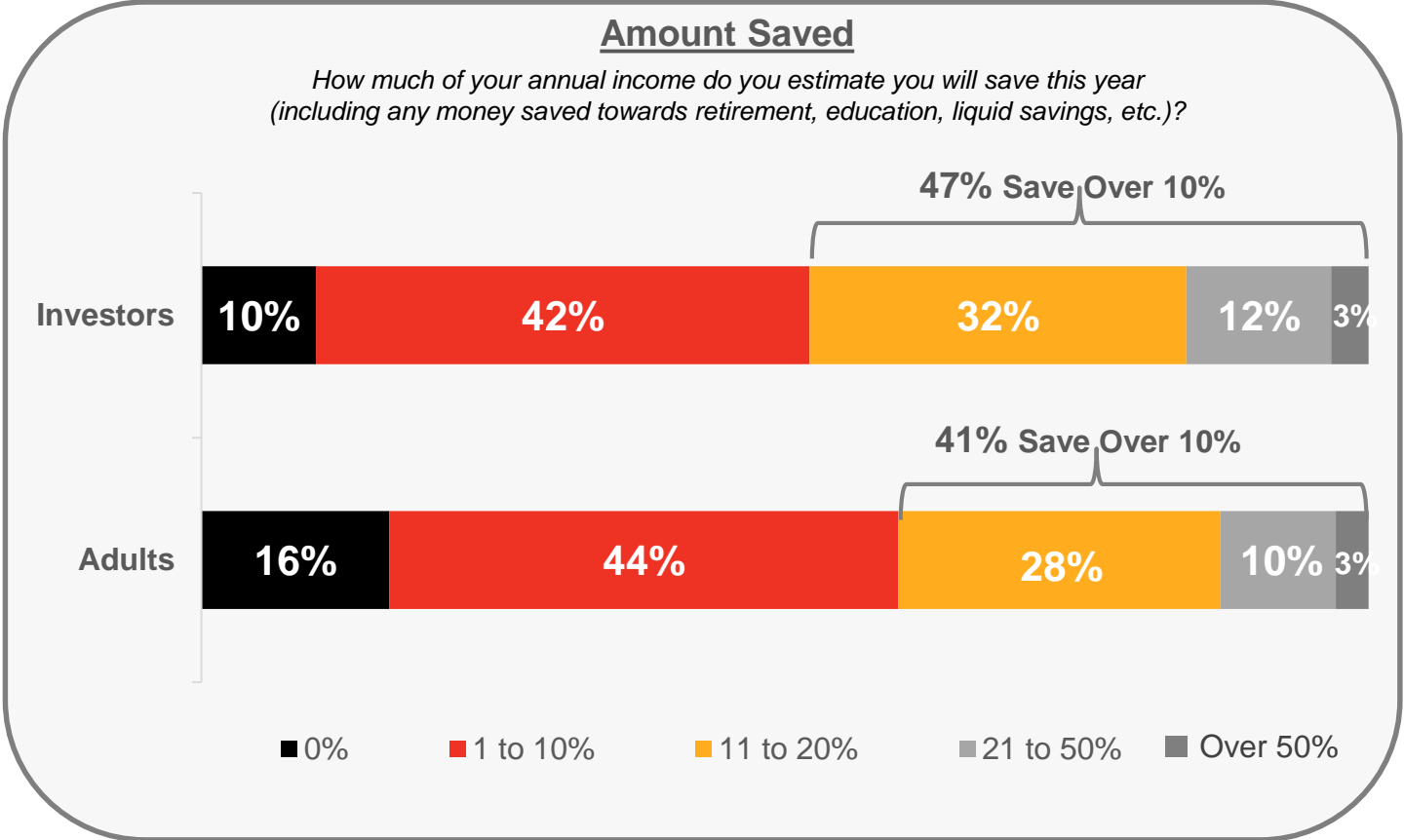
## Saving Same/More

Overall, do you plan to save more, the same or less than you did last year?  
(Same/More)



## Amount Saved

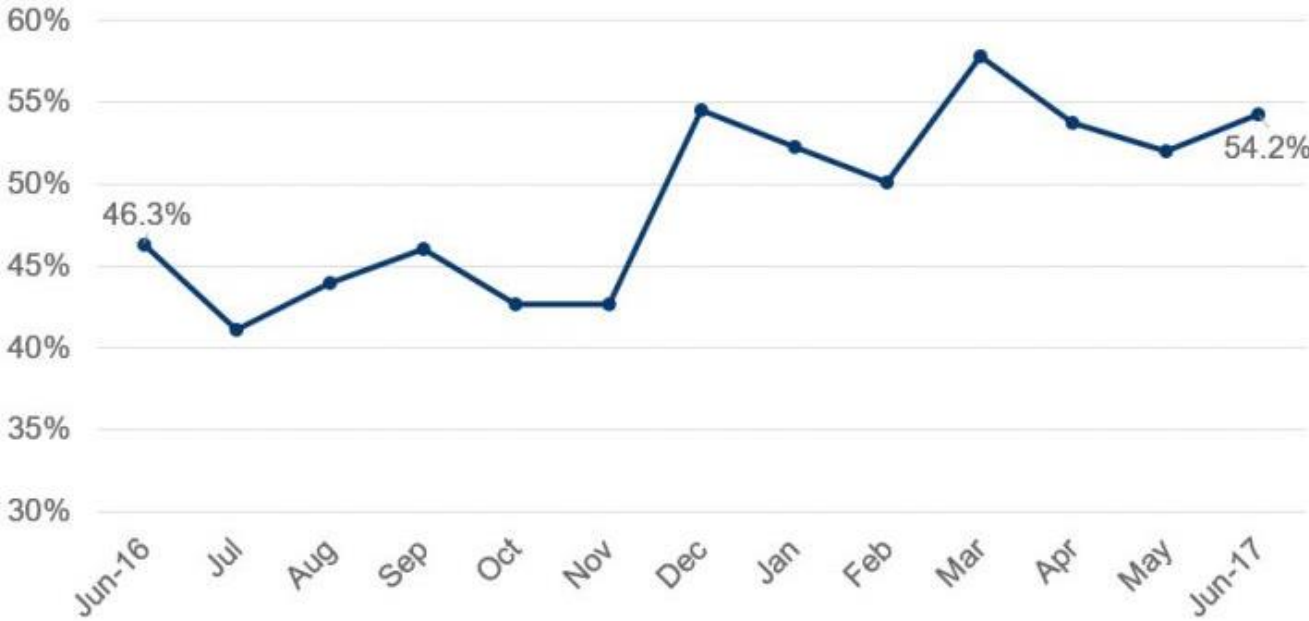
How much of your annual income do you estimate you will save this year  
(including any money saved towards retirement, education, liquid savings, etc.)?



# Consumer Confidence is Up From a Year Ago

## Consumer Confidence

Which one of the following best describes your feelings about chances for a strong economy during the next 6 months? (Confident/Very Confident)



Adults 18+  
June 2017

# Year Over Year, Consumer Confidence in July was the Highest this Decade

## Consumer Confidence July 2007 – July 2017

*Which one of the following best describes your feelings about chances for a strong economy during the next 6 months? (Confident/Very Confident)*

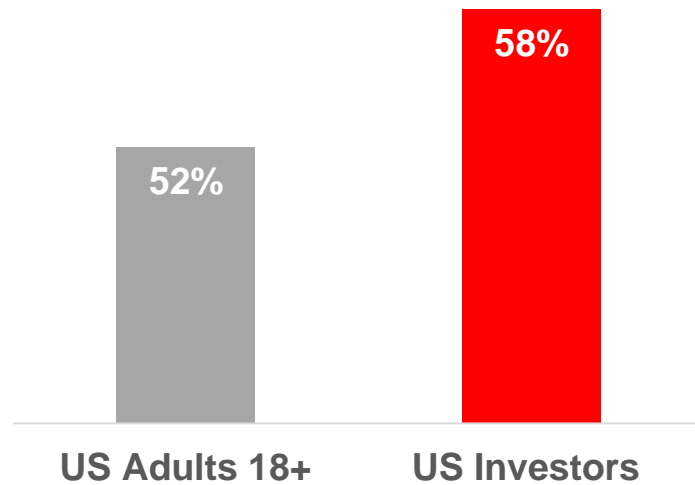


# Investors are Even More Confident in a Strong Economy Over the Next 6 Months

- › Over three-quarters of 18-34 year old investors are confident in the economy
- › 70% of 35-54 year old investors also expect a strong economy

