

HODGEPODGE

by [Steve Brown](#)

Bankers enjoy reading this publication because we dig everywhere to collect banking industry information. Whether talking to bankers, dumpster diving, or flat out researching significant issues, over time we collect so much information our desks and shelves literally overflow onto the floor with paper, notes and scribbled anecdotes. Trapped in the office and surrounded by stacks of paper, we often find ourselves fretting over a potential collapse and the damage that would ensue. As such, we periodically will do a bit of spring cleaning to help keep the mess down to a manageable level while ensuring no one gets hurt. This is such a morning, as we offer up a hodgepodge of information readers should find useful and fun as it circulates around the bank. 1) Studies show that customer attitudes shift as people notice consistent quality differences. Bankers seeking to attract and retain customers should closely monitor front-line staff interaction to ensure quality service is consistently delivered. 2) Over one-third of front-line staff feel sales goals are unfair. Since they are the face to the customer, it is important management recognize this and take action to correct as needed. 3) Only 50% of customers categorized as both affluent and technologically savvy say they are extremely satisfied with their current bank. This provides an opportunity for banks interested in attracting this customer niche. Offering a robust and fully-developed set of services with a heavy technological component and on-demand one on one service is a good start. 4) The most profitable small business customers spend 25% less time per week on operations than peers and more time on client service and business development. Bankers can offer programs to help their customers begin to track time spent on various functions and refocus energies to boost profitability. 5) In the next 10Ys, women baby boomers will control \$15T in wealth. In addition, women entrepreneurs are starting businesses at 2x the rate of men. Finally, the referral rate for women customers is 5x higher than men, so bankers can quickly expand their customer base through word of mouth. These facts clearly show bankers should have already launched specific programs designed for women entrepreneurs. 6) As a marketing tactic, national banks are suggesting to small business owners that they solicit proposals from other banks every couple of years to make sure they are getting the best deal for their company. Community bankers can combat this move by proactively working with their best customers to ensure loan and deposit programs continually morph to fit their needs. 7) The top thing customers recall about banks that receive the highest satisfaction scores is how helpful employees have been. Research shows the best way banks can ensure they are making a strong customer connection is for front line employees to always make direct eye contact, smile and inquire how they may assist the customer. 8) About 60% of small businesses with 20 employees or more say they have received in person pitches from a bank within the prior 90-days. When was the last time you visited your best customers in their office? 9) Almost 60% of small business owners say they have found a way to get rate quotes from banks outside their geographic area. Community banks should make sure they are continually contacting clients, educating them about how easy it is to get updated information and actively soliciting business. While the pile of paper still stretches as far as the eye can see, we have made a small dent and hopefully also passed along some interesting information along the way.

BANK NEWS

ATM Fee Hike

Bank of America said that as of August 31st, the surcharge for non customers to use its ATM machines will jump 50% and rise from \$2 to \$3.

Citigroup Tries Mobile Pay

Citigroup has begun testing the Obopay mobile payment service in MA and IL. The system allows customers to send money by typing on their cell phone.

Mobile Banking

Celent LLC estimates 30% of online banking households would be using mobile banking by 2010. • Fed Watch: Research director Charles Evans will succeed Michael Moskow as President of the Federal Reserve Bank of Chicago. Moskow, a voting member of the FOMC, is retiring after 13 years on the job.

Mortgage Woes

American Home Mortgage, with over \$4B in borrowings outstanding under warehouse lines and total liabilities of \$19B said its lending banks have made more margin calls after the mortgage lender took significant write downs in its loan portfolio.

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