2025 US Financial Institution Customer Acquisition Report

Examining Data-Driven Strategies for a New Era

Changes in consumer credit behavior and increasing competition are driving financial institutions to rethink how they acquire new customers.

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Executive summary

As financial institutions navigate a rapidly evolving landscape, the imperative to acquire new customers has never been more urgent—or more complex. While upselling and cross-selling to existing customers remains a cost-effective strategy, it alone may no longer be sufficient. **Shifts in consumer credit behaviors, intensifying competition from digital-first challengers and heightened regulatory scrutiny are pushing institutions to explore new paths to growth.**

1 — Data and compliance challenges are hindering customer acquisition

Difficulties associated with data and compliance—such as poor quality data and limited internal expertise of data analysis—are impeding customer acquisition strategies and limiting their success. **Integrating multiple data sources and processing them for decision-making is financial institutions' most frequently cited barrier to acquisition success.**

2 — Financial performance is shaping customer acquisition strategies

What makes an acquisition campaign successful? Most often, financial institutions look at tangible metrics like return on investment (ROI), cost per acquisition (CPA), conversion rates and customer lifetime value (CLV) as benchmarks of success. Indeed, **68% of respondents say they measure campaign success by ROI.**

3 — Financial institutions are increasing their marketing data investments

Looking ahead at the next two years, most financial institutions are planning to expand their acquisition efforts. While many plan to do so with a focus on efficiency, **one in three financial institutions are planning to significantly expand acquisition efforts and increase their spend in marketing data.**

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Research methodology and survey demographics

LexisNexis® Risk Solutions worked with research firm KS&R to conduct a survey of 150 professionals responsible for customer acquisition strategy at financial institutions across the United States. Participants represented institutions of varying asset sizes that offered a broad portfolio of financial products, including banks, credit unions, credit card issuers and non-bank lenders. The study was conducted online through Q2 2025.

Respondents were asked about their approach to customer acquisition, the challenges limiting campaign effectiveness and how they adopt and apply data.

Defining alternative credit data

In this report, "alternative credit data" (sometimes referred to as "alternative data") refers to credit-decisioning insights that go beyond traditional credit accounts. These include indicators such as professional licenses, asset ownership, public records and contemporary credit-seeking behaviors like activity in online and short-term lending markets. When paired with traditional credit data currently used in credit scores, these inputs offer a more comprehensive view of consumer creditworthiness. In all cases, alternative data referenced complies with applicable local regulations around the use of such data in credit decisions.

Respondent snapshot

Respondents surveyed
(by organization type)

Bank	33%
FinTech or non-bank lender	27%
Financial services provider	19%
Credit card issuer (non-bank)	13%
Credit union	9%

Institution tier
(evenly distributed across respondents)

Tier 1	$250B+ AUM
Tier 2	$50B–$249.9B
Tier 3	$10B–$49.9B
Below Tier 3	< $10B

Company size *(by number of employees)*

2%	100,000+	25%	5,000–9,999
3%	50,000–99,000	21%	1,000–4,999
4%	25,000–49,999	25%	200–999
17%	10,000–24,999	3%	50–199
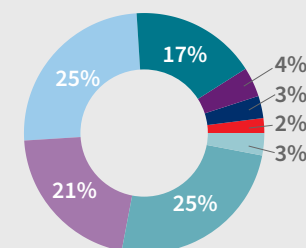
Financial product offered

Credit cards	83%
Personal loans	69%
Small business loans	64%
Investment banking/wealth management	58%
Mortgage lending	55%
Auto loans and financing	53%
Consumer banking	53%
Business banking	53%
Home equity loans or lines of credit	45%
Insurance	42%
Buy now, pay later (BNPL)	34%

New customer acquisition emerges as a top priority for financial institutions

Today's financial institutions are navigating a uniquely complex landscape. As consumer credit behaviors evolve and competition intensifies, firms are under increasing pressure to reach and qualify prospects faster, smarter and with the right offer.