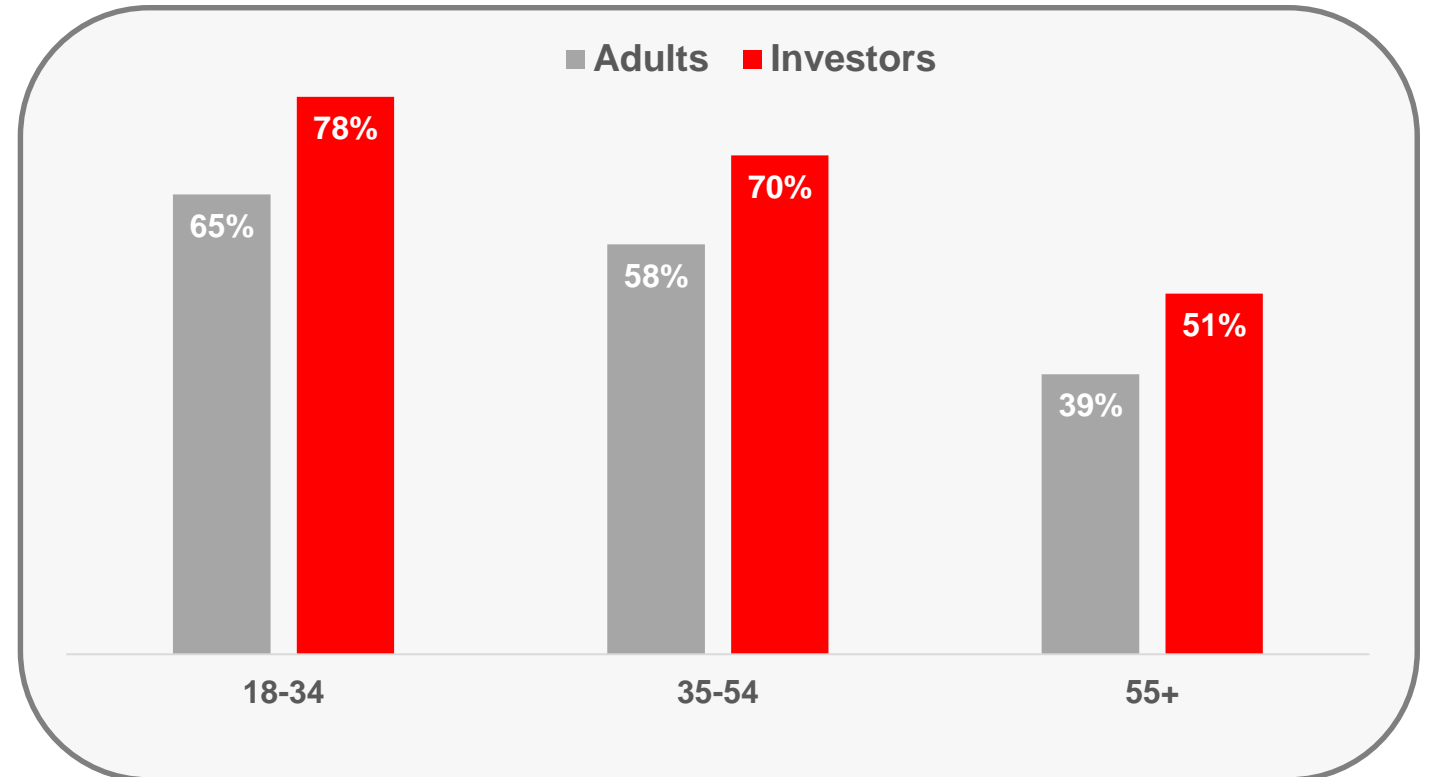
Which one of the following best describes your feelings about chances for a strong economy during the next 6 months? (Confident/Very Confident)

Consumer Confidence in Economy



May 2017

Consumer Confidence in Economy



# Over Two-Thirds of Investors Would Invest in the Stock Market

## Investor Confidence in the Stock Market

*Please tell us your feelings towards investing in the stock market? (Confident/Very Confident, Would Probably/Definitely Invest)*

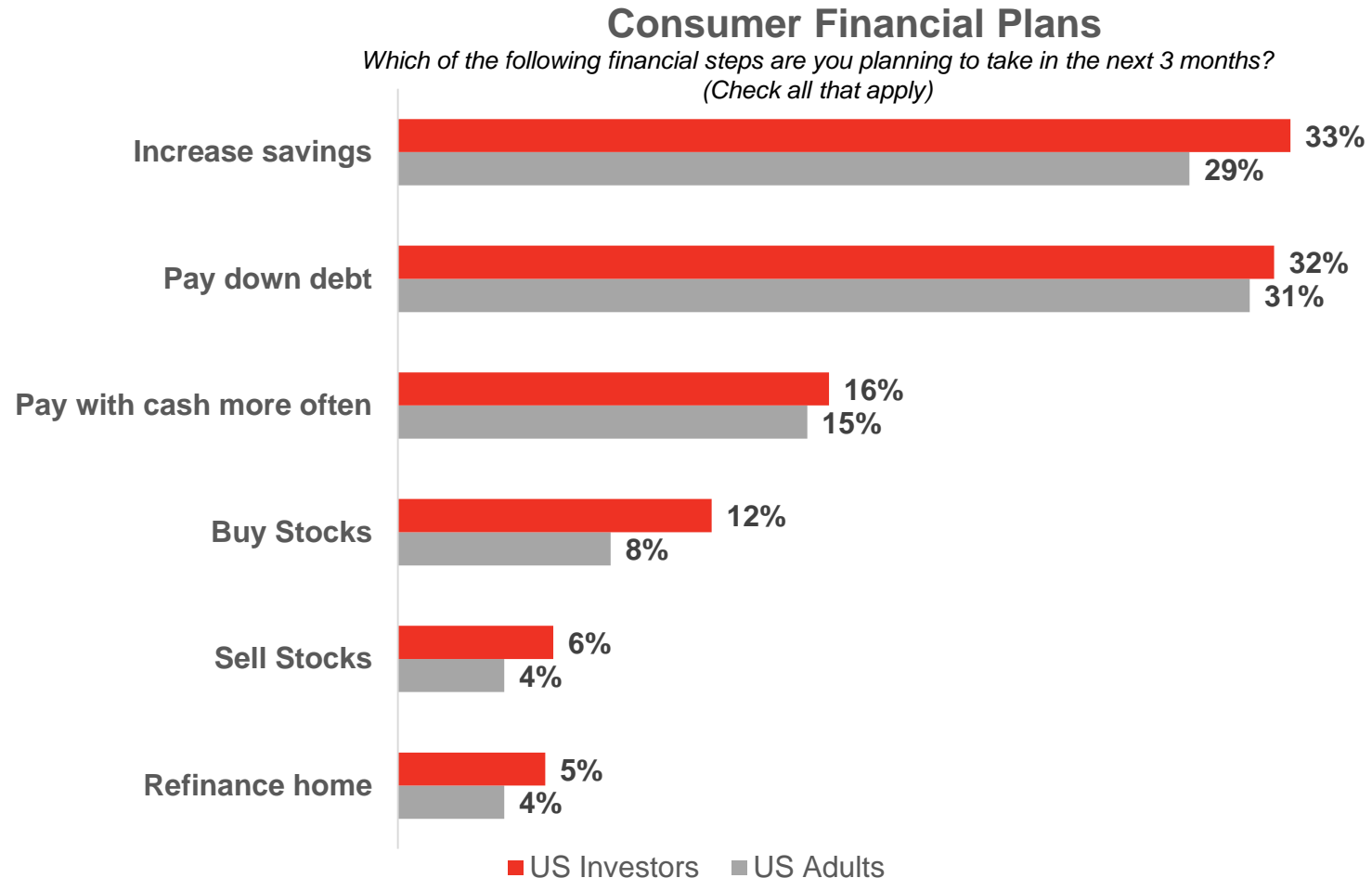


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# **What Are Their Financial Plans?**

# Investors Have Immediate Financial Plans

- One-third plan to increase savings or pay down debt
- 12% plan to buy stocks and 5% plan to refinance



# Financial Plans Vary by Age Group

- 18-34 and 35-54 year olds are more likely to refinance than to sell stocks
- 35 year olds and older are more likely to pay down debt than increase savings

