

US neobank targeting immigrants uses personal outreach to fuel user growth

Article

The news: Majority, a neobank that offers tailored outreach to immigrants coming to the US, [said](#) it raised \$27 million in a Series A round.

The company, which is dually based in the US and Sweden, will use its proceeds to open a Miami office and hire more employees. The Series A round comes after Majority **landed** \$19 million in seed funding in June 2021.

More on this: The neobank targets its outreach to different immigrant communities:

- It **started** with outreach to Nigerians in Texas and Cubans in Florida.
- It currently **focuses on around seven communities**, per TechCrunch and **plans to serve five or six more**, Founder and CEO Magnus Larsson told the publication.

Majority charges customers **\$5 per month** for its product, which **includes**:

- An FDIC-insured bank account with a debit card and **no overdraft fees**.
- **Native-language customer support** from advisors.
- Access to **meet-up spaces and events**.
- Low-cost overseas calling, with **unlimited free calls to over 20 countries**.
- **Discounts at local businesses** such as grocery stores and restaurants.
- Permitting customers to **open accounts without a Social Security number**.

Core banking services are available across the country, but the advisors currently are only on the ground in Florida and Texas, Larsson said to TechCrunch.

The founder also described how its partnerships with local businesses have helped it add and onboard customers, particularly through in-person meetings.

“You can come to meet an advisor outside of the grocery store, and five minutes later, you can walk away from there, with the bank [information] in your hand, and a Visa debit card in your hand, and you can usually add money and send it to another country directly in the store,” Larsson told the publication.

The big takeaway: In an **increasingly** digital landscape, digital banking is becoming the default setting for many banks. Frequently they are **closing** branches and **citing** customer preferences for their decisions to scale back their physical locations.

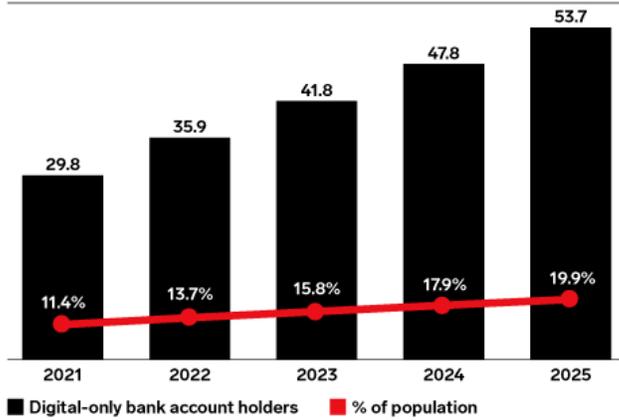
Majority’s channel strategy is also based on understanding its customer preferences. Its inclusion of native-language advisors and in-person meetings shows that it has determined

that its target audience places a high value on personally engaging with financial services advisors.

Its hypersegmented approach, specifically targeted at immigrants, is actually similar to broader US consumer preferences: A new survey from **Citizens** shows that while **90%** of individual respondents use digital banking, **63%** would rather conduct certain activities in person.

US Digital-Only Bank Account Holders and Penetration, 2021-2025

millions and % of population



Note: individuals who have at least one account at an FDIC-backed digital-only full-service bank open to all consumers that includes transactional and savings options but does not operate physical branches, and where all account management is carried out via web browsers, mobile apps or over the phone
Source: eMarketer, May 2021

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