External Factors Impacting Customer Acquisition Strategy the Most
(Past 12 Months)

Changes in consumer credit behavior (e.g., rising delinquencies, changing borrowing habits)
57%

Competitive pressures from other financial institutions and FinTech lenders
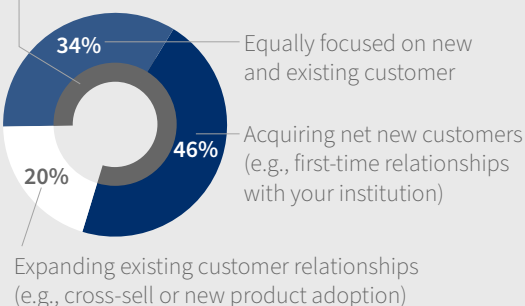**53%**

Increased regulatory scrutiny and compliance requirements
51%

This isn't a gradual shift. Customer acquisition is now central to many institutions' growth strategies, with the majority placing a clear emphasis on expanding their customer base.

80% of respondents are focused on acquiring net-new customers

- **34%** Equally focused on new and existing customer
- **46%** Acquiring net new customers (e.g., first-time relationships with your institution)
- **20%** Expanding existing customer relationships (e.g., cross-sell or new product adoption)

While retention and deepening existing relationships remain vital, this figure underscores the urgency institutions feel to scale.

Data becomes the biggest hurdle —and opportunity—for growth

By and far, acquisition campaign frustrations are linked to difficulties with data. Data integration and processing lead the list of barriers to successful acquisition.

Difficulty integrating multiple data sources and processing for decision-making
47%

Quality of data available
45%

Regulatory and compliance restrictions limiting targeting or outreach strategies
41%

These challenges represent both friction and opportunity. If overcome, institutions stand to unlock a significant competitive advantage—especially if wider information, like that found in alternative data, is harnessed. Cleaner data, better integration and compliant, creative outreach strategies can help improve campaign performance and customer acquisition outcomes.

Growth by the numbers: response, approval and conversion rates

Financial institutions are aligning acquisition strategies with measurable financial performance, prioritizing metrics like response rate, approval rate and conversion rate that directly impact revenue growth. Also emphasized is differentiation and targeting new segments, reinforcing a widespread competitive, growth-oriented mindset.

Primary objectives of customer acquisition efforts

Improving approval rates for acquired customers

29%

Increasing response rates / conversion rates

28%

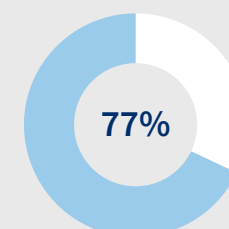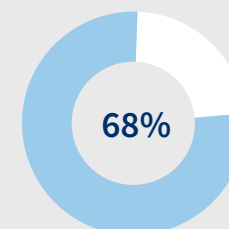Improving differentiation and standing out in a competitive market

27%

These initiatives serve as strategic tools to achieve broader goals, with campaign success typically evaluated through concrete financial indicators like ROI, CPA, conversion rates and CLV.
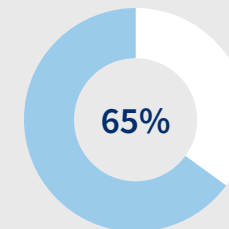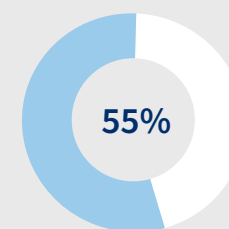
ROI tracking is more common among smaller institutions, while conversion rate measurement is a priority for larger institutions.

Metrics used to measure acquisition campaign success

ROI for acquisition campaigns

68%
across tiers

77%
of Tier 3 and below

Conversion Rate

55%
across tiers

65%
of Tier 1

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Despite challenges, data-driven strategies keep acquisition satisfaction high

In a competitive landscape, many financial institutions are finding success through diversified, data-informed marketing strategies. The most widely used approaches include invitation-to-apply campaigns, brand awareness efforts and pre-screen credit offers.

