

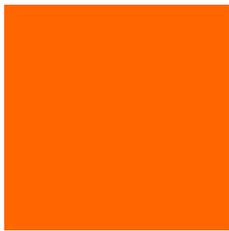
Case Study



PeoplesBank

Developing Successful Growth Strategies Based on Market Insights

In an era of industry consolidation, how can a community bank with a rich history of service maintain strong brand recognition and continue to grow? PeoplesBank partnered with Fiserv to gain market insights that are helping it fuel branch expansion, grow new accounts and better serve customers.



To PeoplesBank, the secret to successful transformation is rooted in data. Bank leaders knew they couldn't rely on intuition to compete in new and evolving markets. They needed to know where to locate new, innovative branches that would attract an underserved segment of desirable consumers. And they wanted to gain insights into the needs of existing customers.



The Right Partner

With those goals in mind, the bank looked for a partner that could help them develop a data-driven transformation strategy. Fiserv was selected to be that partner.

"We wanted to work with a consultant who could look at factors beyond just the numbers, such as the culture of a proposed market," said Vice President and Director of Marketing and Client Experience Kristen Heisey. "Did it fit the psychographic segment profiles that were important to us? We had many conversations with Fiserv about that. The other vendors we spoke with didn't understand that the cultural piece was important in our analysis."

Client Profile

Founded in Glen Rock, Pennsylvania in 1864, PeoplesBank serves both retail and business clients in communities from South Central Pennsylvania to Northern Maryland. The bank operates 26 full-service banking centers and seven retirement community satellite locations and offers wealth management services. PeoplesBank holds \$1.9 billion in assets and employs 350 associates.

The Right Tool

PeoplesBank chose BankAnalyst® Market from Fiserv, an online advisory tool that provides continuous access to the data needed to develop effective market expansion strategies. Bank leaders have used the solution to quantify market potential and earnings and assess the competitive landscape of each market.

“There are so many opportunities in our market,” explained Heisey. “BankAnalyst Market gave us objective data and analysis that enabled us to prioritize and focus our efforts. The reason we’re doing the research and working with Fiserv is so that we can make the very best decisions.”

Senior Vice President of Retail, Sales and Service Chad Clabaugh added that the solution’s ability to speak to the retail, commercial and wealth management sides of the business is essential to their success. “BankAnalyst Market gives us a holistic view of the market opportunity, our current penetration and our effectiveness across all of those business lines.”

Challenge

As PeoplesBank evolved its organization and brand, bank leaders needed insights to guide the location of new branches, better serve customers and understand the greatest opportunities for profitability and growth.

Solution

With guidance and support from Fiserv, PeoplesBank used BankAnalyst Market to mine deep, demographic insights that would help it achieve its expansion and service goals.

Proof Points

- Opened a new, innovative branch with more to follow
- Developed insight-driven playbooks to guide branch management
- Identified underserved demographics
- Pinpointed specific communities that offered the greatest potential for growth

The Right Results

PeoplesBank achieved new insights into market potential and identified two new target psychographics – upwardly mobile and flourishing families – that were previously underserved by the bank.

Reviewing the data with guidance from a Fiserv strategist, the bank identified new locations that were aligned with current and target customers. This led to the opening of an innovative financial center unlike any of its other branch locations.

The new financial center offers an elevated experience. Void of desks and chairs, it engages customers with digital merchandising, marketing and messaging in booths, conversational areas and conference rooms. When customers open accounts, such as the new PeoplesBank Momentum Checking and Savings, branch associates coach them on how to monitor, track and manage their activity digitally.

“We’re developing specific reporting around the new product to correlate bank data with the macrodata we’ve gotten from Fiserv,” said Clabaugh. “This will show us if we are making progress in capturing a greater percentage of our target psychographic segments. And in the de novo markets, we’ll be able to see how the new households we’re acquiring compare with how we might have grown a branch previously. This tells us if we are resonating with those two new target segments.”

BankAnalyst Market offers insights into:

- **Consumer Market** – Demographic profiles, contact lists and product propensities of every household in each location’s footprint
- **Commercial Market** – Businesses to target based on in-depth analysis such as cash-to-sales ratios and deposit-level estimates
- **Competitive Positioning** – How each branch compares with competitors, to help optimize performance
- **Branch Budgeting and Goal Setting** – Aggregated balance forecasts that show the potential for specific consumer and commercial products
- **Branch Network Optimization** – Accurate, quantified market potential to guide decisions about staffing, resource allocation, relocations, closures, mergers and acquisitions, expansion and more
- **Customer Segmentation** – Insight into which customers are likely to buy which products to support effective cross-sell, retention and new origination initiatives

Custom Insights for Branches

To accelerate the bank's transformation the bank created customized playbooks for each branch based on insights gained from BankAnalyst Market. Chad Clabaugh said, "In today's marketplace, you're going to need to move to the next level of critical mass. With these individualized branch playbooks, BankAnalyst Market helped PeoplesBank do just that."

The playbooks provide a holistic, granular view of market opportunities, as well as the branch's current penetration and effectiveness across business lines. They will help educate branch managers and associates about current demographics within their locally-defined market.

For example, the playbooks informed branch managers that their customers used, on average, 2.7 different financial institutions. The playbook also included a discovery-focused customer interaction approach for associates, complete with model conversations – all based on intelligence gleaned from the Fiserv solution.

"I was very impressed with the information and more importantly, the clarity that BankAnalyst Market provided to the respective financial centers."

Chad Clabaugh

Senior Vice President of Retail, Sales and Service
PeoplesBank

Heading Into the Future

These insight-driven initiatives are only the first step in PeoplesBank's transformation, and Fiserv will continue to support the bank's goals with market insights and personalized advice.

"Our Fiserv strategist has been absolutely incredible," Clabaugh said. "As we were formulating our strategic growth plan, there were a number of additional data points and visuals needed to substantiate our recommendations to the board. Our strategist was very responsive. He would turn the request around the same day in most cases."

Heisey added, "This wasn't a cookie cutter approach. Our strategist provided examples from similar projects in the past. We had a lot of conversations about how to quantify some things that are more qualitative. We ended up with a customized deliverable, and that really meant a lot. It's very much a partnership."



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