

Easy customer acquisition strategies require hard work for long-term success

Article

Trendspotting: Recently, some banks have stepped up their customer acquisition game by offering [high rates on savings](#). Others are growing their customer bases through a bank

merger or acquisition. Keeping those customers engaged and loyal starts at the beginning of the relationship. Here's how banks can ensure their first steps of the customer acquisition process don't also become their last, [per](#) BAI.

Relationships over rates: Competition for deposits wasn't tight when rates were low and consumers weren't tempted to shop around. But now they have options, and many are looking for the best deals as they combat persistent inflation.

- **Offering higher rates on savings requires a delicate balance:** Rates need to be high enough to entice new customers, but they shouldn't cause complacent customers to suddenly realize a higher rate may be an option and motivate them to start shopping around.
- **Banks also don't want to get caught in a rate-increase war** with other banks that results in expensive deposits that eat away at profit.
- **A good strategy for increasing rates on savings is relationship pricing.** For example, offering tiered rates on deposits along with other benefits tied to deposit accounts, like a better rate on an auto loan, can help make customer relationships stickier. They'll be less likely to leave for a higher savings rate if they'll lose out on perks the competitor bank might not offer.

Banks should highlight the value customers enjoy from having a deep relationship with the bank, and emphasize how that value may not be the same if the consumer decides to bank elsewhere.

Abandonment after acquisition: In today's weakening economic environment, some banks see mergers or acquisitions as a quick and cost-effective way to bring on more customers.

- **But purchaser banks must not take their new customers for granted.** Instead, they should welcome these new customers as they would any other new customer, and onboard them consistently.
- **Consumers expect top-level customer service,** and with so many options to choose from for a financial provider, one wrong move could make them abandon ship.
- **Banks that gain an influx of customers through an acquisition should pretend that they did all of the work to acquire the customer.** Financial marketers wouldn't ordinarily let all of that hard work go to waste—an acquisition should be no different.

In an acquisition, banks are paying for a brand. But not maintaining the value of the brand after deal completion means the investment becomes a sunk cost.

The bottom line: Relationships take work. Regardless of how customers end up at their primary financial institution, banks must always be aware of their customers' needs and the environment they're facing.

- During today's economic uncertainty, consumers want guidance, advice, and support. They also want effective tools that can help them navigate rising interest rates and stubborn inflation. Banks should show new customers that they'll support their entire financial lives, rather than only touting high savings rates or harping on the difficulties of a forced relationship.
- Consumers also have a strong desire for financial education and communication. In times of financial stress or amid sudden operational changes, it's vital to keep consumers in the loop. Provide them with the knowledge they need to make the best decision in the given circumstances, and make sure they are informed of changes happening at the bank.

There's no shortcut to meaningful customer acquisition. You might be able to buy customers, but you need to earn their loyalty and trust.

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