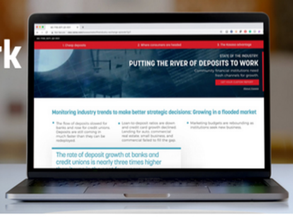
THE KASASA exchange

State of the industry: Putting the river of deposits to work

Community financial institutions need fresh channels for growth

Read the report



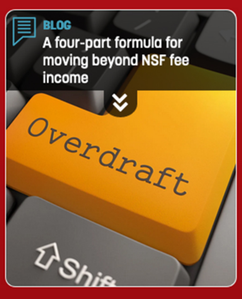
Topics: Margin Compression | Primary Financial Institution | Loan Growth | Digital Online Presence | Marketing Insights | Your Competition | Demand Deposit Growth | Training and Culture

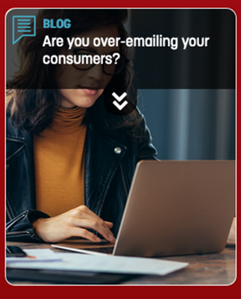
Search

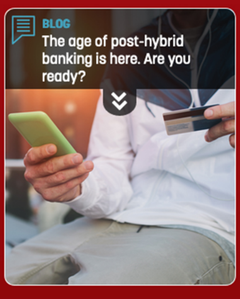
Boomers and Millennials – Part 2: The 10,000-ft view

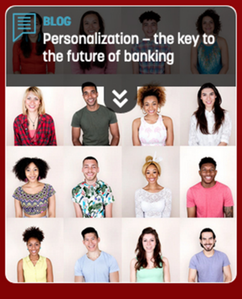
Analyzing national and regional generational trends can help you avoid missteps and capitalize on opportunities. We've done the groundwork for you.

READ MORE









READ MORE

What's Kasasa?

Kasasa® is an award-winning financial technology and marketing services company dedicated to helping both community financial institutions and consumers experience what it means to "Be Proud of Your Money." We're known for providing reward checking accounts consumers love, the first-ever loan with Take-Backs™, relationship-powered referral programs, and ongoing expert consulting services to community financial institutions.

By working exclusively with community banks and credit unions, Kasasa is helping to strengthen local economies across the nation, building a virtuous cycle of keeping consumers' dollars where they can do the most good. Our mission is to power a network of financial institutions in all 50 states offering products and services that are clearly beneficial for the consumer and the institutions offering them.

For more information, please visit www.kasasa.com, or visit Twitter, Facebook, or LinkedIn.

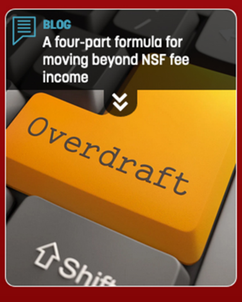
Topics: Margin Compression Primary Financial Institution Loan Growth Digital Online Presence Marketing Insights Your Competition Demand Deposit Growth Training and Culture

Search

Consumer loyalty – is it something you can count on?

Are consumers actually loyal to their financial institutions or are they easily swayed to greener pastures? How can you keep them from shopping?

READ MORE



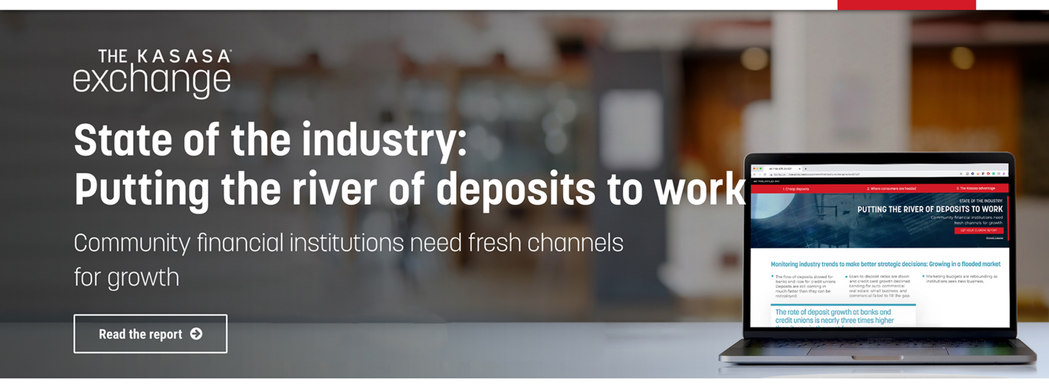
READ MORE

What's Kasasa?

Kasasa® is an award-winning financial technology and marketing services company dedicated to helping both community financial institutions and consumers experience what it means to "Be Proud of Your Money." We're known for providing reward checking accounts consumers love, the first-ever loan with Take-Backs™, relationship-powered referral programs, and ongoing expert consulting services to community financial institutions.

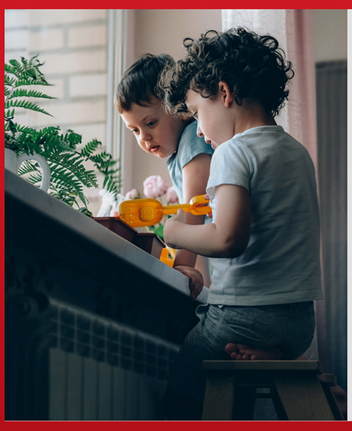
By working exclusively with community banks and credit unions, Kasasa is helping to strengthen local economies across the nation, building a virtuous cycle of keeping consumers' dollars where they can do the most good. Our mission is to power a network of financial institutions in all 50 states offering products and services that are clearly beneficial for the consumer and the institutions offering them.

For more information, please visit www.kasasa.com, or visit Twitter, Facebook, or LinkedIn.



Topics: Margin Compression | Primary Financial Institution | Loan Growth | Digital Online Presence | Marketing Insights | Your Competition | Demand Deposit Growth | Training and Culture

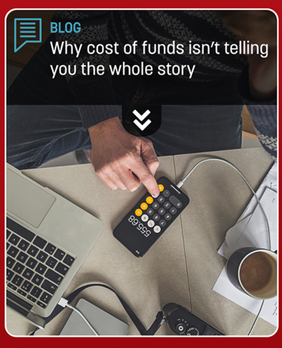
Search



Don't surrender retail banking to fintechs and megabanks

If community financial institutions want to compete, they'll need to reconsider their stance on retail deposits and start playing the long game.

READ MORE



READ MORE

What's Kasasa?

Kasasa® is an award-winning financial technology and marketing services company dedicated to helping both community financial institutions and consumers experience what it means to "Be Proud of Your Money." We're known for providing reward checking accounts consumers love, the first-ever loan with Take-Backs™, relationship-powered referral programs, and ongoing expert consulting services to community financial institutions.

By working exclusively with community banks and credit unions, Kasasa is helping to strengthen local economies across the nation, building a virtuous cycle of keeping consumers' dollars where they can do the most good. Our mission is to power a network of financial institutions in all 50 states offering products and services that are clearly beneficial for the consumer and the institutions offering them.

For more information, please visit www.kasasa.com, or visit Twitter, Facebook, or LinkedIn.

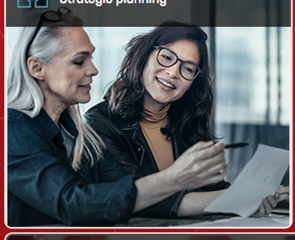
Episode 3: Community Rising

As community banks and credit unions continue to rise up together to Take Back Banking™, we need resources to help better take on the megabanks, neo banks, and non-bank behemoths like Apple and Amazon. They may have the limitless budgets...but we have each other. We can work together to build something bigger than the sum of its parts. To learn from each other, equipping ourselves with knowledge and tools to stand up and keep banking local. In that spirit, here are some inspiration, ideas, and strategies you can use to Take Back Banking.