Types of financial institution–run marketing campaigns

81%
Invitation-to-Apply (ITA) campaigns

78%
Brand awareness campaigns

76%
Pre-screen credit offers

This balance of targeted and brand-level activity reflects a mature marketing mix that drives both immediate conversions and long-term brand equity. Interestingly, **institutions using a broader mix of alternative data types—including rental payment history and utility bill payment data—report significantly higher satisfaction with campaign performance,** highlighting the value of such data's role in unlocking stronger outcomes.

Satisfaction with Customer Acquisition Results
Rating of 1 (not at all satisfied)-10 (extremely satisfied)

16%	45%	28%	12%
7 or less	8	9	Extremely satisfied - 10
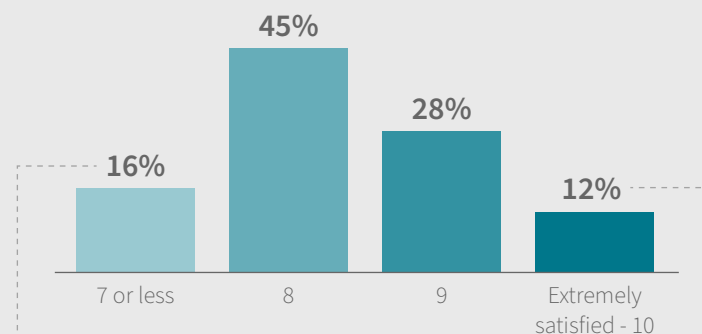
Count of Alt Data Types Used	
Low Usage (a)	16%
Medium Usage (b)	10%
High Usage (c)	5%

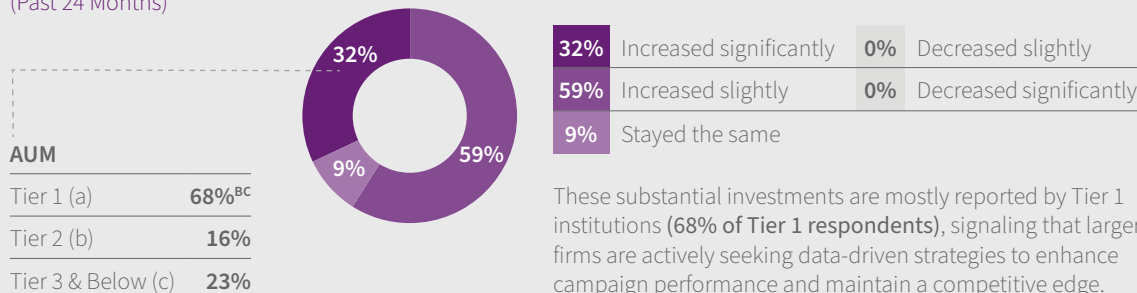| Count of Alt Data Types Used	
Low Usage (a)	6%
Medium Usage (b)	20%
High Usage (c)	23%

The more data, the better: Firms are turning insights into campaign success

Data investment is rising, as the success of customer acquisition campaigns is positively correlated with the use of a broader range of data types—indicating that advanced data utilization may be a key driver of marketing effectiveness. One-third of respondents say they've significantly increased their marketing data spend over the past two years, while zero have decreased.

Change in Investment in Marketing Data for Customer Acquisition
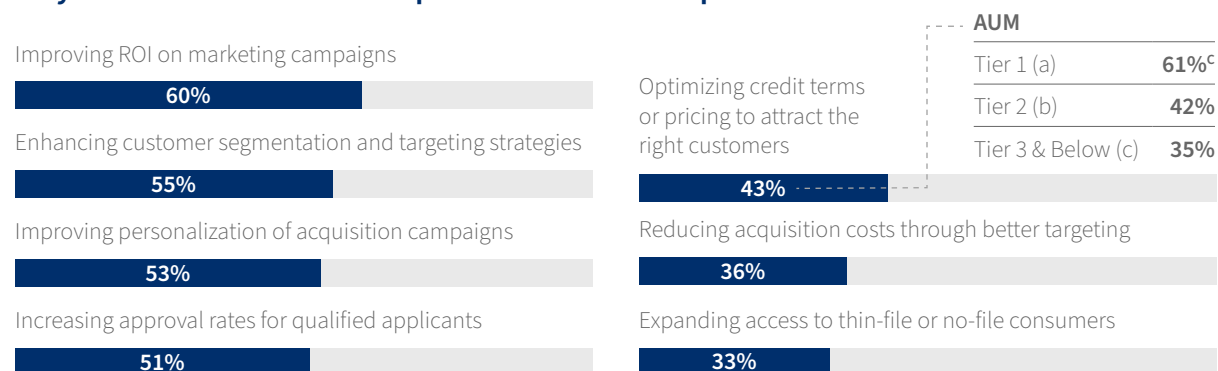
(Past 24 Months)

