



It's a Good Time To Have Lots of Goodwill

business customers customer acquisition

Summary: Recent bank failures and subsequent federal rescues can cause customers to wonder about the stability of all financial institutions. CFIs that have sponsored local events and supported local organizations may be able to reap some benefits from the goodwill they've accrued in their community. Read on for ideas.

In the popular sitcom "Schitt's Creek," the Kardashian-like Rose family is forced to start from scratch in a rural motel when their fortune suddenly vanishes. They quickly realize that they'll have to let go of their extravagant ways and build relationships with the down-to-earth locals to keep themselves afloat. By the end of the series, the Roses build genuine connections with each other and the locals, and it's this goodwill that helps them each find fulfillment and success.

Much like in the case of the Roses, a reservoir of goodwill can come in handy — in some cases even being the key to success. Community financial institutions (CFIs) are reeling from the fallout of recent bank failures that exposed some risky practices and prompted runs by depositors as well as federal rescues. At the same time, CFIs and other organizations are feeling pressure from rising interest rates that lure depositors to more lucrative venues, like money market funds.

It is this type of unsettled climate that calls out for calm and a measure of loyalty from customers. While there is no magic bullet that can protect financial institutions from uncertainty, storehouses of goodwill can help reassure customers and remind them why they chose your organization for financial services.

How to Leverage Community Connections

CFIs that have been active community members, sponsoring events and supporting local organizations, may now be able to draw on their connections, playing up their solid community standing and their commitment to providing strong and stable financial services. This is a moment when you can see whether your community marketing efforts have been effective at building long-standing positive relationships with customers.

When it comes to sponsoring local events, size matters, but in reverse. The smaller your institution or community, the larger your impact is likely to be. While sponsorship in a large metropolitan area provides some name recognition, sponsorship is more likely to get noticed in a small community and provide extra goodwill toward the institution. It's just the nature of small communities, and that dynamic should be even more beneficial at this time.

PPP Lending Has Legs

It is not just sponsorships that matter. During the pandemic, CFIs excelled at placing Paycheck Protection Program (PPP) loans with small businesses, helping many to stay afloat. That built [a lot of goodwill among small business customers](#), and those feelings will likely come in handy after the collapse of Silicon Valley Bank, which was a major lender to startups. The big bank's demise might worry small business customers about the stability of their own financial services provider. The PPP experience could provide some reassurance and even serve as proof of your commitment to local customers and communities for marketing campaigns.

Future Opportunities for Community Participation

Going forward, now is a good time not only to maintain community sponsorships, but also to expand them. When it comes to sponsorships, there are lots of opportunities at different price points. Here are a few:

1. **July Fourth.** It's hard to argue against sponsoring annual patriotic festivities on the birthday of the country. And it can't hurt to see the CFI's logo amidst American flags and local families joining celebrations.
2. **Sports Teams.** From schools to little league to stadiums and venues, there are numerous opportunities for you to show your colors alongside those of local teams. Fans love their teams, and those good feelings can rub off on sponsors.
3. **Cosponsors.** Sponsorship doesn't always have to be a solo affair. Sometimes it can pay to join forces with cosponsors, even if they're your competition. For example, the Festival of the Bells in Hillsboro, Ohio, has an entertainment stage with not one but [three CFIs as cosponsors](#).

You can also sponsor and host an event of your own, like these:

1. **Shred Days.** You accept canceled checks and other documents for shredding, helping customers deal with paper overload.
2. **Networking Events.** You can host meetings at which business clients can meet one another and network.
3. **Personal Finance Sessions.** There is ongoing demand for more information about how to manage personal finances. You can hold events where personal finance basics are discussed.

Despite recent shakeups in the financial industry, CFIs that have supported local organizations and sponsored events should be in a position to reap the benefits of community goodwill to overcome financial uncertainty. It's a good time to draw on past community connections and also build new ones.

YOUR TRUSTED PARTNER FROM COAST TO COAST

PCBB provides high-quality, competitively-priced solutions with personalized service. Designed to help community financial institutions thrive, our services include: cash management, international banking, lending, and advisory services. Contact us to learn more.

ECONOMY & RATES

Rates As Of: 05/15/2023 07:07AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.25	0.15	0.83
6M	5.16	0.10	0.40
1Y	4.72	-0.01	0.02
2Y	3.99	-0.02	-0.44
5Y	3.48	-0.01	-0.53
10Y	3.51	0.08	-0.37
30Y	3.84	0.16	-0.13
FF Market	FF Disc	JOBBER	
5.08	5.25	5.15	
SOFR	Prime	JOBBER	
5.05	8.25	5.07	

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.