

## HAVING FUN WHILE CAPTURING NEW CUSTOMERS

by [Steve Brown](#)

We were intrigued to hear the average cost these days for a 150-person wedding is about \$25,000 according to TheKnot.com. By percentage cost, about 50% is spent on the reception, which is far away the top cost. That is followed by entertainment (10%); photography (10%); flowers (10%); attire (10%); and the last 10% for a combination of ceremony, stationary, wedding rings, transportation, gifts and other miscellaneous items. Meanwhile, the 5 most popular months to get married in order are Jun, Jul, Sep, Aug and May. So, whether you are planning a wedding in the future or just thinking about throwing a big party, now you know the basics. In addition, having a targeted wedding deposit account can also be a decent promotion for a bank to run. You can suggest people try to save 20% of their monthly income and perhaps give away a wedding gift from the bank for opening the account for any new customers. You can even offer a matching program to capture parents, siblings and friends of the bride and groom as you get them to contribute to the account as well. Experiment with it as you have fun.

In another potential area of focus for your bank related to capturing or retaining customers, we offer a discussion on small business owners. Here, we review a new survey from U.S. Bank on the subject. It found that the most important things small business owners expected to see from their bank were: 1) offering services to help manage their financial transactions; 2) knowing them and their business; 3) dealing in a transparent and straight-forward manner; 4) making money more available; and 5) adjusting to meet their individual needs. Banks should consider comparing service offerings to customer expectations outlined from this list, boosting customer facing staff training as needed and adjusting delivery platforms to ensure expectations are met.

In the same study, when small business owners were asked what they wished their bank would do more, the top responses were: 1) adjusting to meet their individual needs; 2) making money more available; 3) knowing them and their business; 4) serving as a business partner and 5) serving as a financial mentor. Here again, community banks are well positioned to take advantage of this by reiterating personalized service, professional staff, an intimate understanding of the local market and the businesses operating in the community and access to financial expertise. Small business owners are struggling as their communities struggle to recover from this recession and that can deliver opportunity to community banks. Leverage this information as you work to capture more market share from the big banks and continue to support local businesses.

Speaking of local businesses and their deep ties to the community, the final piece of information we share this morning from the survey relates to the owners themselves. Here, we were pleased to see that despite the demands of running a small business in and of itself, supporting family and friends and working through a deep recession, a whopping 57% of small business owners said they felt it was important to give back to their community. While economic uncertainty and poor sales remain the 2 biggest challenges facing these owners, their ties to the community and willingness to support it are great to see and match up well with the very essence of community banking.

In closing, if your bank has tried a wedding account or something similar in the past, we would love to hear how it worked out and what else you may have learned.

## **BANK NEWS**

### **Deregistering**

SNL Financial reports 61 community banks have filed to deregister their common stock and suspend reporting requirements since passage of the JOBS Act (more than the total deregistered in the past 16 quarters).

### **Wealth Mgmt**

Bank of America has expanded its wealth management group to include services that help customers plan to provide long-term care for the aging population. The marketing push will focus on traditional wealth management; estate planning and education; in addition to providing tools that will help families organize and store vital documents (as well as access to a nationwide referral network of care facilities).

### **Lending Activity**

The SBA reports nearly 12% of small business loans were approved by large banks last year vs. nearly 48% approved by community banks.

### **Bank Closures**

Analysis we did comparing bank closures from 1984 through 2012 finds the fail percentage by asset grouping was 0.70% for banks with assets below \$10B and 0.58% for those with assets greater than \$10B.

### **More Consistent Service**

A survey by J.D. Power & Associates finds 75% of customers are now greeted by bank employees when they enter a branch.

### **Employees**

A Bloomberg BNA survey finds employees are taking fewer sick days now vs. 5Ys ago and the 1Q average was less than half of what it was before the recession.

### **Unemployment**

The CBO predicts it will take until 2017 for unemployment to fall back down below 6% again.

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