

How Retail Trends Are Shaping Deposit Growth Strategies for Banks

Banks are feeling the squeeze. Rising interest rates, a tight liquidity market and growing competition from fintechs and even retailers are making it harder to attract and keep deposits. Meanwhile, consumers are chasing higher yields, moving their money faster than ever in search of better rates and perks.

According to [The Financial Brand](#), new customer acquisition in banking remains the dominant growth strategy, increasing from 43% to 45% year-over-year. However, each time you compete on rates to attract new deposits, you increase your high-cost funding, making it harder to meet short-term profitability goals. With deposits shrinking and margins tightening, the stakes have never been higher. To stay ahead, financial institutions need to rethink their deposit growth strategies and get creative about how they use data-driven marketing to attract and retain customers in today's fast-changing market.

How Consumer Behavior Shaped by Retailers Impacts Deposit Marketing

Meanwhile, the “[Amazon Effect](#)” is redefining consumer expectations around sales and service, as Amazon is setting new standards for personalized and seamless experiences. Today's consumer decides what, when, where, why, how and from whom they buy. They expect instant gratification, receiving what they want, when they want it, via their preferred channel(s) and they expect you to offer it to them proactively.

For financial institutions, this shift in consumer behavior underscores the importance of adopting [data-driven marketing](#) to remain competitive. By leveraging data to predict needs, personalize offers and enhance engagement, banks can not only improve customer acquisition in banking but also strengthen relationships with existing account holders.

Combine this new consumer reality with the current interest rate environment, and profitability becomes more challenging, placing greater emphasis on deposit growth strategies for banks. Core deposits are now more critical than ever as a stable source of funds for lending activities and long-term profits.

However, FIs that embrace this new reality — recognizing they're competing not just against other banks and credit unions but also against large, experience-driven retailers — will not only survive but also thrive against increasing competition for deposits.

Data-Driven Marketing: Turning Insights Into Deposit Growth

Meeting and exceeding consumer expectations around improved engagement is no longer a nice-to-have, but essential for survival. According to [McKinsey](#), three out of four consumers feel frustrated when brands don't deliver personalized experiences. This highlights how personalization has become a baseline expectation. The silver lining for banks? Financial institutions have access to the same — and even more — data and analytics large retailers use to elevate the consumer experience by predicting needs, making relevant offers and delivering personalization.

This wealth of data provides a foundation for effective deposit growth strategies for banks. FIs have a unique advantage over retailers when it comes to the depth, quality and timeliness of information available from account holders, including access to transaction-level insights. By combining this transactional and behavioral data with third-party demographic, geographic, and psychographic information, banks can gain a holistic view of both current and potential customers, strengthening customer acquisition in banking while deepening existing relationships.

Leveraging this data through data-driven marketing strategies gives FIs a distinct competitive advantage in delivering personalized, value-driven customer interactions. The rub, however, for busy marketers is finding the time and staffing resources to turn data into a clear, actionable strategy that delivers value-driven customer interactions at scale.

Customer Acquisition in Banking: What Your Institution Can Do Now

To thrive in today's competitive landscape, financial institutions must adopt a proactive approach to customer acquisition. This means leveraging data-driven insights to identify opportunities, anticipate customer needs and deliver personalized experiences that resonate. By combining advanced analytics with innovative marketing strategies, banks can not only attract new customers but also build lasting relationships that drive long-term growth. The key lies in understanding that customer acquisition in banking is no longer about casting a wide net; it's about precision, relevance, and delivering value at every touchpoint.

Personalize Offers Across Channels

An [omnichannel acquisition strategy](#) relies on quality first- and third-party data to provide personalized, consistent and optimized experiences across all channels. Research shows that retailers using [three or more channels](#) have a 19% engagement rate, while single-channel retailers have 5.4% consumer engagement. By meeting customers' needs in the right place, at the right time (like retailers do), banks can drive stronger engagement and long-term growth.

Improve Targeting and Segmentation

Improve segmentation and cost-effectiveness. Strong deposit growth strategies for banks start with identifying prospects matching the profile of your best customers. Use [behavioral segmentation](#), along with consumer, demographic, lifestyle, and purchase potential data, to send personalized offers that align with customers' financial habits, preferences and intent.

Embrace Agility in Your Marketing Strategy

Leverage new and innovative marketing technologies. Gain a true competitive edge by proactively engaging consumers anytime, anywhere and on their terms. The flexibility to quickly refine and adjust strategies is a key differentiator and driver for steady, consistent portfolio growth.

Partner with a Customer Engagement Company

Align with a customer engagement company that shares your values. Whether your financial institution takes the analytics journey alone or teams with an experienced customer engagement partner, one thing is clear: traditional spray-and-pray marketing tactics are no longer sufficient to survive in this increasingly competitive landscape.

By partnering with Vericast, financial institutions can cut through the marketing noise. Using [proprietary data analytics and advanced modeling](#) from Vericast, you can identify ideal customer profiles and deliver highly personalized, compelling offers in the channels they are most likely to respond. This precision-driven approach ensures banks and credit unions can effectively and efficiently acquire low-cost core deposits, strengthen customer relationships and drive sustainable growth.

[Download the Article](#)