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Bankwell Creates New Digital Sub-Brand for SMBs

New digital sub-brand unlocks nationwide growth opportunities by tailoring technology, processes and experiences to the unique interests of niche markets.



BANKING IN A CROWDED MARKET:

Overcoming The Challenge of Serving Niche Segments

Founded in 2002, Bankwell takes pride in serving the banking needs of businesses and individuals throughout Fairfield and New Haven, Connecticut. Today, the bank manages more than \$3 billion in assets and its team of bankers combines their financial expertise with truly local banking values to serve the surrounding communities, helping customers and local businesses thrive.

“We recognize the need to differentiate across customer segments and understand that the traditional one-size-fits-all approach is no longer relevant.”

—RYAN HILDEBRAND

EVP and Chief Innovation Officer at Bankwell

To continue its mission of serving small businesses and expand its reach nationally while retaining its focus on personalized service, Bankwell understands the importance of agility. The bank also understands that serving a broad audience with common banking products can be difficult in a crowded market. A financial institution’s existing brand presence typically doesn’t target specific demographics or cater to the unique needs of niche segments.

To overcome this challenge, Bankwell recognized the need for a digital sub-brand, helping to unlock new growth opportunities without the constraints of physical boundaries.



DIGITAL SUB-BRANDS:

Attracting Small and Micro-Businesses with Highly Relevant Experiences

By tailoring experiences to the unique interests of its niche market, small and micro-businesses in underserved industries like restaurants, Bankwell can demonstrate industry-specific value that helps attract and retain profitable relationships, far beyond its local community but without sacrificing personalized service.

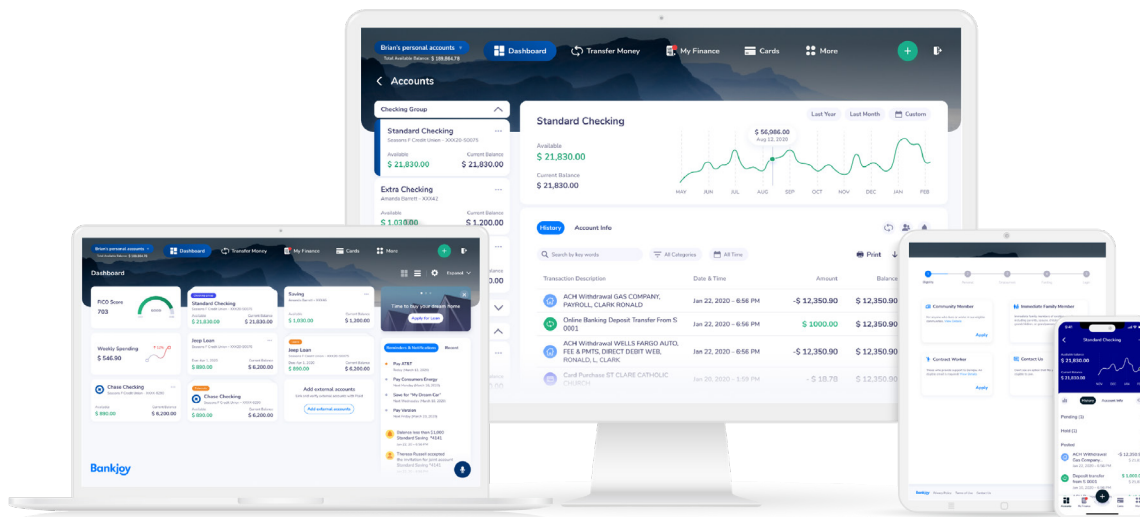
According to Ryan Hildebrand, EVP and Chief Innovation Officer at Bankwell, “Serving small businesses is a key driver for Bankwell. We recognize the need to differentiate across customer segments and understand that the traditional one-size-fits-all approach is no longer relevant. By targeting small and micro-businesses and building a brand that offers the technology and services specific to their needs, we are positioned for growth.”

Hildebrand adds, “This new sub-brand is not merely about introducing new labels; it represents a commitment to meeting the distinct needs of customers beyond the conventional branch network. For instance, our partnership with Toast underscores our dedication to empowering restaurants and similar enterprises to operate more efficiently.”

Investing in People, Processes and Technology

To support its mission of attracting small businesses with highly relevant experiences, Bankwell is investing in other technologies and solutions beyond Toast, including people and processes. “To serve this segment, we need all three – people, processes and technology,” says Hildebrand.

Bankwell also realizes that the right products and services must be matched with the right experience. To support that initiative, Bankwell partnered with leading digital banking provider Bankjoy to provide its customers with a world-class online and mobile banking experience.



Bankjoy’s digital banking platform includes a robust suite of mobile and online banking features, integrated loan applications, online account opening, and other advanced functionalities, such as conversational AI. Bankjoy also integrates directly with Bankwell’s core processing system, Fiserv, which ensures a unified, end-to-end digital banking experience with an intuitive, consistent UX across all channels.

Bankwell’s digital sub-brand features a thoughtfully designed, elevated digital banking experience for its small and micro-business customers. With over half (51%) of small businesses expecting to bank online and through digital apps, according to Bank of America’s 2024 small business owner [report](#), its partnership with Bankjoy is essential.

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A NEW APPROACH:

Parallel Core Values & A Unique Value Proposition

Bankwell is still navigating the best approach to differentiate its sub-brand from the main brand. Whether it's through a distinct sub-brand or a completely new brand identity, the focus remains on offering innovative products and services tailored to the needs of its customers.

While sub-brands represent a departure from Bankwell's traditional approach, aligning with the bank's core values remains paramount. This includes maintaining a clear commitment to customer service, community engagement, and ethical business practices across all brand extensions.



However, it is crucial to remember that broad adoption of niche banking only happens when people understand the tangible value – how they can benefit if they switch to a new bank. To achieve this, Bankwell's new digital brand centers on a clear, relatable value proposition to distinctly articulate core benefits that are meaningful to its target audience of small businesses.

A differentiating value proposition can also be an advantage over competitors that target the same niche. Industry experts indicate that a key reason some neobanks are struggling is that they have failed to articulate the unique, tangible benefits that would compel people to switch banks.

Bankwell's unique value proposition is also paired with a dedicated marketing strategy. Digital marketing plays a crucial role in reaching these demographics, with an emphasis on targeted campaigns and leveraging the expertise of industry specialists.

Supercharging Client Acquisition and Profitably

Bankwell's unique approach enables the bank to differentiate itself in a crowded market and position for long-term growth. Ultimately, layering on a digital sub-brand can make it easier to attract new audiences in ways that were not possible before. Following initial results, Bankwell plans to continue investing in this segment and may consider replicating the same strategy for other niche markets in the future.

Competition remains fierce in the financial services industry, and many community banks are grappling with the challenges to stay both profitable and relevant. By building a digital sub-brand like Bankwell's, there is a tremendous opportunity for growth beyond a bank's backyard, especially in today's digital era. Digital sub-brands may very well be the New Frontier.

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