

## BLINKING IMPRESSION

by [Steve Brown](#)

Did you know that in an average year, a person will blink 10,000 times? Blinking provides moisture, which assists in the body's function of keeping our eyes clean. Blinking is as critical to proper eye function, as profitability is to proper community bank function. There are many things a community bank can focus efforts on in order to boost profitability, so don't blink or you might miss them.

First and foremost, community bank executives try to focus on increasing cross-selling efforts to existing customers. Here, bankers should not forget that the overarching goal of cross-selling is to increase profit. Sometimes we don't focus on that, which can result in capturing customers with a loss leader product, but not following up with a more profitable one to increase customer value overall. Banks must continually cross-sell clients into profitable products, so set up a program to continually track progress and know which products are your most profitable ones.

Next, banks expend an inordinate amount of resources and energy trying to get customers to come into the branch, but then fail to actively market to them once they arrive at the doorstep. Take a walk around the branch this morning and see whether your bank could do a better job by critically answering the following questions:

Is the customer bombarded with too many or too few messages? Too many messages leads to customer overload, while too few means opportunities are lost. Depending on branch size and layout, somewhere between 3 and 10 is probably close to the right amount.

Are the messages clear, or are informational/legal signs posted in the branch eerily similar to promotional ones? While banks are required to have a certain amount of regulatory information posted in the branch, make sure it can be easily differentiated with promotions. Not doing so can lead to customer confusion and a confused customer will simply stop reading.

Are the messages designed to attract customer attention? Take a look at promotional signage from all around the branch and see if you can make out what it is trying to tell you. Does it have eye-catching graphics, can the information be seen from far away and is it located in the right place? People are attracted to color, so draw them in with brightly colored and easy to read messages.

Has the staff been adequately trained and are they available to answer questions? Has the promotion been integrated into their daily lives so they don't forget? Has management taken the time to role-play (one of the best ways to learn), so staff feels confident in addressing customer inquiries & asking for the business? Management that fails to get branch staff buy-in on any new promotion and provide training is tipping the scales toward failure.

Do promotional messages tell customers what they need to do to next? Information that makes the customer aware of a new product, but fails to tell them what to do next to actually buy the product can result in a lost sale.

Finally, we still hear many banks say they are actively opening new branches, or considering doing so, in an effort to capture customers. Consider that the latest data finds 60% of banks who have launched remote deposit capture say it has led to a corresponding decrease in branch traffic. Before

building, buying or expanding, know that banks say RDC has reduced traffic at the average branch by 5% to 20%.

Researchers have found the brain will make up its mind in about the time it takes to blink (about a 20th of a second), so banks with a plan, clear messaging and adequate staff training stand the best chance of leaving a favorable impression.

## **BANK NEWS**

### **Bankruptcies**

New data shows bankruptcy filings surged 30% YOY as of the end of March.

### **Biggest Bank**

A couple of weeks after we announced BofA surpassed Citi as the largest bank, in terms of market capitalization, the recent drop in BofA stock now places JP Morgan Chase as the largest bank (with \$145B in market capitalization). Meanwhile, Citi still has the most assets and BofA has the most deposits.

### **Just Like Pizza**

A San Diego developer is offering a "buy one, get one free" promotion to move unsold homes. The really funny part is that after a week of running, the ad is working according to the developer. Buyers that purchase a premium home (price point of \$1.5mm) also get a starter home in a nearby development (price point - \$400k) for free.

### **Selective Marketing**

HSBC's "green" marketing campaign brought in more deposits than any previous one, according to the bank. The environmentally-themed promotion produced strong results for online bill pay and paperless checking accounts. However, the green theme was not enough to persuade customers on all products. Environmentally-themed mortgage incentives, credit cards and other more complicated financial products were not as successful.

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