## Financial Plans by Age Group

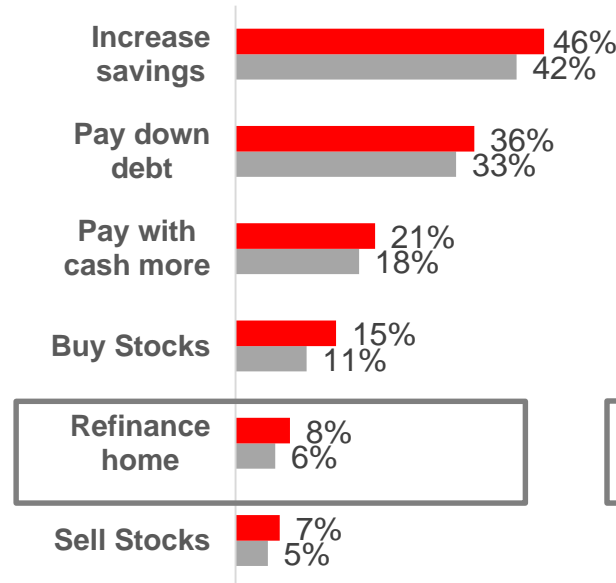
■ US Investors ■ US Adults

Which of the following financial steps are you planning to take in the next 3 months? (Check all that apply)

