

WHAT GOOGLE CAN TEACH US

by [Steve Brown](#)

In case you missed it, last week marked the very first time that Google passed Yahoo as the most popular Web site in the country. While Google had been the biggest in search for some time, until last Wednesday, Yahoo held the mantle in popularity (it had other services like email and photo sharing that Google didn't use to have). Banks interested in capturing customers could learn a thing or two from Google.

To begin, Google keeps things simple. The main search page is nearly all white, with an empty bar in the middle. In the bar, people type in whatever they want to find and hit search. Google then goes off and in the blink of an eye returns millions of responses. Scientific researchers have found that people faced with an unfamiliar task can only handle 4 variables. Anything beyond that becomes next to impossible. Banks interested in selling products and services to customers should keep that in mind when stocking the branches with flyers.

Another cool thing about Google is its ability to search both words and images. Offering a simple link on the main page, Google allows users to change their search from "Web" information to "Images." This feature is slick and easy to use and people love it. In a similar vein, Google reviews your search string and suggest ideas with its "Did you mean" feature. For banks, people that visit branches are looking to do something related to money. They are either coming in to deposit some money, or to ask their friendly community banker for a loan. Either way, these people are ripe for a cross-sell. Understanding, as Google does, that people use both sides of the brain to internalize complex or new mental activities, bankers would be well served to describe products or services in both pictures and text.

Google uses bright colors in its lettering to get attention, but they also sit against a pure white background. The colors are eye-catching, the brand is reinforced, but it isn't overly forceful. Banks should note that much scientific research has been done to help out on this front at both the branch and web page levels. Paint can also be tricky. For instance, rooms painted white appear larger when compared to an identically sized room painted in color; people feel happier when they are surrounded by color; outside shades should be brought inside; deeper shades of color imply serenity; text is easiest to read when the font text color and the background color are in high contrast. Low contrast irritates the reader and causes eye fatigue.

Google is also great at finding information that closely matches the search query. Bankers should know that studies find people don't really mind being sold to, provided a few rules are followed. First, the sale should be based on preferences of the customer, relevant to them, targeted, appropriate and cognizant of previous information provided. Surveys find customers are more emotionally engaged with their bank if they feel respected and if bank employees have tried to help them solve a problem specific to their business. Of this group, nearly 64% say they would refer such a bank to their friends and family. Bankers that take the time to get to know their business customers in this way will see their searches returned in a prompt fashion indeed.

There are many differences between Google and a community bank, but there are also many similarities. Understanding which ones may provide a competitive edge in the banking industry is also

quite "helpful" - a search that took 0.3 seconds and returned 306,000,000 results.

BANK NEWS

M&A

CSB Bancorp (\$340mm, OH) will purchase Indian Village Community Bank (\$96mm, OH) for \$7.9mm or, approximately book value.

Wholesale Funding

In a speech on Friday, FDIC Chair Shelia Bair said her agency is clamping down on banks that rely too heavily on wholesale funds.

Branch Sale

As part of the first of many branch sales, Citigroup will sell 8 branches in rural Texas to Happy State Bank (\$617mm, TX) for an undisclosed sum.

Bank Outsourcing

A new study finds the top things outsourced by community banks are internal audit (54%), loan review (50%), compliance audit (46%), item processing (45%) and other technology processing (34%). Over all, about 40% of community banks now outsource at least one function and 26% outsource 2 or more.

Sale Leasebacks

More and more banks that already have a fair amount of debt are considering selling and leasing back their branches in order to raise inexpensive capital. While we don't have verifiable numbers, our inquiry calls have doubled in the last month.

ACH

According to Nacha, JP Morgan Chase was the largest originator of ACH transactions for 2007 (by a factor of more than 2x), followed by Bank of America. BofA was the largest receiver of ACH transactions, followed by Wells Fargo.

Teenagers

Did you know that 84% of teenagers open their first account at their parent's branch?

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