



In-Store Variation: West Texas Branch Touts Convenience

From: American Banker

Friday, June 29, 2007

By [Marissa Fajt](#)

A new branch of West Texas National Bank in Midland is aiming to make banking for the unbanked more convenient — literally.

This week the \$404 million-asset bank opened a full-service branch in its hometown that shares space with a convenience store operated by Town and Country Food Stores. The branch has tellers, drive-through lanes, and automated teller machines, but it also offers check-cashing, bill payment, and other services that bank officials hope will appeal to the unbanked and help convert them into account holders.

Lori Wesley, vice president of treasury management services at the First West Texas Bancshares Inc., said that bank officials wanted to build a branch near a new Wal-Mart and Interstate 20 that would be inviting to the growing, largely unbanked Hispanic population.

"One of the things we had heard from going to forums on the unbanked is they have a big intimidation factor," Ms. Wesley said. "We wanted to make a branch that anybody would go into. Everybody goes to Town and Country."

Of course, many banks and credit unions are trying to reach out to unbanked Hispanics these days. They are employing bilingual tellers, distributing marketing materials in Spanish, and offering remittance services to get potential customers in their doors.

But industry watchers said West Texas' approach appears to be novel. Only a handful of banks have branches in convenience store/gas stations, and those that do generally are not targeting the unbanked.

Tom Tucker, the executive vice president of sales, marketing, and client services at IBT Enterprises LLC, a branch consulting firm in Atlanta, said that introducing Hispanics to banking through a convenient store branch is a step in the right direction. But he said that if West Texas hopes to convert unbanked consumers into bank customers, it needs to offer a range of services to get them in the door.

"There is no negative to making yourself more available and convenient to people," Mr. Tucker said. "The thing I would recommend from a banking standpoint is the more nontraditional products they can offer — like remittances, money orders, check cashing, phone cards, and the ability to assist with a tax ID number — the more they can fulfill" the needs of the unbanked.

West Texas' offerings for the unbanked include a bill-payment kiosk inside the convenience store that accepts cash 24 hours a day. The kiosk lets customers pay bills in cash and even add minutes to pay-as-you-go cell phone accounts, in some cases.

The bank, which is planning to open a second convenience store branch this summer, also cashes checks using fingerprint technology to identify people. Users register for the program the first time they cash a check, so subsequent visits are quicker and require less paperwork, the bank said.

West Texas also is planning to add remittance and other services, Ms. Wesley said. And to help encourage the unbanked to become account holders, the bank has developed a "Gratis Account" that can be opened with a \$20 minimum and comes with a free first box of checks and a debit card. After the account has been open for 30 days, a \$500 overdraft protection plan kicks in automatically. (The bank charges \$25 an item for overdrafts.)

Mr. Tucker, who specializes in developing in-store branches and helps financial institutions develop strategies to market to Hispanics, said one important factor in the process is about earning Hispanics' trust.

Many simply do not trust banks, because those in their home countries are poorly regulated, he said. "A totally free account is great, but you still have an educational process to get them to realize it is totally free."

West Texas officials also are counting on the branch to make banking more convenient for the bank's current customers. In an area of the country where the distance between cities makes an automobile is a necessity, not a luxury, West Texas has added some drive-up novelty: It has installed a pneumatic teller tube at the gas pump island.

"That's a new one on me," said Dave Martin, an executive vice president at NCBS, a retail banking consulting subsidiary of SunTrust Banks Inc.

Mr. Martin said that, if nothing else, he expects the tube to generate "a certain amount of word-of-mouth" around Midland. "I guarantee people in that area will talk about the bank with the drive-up at the gas pumps."

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