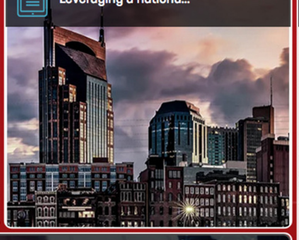
DISCOVER THE ROUNDTABLE

INFOGRAPHIC
Generations explained

PODCAST
Strategic planning



ARTICLE
Leveraging a nationa...

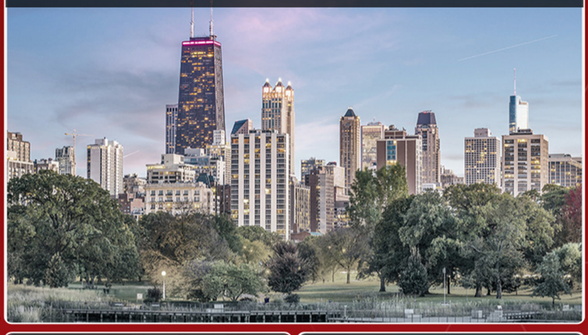


BLOG
Marketing automation...

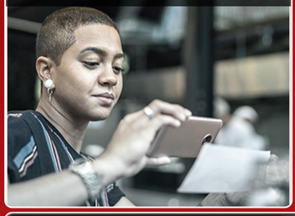
BLOG
Tools every institut...

BLOG
Why customer segment...

PODCAST
What's coopetition?

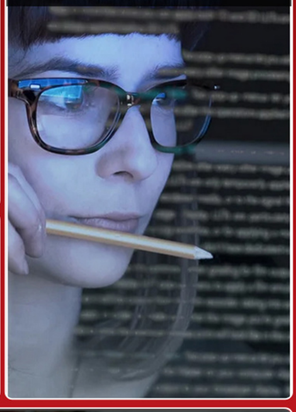


PODCAST
Data strategy



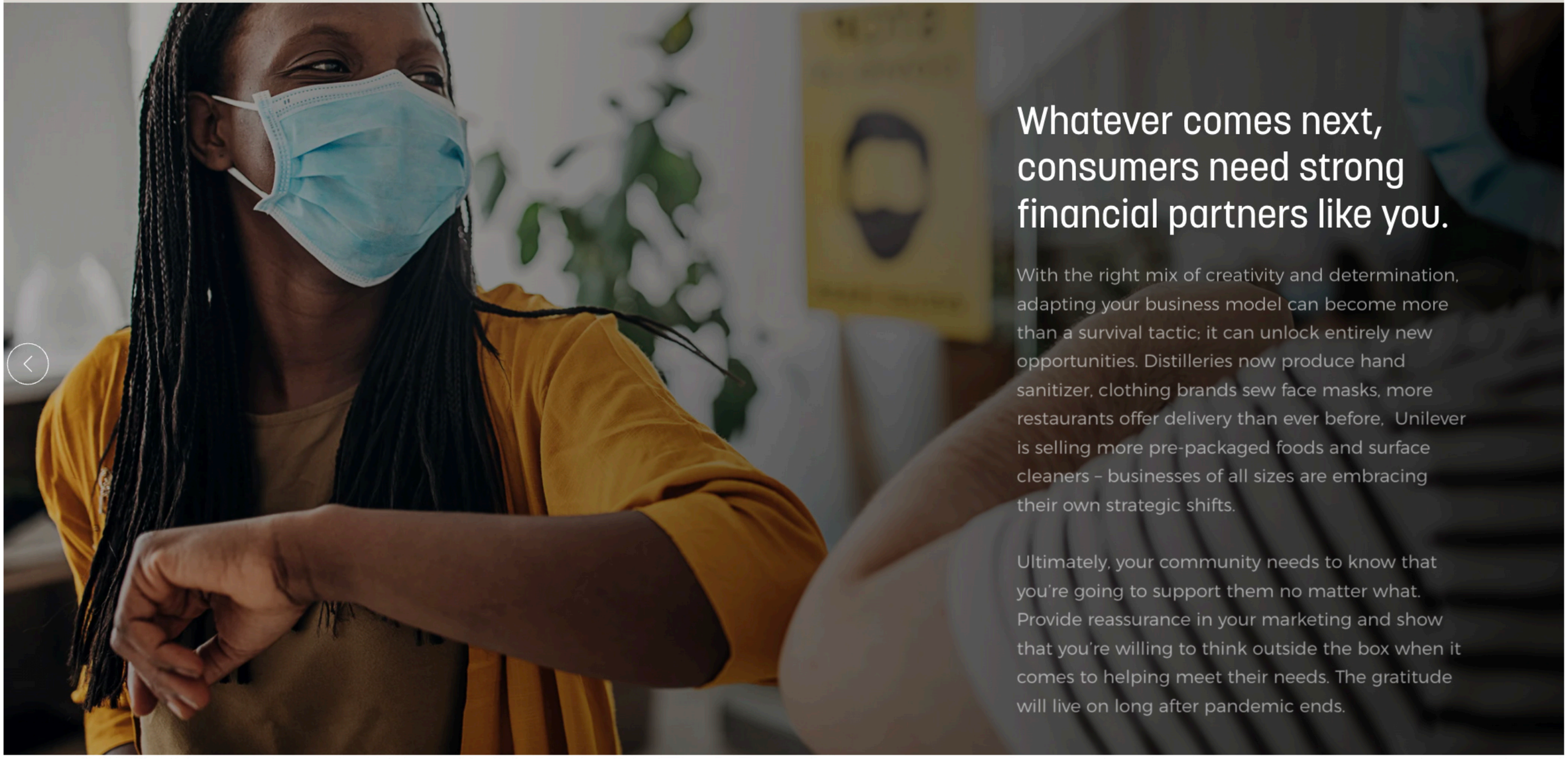
INFOGRAPHIC
Peer insights

ARTICLE
Blog roundup: Data



BLOG
Tactics for social

ARTICLE
Stabilizing your balance sheet



Whatever comes next, consumers need strong financial partners like you.

With the right mix of creativity and determination, adapting your business model can become more than a survival tactic; it can unlock entirely new opportunities. Distilleries now produce hand sanitizer, clothing brands sew face masks, more restaurants offer delivery than ever before, Unilever is selling more pre-packaged foods and surface cleaners – businesses of all sizes are embracing their own strategic shifts.

Ultimately, your community needs to know that you're going to support them no matter what. Provide reassurance in your marketing and show that you're willing to think outside the box when it comes to helping meet their needs. The gratitude will live on long after pandemic ends.

Alamo Drafthouse allows fans to watch movies on new terms.

Known for its quirky sense of humor and singular movie theater experience (including a full menu and bar, and service throughout the show), Alamo Drafthouse responded to the pandemic by shutting down its theaters and bouncing back with some wild ideas.

They launched an on-demand movie streaming platform, offering a signature curation of movies for digital rental or purchase.

