TEXAS BANKING


# DRIVING GROWTH IN A DIGITAL-FIRST ERA

## Data should be the true North Star guiding your decisions

*By Prestun Afrank*

In the age of analytics and informed decision making, financial institutions have a largely untapped source of internal data. We know where our current customers live and operate thelr businesses, and we have access to internal product and service utllization. Given this wealth of information, how can community banks utilize it to improve marketing results and ROI?

### STRATEGY FIRST, DATA SECOND

With so much data avaliabie, It's easy to lose track of the purpose. Ics crucial to first establisn clear obiectives and outcomes. In the current environment, most banks are focused on acquiring more customers and growing daposits. This is apparent from the lucrative offers from the big banks with Incentives ranging from S500–S2.500. Their seemingly intinite marketing budgets more than nval those of community banks. Glven this reality, every doller of your markating budget must be spent stratagicaliy — data should be the true North Star guiding your decisions to dnve better resuits.

Despite the prominence of and focus on online account openings, proximity to a physical branch is sull the best indicator of which benk someone will choose. tn fact, more than S0% of new checking openings originate in a branch. Therefore, we look at prospective househoids through two different models of convenience: demonstmted and predicted.

Demonstrated Convenience is delined by your existing customer base and your recent opening successes. They are the households who llkely find your bank convenient based on where they live; they are the neighoors of your existing customers. This is, in essence, lookallke marketing. If you map your existing customer base with the data you alreaoy have, you will tind concentrations in neignbornoods near your branches.

### HOW COMMUTER PATTERNS EXPAND THE MARKET

However, recent deveiopments in technoiogy have redefined convanience. This opens a less obuious but eaually valuable audience: People who may net live near your branch but commute nearby tor work, shapping or dining. Since branch lobbies are typically open from 9:00 a.m. to 5:00 p.m., consumers often use brancn services near where they work. This commuter audience displays what we call Predicted Convenience, and it expands the pool of potentiel customers beyond whet Demonstrated Convenience alone may reveel.

For exampie, consider Overiand Perk, KS. Overiand Park, a suturb of kanses Clty, hes a popuiation of more than 200,000 residents and is home to maior healthcare, technoingy and protessional services empioyers. Those empioyers draw a substantial number of inbound commuters each day. This significantiy expands the number of people who would llkely find a branch locstion in Oveciand Park more convenient than one near their home. For banks, this represents an opportunity to reach prospective customers who may not live nearoy but reguiany spend time within the market. By Identilying and marketing to this commuter audience, banks can extend their reach beyond nearby househoids and attract new customers who may be more llkely to choose a branch that fits their dally routine.

By leveraging GPS data, you can Identity people who work or commute near your locations. This sophisticated data-driven geotargeting model is designed to identify addltional prospects with a high pretiabiiity of selecting your bank. Once Identified, you can target these prospects thraugh an omnichannel approach to bulld and maintain top-of-mind awereness.

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