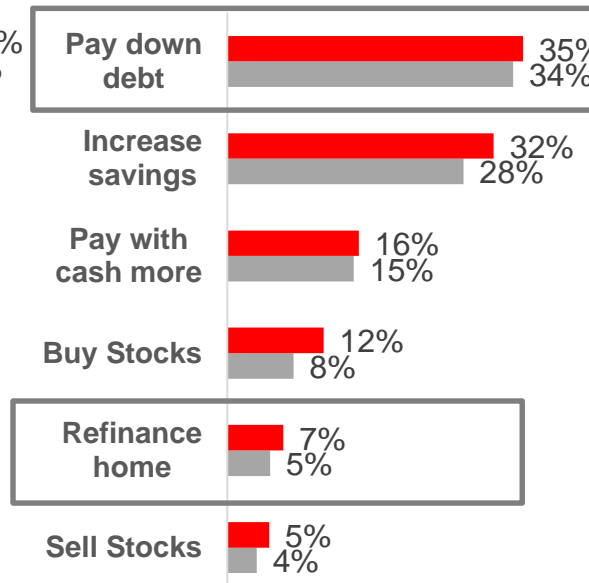
### Adults 18+



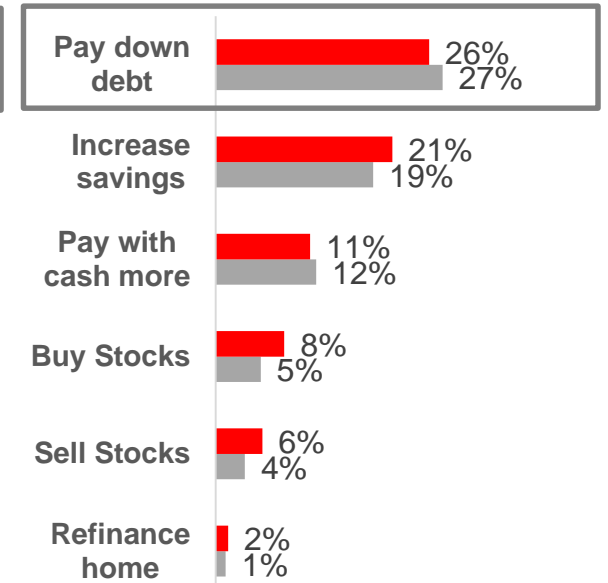
### 18-34



### 35-54

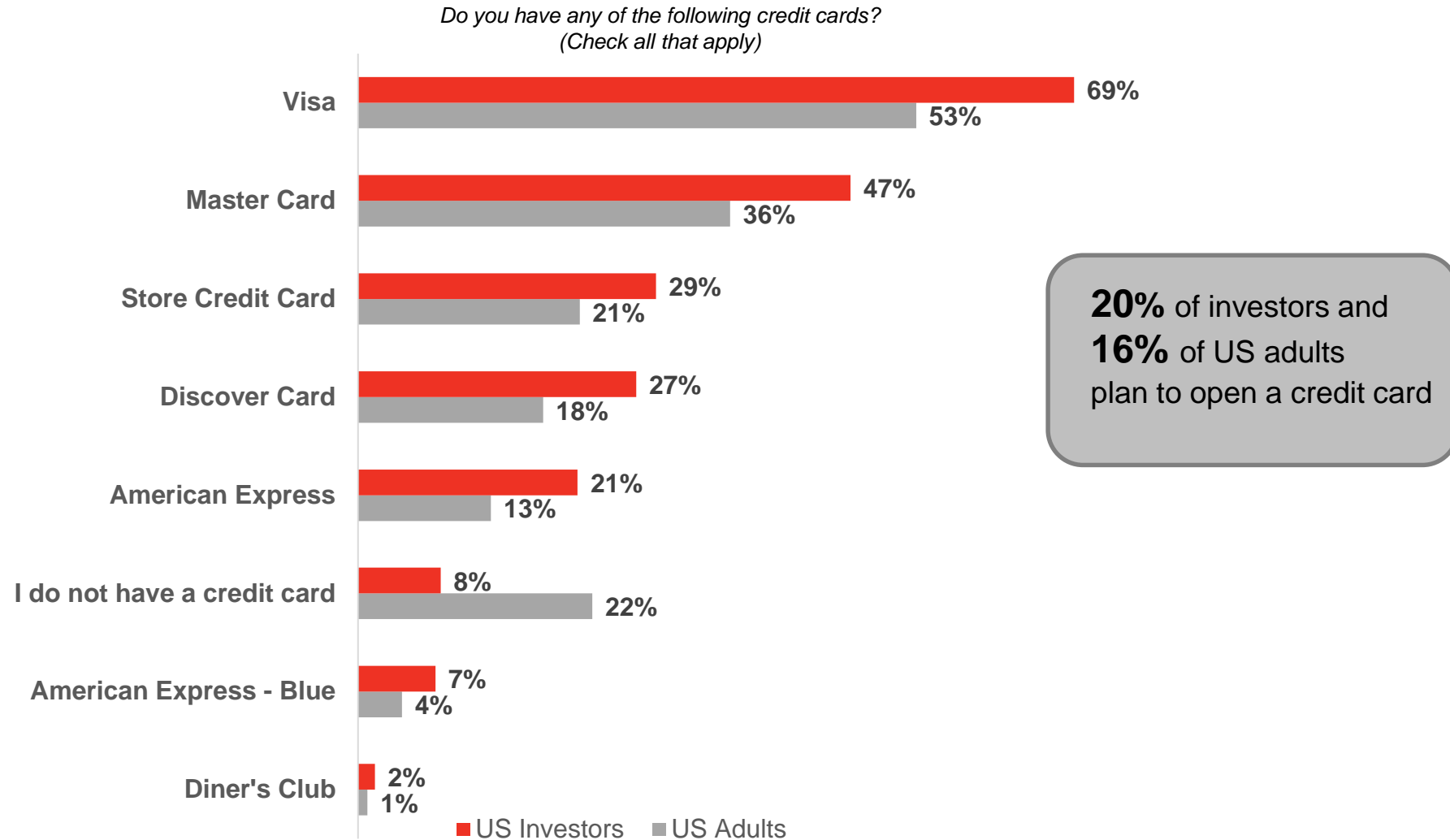


### 55+





# Investors are More Likely to Own Credit Cards



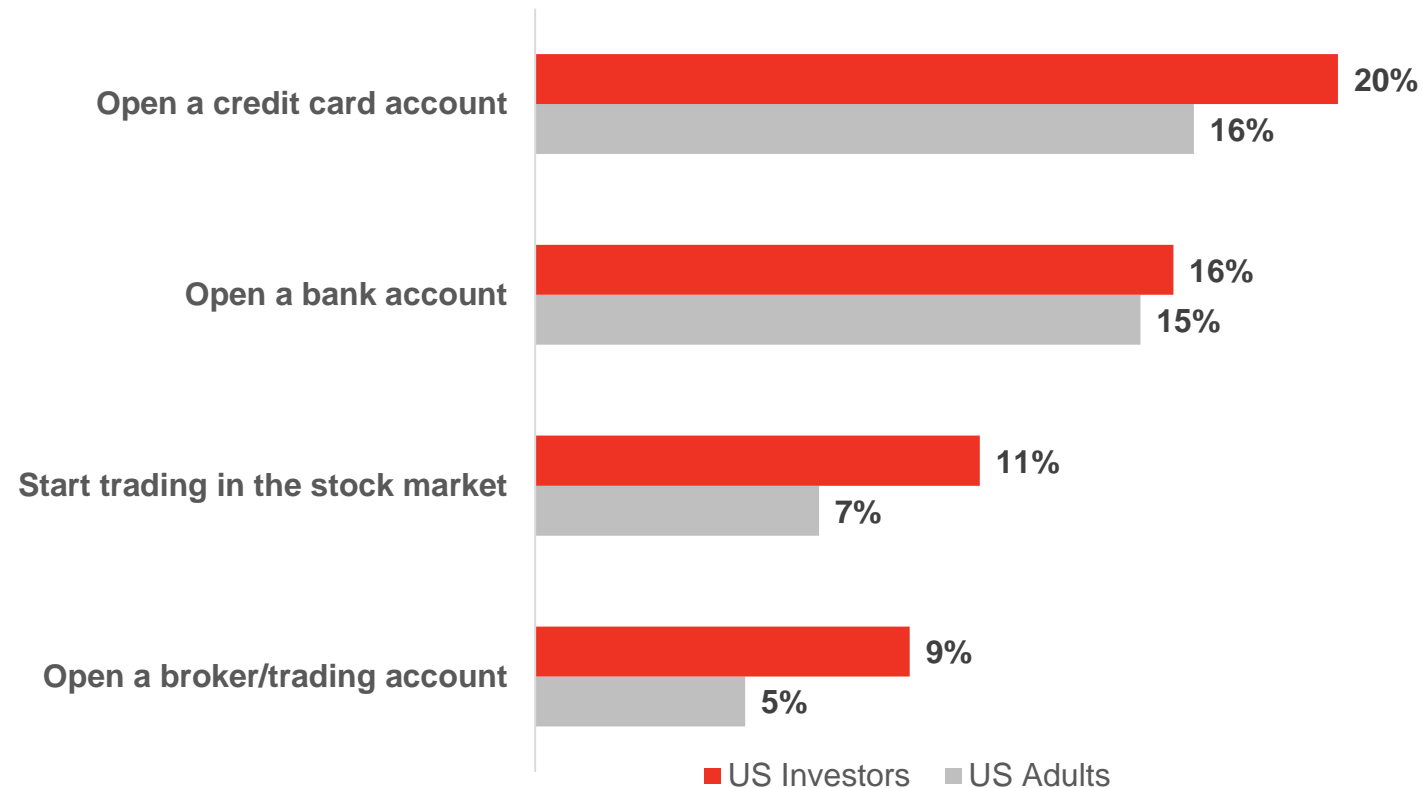
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**What Financial Services Do Investors  
Use? Do They Plan to Switch  
Insurance?**

# Investors are Planning to Open New Accounts

- 1 in 5 is planning to open a new credit card account
- Roughly 1 in 10 is planning to start trading or open a trading account

Are you planning on doing any of the following financial activities in the next 12 months? (Check all that apply)



# 18-34 Year Old Investors are Much More Likely to Open New Accounts

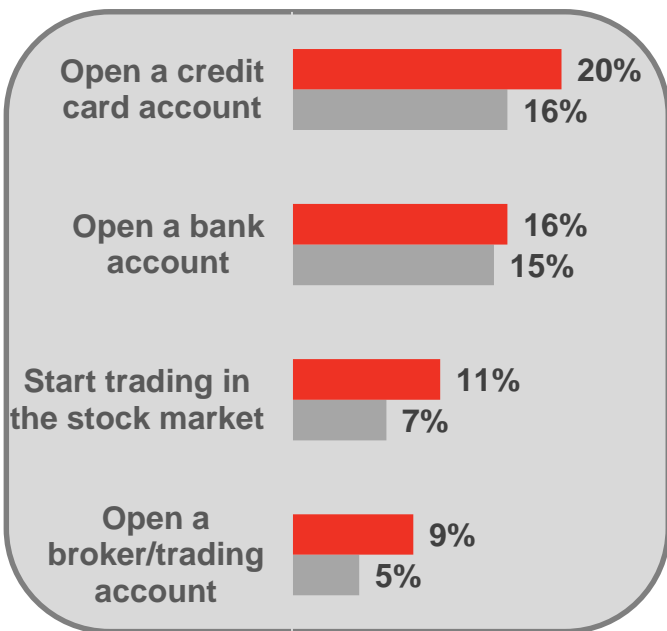
- 18-34 year old investors are more than twice as likely than older investors to open new accounts
- Nearly half of 18-34 year old investors plan to open a new credit card

## Financial Plans by Age Group

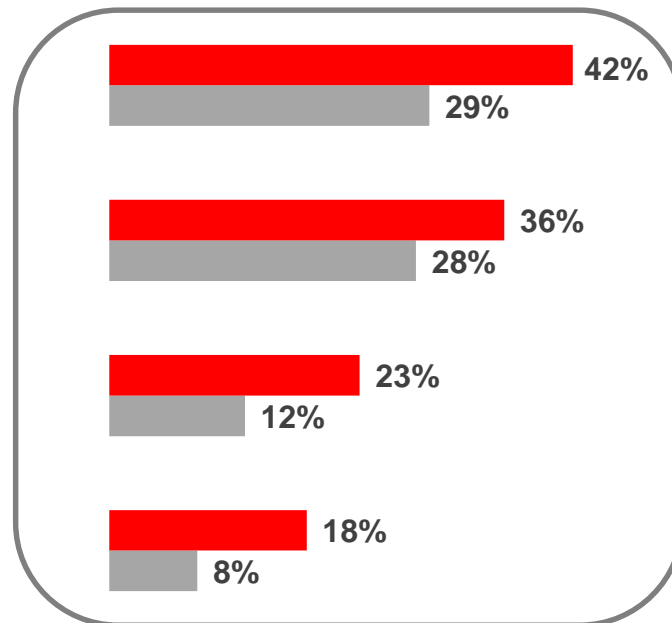
■ US Investors ■ US Adults

Are you planning on doing any of the following financial activities in the next 12 months? (Check all that apply)

