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## COMMUNICATION AND SALES

by [Steve Brown](#)

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As community bankers return to work following the last holiday of the summer, they will find an average of 25 email messages awaiting a response and sitting in their inbox for every day they were out of the office. While that may sound like a big number to some, you would need a farm of satellite dishes from NASA to track the 60B flowing around the world each day. Bankers and their customers have come to rely on this key communication channel to conduct their business and it shows not signs of slowing down. Yet, despite such a heavy reliance on this communication channel, as we have discussed in this publication before, research still shows people aren't very good at understanding the tone of email messages they receive. People believe email they send is easily understood and rarely misinterpreted. This occurs because when people write an email, they hear it in their head and therefore think the tone they intended is obvious to the reader. When people read email, however, they do so based on their current mood and expectations. The result is that while people think their email is understood 90% of the time, in reality, the number is closer to 50%. That is a huge discrepancy, which is why we think it is high time for community bankers to zero in on this fact and ramp up email (and general writing skills) training for employees. In short, bankers need to be sure they don't assume customers will understand what they are being told in an email or understand the tone. Sarcasm and humor rarely translate in an email, so bankers should take additional time to train staff how to use this critical client communication channel and focus on stating the facts. Community bankers should also consider revamping their hiring processes – particularly related to employees who will be conducting written customer communication. Studies show that while nearly all employers say written communication is a critical skill for new employees, a massive 81% said they did not feel recently hired high school graduates could effectively write simple email or memos. In addition, even 25% of college students were also found to be deficient. Community bankers need to know this if they are going to have people communicating with clients via email or through some written format. We hear time and time again how hard it is for any bank to acquire and keep new customers. Yet, studies show close to 40% of community banks have yet to make any significant changes to their hiring practices to enhance success and only about 17% include pre-hire testing designed to identify employees with adequate writing and sales skills. Writing and sending email is but one small way community bankers make contact with their customers. It doesn't take a big dish pointed at the sky to increase communication within a community bank. However, given the extreme nature of competition and the fact that nearly 75% of customers will open an email sent from their bank, isn't it about time to make sure the communication they receive isn't garbled? Bankers should consider enhancing their hiring and training process related to written communication to not only avoid troublesome miscommunication, but also to increase customer sales.

### BANK NEWS

#### **Problems**

The OCC announced Friday that it will investigate Pennsylvania Commerce (\$1.9B, PA) for real estate dealings with related parties (officers and directors). The Bank is 11% owned by Commerce Bank (\$48B, NJ) which had regulatory problems with related real estate transactions earlier this year.

#### **Problem Loans**

Nearly 25% of banks in South FL now have non-accruing loans as a percent of total loans in excess of 1%. The state's non-performing loan levels are now similar to the mid-1990's.

### **OD Fees**

A new ABA survey shows 80% of consumers have not paid OD fees in the past year. Meanwhile, of those that have paid an OD fee, 33% have done so 4 or more times, 18% have done so 3x, 16% have paid twice and 30% have paid 1x.

### **Customizable Kiosks**

U.S. Bancorp announced plans to develop self-serve financial kiosks that are similar to traditional ATMs but also allow users to pay bills, cash checks, transfer funds, purchase money orders, or buy tickets for local events.

### **Business Survey**

A new survey from the National Association of Business Economics finds 32% of members say loan defaults and excessive debt are their biggest concern right now. Credit was followed by terrorism (20%) and 29% said there was a serious national real estate bubble.

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