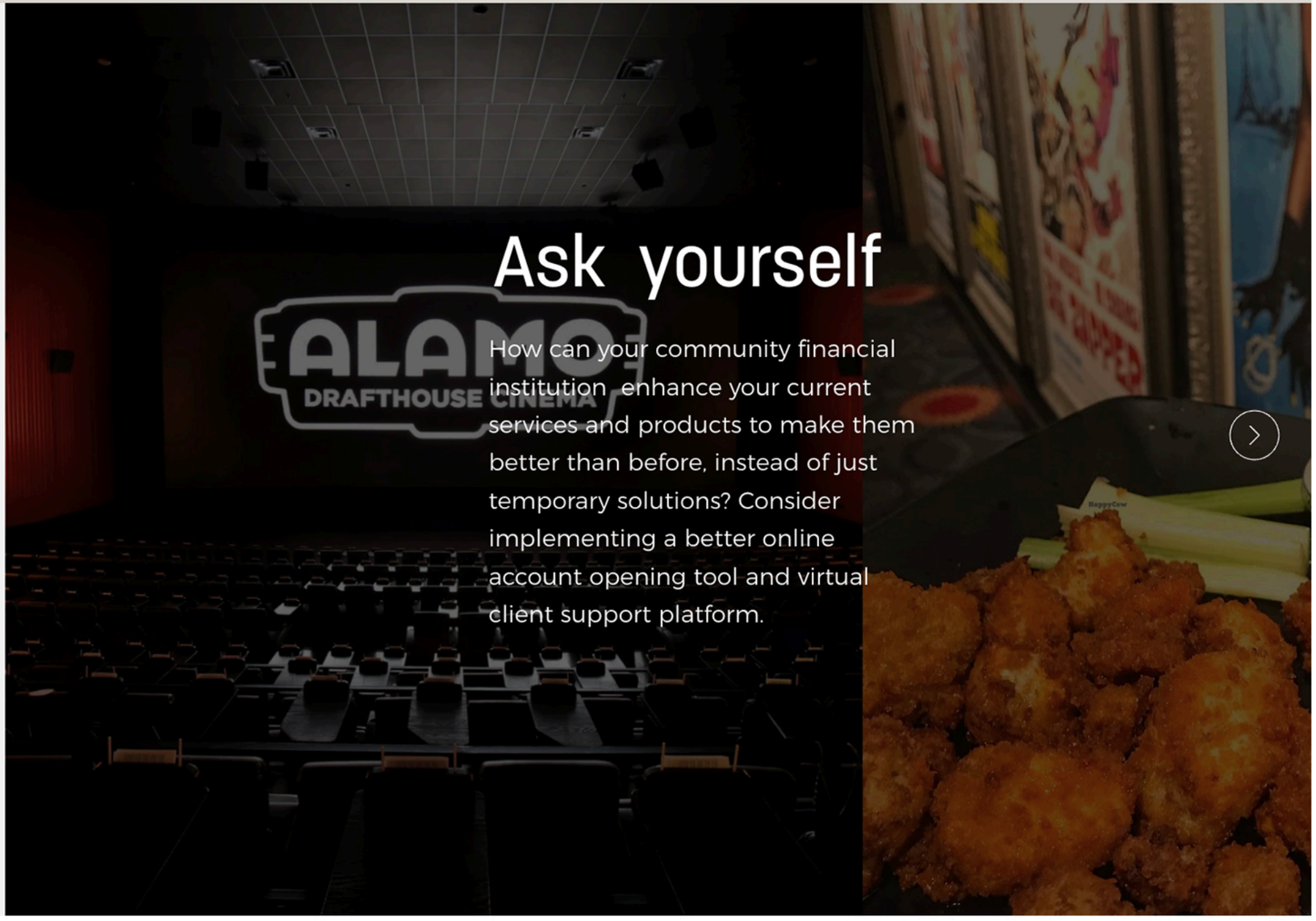
Guests can also rent an entire viewing room and invite up to 30 people to share dinner and a (socially distanced) movie. That's quite the premium experience.

Alamo Drafthouse allows fans to watch movies on new terms.

Known for its quirky sense of humor and singular movie theater experience (including a full menu and bar, and service throughout the show), Alamo Drafthouse responded to the pandemic by shutting down its theaters and bouncing back with some wild ideas.

They launched an on-demand movie streaming platform, offering a signature curation of movies for digital rental or purchase.

Guests can also rent an entire viewing room and invite up to 30 people to share dinner and a (socially distanced) movie. That's quite the premium experience.



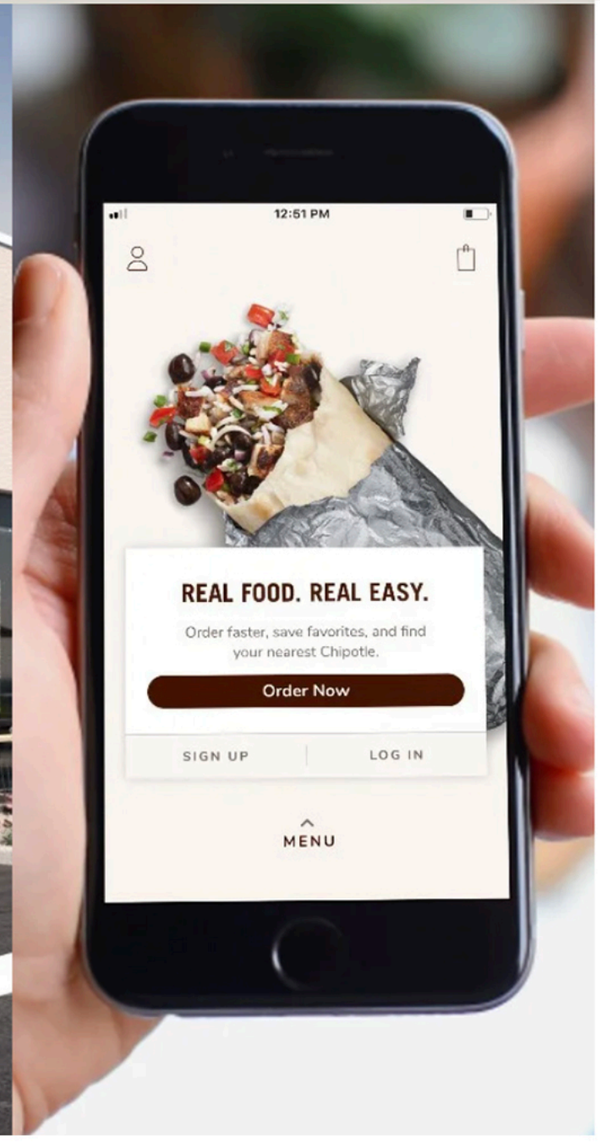
Ask yourself

How can your community financial institution enhance your current services and products to make them better than before, instead of just temporary solutions? Consider implementing a better online account opening tool and virtual client support platform.

Chipotle adds a new kind of drive-thru lane.

Chipotle Mexican Grill has always served its tacos and taco bowls made fresh before your eyes in a buffet-style format, and has diverged from conventional fast-food restaurants in many ways, including a refusal to adopt drive-thru service. So it figures that even when COVID-19 restrictions created the need for contactless food hand-off, they would take an unconventional approach.

