Q2 Helps Lake City Bank Boost Digital Engagement by 85 Percent

Key Challenges

When Lake City Bank opened its doors more than 150 years ago, it was a different world. The automobile hadn't yet been invented. This community bank couldn't have perceived back then that the speed of innovation would mean its account holders would be transacting through cell phones and computers.

As modern banking has gone digital, so has Lake City Bank. For more than two decades, Senior Vice President and Chief Operations Officer Lisa Fulton has seen the bank transform to meet the evolving needs of its customers.

Lake City Bank serves a variety of customers, ranging from commercial clients to agricultural clients, small entrepreneurs, consumers and everyone in between. In order to meet customer expectations, they needed a platform that could take account holders through the entire life cycle of their financial journey. "We were hearing from our clients that we weren't meeting their needs, and it's important for us to be able to do that," said Fulton.

"Our impetus for digital transformation was frustration: Frustration with our previous digital provider, a lack of innovation, old architecture, disparate processes, mobile apps that really didn't do much, and just a lack of functionality," she says. "We didn't have a united front. We had a business platform and mobile app. We had a consumer platform and mobile app. Each of those channels looked and acted differently."

To solve the problem, Lake City Bank created a task force including the bank's consumer and business users as well as people who banked at other financial institutions. "Through that, we were able to do a well-rounded market analysis. We understood what was out there and what was appealing to these clients. This journey is what led us to Q2."

About Lake City Bank

Founded:
1872

Headquarters:
Warsaw, Indiana

Current market:
Individuals and businesses through 52 branches in northern and central Indiana

Assets:
$6.3 billion

Q2 Customer Since:
2021

> **Because we engage with Q2 Premier Services and Q2 Innovation Studio, we can not only build a meaningful platform for our clients, we can do it at a pace that keeps us competitive.**
>
> **Lisa Fulton**
> Senior Vice President and Chief Operations Officer

Q2

Results

Within the first year of launching Q2, 85 percent of Lake City Bank's account holders have become active digital banking users. Mobile deposits have increased by more than 24 percent.

In the first month of placing Zelle on the mobile thumb bar, Zelle enrollments increased by 200 percent with a 52 percent increase in Zelle transactions year over year.

Over 1,700 new goals were created through Q2 Goals in the first two months, representing more than a half a million dollars. At least 20 new goals per day continue to be set.

11 percent increase in positive pay

24 percent increase in bill pay transactions

25 percent increase in mobile banking for business users

Solutions

Fulton and her team were immediately drawn to Q2's Innovation Studio – a software development kit (SDK) that enables financial institutions to integrate with cutting-edge fintechs and take the power of digital transformation into their own hands. With the power of the Q2 Innovation Studio in hand, Lake City Bank brought on Q2's Premier Services Team of in-house experts to help create its digital roadmap and swift action to upgrade and unify its digital assets. Fulton says, "I wanted a configurable, customizable platform that could be implemented fairly quickly. With Q2's Premier Services Team, we have dedicated experts who work with us every single day. They know how we're configured, but more importantly, they know what matters most to us. They have given us some pretty good lift."

Actionable Analytics: Q2 SMART™ and Q2 Discover, powered by Pendo Adopt

Lake City Bank harnesses Q2 SMART™ and Q2 Discover to better anticipate the needs of its account holders and issue tailored, in-app messages or guides to segmented audiences. The fully integrated solutions identify user behaviors that point to the potential interest they may have in additional bank products. Lake City Bank can quickly act on the analytics to build and manage targeted campaigns—all within a single, easy-to-use platform.

"Q2 SMART and Q2 Discover are differentiators for our bank. Because they help us identify what's important to our clients and we can see how they're engaging, we can send targeted messages to targeted audiences quickly. When I interact with my consumers, I want to send a message that's meaningful to them," Fulton says. "We also use it for important announcements, like when our ATM fleet was down. We were able to post something right away so people didn't drive to an ATM and end up being frustrated. We got some really great feedback from our clients on that."

Engagement with Target Demographic Groups: Financial Wellness tool Q2 Goals™

Q2's innovative financial wellness tool, Q2 Goals, enables users to segment accounts into individualized buckets or savings goals to set aside and track funds for future purchases. Users can save for items like a new car, plan for recurring tuition payments or establish an emergency fund. Within the first two months, Lake City Bank's users had created 1,700 goal accounts, with at least 20 new goals continually being established each month.

"It's been exciting for us. We noticed that 40 percent of our Q2 Goals users were Millennials, followed very quickly by 38 percent being Gen Z, so that's 78 percent being in the very demographic we're trying to attract. As we've entered more metropolitan markets, that younger demographic is critical for us. In just two months, we have more than half a million dollars in deposits into these goals and we're just ecstatic about the results."

"We really have a passion for financial literacy. We feel, as bankers, it's one of our responsibilities to help make our community stronger. We can do that by teaching people how to use tools and skill sets to become more financially stable and realize their goals and their dreams."

With the many solutions available to Lake City Bank – including treasury management, payments, chat, and others – Fulton and her team are looking forward to rolling in new features that help customers transact quickly and securely.

For more information go to Q2.com or call (833) 444-3469.