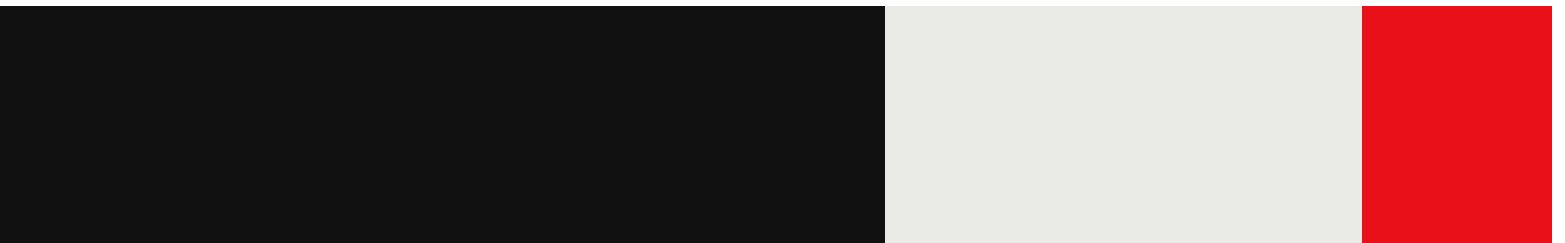


How midsize banks can compete in the evolving banking market

Article



The news: Financial Brand [interviewed](#) Popular Bank's Head of Product Management, Matt Wind, on the key challenges [midsize banks](#) face in today's financial landscape.

Here's are three ways he thinks regional banks can stay competitive:



- **Focus on industry expertise:** Midsize banks should dig into market segments or industries they know well, like how Popular Bank focuses on association banking. This allows banks to build strong, trusted relationships by demonstrating deep knowledge of their customers' businesses.
- **Leverage strategic partnerships:** Instead of trying to build everything in-house, midsize banks should prioritize partnerships that align with their values and customer service approach. This can help [manage technology costs, drive innovation, and maintain agility](#) without the burden of constant upkeep.
- **Balance digital and personal banking:** While technology is key for modern banking, midsize institutions should maintain the personal, one-on-one relationships [that set them apart from larger competitors](#).

A word of caution: It's important that midsize banks—and any financial institution (FIs)—avoid fixating on one niche area. Midsize banks are shouldering the burden of the commercial real estate (CRE) crisis: They [make 80% of the loans to CRE firms](#) and are carrying the most CRE-related risk of any FIs. While CRE comprises 12.5% of larger FIs' portfolios, it's 38% for those of smaller, regional banks.

Carrying the brunt of risk in any industry increases banks' vulnerability to the market's ups and downs—for example, **Flagstar Financial** (then **New York Community Bancorp**) set aside \$552 million to cover primarily CRE-related loan losses, which [spooked its investors](#).

The marketing takeaway: Midsize banks should leverage personalized, data-driven communications to showcase their expertise in specific industries and regions and build customer relationships.

By tailoring content through channels like email, targeted ads, and direct outreach, banks can demonstrate their understanding of customer needs. Sharing valuable, region-specific insights through blogs, social media, and webinars can also [position the FI as a trusted advisor](#).

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