

TWO TIP FRIDAY

by [Steve Brown](#)

As we close out the week, we offer two tips in order to prepare your bank for the future. Tip #1: In the myriad of information a bank collects when opening an account, one often overlooked piece of information is a cell phone number. In fact, on many bank's core systems, there is not even a place to house a cell phone number.

Having a customer's cell phone number is important and will be even more important in the future.

The immediate case for the cell phone number is that it acts as an emergency contact point in times of disaster. In a large scale emergency, cell phones usually come up faster since other towers can be used to compensate for downed cell points. In a really big disaster, FEMA brings in portable cell phone towers within 48 hours in order to restore cell communication. In Chile, Haiti and Katrina, cell phone service was up before traditional phone coverage was restored. In addition, since text messaging is "packet based," it is more reliable, takes less cell phone energy and is able to hit multiple parties at once. This makes text messaging the number one communication channel in times of limited coverage or when a system is overloaded. Banks looking to get the word out to a large group of customers for BCP should be thinking and testing a text based response.

In addition to contingency planning, capturing a cell phone number lays the ground work for mobile banking. If you don't already have the initiative underway, you will, as the mobile phone is becoming the new branch. In fact, more and more households are discontinuing land-based phone lines in order to save money. Being able to discern the primary phone number to an account will help you better understand and communicate with your customer base.

Speaking of mobile banking, our #2 tip of the day concerns running a traffic report on your website to better understand who is stopping buy and checking you out. Almost 70% of bank customers report doing some due diligence on a bank via the internet prior to opening an account. While your IT department probably tracks this information, executive management should as well. You probably won't know exactly who is coming in because many access the internet through a host, users of web traffic reports can tell roughly the percentage of businesses looking at their site by separating mostly consumer webhosts (like Comcast) from mostly business webhosts. In addition, most web traffic reports allow location to be discerned. This gives bankers some idea of what geographic area their customers and potential customers are coming from. In addition, it is important to note increased traffic whenever a marketing event occurs, as it gives a preliminary idea of the effectiveness of that campaign.

Finally, one the best new reasons to track website traffic are to find out what browser web surfers are using. While this is important for development of normal web applications, it becomes extremely important for mobile banking. For example, banks are seeing a growing amount of traffic through the Safari browser - this is due to the popularity of the iPhone and iPad. Limiting the use of the popular Flash development language may be a good idea, as neither the iPhone nor iPad can render Flash. To the same extent, understanding what percentage of your

traffic comes from other mobile browsers (Palm, Android, Blackberry) can help you choose a mobile banking vendor (since most vendors do not handle all the before mentioned platforms).

BIG METRICS RETRACTION

In yesterday's email text attached to this publication, we indicated that our BIG Metrics application had an unofficial map of "all banks operating under a regulatory order." To clarify, the map only shows those banks operating under a "public enforcement action," as other potential regulatory actions are non-public and therefore not available.

BANK NEWS

M&A

Continental Bank Holdings Inc. (\$493mm, PA) has entered a deal to purchase First Resource Bank (\$132mm, PA) for \$8mm. Continental will operate a total of 11 branches and service \$556mm in deposits. In March, Continental also acquired First national Bank of Chester County.

Foreclosures

RealtyTrac reports that foreclosure filings dropped 9% MoM in April, with default notices dropping 12% MoM. REOs, however, rose 1% MoM to a record high.

Debt Laden

According to Experian, Seattle carries the highest average consumer debt level in the US, at \$26,646. Dallas falls close at \$26,599, followed by Denver at \$26,428. Los Angeles carries the lowest average debt level, at \$24,009. The study did not include mortgages.

Housing Updates

Zillow indicates 23% of homeowners owe more than their homes are worth in 1Q, as repossessions rose 35% from a year earlier and hit a new record.

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