

DUMPING TIDBITS – MARKETING & CUSTOMERS

by [Steve Brown](#)

Bankers are always looking for new and creative marketing ideas to capture customers. Continuing our theme from yesterday, we have decided to dump one more bed of random bits of interesting information on you – this time focused on marketing. O Studies show the best time to send an email to a business customer is between 10am and 2pm. The best days are Tuesday, Wednesday and Thursday. O Experts say the worst day to get someone to open your email is Monday (only about 5% are opened). The best day was Tuesday, when about 27% are opened. O Customers that use personal email addresses to communicate with your bank can best be reached after 6pm or on Saturday. O Analysis finds people have a nearly 80% more favorable response to a given email when it is addressed directly to the sender and includes the proper spelling of their name. One of the first things we learn as children is how to spell our name, so this probably shouldn't be that earth shattering if one thinks about it. O About 43% of email recipients will only open email only if the subject line interests them. O Surveys find about 89% of direct mail advertising is based on lead generation (asking recipients to respond to the bank's offer in some way). O Marketing executives in a recent study estimated direct mail pieces contributed 5% to the total revenue of their company. O Research finds 86% of companies use brochures to generate sales leads, 80% send letters, 77% use flyers, 69% use newsletters, 55% send postcards and 25% incorporate inserts. O Banks launching a new product may find it interesting to know that there are 5 basic stages of buyer behavior. They are need awareness, search for information, evaluation of options, making the purchase decision and purchaser regret after the sale. On the purchaser regret, banks should note that customers opening accounts with a bank will seek reinforcement from friends, family and other sources after the fact. Making sure to have a follow up process to thank customers for the business, inquire of issues or concerns and ask for a referral can significantly increase opportunities. O Banks should try to memorialize an approach of extending customer life within their organization. The simple fact is that customers who stay with the bank for a longer period of time return more value – even if the revenue they generate each year for the organization remains unchanged. This is the beauty of amortizing customer acquisition costs over a longer period of time. O Research finds the fully allocated cost (both direct and indirect) to originate a CRE loan for the average bank is between \$14k and \$22k (depending on loan size, term, etc.). O The average cost to set up a gift card program is only \$3,500, making the breakeven about 1,500 gift cards to cover launch and promotion of such programs. O More than 23% of corporate email is unrelated to work. O Bankers looking to boost productivity should note that 71% of managers say email is their primary communication tool. Other studies show nearly 50% of email messages are misunderstood by the recipient. O A new study finds only about 25% of bank clients can be classified as advocates of their current financial institution (i.e. would recommend and stay with them). O Researchers find people are 50% more likely to be influenced by blogs and emails today than by radio or television. We have finished dumping out our information and hope you find at least a few tidbits interesting.

BANK NEWS

M&A

Bradford Bank (\$458mm, MD) will acquire Golden Prague Federal S&L (\$29mm, MD) for \$9.6mm in cash, or about 3.5x book.

M&A

National City Corp (\$136B, OH) will acquire regional employee benefits company HE Hoffman of St. Louis for an undisclosed sum.

Sizable Loss

FHLMC reported a \$550mm loss in the 3Q and said they expect something similar in the 4Q, after the company booked \$1.5B in pretax losses related to credit guarantee assets and obligations.

Replacing Cash

A new study finds debit card usage soared roughly 25% in the past 12 months as ATM usage fell 4%.

Competition

Bank of America has begun testing a no-fee mortgage in the WA market, in an effort to acquire more customers. The product waives appraisal, credit report and other fees and also allows borrowers to switch to a lower rate once per year without paying any additional fees.

Housing

A study by Wells Fargo finds that while 80% of those with adjustable rate mortgages are worried about rising interest rates, more than 50% expect to be able to refinance their loan.

Merger Activity

A survey by HR firm Robert Half finds 27% of CFOs expect M&A activity to accelerate in 2007, while 65% expect no change.

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