

Market Commentary

The silent threat of “big tech”

Why Google is becoming your biggest competition in the financial services industry

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When you have a question or are looking for a particular product or service, where do you go?

For 77% of people, the answer is Google.¹ In fact, Google is trusted by more consumers than the police, teachers and the news media,² so it shouldn’t be surprising to hear that the tech giant is on course to steal business from banks and credit unions.

There is only one catch. According to Christian Ruppe, CEO of [Monotto](#), it isn’t happening in the way that most people are expecting.

How Google is impacting the community bank and credit union markets

Talk has been circulating for years about Google’s entry into banking. However, according to Ruppe, Google’s biggest threat to financial institutions is more subtle, and many banks and credit unions don’t even see it.

To explain, Ruppe provides the home buying experience as an example.



Google attracts

87.35%

of search engine traffic.³

Google's power as a search engine can't be underrated if financial institutions want to remain a destination of choice for consumers. Currently, Google attracts 87.35% of search engine traffic.⁴ In contrast, only 5.53% of searches are completed on competitor Bing.⁵

That means that the search engine is largely in control of the information consumers see when they seek financial services. That's bad for many community banks and credit unions.

"So, whenever we are looking for the more valuable product, the products with the biggest revenue potential such as a mortgage, the partners and products on Google are winning those," says Ruppe. "Meaning the companies that take advantage of that search engine marketing."

In today's market, website visibility is all Google's choice, and given the company's complicated algorithms, the methods involved with search engine optimization, and the prevalence of paid results in search listings, consumers may not ever see their local community bank or credit union when looking for financial products and services online.

// ***I recently bought a house," says Ruppe. "Luckily, I was a bit more aware of the industry and the current rates, so the first thing I did was visit my local community bank and worked with them. However, my brother Googled, 'how do I buy a house?' He found something online that was able to get him a loan pretty quickly."***



To see why this is happening, you have to understand how users search the internet. Research reveals that the top results on a page have the highest click-through rate, meaning more users click on those results than ones that rank farther down. In fact, the number 1 result is 10 times more likely to be clicked than even the second or third result.⁶

Say an account holder performs the same search that Ruppe mentions above: how do I buy a house? The sad fact of the matter is, if your bank or credit union isn't ranking in the top two or three results for that query, odds are good that potential customers aren't even seeing you as an option on the page.

To make matters worse, only 5.7% of web pages will rank in the top 10 search results, and of those results, 60% are more than three years old.⁷

Search engine marketing is big business, and those companies taking up the top spots on a page have probably put a lot of money into optimizing their website and its content to occupy those positions.

Fortunately, for community banks and credit unions, Ruppe has another idea when it comes to combatting Google's superiority in the land of web search.

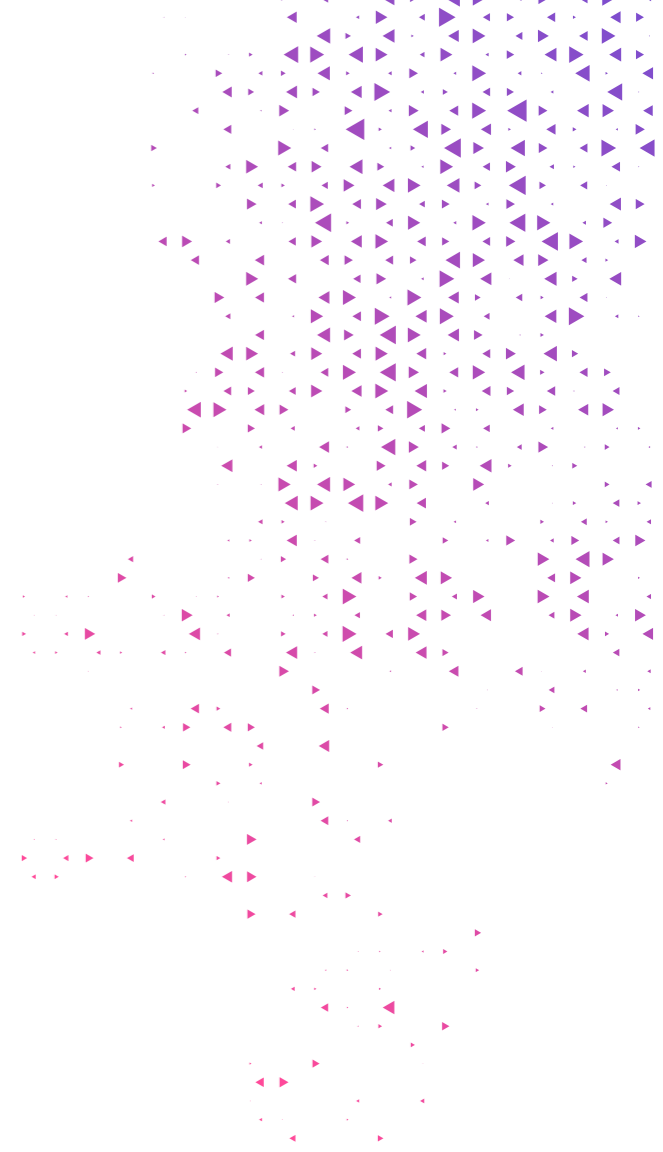
Outranking Google—It's all about meeting needs

According to Ruppe, community banks and credit unions can beat Google at its own game by supplying the information customers need before they have a chance to search for it.

"If we, as community banks and credit unions, can provide that information to the user before they go to Google for it—if we can educate them ahead of time—when it comes time to purchase, they don't need to go to Google to find other providers."

As it turns out, Ruppe is backed up by some pretty compelling statistics.

// ***If we can educate account holders ahead of time—when it comes time to purchase, they don't need to go to Google to find other providers."***





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Let's talk

According to a 2020 research study conducted by Raddon, the number one place that consumers go to look for rate information is their own bank or credit union's website.⁸

That's a pretty important statistic, because Raddon's research also reveals that when customers search online for information, they're far more likely to do what Ruppe's brother did and partner with an online financial institution.⁹

To control market share, Ruppe says that education is key, and it isn't difficult for community banks and credit unions to teach customers and members about financial products and services.

"Here is an article or a blog post explaining what you need to do the year before you buy a home, everything you need to do now to be prepared for that decision," says Ruppe by way of example.

This is where [Monotto](#) comes in, providing banks and credit unions with targeted information on the financial goals of customers and members.

"If we see that someone is saving towards a house, we now know that they are the perfect person for discussing mortgages," says Ruppe.

The ability to target messages to the right individuals is one of the greatest capabilities that a financial institution can have when it comes to outranking Google.

Fortunately, Monotto is on a course to help community banks and credit unions outplay Google at their own game and remain the financial go-to place for customers and members.

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