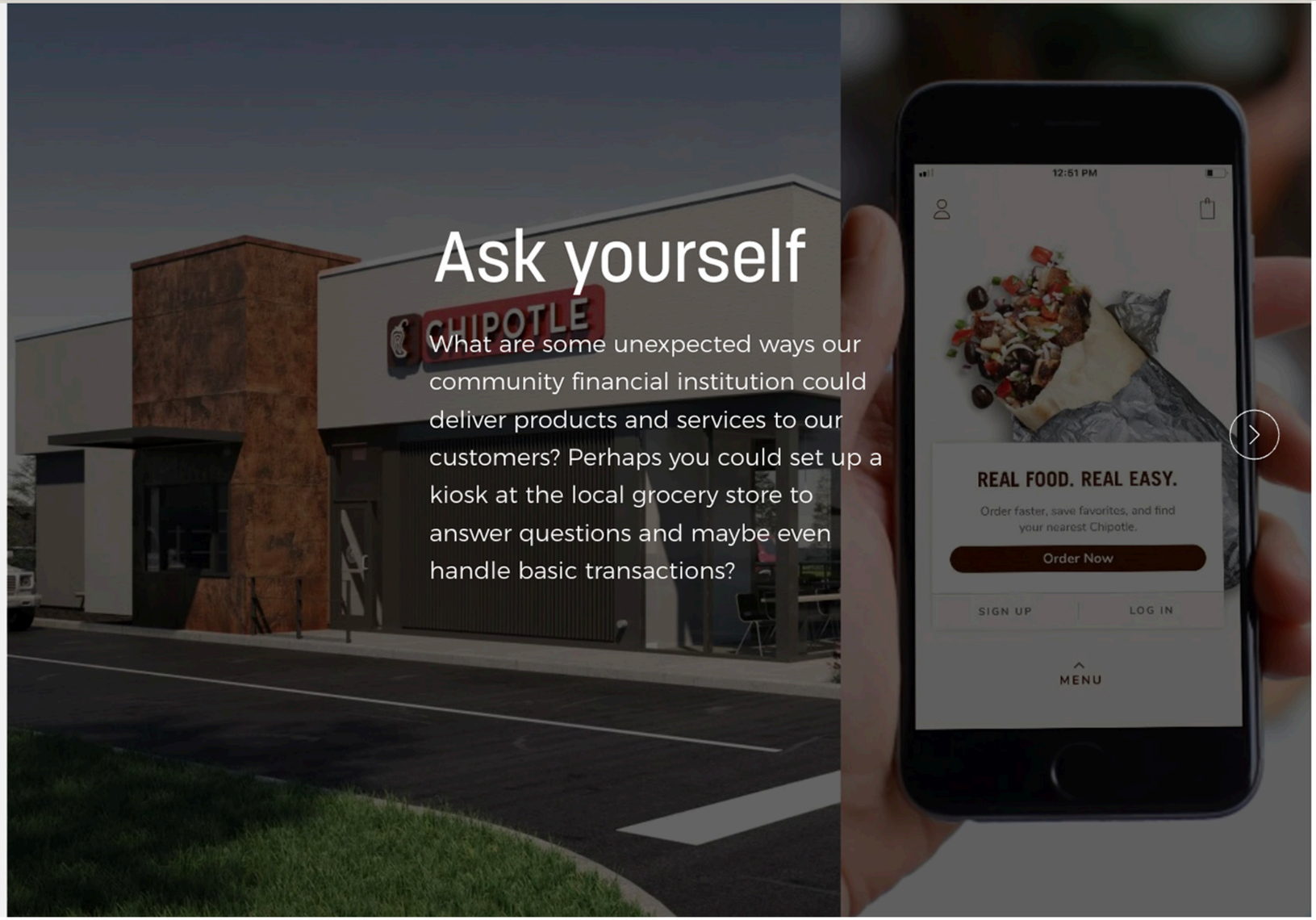
Patrons will be able to place their order via the Chipotle app (no drive-up speaker board or menu) and schedule a time to drive through and pick up the order. This approach dramatically reduces wait times, which is good for customers and operational complexity within the restaurant.



Chipotle adds a new kind of drive-thru lane.

Chipotle Mexican Grill has always served its tacos and taco bowls made fresh before your eyes in a buffet-style format, and has diverged from conventional fast-food restaurants in many ways, including a refusal to adopt drive-thru service. So it figures that even when COVID-19 restrictions created the need for contactless food hand-off, they would take an unconventional approach.

Patrons will be able to place their order via the Chipotle app (no drive-up speaker board or menu) and schedule a time to drive through and pick up the order. This approach dramatically reduces wait times, which is good for customers and operational complexity within the restaurant.



Pinballz arcade brings old-school gaming home.

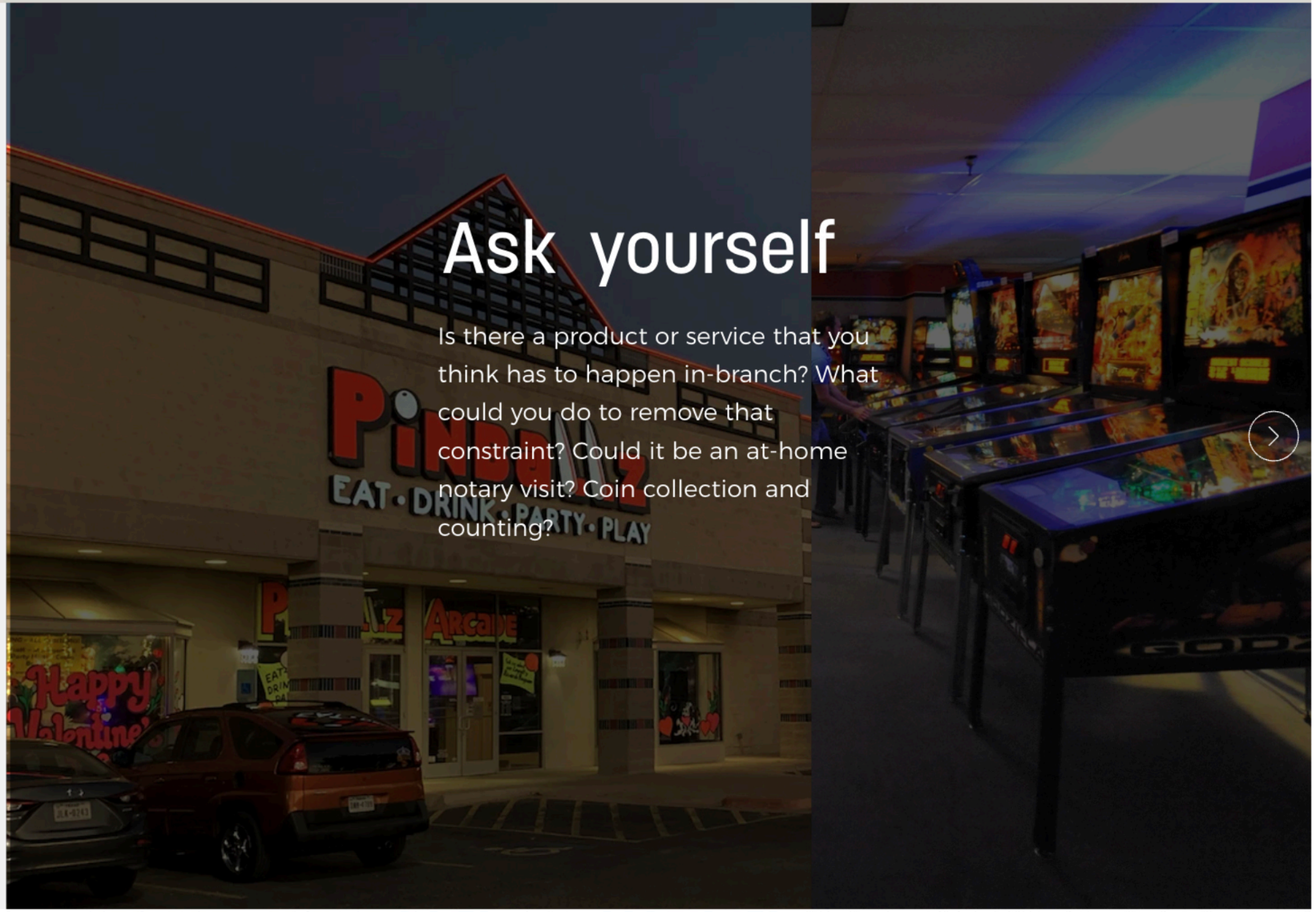
With three locations in Austin, TX, Pinballz arcade has been a go-to spot for anyone seeking to revisit the vintage arcade game experience, especially for grown-ups who might enjoy an alcoholic beverage and decent burger while pounding the pinball flippers.

