

WHITEPAPER

Punching Above Your Weight Class: 3 Pillars For Banks To Win with Superior Digital Banking



Executive Summary

Conventional wisdom says megabanks win digital because they outspend everyone. But the reality is that **smaller banks can outmaneuver** when they focus on member-first design, remove friction end-to-end, and deploy financial wellness in the core digital experience. Considering the average account holder is **53 years old**, far older than the U.S. median ([38.9](#)), winning the next generation requires a modern, intuitive, integrated journey that earns primacy from day one ([McKinsey & Company](#)).

After over a decade of working with financial institutions, we've seen firsthand that the institutions winning the digital banking war aren't necessarily the biggest or best-funded, they're the ones that understand their superpower and have found the right partners to amplify it.

This whitepaper outlines three pillars any FI can put in place—**enterprise-grade UX, friction-free integration, and embedded financial wellness**.



The Small FI Advantage (And the Digital Gap)

Small banks know their communities better than anyone. But **account holder expectations are set by the best apps they use daily**, not by other banks. Younger consumers are especially unforgiving: surveys show **Gen Z/Millennials are highly open to switching** for a better digital experience.

Meanwhile, many large institutions are slowed by **legacy complexity and technical debt**, creating room for agile banks to leapfrog with the right partners ([Financial Times](#)).

The Three Pillars



Enterprise-Grade
Experiences at
Community Scale



Integrated
Journeys that
Remove Friction



Financial Wellness
as a Retention
Strategy

Three Pillars to Compete (And Win)

1) Enterprise-Grade Experiences at Community Scale

Account holders compare your app to Chase, Venmo, Cash App—not to the bank down the street. A “good enough” user experience is no longer competitive. Winning experiences share these traits:

- Fast, intuitive UI across mobile and web
- Business banking depth (multi-user, entitlements, streamlined payments)
- Consistent performance—no dead ends, no extra logins

2) Integrated Journeys that Remove Friction

Every extra click, additional login, or dead end is a chance for account holders to wonder if a megabank would be easier. Focus on fewer steps, fewer context switches, and real-time status updates:

- **Account Opening & Funding:** Short forms, instant verification, and clear progress dramatically reduce abandonment. Industry studies link cumbersome account opening to high drop-off, while streamlined flows lift completion and funding ([BAI](#)).
- **Deep Integrations:** Connect digital banking to your core, OAO, lending, payments, and card controls so account holders never have to leave the experience.
- **Operational Fit:** An open platform and pre-built connectors minimize IT lift and speed delivery.

3) Financial Wellness as a Retention Strategy

Opening an account is table stakes; becoming their primary institution requires ongoing value. Embedding personal financial management (PFM)—spend insights, goals, and guidance—inside digital banking creates daily utility that younger account holders especially value.

Outside research shows younger generations are demanding better digital experiences and seeking guidance earlier; FI's that meet this need win trust and primacy. ([Forbes](#))

Why Smaller Can Move Faster

Vendor Selection Checklist

The Partnership Principle

The reality is that you can't win this war alone, but luckily you don't have to.

The institutions that are thriving right now have figured out that their job isn't to **become** technology companies but rather be exceptional financial institutions **powered** by cutting edge technology. That means finding partners who share your values, understand your constraints, and are genuinely invested in your success.

Digital banking isn't a "set it and forget it" proposition. It's an ongoing journey of iteration, improvement, and adaptation to changing account holder needs. You need a partner who's in it for the long haul and who sees your growth as their own.

Agility is your hidden strength. While global banks wrestle with legacy systems and sprawling vendor chains, smaller banks can **pilot, learn, and scale** faster. Surveys and reporting continue to highlight **outage risks and cost drag from legacy tech**—a cautionary tale for over-complex stacks ([Financial Times](#)).

Pick platforms purpose-built for community FIs – modular, open, and proven in your core environment, so you avoid multi-year transformations and realize value in weeks.

Use this short list to keep the RFP focused on outcomes:

1. **UX & Performance:** Sub-2-second screen loads; compliant design; consistent mobile/web.
2. **Integration Depth:** OAO, lending, card controls, and SSO.
3. **Time-to-Value:** Pre-built core connector (if your core is not already integrated, building an integration from scratch could add time to value), implementation measured in weeks; named PM; sample project plan.
4. **Analytics:** Funnel tracking (open, fund, enroll), abandonment insights, and admin self-service.
5. **Wellness & Engagement:** Native PFM (personal finance management), goal coaching, contextual education (not just a blog link).
6. **Security & Governance:** Vendor risk posture, audit trails, and documented AI policy if applicable.
7. **References:** Speak to a peer bank on the same core; ask for go-live lessons learned.

The Path Forward

The banks that will win are the ones that double down on what makes them special including their deep community roots, personal relationships, and genuine care for account holder wellbeing, while eliminating digital friction that can undermine those strengths.

You don't need the biggest budget. It's all about having the right strategy, technology, and partners.

To punch above your weight class and compete with the big banks, you need to be smarter, faster, and more connected to your community than institutions ten times your size.

About Bankjoy

Bankjoy's mission is to help community FIs compete and win. We deliver modern digital banking, integrations with 17+ cores, JoyCompass financial wellness, Online Account Opening, and smooth conversions—with the proof to back it up.

If you'd like to connect with a member of our team to see if Bankjoy is right for you, please don't hesitate to reach out.



[BANKJOY.COM/BOOK-A-DEMO](https://bankjoy.com/book-a-demo) →

Works Cited & Related Reading

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