

**Bank**Director.

# Breakout 3: Three Strategies to Accelerate Deposit Growth

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*Alkami Technology, Inc.*

#A0BA24



# Three Strategies to Accelerate Deposit Growth

# Speakers



**Mark Leher**

Directory, Product Management

**Alkami**

# Alkami Agenda

**Trends & Challenges**

**Tactic 1:** *Acquiring Depositors*

**Tactic 2:** *Winning the Deposit Relationship*

**Tactic 3:** *Harnessing Data to Drive Deposit Growth*

**Key Takeaways**

# In the News: Bank Failures & Deposit Withdrawals

INSIDER  
INTELLIGENCE

June 2023

Economic headwinds are blowing banks' focus to deposits, lending, and cybersecurity

Hartford Business Journal

Managing higher interest rates, deposit growth key focus areas for banks in 2024

Connecticut banks have faced several challenges over the past year, but the high-interest rate environment tops the list.



January 2024

THE WALL STREET JOURNAL.

Deposit Crisis Sets Up a Tough First Quarter for All but the  
Biggest Banks

Two regional lenders collapsed, and more than \$300 billion in deposits left banks last month

Finance

October 2023

US regional banks earn more on loans  
but warn on rising deposit costs

By Chibuike Oguh

October 18, 2023 5:44 PM MDT · Updated 20 hours ago



AP

March 2023

Bank failures highlight declining  
deposits

Financial Times

October 2023

US banks ponder end to bumper profits from higher interest  
rates

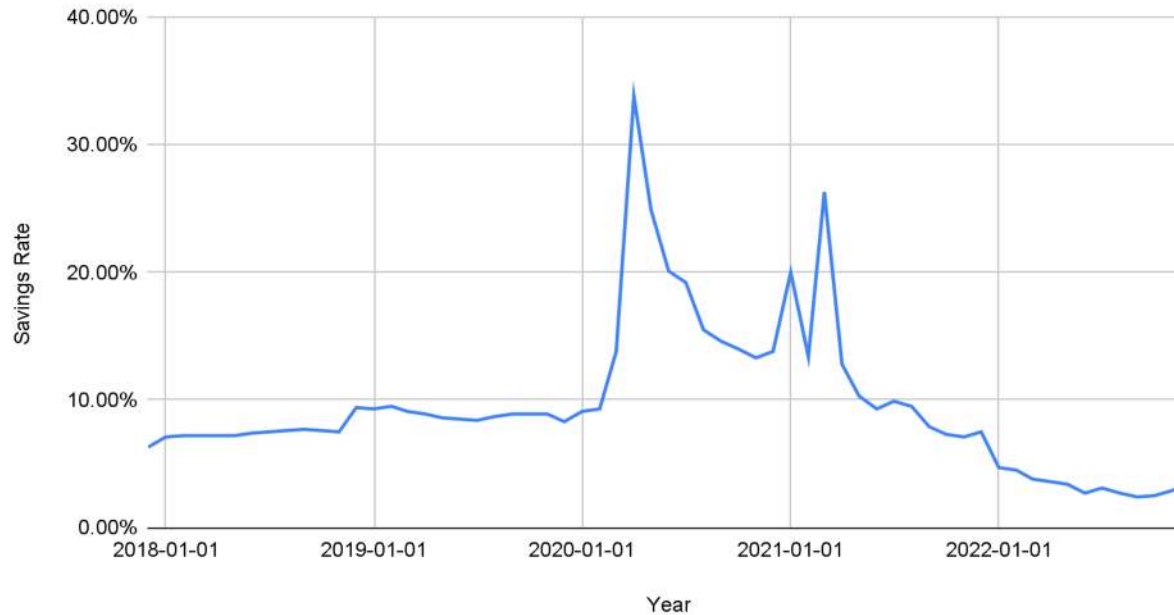
The biggest US banks have warned their investors that they will eventually have to bow to customer pressure and offer much higher rates to...



# Banks & credit unions are in a liquidity crisis

You need deposits now more than ever.

