

Beyond Brand Awareness

How Smaller Banking Options Win Consumer Consideration

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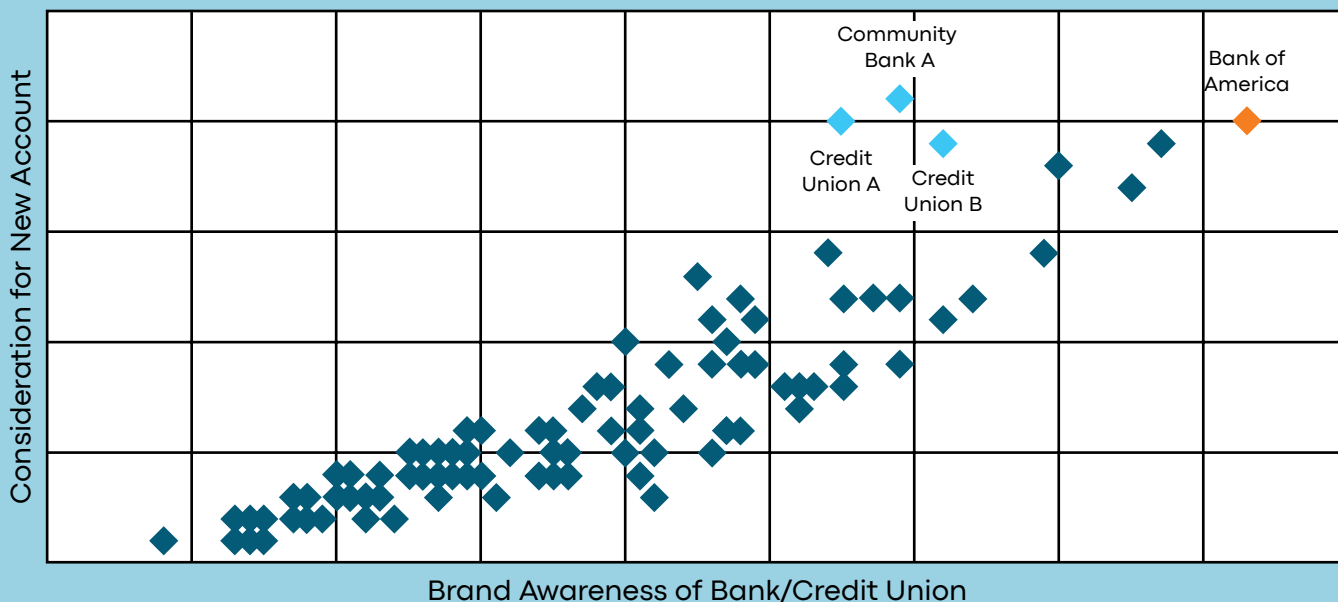
In the fiercely competitive banking sector, brand awareness—being recognized and remembered—is a fundamental starting point. However, true success hinges on converting awareness into *consideration*—the critical moment when a potential customer or member actively weighs choosing a specific financial institution. Rivel's recent research reveals a compelling trend—smaller, regional financial institutions can punch above their weight, outperforming larger institutions in this crucial metric.

A study by Rivel Banking Research highlights this phenomenon, demonstrating that smaller banks and credit unions are attracting the eyes of new consumers at a higher rate, despite significantly smaller marketing budgets. Using all financial institutions in Massachusetts as an example, one of the most highly brand-saturated markets in the United States, we've found that local branding and targeted messaging overcomes limited budgets.

Our research revealed three Massachusetts-based financial institutions that are making strong strides, even with fewer than 25 branches and under \$10 billion in assets. While these banks have earned strong brand awareness within their local markets, their success stems from effectively leveraging their local presence and cultivating the right reputation.

Three Community Institutions Outpacing Their National Peers on Consideration

Rivel, Q1 2025



When compared to one of the biggest banks in the country, Bank of America, these institutions have established themselves as brand leaders in trust and superior customer service—factors that strongly influence consumer consideration.

This finding aligns with broader research on consumer behavior. Studies on local businesses consistently show that consumers often prioritize personal connection, community involvement, and perceived authenticity over sheer size and scale (e.g., studies on the "[local multiplier effect](#)"). Smaller banks, by their nature, are better positioned to foster these qualities. They can offer a more personalized experience, build stronger ties within their communities and cultivate a sense of trust that large, impersonal institutions often struggle to replicate, typically with a smaller physical footprint as well.

This localized, customer-centric strategy echoes findings in relationship marketing. Building strong customer relationships, particularly through personalized service and community engagement, is a powerful driver of customer loyalty and positive word-of-mouth referrals. This type of organic marketing is particularly effective for midsize and community banks, allowing them to compete effectively with larger institutions without needing comparable marketing budgets.

In contrast, giants like Bank of America, despite massive marketing investments and near-universal brand recognition, don't always top consumers' lists when actively considering a new bank in terms of what they stand for. Bank of America typically has a good reputation among non-customers for technology and physical locations, but not the human element. This underscores the limitations of simply being known. Consumers seek more than just familiarity—they seek value, trust and relevance.

This targeted approach is a key advantage for smaller banks. Instead of spreading resources thin across national campaigns, they can concentrate on building relationships within their immediate communities through local events, sponsorships and personalized interactions. This resonates more deeply with potential customers than generic advertising and also helps them define who they are relative to larger peers.

If I've heard bad things about them, I'm unlikely to bank with [a local option] despite the good rates. If I've not heard anything bad about them, I'm willing to look into their products and advertised rates more.

*-Current Big Bank Customer,
Rivel 2024 digital focus group project*

Focusing on another region of the country, we can use a community bank in the Atlanta area as a perception cautionary tale. When compared to this bank's local competitors—as large as Wells Fargo and Chime to as small as 3 branch credit unions—their *Brand Awareness* has moved positively according to Rivel's research. The bank's awareness in Q3 2024 is 35 against a local norm of 32. That's up over three years from 21 (an increase of 67%)!

However, their *Bank Consideration* score has stayed steady at 4, relative to a local average score of 7. Only a small portion of their local potential customers would consider banking with them, partly because they have not distinguished themselves. As seen below, their awareness is growing, but they don't quite yet have an identity or true standout reputation—average perception for Customer Service and Trust, below average for other key indicators such as Community and Technology. The perception of local consumers is that they're interchangeable to a few other banking options.

Reputation for an Atlanta Community Bank

Seen here as ABC Bank
Rivel, Q3 2024

	ABC Bank Score	Market Norm Score	Rivel Health Score
Good Customer Service	56	56	B
Trustworthy	58	58	B
Attractive Deposit Rates	43	48	C
Strong Institutional Reputation	51	57	C
Strong Community Contribution	40	47	C
Good Technology	47	56	C
Convenient Locations	32	47	D

All perception scores graded on a 0-100 scale among non-customers, relative to local peers.

Banks and credit unions must foster their reputation to align with not only who they are today, but who they will be in the future, for their new consumers. As always, ensure your internal and external messaging and marketing around the brand and the specific benefits that your institution offers are clear. Differentiation is essential to growth among potential new business. Also, putting an institution's reputation in context is essential to understanding not only their standing in the local marketplace against competitors, but identifying ways to improve consideration over time.

For more information on Rivel Banking Research's benchmarking, market opportunity highlights, and on-hand brand perception insights for your institution, contact Corey Wrinn, Managing Director, Rivel Banking Research at cwrinn@rivel.com.