32%	Increased significantly	0%	Decreased slightly
59%	Increased slightly	0%	Decreased significantly
9%	Stayed the same		

AUM	
Tier 1 (a)	68%[BC]
Tier 2 (b)	16%
Tier 3 & Below (c)	23%

These substantial investments are mostly reported by Tier 1 institutions (68% of Tier 1 respondents), signaling that larger firms are actively seeking data-driven strategies to enhance campaign performance and maintain a competitive edge.

Alternative data evolves from enhancement to essential for campaigns

Across the board, institutions are recognizing the impact of alternative data, especially when it comes to improving ROI, targeting and offer personalization. Among larger institutions, one standout benefit is using alternative data to optimize pricing and credit terms.

Ways Alternative Data Has Improved Customer Acquisition Outcomes

Improving ROI on marketing campaigns
60%

Enhancing customer segmentation and targeting strategies
55%

Improving personalization of acquisition campaigns
53%

Increasing approval rates for qualified applicants
51%

Optimizing credit terms or pricing to attract the right customers
43%

AUM	
Tier 1 (a)	61%[c]
Tier 2 (b)	42%
Tier 3 & Below (c)	35%

Reducing acquisition costs through better targeting
36%

Expanding access to thin-file or no-file consumers
33%

61% of Tier 1 respondents report that alternative data has optimized credit terms or pricing to attract the right customers.

Further, financial institutions using alternative data claim that doing so has helped reduce acquisition costs and increase approval rates, among other advantages. These reported benefits suggest that this type of data is not just an enhancement, but a **key solution for those struggling with data challenges.**

Benefits of Using Alternative Data in Acquisition Efforts

Better segmentation and targeting
63%

Improved risk assessment
61%

Improved response-to-approval ratio
61%

Competitive advantage
53%

Regulatory compliance improvements
52%

Top Customer Acquisition Challenges

Quality of Data (a)	69[c]
Data Integration (b)	67%[c]
Neither Challenge (c)	48%

AUM

Tier 1 (a)	68%[B]
Tier 2 (b)	42%
Tier 3 & Below (c)	49%

These results demonstrate how alternative data is being used to bridge information gaps and better understand consumers—and in so doing, **sharpen institutions' competitive edge.**

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Virtually all financial institutions are leveraging alternative data

When asked directly, two-thirds of financial institutions report actively using alternative data in their marketing and decision-making processes, while the remaining third are in the early stages of evaluation and exploration. In practice, nearly all institutions are leveraging at least one alternative data source, with three to five sources being the most common.

This widespread adoption reflects a growing recognition of alternative data's value in enhancing customer insights, improving targeting precision and expanding access to credit.

Planned changes in use of alternative data

(next 24 months)

Significantly expand use — **37%**

Moderately expand use — **49%**

Maintain current use — **12%**

Gradually reduce use — **2%**

Significantly reduce or stop use — **1%**

AUM	
Tier 1 (a)	**70%**[BC]
Tier 2 (b)	**32%**
Tier 3 & Below (c)	**23%**

Financial intuitions are considering expanding their use of alternative data for customer acquisition, with Tier 1 institutions leading the way (70% of Tier 1 respondents). This shift is driven by the need for more precise targeting, tailored offers and enhanced risk assessment.