When bars and restaurants shut down, Pinballz thought up a novel way to keep their business humming. Customers can rent from the extensive collection of pinball and vintage video game cabinets and have it delivered and installed at their home, contact-free. Pinballz also offers its game cabinets for sale and is collecting a portion of merchandise sales to support furloughed workers.

Pinballz arcade brings old-school gaming home.

With three locations in Austin, TX, Pinballz arcade has been a go-to spot for anyone seeking to revisit the vintage arcade game experience, especially for grown-ups who might enjoy an alcoholic beverage and decent burger while pounding the pinball flippers.

When bars and restaurants shut down, Pinballz thought up a novel way to keep their business humming. Customers can rent from the extensive collection of pinball and vintage video game cabinets and have it delivered and installed at their home, contact-free. Pinballz also offers its game cabinets for sale and is collecting a portion of merchandise sales to support furloughed workers.



Ask yourself

Is there a product or service that you think has to happen in-branch? What could you do to remove that constraint? Could it be an at-home notary visit? Coin collection and counting?

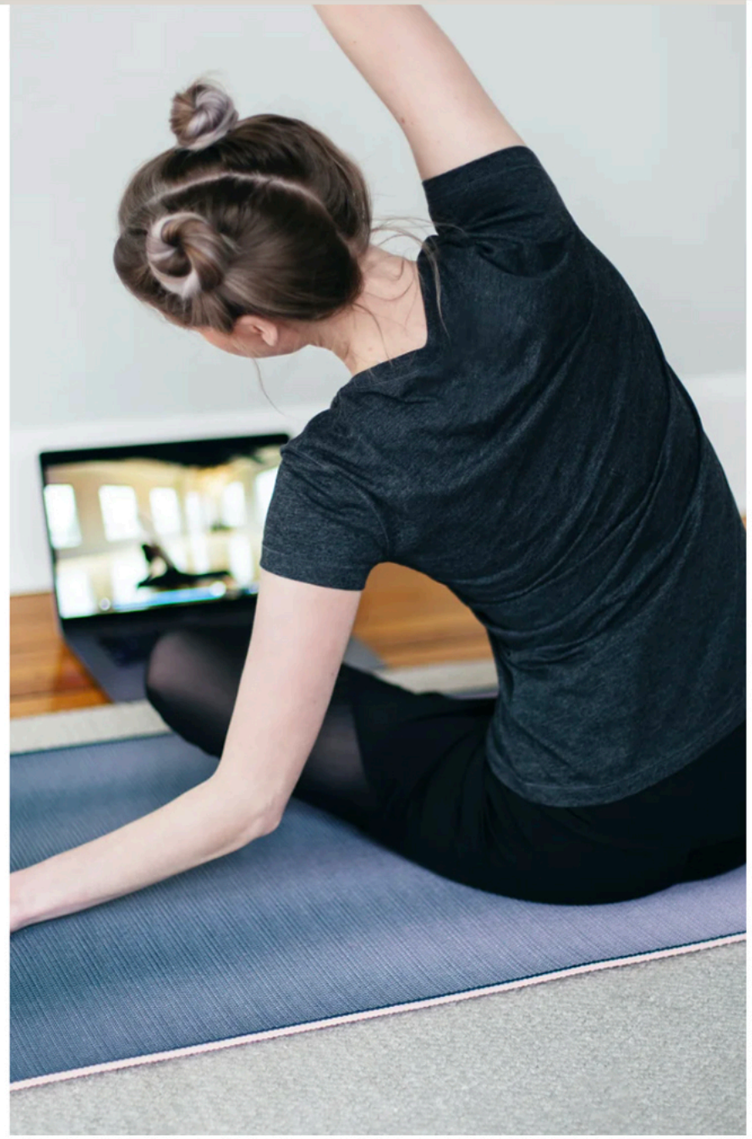
Hover to discover more

Punchpass helps small fitness studios stay afloat using Zoom.

Punchpass is a software company that helps yoga and fitness instructors manage their class schedules, payments, and keep track of customers and their attendance. When social distancing restrictions forced gyms and studios to close down, Punchpass stepped in to help.

In less than a week, they launched a Zoom integration that allowed instructors to facilitate classes remotely and continue business (mostly) as usual.