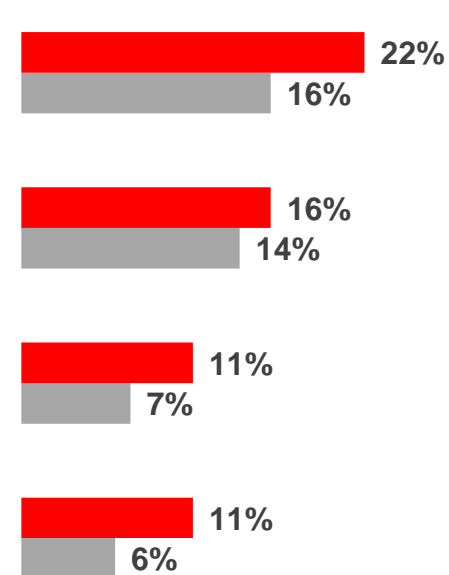
### Adults 18+



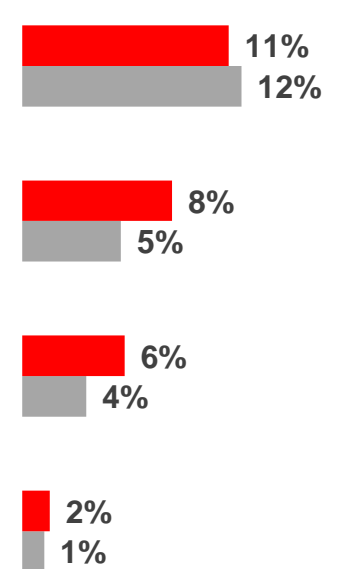
### 18-34



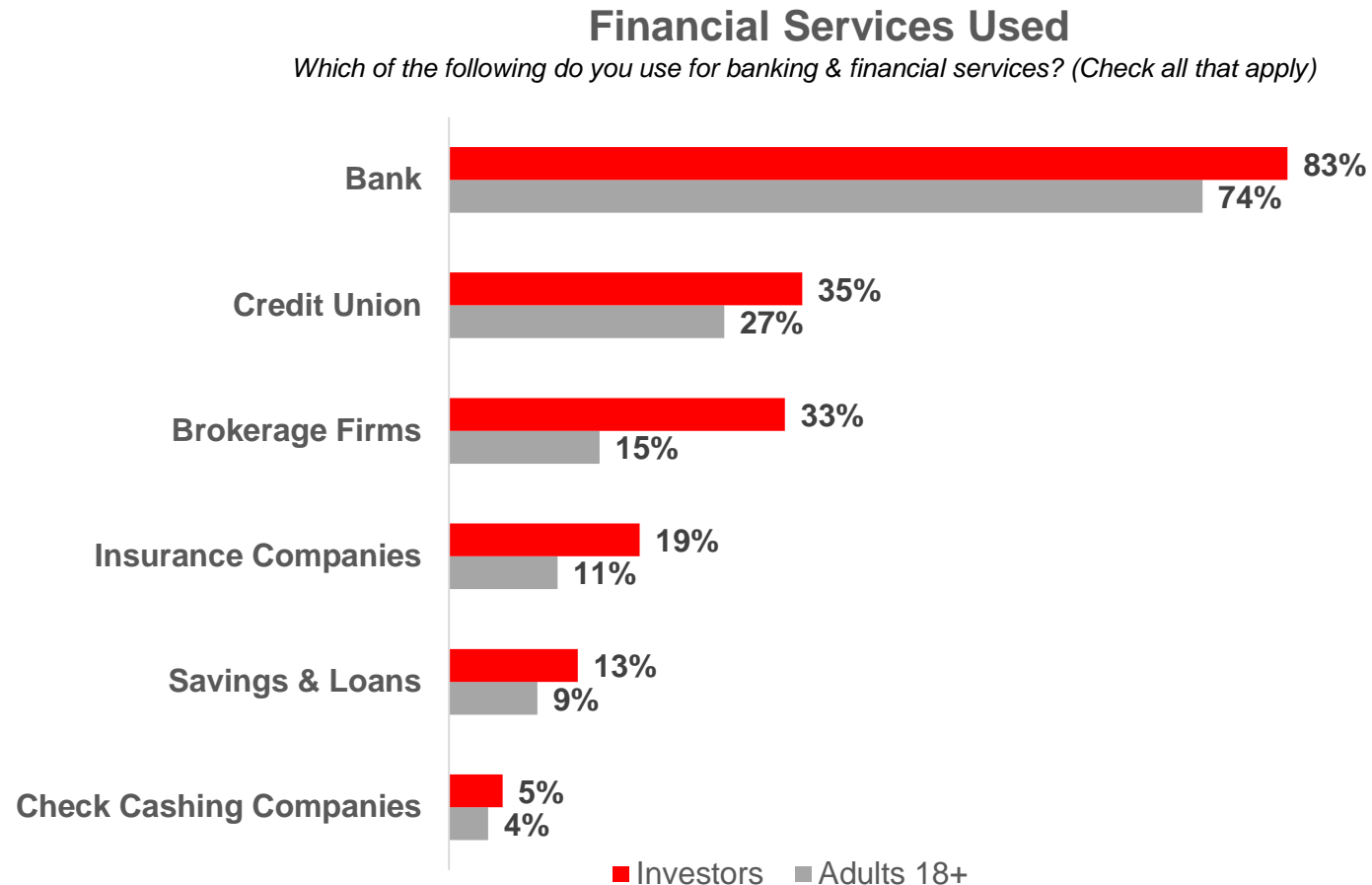
### 35-54



### 55+



# Investors Use a Variety of Banking and Financial Services

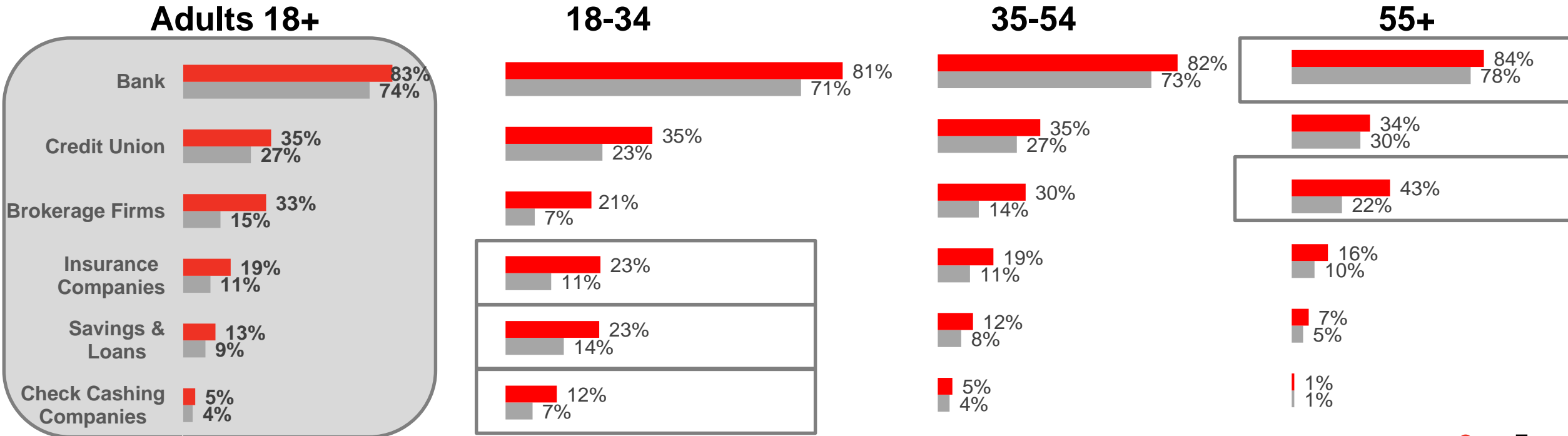


# Use of Financial Services Varies by Age Group

- Older (55+) investors more likely to use brokerage firms
- Younger (18-34) investors more likely to use insurance companies, S&Ls, check cashing companies

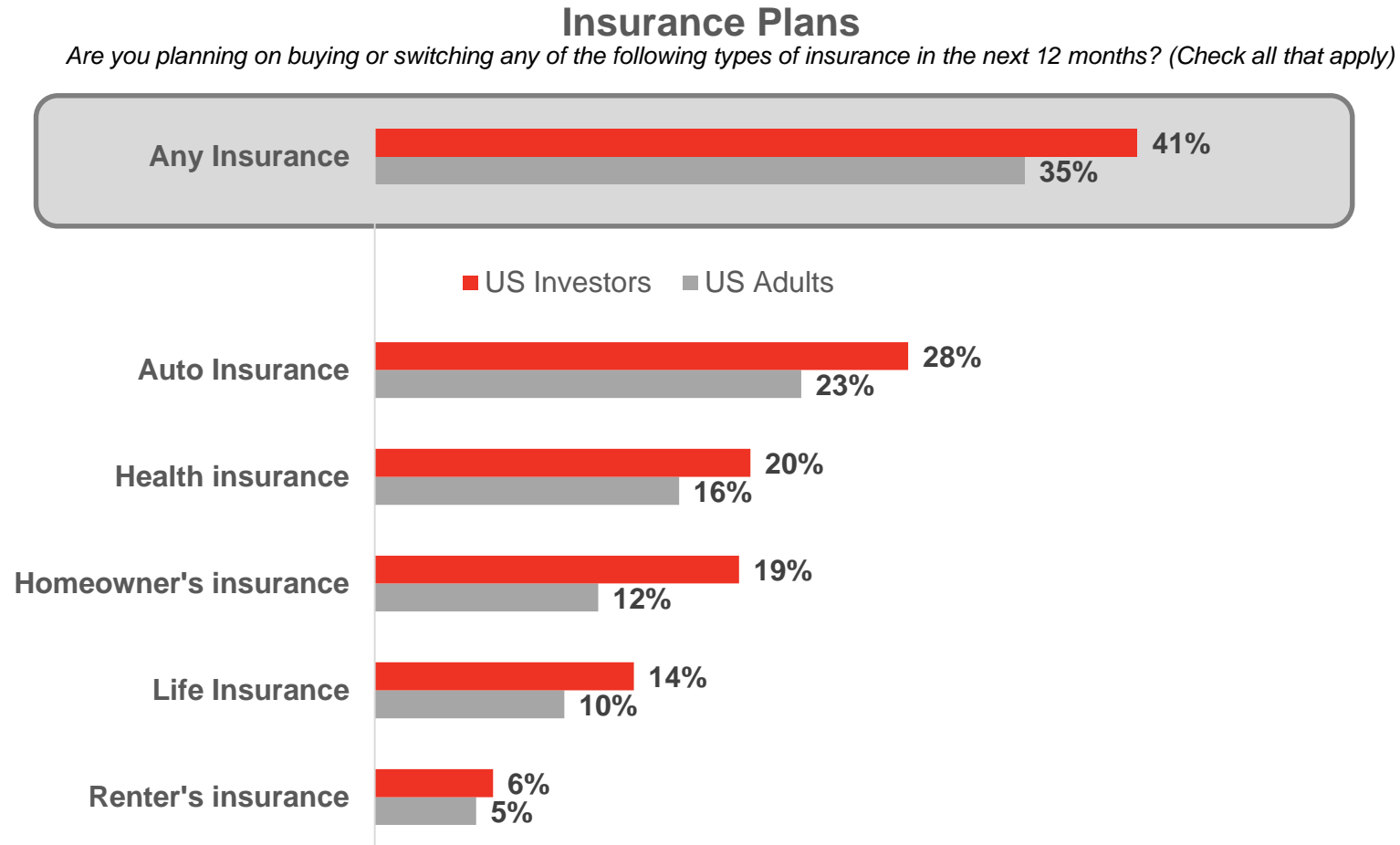
**Financial Services Used**  
 Which of the following do you use for banking & financial services? (Check all that apply)