U.S. Personal Savings Rate Over the Last Five Years



# How has the market responded?



“FDIC reported that **banks saw their deposit base decline by \$472B in the first quarter of 2023**, as measured from the end of the year. That’s a **2.5% drop** in the total deposits held by banks” ([PAYMNTS, 2023](#))



**43%** of FI survey respondents listed deposit growth as their #1 priority over the next two years ([Insider Intelligence, 2023](#))

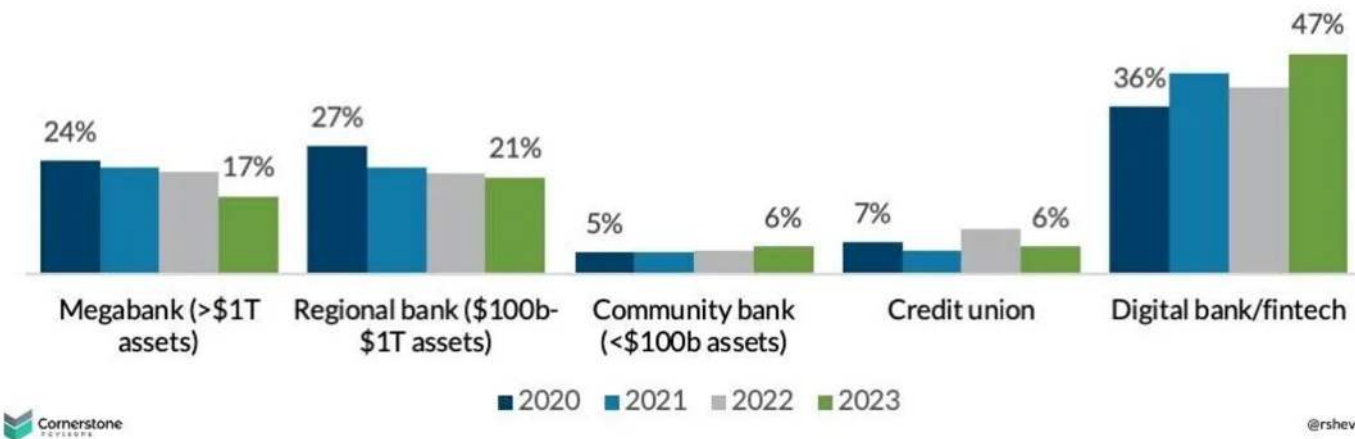


Of consumers who opened a checking account in 2022 or 2023, **6 in 10** have more than one checking account ([Insider Intelligence, 2023](#))

# Market share is dominated by neobanks & megabanks

47% of checking accounts opened in 2023 were with a digital bank

Percentage of New Checking Accounts Opened by Type of Institution





# What FIs are Concerned About:



- 1. Acquire New Users
- 1. Capture the Direct Deposit
- 1. Manage Expiring CDs
- 1. Drive Debit Card Usage

# Strategies for Acquiring Depositors



# The Key to Driving New User Acquisition

11

## Needs of

### Applicants:

To quickly open an account, deposit funds, and begin transacting with their debit card

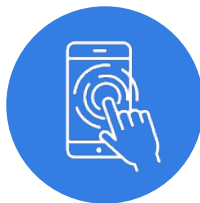
### Financial Institutions:

To digitally onboard new account holders without manual processes and achieve PFI status



#### Deploy an online shopping experience

- Give prospective account holders the ecommerce experience they know and love for financial products



#### Make it simple to complete an application

- Empower applicants to apply within a matter of minutes and receive reminders for any outstanding tasks in a personalized dashboard



#### Deliver faster decisions & access to digital banking

- Leverage automated decisioning and seamless core integrations to quickly open new accounts and onboard users into digital banking

