

MORE CUSTOMERS Â– EASIER PROCESS

by [Steve Brown](#)

A study finds 16% of people buy things just to impress others, while 29% worry about what others think of the choices they make. That is why marketing is important, as it influences a great number of people. Given how important marketing is and how much deeper national bank competitor pockets are, independent banks have to spend their dollars very carefully. In an endeavor to capture new clients and retain existing ones, independent banks have tried personalized customer messages, segmented targeting, television, radio, posters and toasters. One area that can provide substantial returns on marketing dollars invested is the bank newsletter. Consider a recent Bank Marketing Association survey finds 75% of newsletter recipients remember seeing an issue of a particular bank's newsletter; 53% read every issue or almost every issue; 32% have kept newsletter articles and 16% have passed entire newsletter issues along to other people. Perhaps even more important for banks trying to attract new customers, note that the survey also found about 1 in 4 people said newsletter articles led them to request more information, respond to an offer or do more business with the sponsoring bank. Newsletters remain an important customer communication and prospecting tool, but how can a bank make them more effective? To begin, more than two-thirds of independent banks now outsource at least some of their marketing activities, as tighter margins and increased efficiency have become critical. This is one reason why we weren't surprised to see so many independent banks responded to the article we ran on Tuesday about our suite of customer acquisition and retention products. Whether it is the 8-page Net Worth Journal ("NWJ") quarterly newsletter, the 4-page monthly or quarterly newsletter, or the monthly Net Worth Chronicle ("NWC") electronic magazine (Ezine), these products have been designed with one purpose in mind Â– to help the bank that subscribes capture more customers and retain existing ones. A highly competitive marketplace requires independent banks consistently produce a customer communication products at an effective price. Newsletters should not only increase brand awareness, but expand loan and deposit business. One of the biggest issues the NWJ and NWC products solve is to provide professionally written articles on a continuous basis, that banks can leverage in publication form, email communications and even to enhance web site content. As any bank that regularly delivers an existing publication knows, the intricacies of publication writing, design and delivery are not only costly, but can take an inordinate amount of management and staff time. Our customer publication product line provides independent banks with the economies of scale of larger competitors, for up to 80% less than internally-produced newsletters. The publications give banks plenty of customizable features, without the hassle of managing the editorial, design, advertising, printing, mail fulfillment and postage process. Outsourcing is a great way to leverage precious resources and improve performance. Give us a call to see samples of recent issues and see how easy outsourcing this important communication tool can be.

BANK NEWS

Housing Sector

Foreclosures increased in the 1Q by 27% from the previous quarter and 35% on a year over year basis. This comes as adjustable rate mortgages are beginning to reset to higher levels, causing many borrowers to fall behind on their payments.

Mobile Banking

A new study by Jupiter Research shows that despite pushes from BofA, Citi, Wachovia and Wells, only 8% of online banking customers desire a cell phone banking application. The study also concluded that the 20-something generation are much more likely to be early adopters and that banks have to do a better job at distinguishing the unique characteristics of mobile banking instead of playing up the fact that it is just another way to check balances.

ID Theft

ABN Amro is reporting that thieves were able to get in the middle of some customer's online banking transactions and steal money. The bank's 2 factor authentication system with tokens and passwords were compromised after customers were sent an email which when opened installed code on the user's machine. Then, when those customers subsequently tried to log into the bank's web site, they were redirected to one controlled by thieves. After collecting account details and passwords, the thieves then withdrew money through the bank's real web site.

Value Destruction Checking

Charles Schwab released their new checking account this week that pays an astounding 4.25% with no tiering, no ATM fees and no minimum balance (if you have an investment account). Their marketing angle is the account pays 8x higher than the national bank average.

Online Gaming

House Financial Chair Barney Frank (D, Mass) introduced a bill to end the U.S. ban on online gambling. While the bill is a long shot, it does have some momentum and makes us hopeful. Morality aside, there is a need for a specialty bank account targeted at online players that would allow banks to grow cheaper deposits.

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