Current Use of Alternative Data in Acquisition Campaigns

We **actively use** alternative data as a core part of our pre-screen or pre-qualification strategy
65%

We are in the **early stages** of testing or evaluating alternative data for us in acquisition
29%

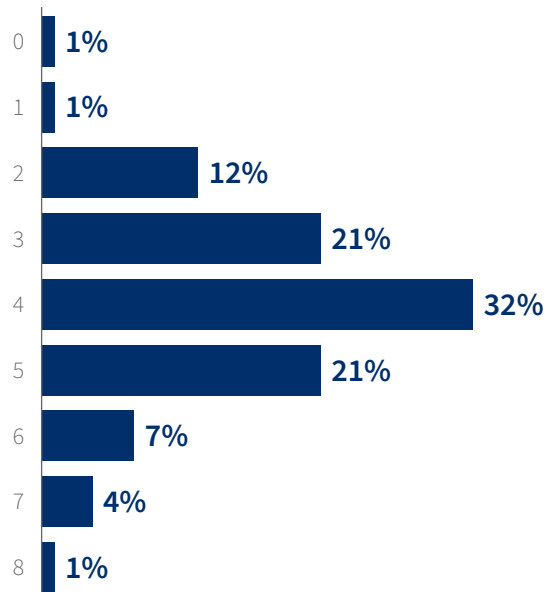We are **exploring** alternative data but have not yet implemented it
5%

We have considered alternative data but **decided not to use** it at this time
1%

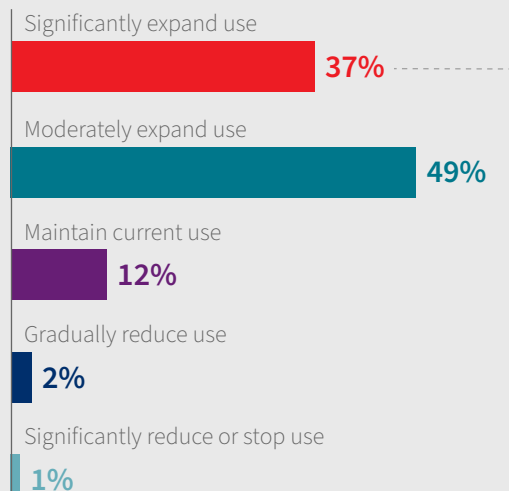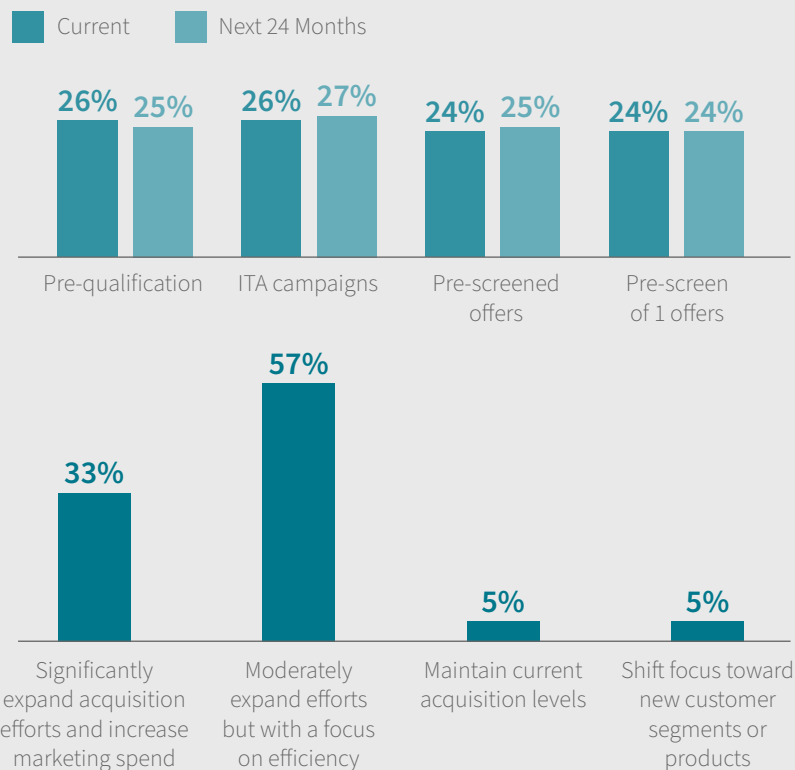We have **never considered** using alternative data
0%

Number of Alternative Data Types* Used

0	1%
1	1%
2	12%
3	21%
4	32%
5	21%
6	7%
7	4%
8	1%

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Looking ahead at the future of acquisition campaigns

Today, financial institutions are distributing acquisition efforts relatively evenly across ITA, pre-screen and pre-qualification campaigns. This balanced approach is expected to remain stable over the next 24 months.