# Comprehensive Digital Banking Journey

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Shop

Apply

Approve

Activate

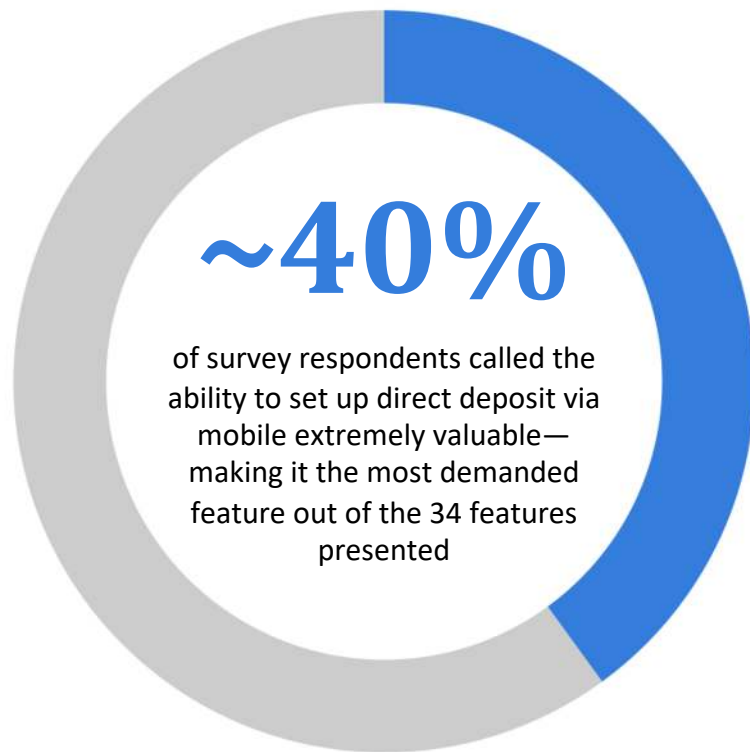
Provision

Spend

API Hand-off

## Driving organic growth

Cultivate highly engaged digital banking users by delivering the most demanded account opening tools



# Direct Deposit Switch

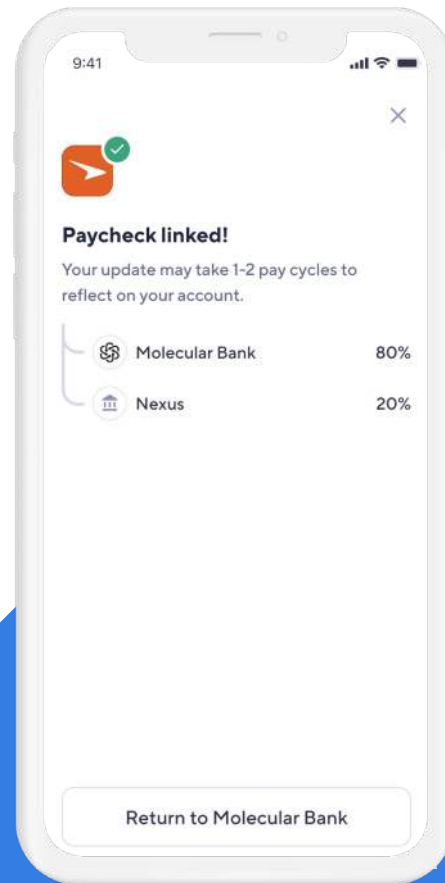
Empower your account holders to easily update their payroll or direct deposit information within digital banking

## Value

- Increase direct deposit acquisition
- Reduce deposit acquisition costs
- Reduce identity fraud with direct access to your account holders' payroll systems

## Capabilities

- Users can digitally update or switch direct deposits to your financial institution
- Direct deposit changes go into effect the same or next pay cycle
- Username and password credentials can be setup or reset in minutes, right from your website or app



