
A FEW TIPS FOR ACQUIRING CUSTOMERS

by [Steve Brown](#)

As everyone reading this publication knows, we are not only voracious readers and researchers, but we also spend a tremendous amount of time talking to bankers and regulators. Since banks are always on the lookout for new customers and given today is Friday (we always try to keep material relatively light at the end of the week), we have compiled for all of you a list of some things customers would like their banks to do. This information was based on various research, discussions, studies and surveys and we hope it assists you as you seek to expand your customer base.

- 1) Small business owners like it when banks make it easy to set up an account and begin doing business. Nothing irks them more than to get the runaround when they are trying to get in and out and back to their businesses. Banks that have set aside special areas for corporate and commercial customers to help expedite the process report increased customer satisfaction.
- 2) People enjoy high quality customer service. A bank can be an intimidating place to some, so employees that smile, say hello, offer to help and listen to the customer are key to success. In fact, studies find that while business owners report high levels of satisfaction with their current financial institution, poor service is the primary driver of account closures. When closing accounts, studies find 72% of people cite poor service as the reason.
- 3) People like to talk to people. Research finds that 80% of people say they want to talk to a real person when dealing with their financial matters. While they don't mind doing simple financial tasks online such as bill paying, when questions arise, they want to speak to someone.
- 4) Employees with customer contact need to follow up. Business owners say they want solutions to their problems, specific dates provided by the bank for delivery and to deliver on their promises. Business owners expect their primary financial institution to follow up on issues quickly and efficiently and will often draw these expectations from perceptions as to how clients are served by their own companies.
- 5) Provide value added services. Business is constantly evolving, so companies expect their financial partners to change to meet the environment head on. Internal focus groups, customer input, surveys and monitoring the competitive environment can all provide good input for new products and services. To be effective, innovation is a process that must be continuously managed across all of the bank's products, services and business functions. Creating new value for the bank is what innovation is all about. Over the years, it has driven such new financial creations as online banking, ATMs, credit cards and now free online business payroll.
- 6) Many banks still have yet to learn that a price advantage only delivers customer loyalty as long as it takes for the competition to respond. High CD rates are the simplest and most easily copied form of value. Alternatively, banks that can tap into the emotions of a customer elicit a more lasting bond with that customer. The competitive environment is extreme, so banks that can create an environment where customers feel important and business is easy to conduct stand the best chance of cementing relationships and forming new ones.

BANK NEWS

Education

Strength in the economy has revived interest in MBA programs across the country, with schools reporting a surge in interest from students and employers. The National Association of Colleges and Employers say that MBAs are among the job market's hottest prospects, with starting annual salaries as high as \$120k.

Trading

Bankers feeling they are savvy investors should note that the average Wall Street firm now has 2x as many analysts crunching numbers for traders than they did just a few years ago. Transaction complexity has risen so much that traders will often monitor as many as 10 computer screens at once.

No More Pensions

A study by Watson Wyatt finds the number of Fortune 1,000 companies that have frozen or discontinued pension plans increased nearly 60% through April, rising to 10% of all such companies.

Adjusting Higher

The latest data indicates \$300B of hybrid single family residential ARMs will see their rates adjust higher this year, while more than \$1T will do so in 2007.

New ID Theft

A new method for committing ID theft has been on the rise. Thieves are cheaply obtaining VoIP numbers as false credit card numbers or financial services companies' telephone numbers.

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