Customer Acquisition Effort Allocation by Campaign Type

■ Current ■ Next 24 Months

	Current	Next 24 Months
Pre-qualification	26%	25%
ITA campaigns	26%	27%
Pre-screened offers	24%	25%
Pre-screen of 1 offers	24%	24%

Significantly expand acquisition efforts and increase marketing spend	33%
Moderately expand efforts but with a focus on efficiency	57%
Maintain current acquisition levels	5%
Shift focus toward new customer segments or products	5%

To enhance customer acquisition, firms are exploring a range of investment areas rather than relying on a single approach. Leading priorities include AI-driven targeting and personalization (**59% of respondents**), the adoption of new digital marketing channels and strategies (**56% of respondents**) and the continued optimization of pre-screen, pre-qualification and ITA campaigns (**55% of respondents**). This diversified focus reflects a broader industry shift toward smarter, more efficient and data-informed acquisition strategies.

Priority Investment Areas to Improve Customer Acquisition

AI-driven targeting and personalization
59%

Enhancing fraud detection and identity verification tools
59%

New digital marketing channels and strategies
56%

Optimizing pre-screen, pre-qualification, and ITA strategies
55%

Expanding partnerships with third-party data providers
51%

Improving omnichannel marketing capabilities
51%

No major investments planned at this time
1%

Count of Alt Data Types Used

Low Usage (a)	**51%**
Medium Usage (b)	**56%**
High Usage (c)	**86%**[AB]

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Struggling with data means leaving opportunities—and ROI—on the table

Despite the widespread use of data across financial institutions, many continue to face persistent challenges that hinder their ability to fully capitalize on its potential. High costs associated with acquiring or processing data **(63% of respondents)**, data accuracy and reliability issues **(52% of respondents)** and limited internal expertise in data analysis **(51% of respondents)** are cited as the top issues for institutions.

Top Challenges in Leveraging Data for Customer Acquisition

(% Ranked in Top 3)

High costs associated with acquiring or processing data
63%

Data accuracy and reliability issues
52%

Limited internal expertise in data analysis
51%

Insufficient data on certain customer segments
49%

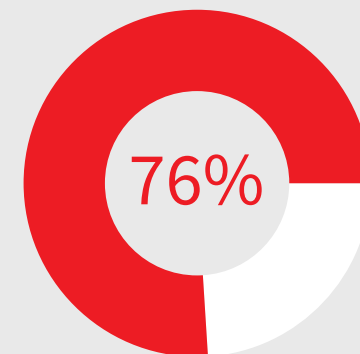Difficulty integrating multiple data sources
47%

Compliance and regulatory concerns
39%

No major investments planned at this time

Firms are looking to AI and machine learning to overcome data challenges, with 76% exploring AI/ML solutions to analyze data.

76%

These limitations risk slowing innovation and reducing the return on data investments, as poor data quality and limited expertise can lead to cautious use of analytics, missed opportunities and increased risk exposure. **Without better data governance, infrastructure and talent, institutions may struggle to keep pace with more agile, data-driven competitors.**

Data that digs deeper powers success in a competitive market

In conclusion, the results of the 2025 US Financial Institution Customer Acquisition Report capture the current state of the shifting marketplace, including the risks and opportunities shaping customer acquisition today. Finance organizations that adapt by embracing alternative data and investing in smarter targeting are more likely to remain competitive and profitable.

Discover how alternative data solutions from LexisNexis® Risk Solutions help financial institutions gain deeper insights to help segment prospects, tailor messaging and boost response rates.

Learn more at risk.lexisnexis.com/acquisition-report