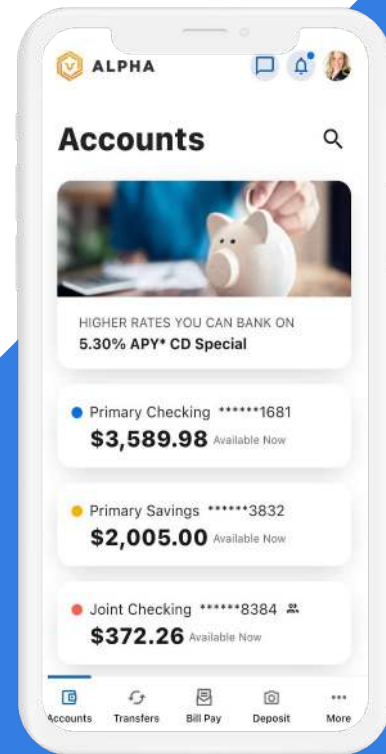
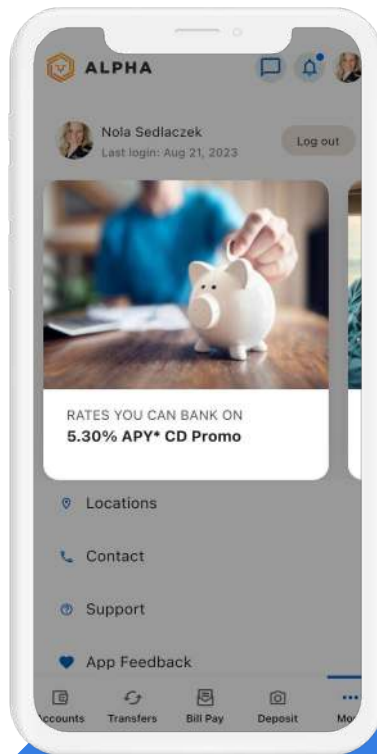
# Cross-Selling & Upselling

## Value:

- Leverage powerful data insights and automation for targeted marketing to match your users' financial needs with the right financial product
- Send personalized offers based on the user's unique financial behaviors with Alkami's CMS

## Outcome:

- Continue to move users along the path towards PFI status for your FI



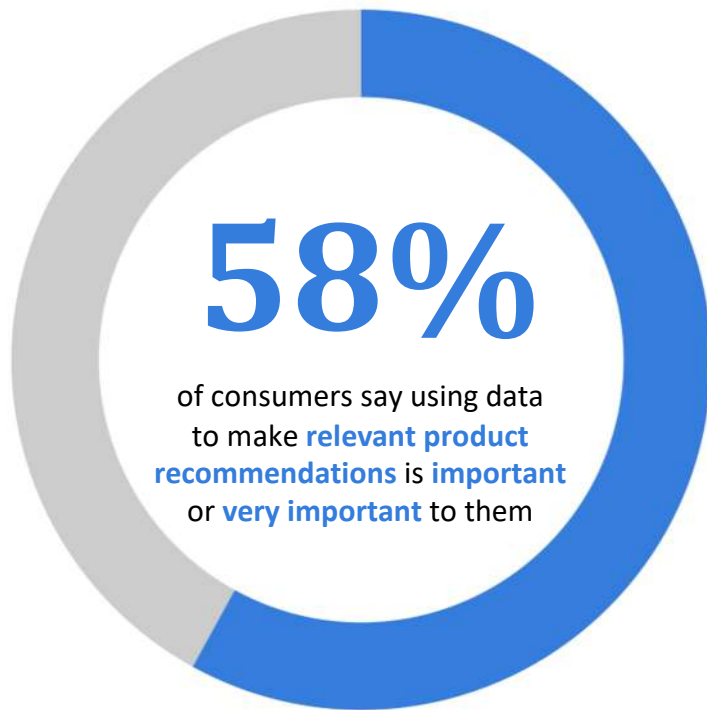
# Harnessing Data to Drive Deposit Growth





# Data is the next frontier

Most consumers value insights and are likely to have a positive perception of FIs that anticipate their needs



# Marketing Works

## Marketing Boosts Deposit & Loan Growth for Community Banks: Study

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GET THE FINANCIAL BRAND'S FREE EMAIL NEWSLETTER

As banks of all sizes navigate an uncertain economy, marketing budgets are increasingly in the cross hairs. But an analysis of marketing spending by banks with under \$2 billion of assets suggests an *increase* would be the wiser choice for those seeking growth in deposits or loans.