■ US Investors    ■ US Adults



# Investors are More Likely to Buy or Switch Insurance, Especially Auto

- 4 in 10 investors will shop for insurance this year
- Over one-third of US adults also plan to buy or switch insurance



# 18-34 Year Olds are Most Likely to Buy or Switch Insurance

- Two-thirds of 18-34 year old investors and about half of all 18-34 year olds are planning to buy or switch insurance
- Auto insurance is the most common insurance type that consumers will buy this year

## Insurance Purchases Planned by Age Group

■ US Investors ■ US Adults

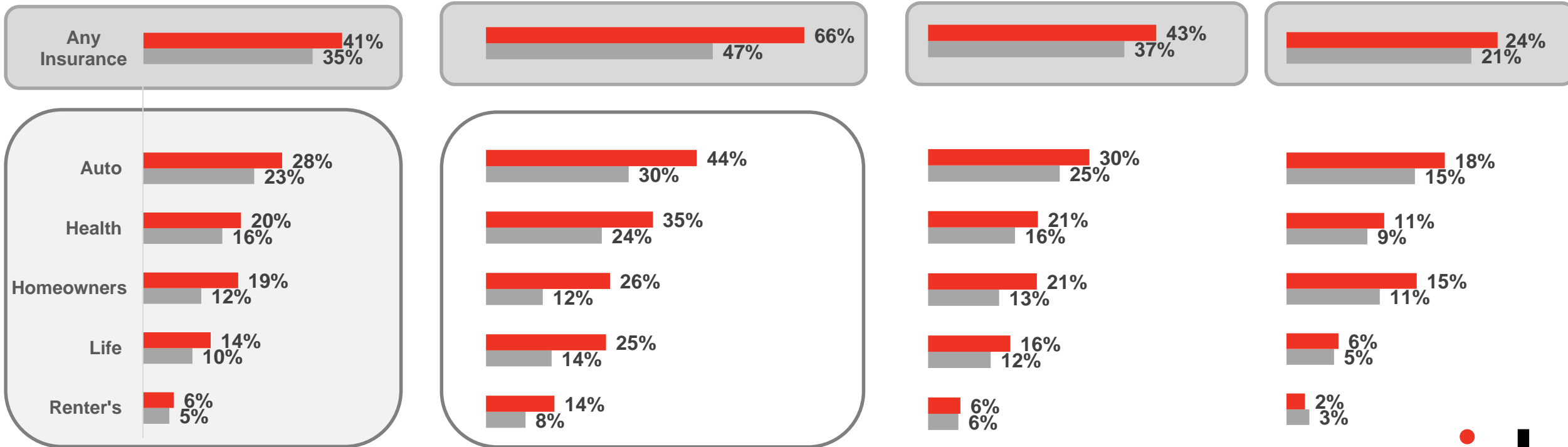
Are you planning on buying or switching any of the following types of insurance in the next 12 months? (Check all that apply)

### Adults 18+

### 18-34

### 35-54

### 55+





**Financial Services and  
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# **Which Media Influence Consumers' Financial Services Purchases?**

# Word of Mouth, Internet, TV and Articles Have the Most Influence on Financial Services/Insurance Purchases

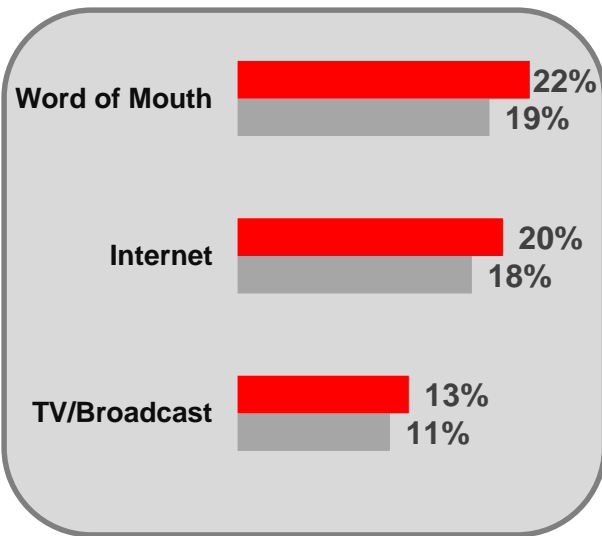
- The internet is the #1 influence on 18-34 year olds for Financial Services and Insurance
- The internet has more influence than TV for Financial Services and Insurance purchases

## Top Media Influences on Financial Services/Insurance Purchases by Age Group

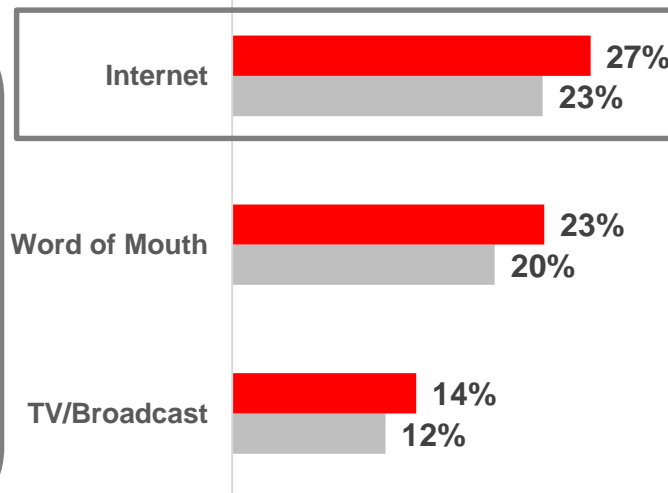
Please tell us which of the following media influences your Financial Services/Insurance purchases:

■ US Investors ■ US Adults

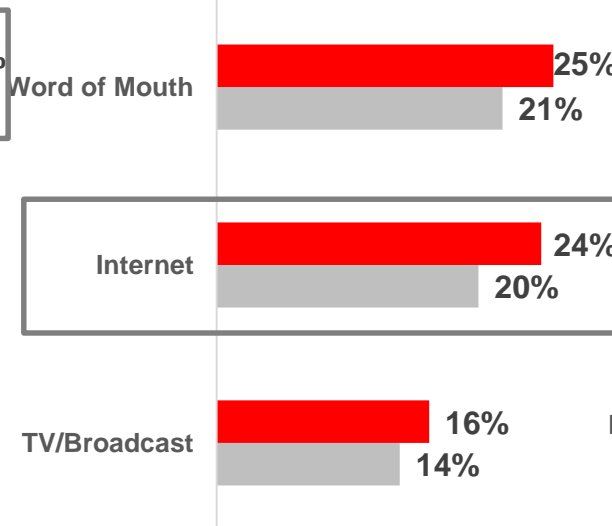
### Adults 18+



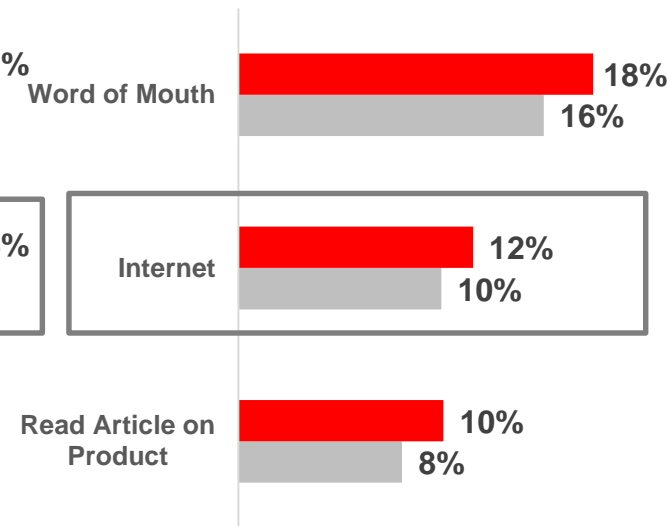
### 18-34



### 35-54



### 55+

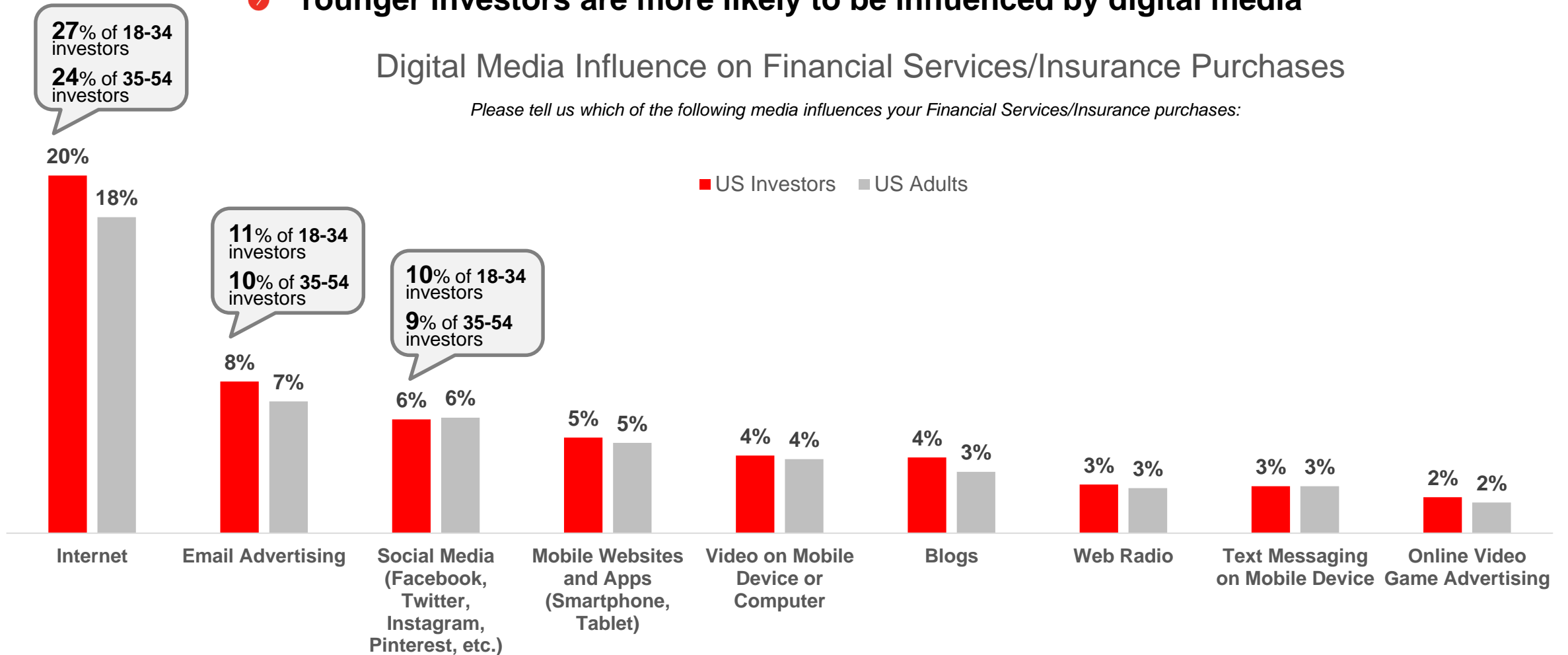


# Digital Media, Especially the Internet, Influence Financial/Insurance Purchases

## Younger investors are more likely to be influenced by digital media

### Digital Media Influence on Financial Services/Insurance Purchases

Please tell us which of the following media influences your Financial Services/Insurance purchases:

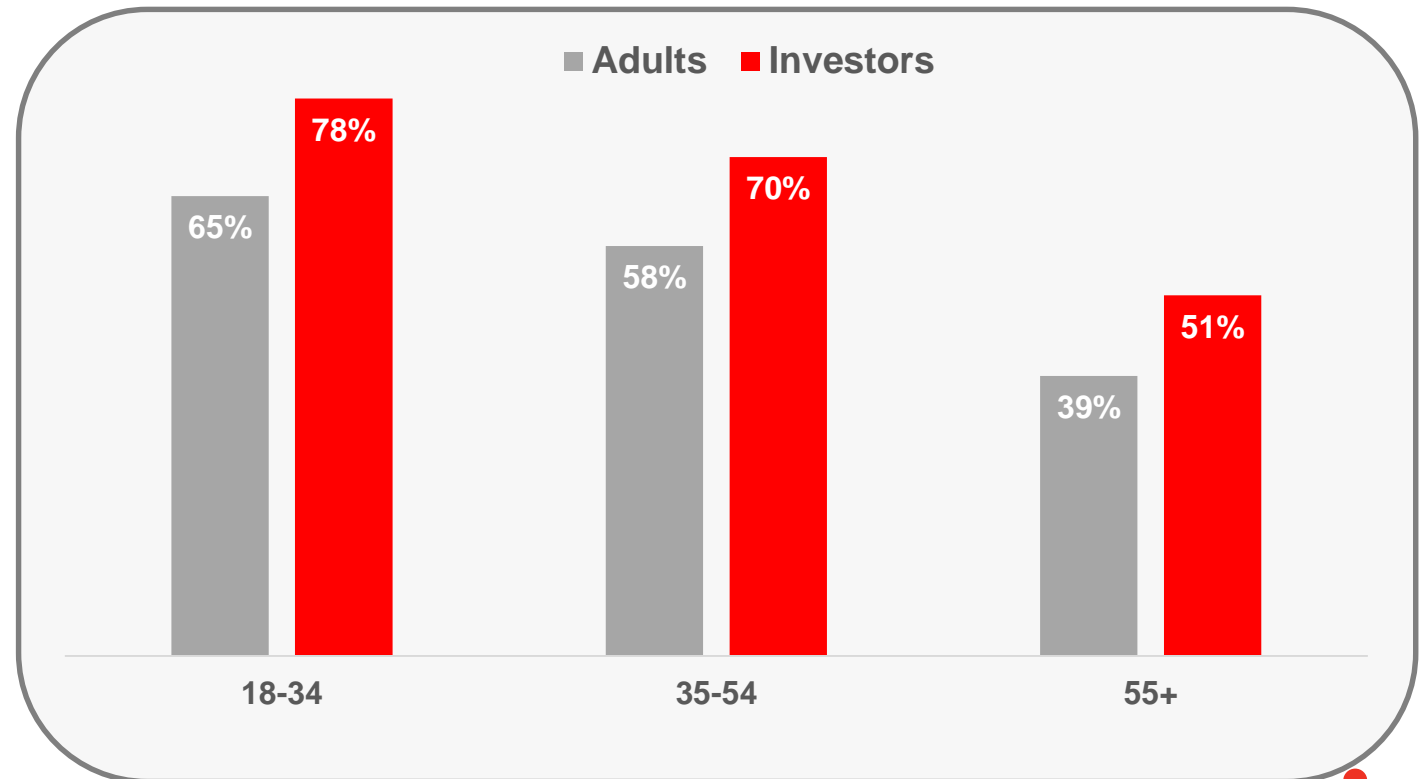
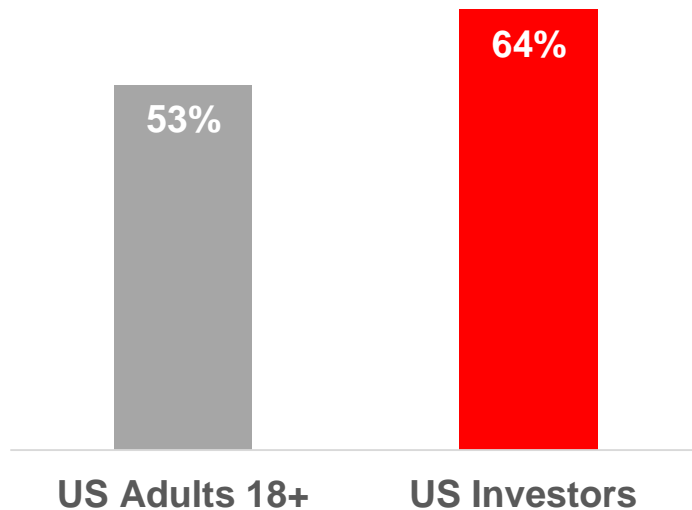


