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Look Back, Look Ahead: How 2015 Trends Will Evolve in 2016

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This time of year, you can't turn around without seeing another article about trends: how fashion will change, where interest rates are headed, what Millennials will be into. And there's a reason — what happened in the past 12 months doesn't just end once the ball drops in Times Square. The trends that shaped the financial sector in 2015 will continue to evolve and influence the industry in the New Year.

To help your bank keep pace, here are some significant trends that emerged in 2015, plus some insight into how they will continue in 2016:

1. “Customer Service” Growing Up to Become “Retail Experience”

Community financial institutions (CFIs) have always been renowned for their emphasis on customer service. Perhaps as a result of shifting consumer sentiment, 2015 saw CFIs beginning to think in terms of overall retail experience, notes Melissa Thinger, Vice President of Retail Experience Development for Kasasa® by BancVue®.

“Community banks historically and currently pride themselves on providing friendly smiles and the kind of warm familiarity that goes with knowing their customers by name,” Thinger says. “I definitely see that kind of service as being extremely valuable — especially during a time where distrust of megabanks is still top of mind to consumers. In 2016, I expect CFIs will begin to think more about the overall retail experience they provide. I've even begun to

hear community banks use the words ‘retail experience’ instead of ‘customer service.’”

What's the difference? Thinger says retail experience essentially takes customer service to the next level by ensuring the institution's values are a part of the goals it sets for employees. This message is communicated through consistency of experience at the beginning of the customer-institution relationship and throughout every interaction with customers.

“Think about companies that are known for their retail experience, such as Starbucks, Nordstrom, and Zappos,” Thinger says. “You always know how you will be treated, and therefore you have built trust in them and comfort in the consistency, regardless of the location of that particular retail shop.”

2. Stepping Up Their Omni-Channel Game

The concept of omni-channel marketing has taken root in other industries, and CFIs that began to delve into the concept in 2015 will need to step up their game in the coming year, predicts John Waupsh, Kasasa's Chief Innovation Officer.

An omni-channel approach employs multiple sales platforms with the goal of providing customers a seamless experience, whether they are completing a transaction at the branch or conducting business through the institution's website or mobile app.

“This will be the year CFIs get truly serious about competing in an omni-channel world,” Waupsh says. “From digital in-branch sales tools to responsive, search engine optimized websites and retargeted advertising to mobile deposit account opening, community banks will spend the bulk of 2016 stepping up their omni-channel game.”

3. Building Culture and Branding

“Community financial institutions already have a significant advantage when it comes to culture,” says Kasasa CEO Gabe Krajicek. “Consumer sentiment of megabanks remains low, while community banks have historically been known for their commitment to customers and the local community.”

“Branding is the name of the game in 2016,” agrees Chief Marketing Officer Keith Brannan. “We recently polled our clients and 97% of institutions we talked to expect the demand for deposits to increase or remain the same. With everyone chasing deposits, the institutions who have sharpened their marketing messages and product promotions are most likely to come out on top.”

4. Turning to Tech For Analytics

CFIs are already using technology effectively for regulatory compliance, mobile adaptation, risk management and cyber security. In 2015, community banks built risk-management programs by working with third parties that provided “compliance in a box” solutions. More institutions also focused on building their online and mobile platforms.

“In 2016, I expect community banks to be able to answer the question, ‘What do customers want?’ by using data analytics,” says Pradeep Ittycheria, Chief Technology Officer for Kasasa. “Investment in analytics solutions that analyze customer data, preferences, and third-party financial relationships will form the basis of most of a CFI’s marketing efforts. Data-driven marketing will help institutions target

their limited marketing budgets and compete effectively in a crowded financial market.”

As the financial environment and consumer expectations continue to evolve, the CFIs that keep pace will be poised to one day reflect on 2016 as a year of success.

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