By **Steve Cocheo**, Senior Executive Editor at **The Financial Brand**

Deposit Growth



Loan Growth



Yield on Assets



Net Interest Margin



# Revenue-Driving Campaign Management in Three Steps



## Identify Audience

Select a prebuilt audience or define your own in minutes



## Execute Campaign

Deliver your campaign through an omni-channel approach



## Measure ROI

Track the success of your campaign automatically

# The Importance of Transaction Data for Marketing



## Complete Picture of Account Holders

Understand the behaviors of all account holders, not just digital users



## Competitive Intelligence

Execute win-back campaigns to increase share of wallet



## Self-Service Data

Deliver hyper-relevant messages by using transaction data updated daily



- Predictive Indicators
- FI Products
- Competitive FI Products
- Client Segmentation
- Consumer Spend
- Financial Health Indicators
- Business Spend
- Intent Indicators
- Location

[View All KLI](#)

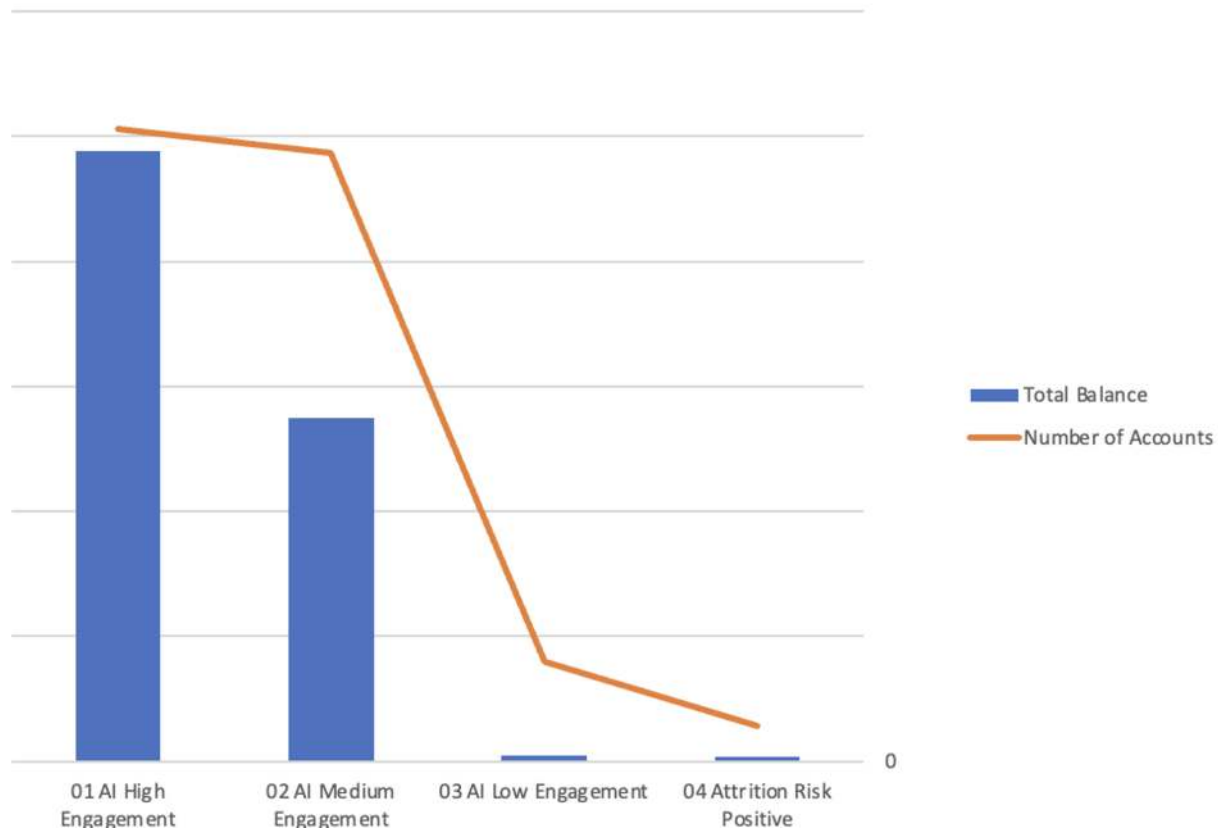


**Often companies can do well by  
showing more love to the  
customers who love them the most.**

**Harvard Business Review**

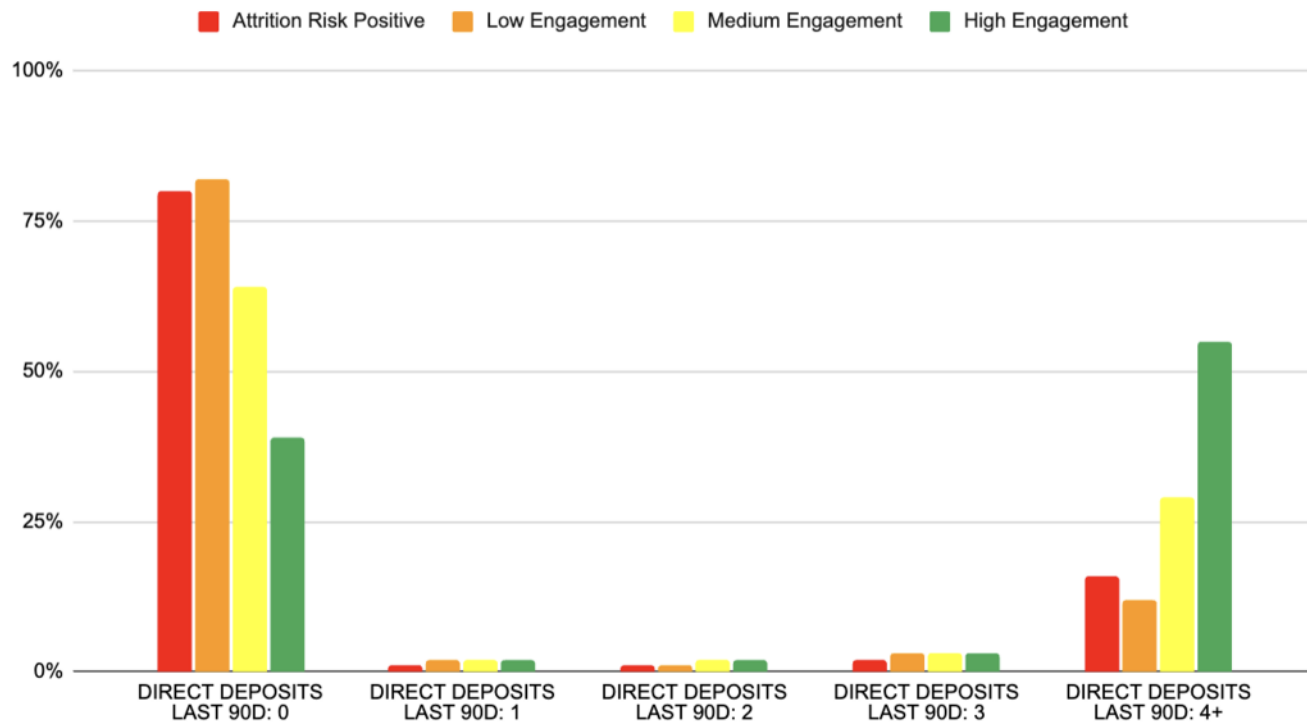
# Engagement Matters

Checking Account Balances by Engagement Level



# Engagement Matters

## Direct Deposits by Engagement Level



# Cultivate Engaged Users by Capitalizing on Digital Channels

Driving digital product adoption to achieve primary FI status

Highly active digital banking users have **1.71x the number of products with their PFI** than those accessing digital banking at least once a year.