# Nearly Two-Thirds of Investors Search Online for Financial Info or Services

- 18-34 year olds especially search online for financial info
- 35-54 year olds are also more likely than average to search online for financial info and services

Please tell us how often you search online for the following (Regularly/Occasionally).  
Regularly means routinely, as a set pattern; Occasionally means no set pattern, as mood suits):

Financial Information/Services Search for Financial Info/Services

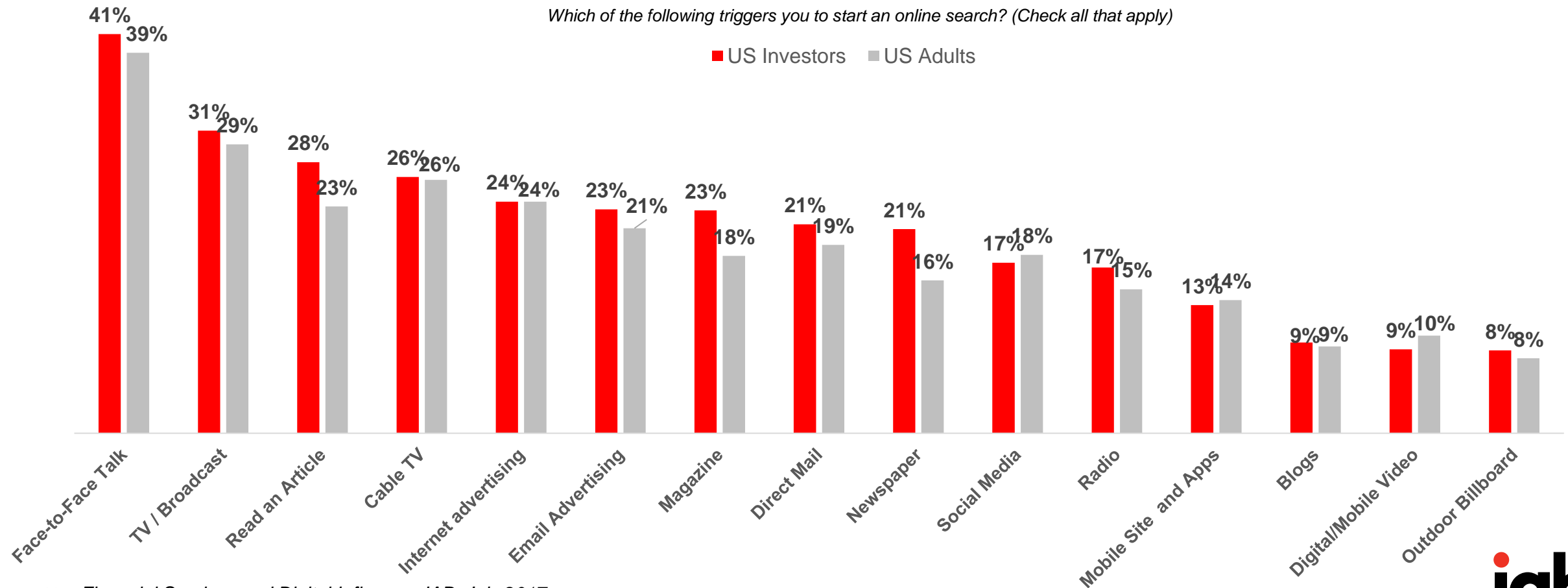


# Both Traditional and Digital Media Inspire Online Search, Illustrating the Importance of Cross Media Advertising

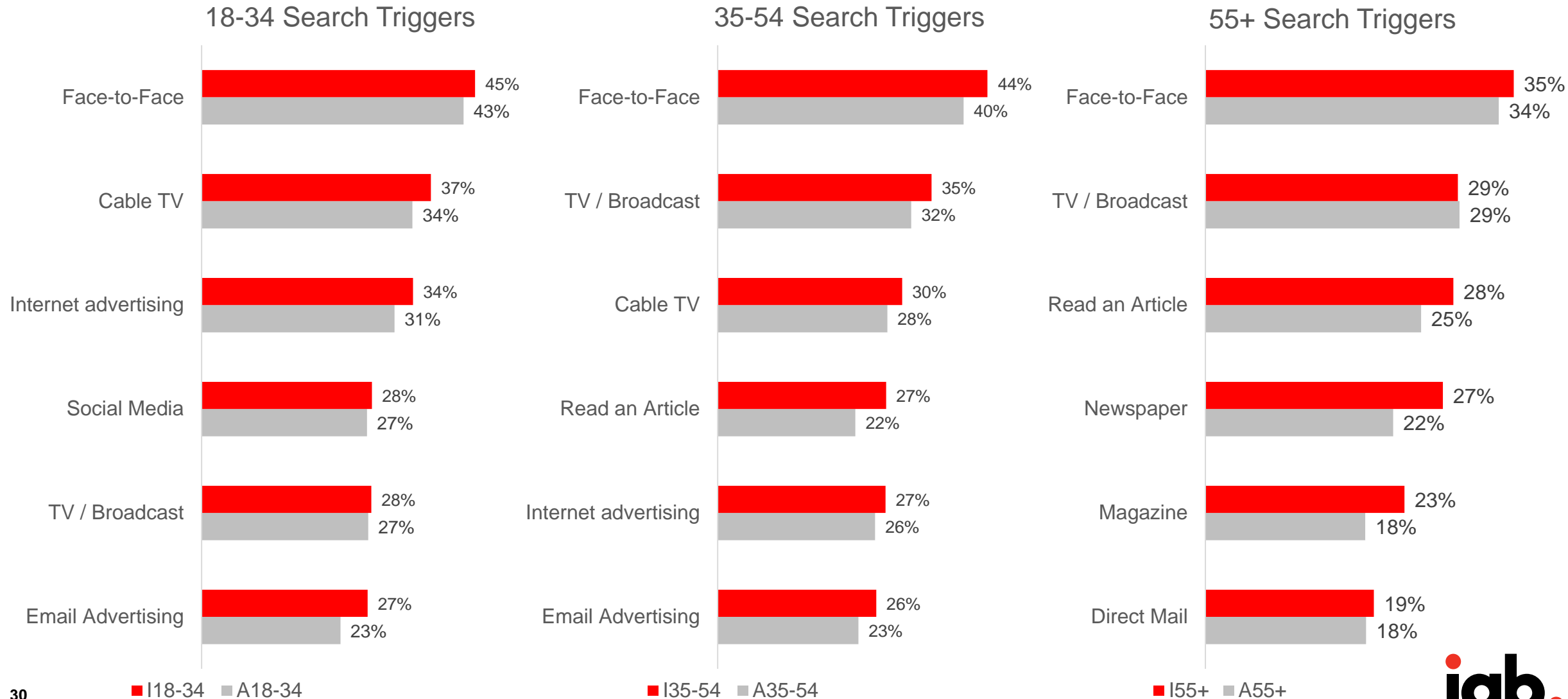
## Online Search Triggers

Which of the following triggers you to start an online search? (Check all that apply)

■ US Investors ■ US Adults



# Online Search Triggers Vary by Age Group



# Implications

## Implications

- **Consumer confidence is up and more and more consumers are investing in the market in some way: Stocks, 401ks, IRAs, bonds or mutual funds. These investors are likely to use a variety of financial services. Moreover, they are planning to open new accounts and to buy or switch insurance. In short, they provide a lucrative opportunity for financial service and insurance advertisers seeking to reach their target audience.**
- **US consumers, especially those invested in the stock market, say that the internet is their top influence after word of mouth in financial service or insurance purchases. In fact, the internet holds more sway than TV over their financial service purchase decisions. Younger investors are even more influenced by digital media, saying the internet outweighs word of mouth as their #1 influence in insurance and financial service purchases.**
- **Most investors (and about half of consumers) say that they're likely to do online searches about financial and insurance companies. They also report that a variety of media types, both online and traditional, influence their online searches. This emphasizes the importance of including digital media in cross media ad campaigns. While both traditional and digital media inspire online searches, the internet is most likely to influence their financial services purchases, as reported by consumers.**



# Financial Services and Digital Influence

## Questions?

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