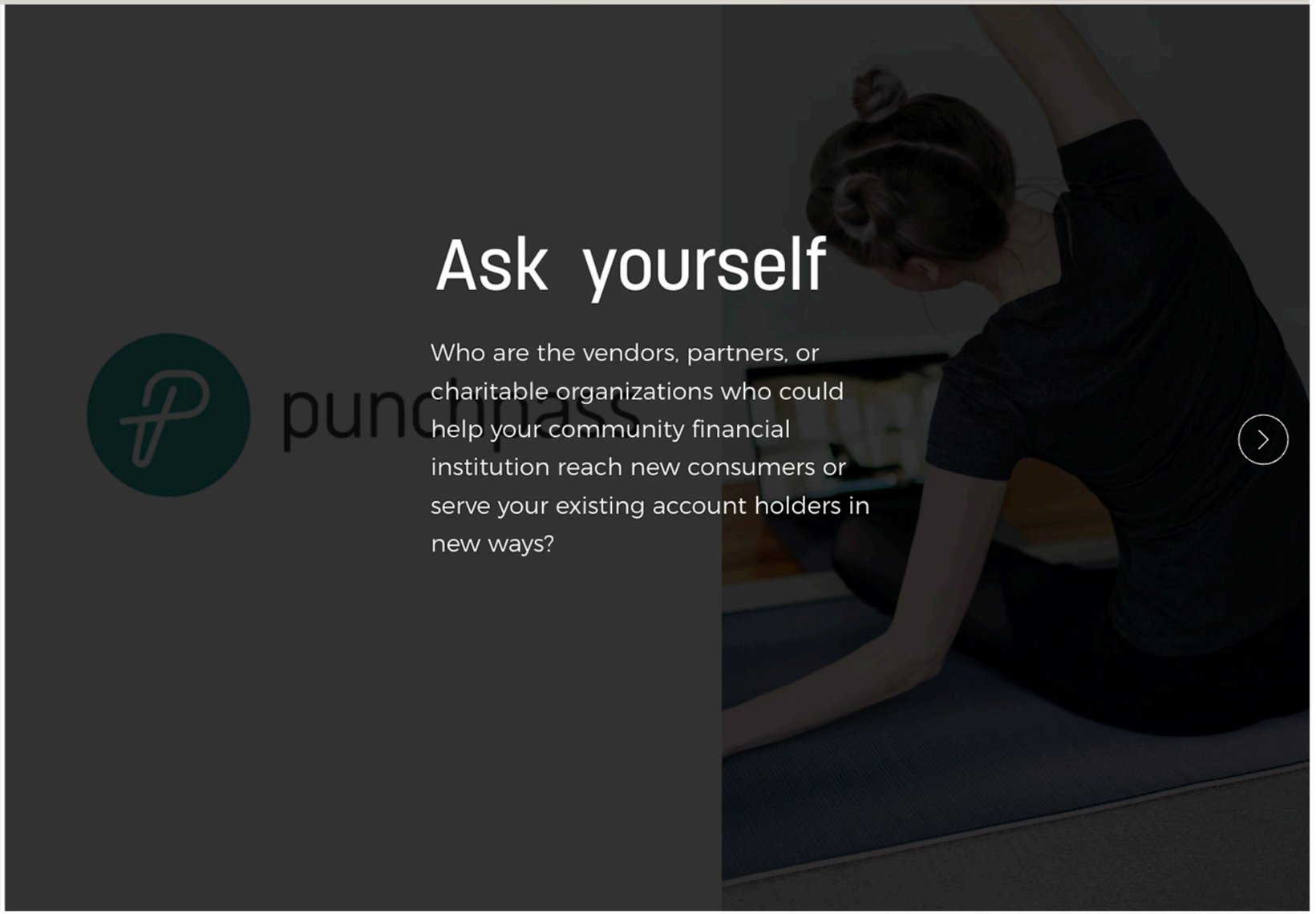
punchpass



Punchpass helps small fitness studios stay afloat using Zoom.

Punchpass is a software company that helps yoga and fitness instructors manage their class schedules, payments, and keep track of customers and their attendance. When social distancing restrictions forced gyms and studios to close down, Punchpass stepped in to help.

In less than a week, they launched a Zoom integration that allowed instructors to facilitate classes remotely and continue business (mostly) as usual.



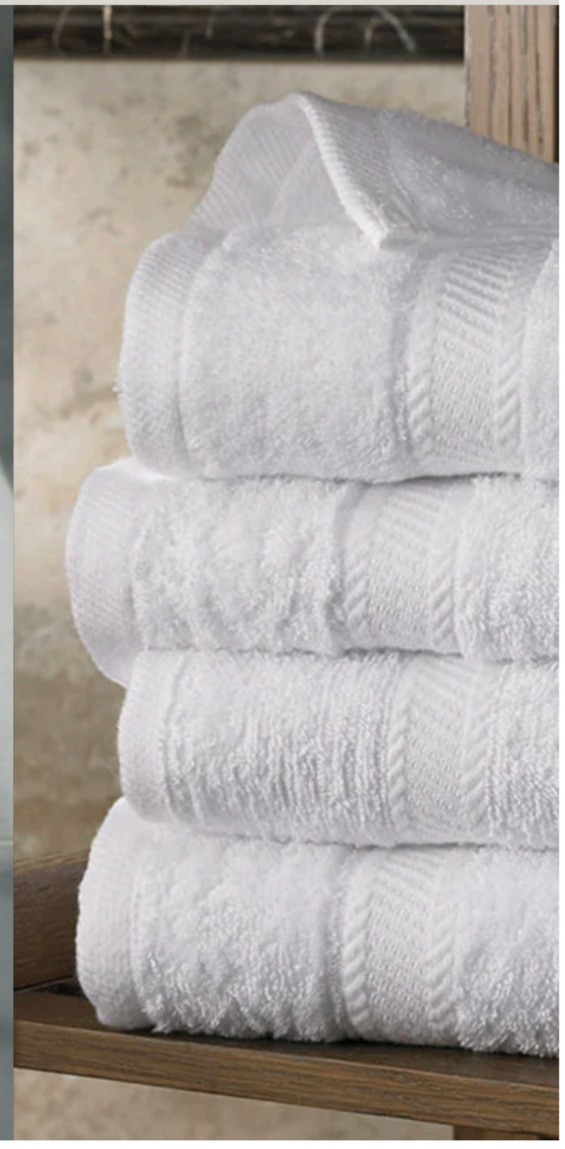
Ask yourself

Who are the vendors, partners, or charitable organizations who could help your community financial institution reach new consumers or serve your existing account holders in new ways?

Washbnb reaches a demographic in need of help.

The global pandemic cut steeply into the demand for services such as Airbnb, which also cut into the demand for Washbnb's business: laundry services for Airbnb hosts.

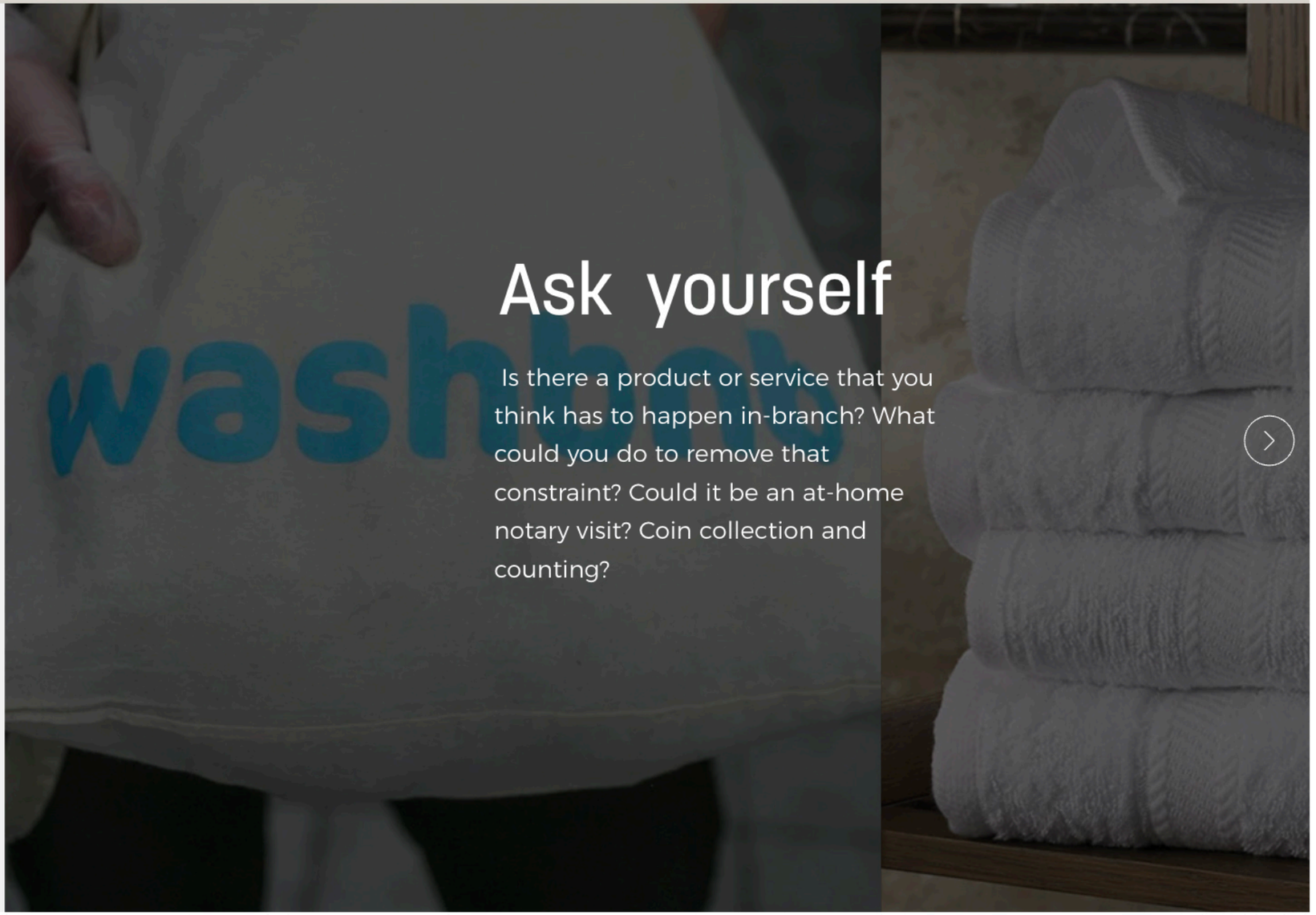
Without an established customer base, Washbnb realized there was a new opportunity in front of them: providing laundry services to the elderly and immunocompromised. Who knows? They may have even unlocked a viable audience they never would have considered previously.

