

A CANNON SHOT OF BANKING FACTOIDS

by [Steve Brown](#)

Doing some web surfing recently, we collected various factoids related to banking. While definitions of what is and is not a factoid may vary, we term it here to mean something interesting, which is believed to be factual. As we do research all over the place on potential items of interest to community bankers, we inevitably end up with various odds and ends that don't quite fit into a complete article. As those items pile up, we occasionally will let loose a cannon shot to clear out the research pipes so we can once again reload. Today is such a day, so prepare to be fired upon as you sip your coffee.

Speedy web sites: To capture and retain customers, community banks need to have decent web sites. Studies find people in general want web sites they visit to be easy to use and helpful. Of greatest importance according to the surveys, people are looking for fast load times, as cited by roughly 55% of people. That is interesting, particularly when you consider studies show slow load times are the #1 problem as experienced by 75% of web users. The impact of a slow web site can be substantial, especially when you consider studies find the following: 64% of those who are dissatisfied with their site visit will go somewhere else to seek out products and services next time; 52% of those who buy products and services online say quick page loads are important for their loyalty to a site; 47% of web users expect a web page to load in 2 seconds or less; and 40% will simply abandon a web page if it takes more than 3 seconds to load. Clearly community banks should pay close attention to how fast their web site loads to be sure this is addressed.

Mobile banking: While mobile banking is still in early stages, there are some simple things community bankers can be doing to ensure the user experience is a good one. For instance, studies find roughly 50% of all web sites have content that is either too large or too small to fit a mobile phone screen. That leads to mobile customer dissatisfaction, as evidenced by surveys that find 85% of mobile web users say they are willing to retry a web site only 2x or less if it does not work initially; 50% will not go back to a web site they had trouble accessing and 40% said they would try a competing bank's web site if they experienced problems accessing and reading information. Community bankers should take note of this evolving delivery channel, as studies find: more baby boomers have mobile phones than have internet access; text messaging usage is growing faster with older consumers than younger ones; people say they find browsing the mobile internet (through smart phones) as satisfying as using the regular web; mobile website user-friendliness is important to capture return visits to the same web site; and the top 3 most critical factors mobile web users are seeking is fast page loading, desirable content and easy navigation.

Mental accounting: Community banks wondering why certain account offerings catch fire, while others languish might be interested to know it may have something to do with human psychology. There is a bias inherent in humans often called mental accounting that refers to the tendency for people to want to separate their money into different accounts based on subjective criteria. For example, people will separate money based on the source of the money or the intended usage of the bank account, despite the fact that this is illogical. Quite often, people will have large credit card balances, but also have a special account set aside for a vacation or college for a child. Money in the special account is treated differently, despite the fact that putting money into the account may be

more detrimental to the person's net worth than paying down debt. People place different emotional value on certain events or assets they want to own, so bankers should be aware of this and consider structuring "special" accounts to take advantage of this oddity.

Hopefully this information has allowed you to pour powder down the cannon, drop in a ball, use the ramrod to settle things in and light the fuse as you prepare to blast on to the rest of your day. Prepare to fire!

BANK NEWS

Joint Venture

The FDIC has sold a 40% equity interest in an LLC (the FDIC retains a 60% stake in the LLC and will share in the returns on the assets) created to hold loans with an unpaid principal balance of approximately \$1.85B from 22 failed bank receiverships to Colony Capital. Colony paid a price of 59% of the unpaid principal balance of approximately 1,660 distressed CRE loans held by the FDIC as receiver for the failed banks.

Fin Reg

The Bill was moved for cloture which means it should go for vote on Thursday where it is expected to pass.

Small Business Bill

Disagreement over which amendments to consider among congressional leaders has delayed this bill and it is unclear when the chamber will return to the legislation.

Credit Cards

The ABA reports the number of people behind on credit card payments fell to 3.88%, the lowest level in 8Ys and the first time since 2002 that the rate was below

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