2022 Digital Banking Transformative Trends Study



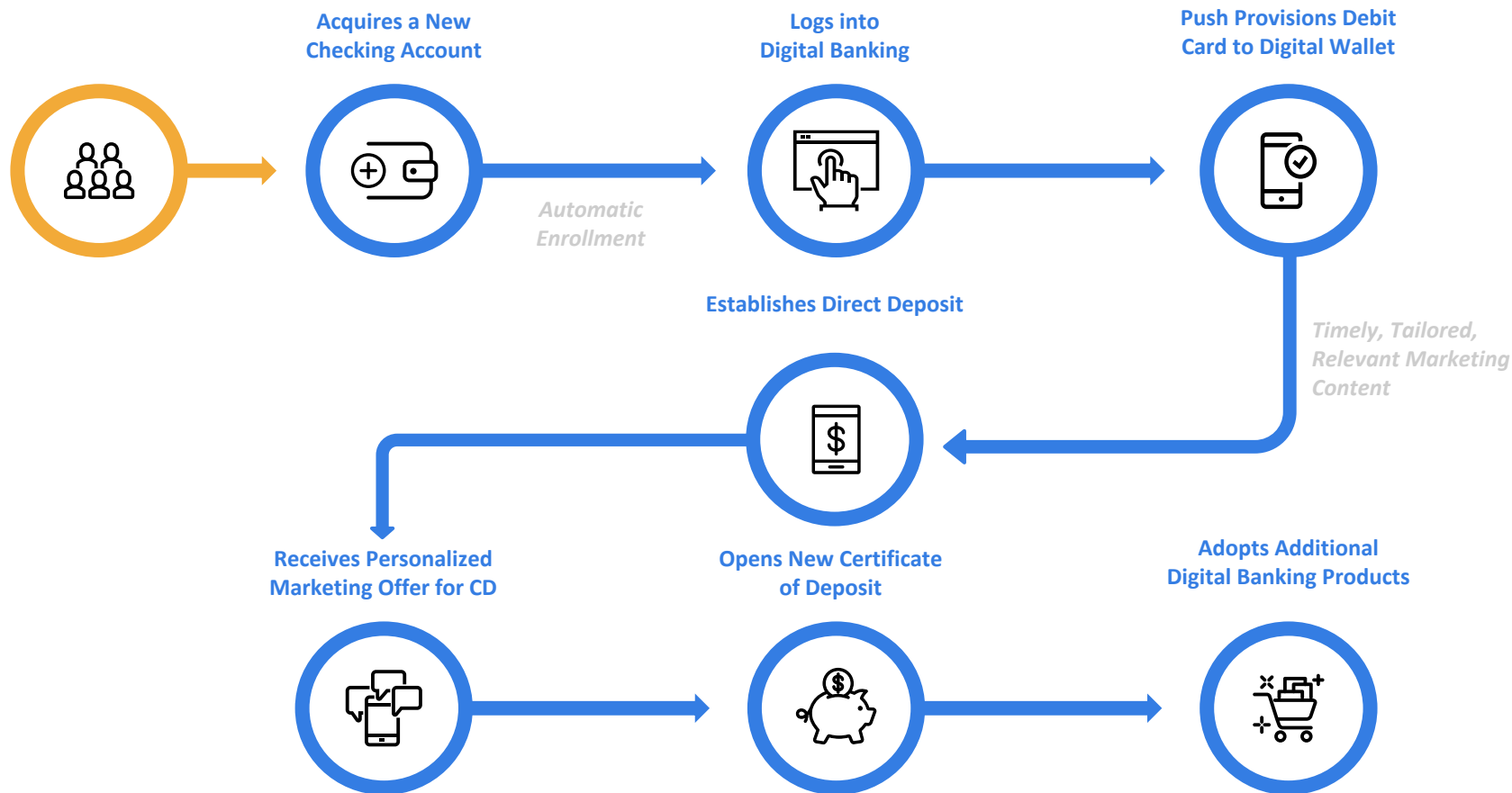
Deposit Accounts  
eStatements  
Digital Cards  
Direct Deposit  
Remote Deposit Capture  
Account Aggregation  
Financial Education  
Bill Pay  
P2P  
Credit Score  
Card Controls  
FinHealth Survey  
Positive Pay  
Virtual Financial Assistant  
Business Services



# Key Takeaways



# User Journey: Pathway to PFI



# Key Takeaways to Turn these Tactics into a Strategy

Drive strategic business objectives across your organization.



## Acquiring Depositors

- ✓ Run a referral campaign for friends and family
- ✓ Use QR codes at community events to promote accounts
- ✓ Use account holder insights to find relevant cross-sell opportunities



## Winning the Deposit Relationship

- ✓ Promote direct deposit & RDC in your FI's in-branch marketing & onboarding communication
- ✓ Run a contest or incentive with account holders to set up direct deposit with your FI



## Harnessing Data to Drive Deposit Growth

- ✓ Identify users who received tax refunds
- ✓ Create highly-targeted campaigns
- ✓ Cross-sell CDs & deposit accounts
- ✓ Find your best Customers

# Thank you!

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