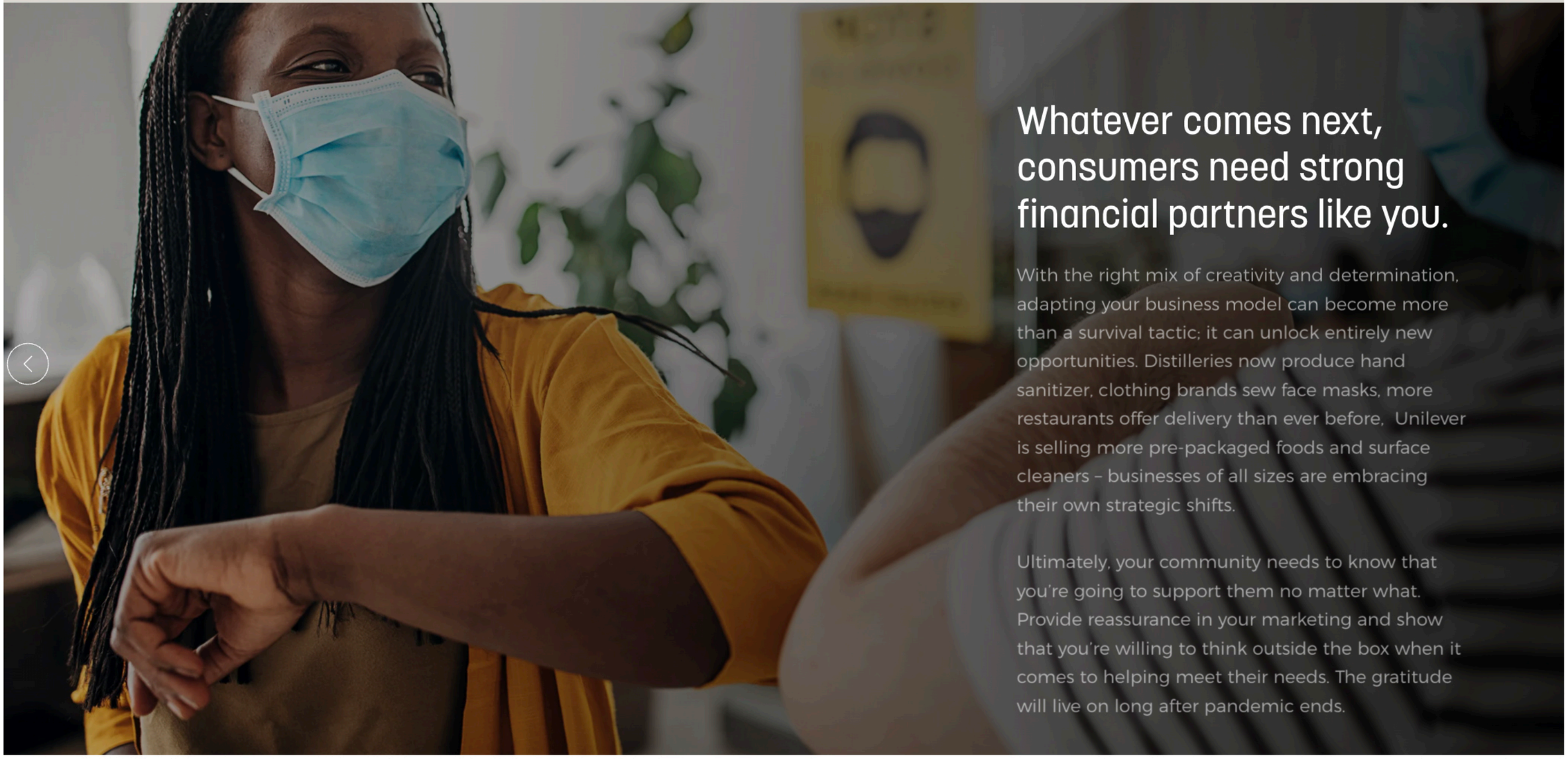


Washbnb reaches a demographic in need of help.

The global pandemic cut steeply into the demand for services such as Airbnb, which also cut into the demand for Washbnb's business: laundry services for Airbnb hosts.

Without an established customer base, Washbnb realized there was a new opportunity in front of them: providing laundry services to the elderly and immunocompromised. Who knows? They may have even unlocked a viable audience they never would have considered previously.





Whatever comes next, consumers need strong financial partners like you.

With the right mix of creativity and determination, adapting your business model can become more than a survival tactic; it can unlock entirely new opportunities. Distilleries now produce hand sanitizer, clothing brands sew face masks, more restaurants offer delivery than ever before, Unilever is selling more pre-packaged foods and surface cleaners – businesses of all sizes are embracing their own strategic shifts.

Ultimately, your community needs to know that you're going to support them no matter what. Provide reassurance in your marketing and show that you're willing to think outside the box when it comes to helping meet their needs. The gratitude will live on long after pandemic ends.

Banking local is a great idea; so why aren't more people doing it?

The majority of Americans (55%) would consider a community financial institution when opening a new checking account... but only 43% actually keep their money at a community bank or credit union. The 2018 Consumer Banking Insight Study, commissioned by Kasasa and conducted by The Harris Poll, helps us unpack some of the data to see what's holding them back.

Top 3 reasons people would not consider local banks or credit unions

56% **1.** Limited branch/ATM **location**

21% **2.** A perception that they have inferior product **offerings**

22% **3.** They lack up-to-date **technology** (e.g., mobile/online banking capabilities)

When it comes to choosing a bank,

84%

of Americans choose a product or services they want first then look for an institution that offers them.

Would not consider opening a checking account with a community bank/credit union, n=899

Community banks and credit unions can even the playing field and remove consumer objections.

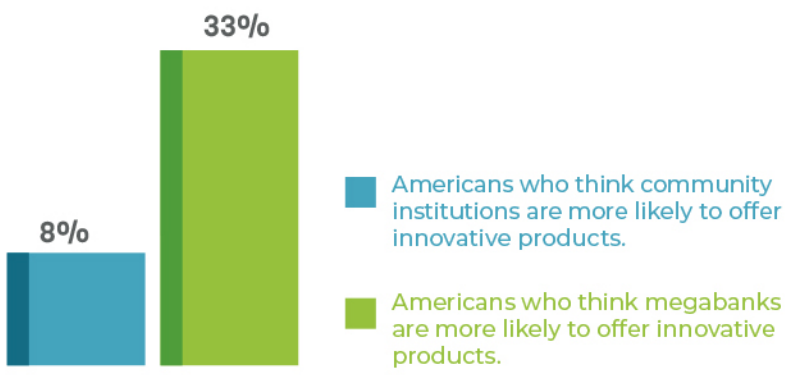
75% of Americans would choose a local financial institution **if they had banking products equal to those on offer with megabanks**.

When it comes to banking, there is a perception gap that needs closing.

51% of Americans believe that local financial institutions **do not have the resources** to offer products equal to national megabanks or online-only banks.

In consumers' minds, local institutions aren't on the cutting edge.

8% of Americans think community financial institutions are more likely than megabanks to offer innovative products.



If your institution can demonstrate that you have the products and convenient services that Americans want, they're ready and willing to choose you over a megabank.

Survey Method: This survey was conducted online within the United States by The Harris Poll on behalf of Kasasa from December 18-20, 2018, among 2,018 U.S. adults ages 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables and subgroup sample sizes, please contact:

Mary York Cox | William Mills Agency | (678) 781-7217 | mary@williammills.com

4 ways community banks and credit unions can level up with tech

THE KASASA exchange

By Gabe Krajicek | 04/22/2022

Topics: BLOG, DIGITAL ONLINE PRESENCE

Community financial institutions (CFIs), such as community banks and credit unions, have always been the backbone of the communities they serve. At present, they are fighting challenges with perception, technology, and marketing. While many CFIs are phenomenal at personalized service, many consumers believe they lack the technology and innovation they expect from a financial institution.

CFIs are fighting an uphill battle against megabanks and fintechs, whose budgets allow them to reach consumers at mass scale and offer a wide range of readily available services. The ability of megabanks and fintechs to meet consumers where they are, at any point in their financial journey, leaves CFIs siloed and struggling to find innovative ways to compete.

The pandemic accelerated the transition to a digital landscape and created a fundamental change in what consumers value and expect from financial institutions. The only way for CFIs to compete against megabanks and fintechs is to ensure a seamless digital experience paired with the unmatched customer service that only they can provide.

It is critical for CFIs to pair new technology with traditional efforts to maintain relevance in the competitive banking landscape. More importantly, CFIs need to come to grips with the fact that other community financial institutions are not their competitors, and the first step to gaining and maintaining consumer awareness is embracing their community roots. The next step is implementing technology and innovative marketing to differentiate.

CFIs who choose to outsource data to a third party can relieve common pain points, like a lack of time, personnel, or the tech to tackle big data. However, CFIs manage data goldmines, and partnering with a third party allows them to take advantage of the research investment and operational scale that a company specializing in data-driven marketing provides.

1. Renovate your digital branch experience.

During the pandemic, online banking surged while branches shuttered. Nearly 40% of people still feel uncomfortable walking into a branch. Complete digital experiences have now become the expectation, especially for millennials and Gen Z consumers who consistently demand and embrace technology.

For CFIs, this means a seamless digital experience, which includes everything from opening and servicing accounts to providing personal financial advice. This all must be easily accessible through online and mobile channels, especially for the younger generations that represent the future of banking. Since CFIs are not designers and developers, this can be done through cooperation with a trusted partner.

2. Expand your comfort zone when it comes to consumer data.

Data is key to reaching new consumers and helping existing account holders. It is crucial to send the right message, for the right products, at the right time. This is one area where community financial institutions struggle sometimes.

Utilizing predictive analytics can help CFIs centralize data, segment consumers by common attributes, and predict the best product offer for each individual customer so banks and credit unions can customize individual experiences rather than marketing every product to every consumer. That simple, strategic, and deliberate solution can be a tremendous boon to CFIs looking to gain a competitive edge.

The key is for a CFI to use prescriptive analytics rather than just predictive. Analyzing data, like past customer behavior, lets a CFI do just that. Through prescriptive modeling, a CFI can continuously optimize their portfolio performance. Predictive analytics may send an alert about an account holder who will be closing their account soon. Prescriptive analytics would send that account holder relevant marketing to boost engagement and provide recommendations for products or services that would better fit their needs, thus maintaining the relationship.

3. Relentlessly optimize for better results.

Responsive and proactive optimization by financial institutions is imperative to success. This is done by responding rapidly to breaking news, regulation changes, search fluctuations, and algorithm updates.

Implementing these strategies takes a dedicated team driven to produce results. Many CFIs simply do not have the budget to create such a force in-house. When the need to digitize becomes clear to a community bank or credit union's leadership as the path to maturity and customer relationships, often a partner with veteran credentials is the best travel companion.

4. Above all, embrace coopetition.

None of these steps will work unless you embrace coopetition with a trusted partner whose long-term success is intertwined with your own.

CFIs must cooperate to compete; but crucially, they must identify a partner that has mutual benefit in mind. There is a growing crop of fintechs looking to partner with banks and credit unions so they can issue loans, while they simultaneously build platforms to cross-sell that CFI's customers financial products in direct competition with them. The CFI is essentially funding their own destruction. CFIs must check the business model of a potential technical partner to make sure both parties' interests (and successes) are being secured for the long term.

Consumers instinctively know that fintechs and megabanks have billions of dollars to build cutting-edge apps and extensively market and advertise their products. They think the local CFI doesn't — and they're not wrong.

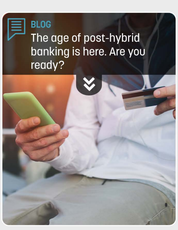
CFIs are not app developers. They are not marketing companies. Nor are they advertising agencies. They are experts at personalized, consumer-first guidance and support when it comes to increasingly complex financial decisions. That is why CFIs must partner with a community-based fintech that can deliver a seamless digital experience that consumers expect AND has their best interest at heart. Then, they can focus on their area of expertise — serving the people in the community by helping them take control of their finances.

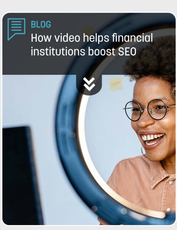
But CFIs can't do this alone, especially in the current financial landscape. The pandemic has led consumers to shift their banking habits. According to Forbes, megabanks' share of new checking account applications increased from 36% to 51% over the past three years. Meanwhile, community banks and credit unions have seen their share of new account openings drop from 51% to 25%. Furthermore, Experian reported that in March of 2019, fintechs claimed 49.4% of the unsecured personal loan market, which is an increase from 22.4% just four years prior. The pandemic only accelerated consumers' progression toward digital banking, with fintechs and megabanks benefiting the most.

These statistics are stark, but community banks and credit unions can thrive through coopetition. They must find a trusted partner who can deliver a digital experience that today's consumers expect. Most critically, they must choose a partner whose success is intertwined with their own.

The article originally appeared on Benzinga.

BLOG, DIGITAL ONLINE PRESENCE





What's Kasasa?

Kasasa® is an award-winning financial technology and marketing services company dedicated to helping both community financial institutions and consumers experience what it means to "Be Proud of Your Money." We're known for providing reward checking accounts consumers love, the first-ever loan with Take-Backs™, relationship-powered referral programs, and ongoing expert consulting services to community financial institutions.

By working exclusively with community banks and credit unions, Kasasa is helping to strengthen local economies across the nation, building a virtuous cycle of keeping consumers' dollars where they can do the most good. Our mission is to power a network of financial institutions in all 50 states offering products and services that are clearly beneficial for the consumer and the institutions offering them.

For more information, please visit www.kasasa.com, or visit Twitter, Facebook, or LinkedIn.