

## IDEAS TO CAPTURE MORE SMALL BIZ CUSTOMERS:

by [Steve Brown](#)

You may not be a statistician, but leveraging government data from entities such as the Census Bureau can be interesting from time to time and have a real impact on your bank. For marketing purposes alone, it is interesting to know that roughly 75% of all businesses have no payroll and are self-employed people operating unincorporated businesses. To be sure, this data is only compiled periodically so it can be stale, but it can also provide lots of detail and insight.

For instance, the Census Bureau provides one page snapshot reports of business activity by major metropolitan area. These reports highlight the top five industries for the area in question and provide detailed numbers on each. In San Francisco, for instance, if you want to capture small business clients, your bank should offer services designed specifically around 5 industry sectors that include: professional, scientific and technical services (NAICS code 54); health care and social assistance (code 62); retail trade (44-45); accommodation and food services (72); and administrative and support and waste management and remediation services (56). Just knowing this can improve how you train staff, focus your marketing and keep you on top of areas of business growth and areas in decline.

Other interesting data that pops up with a bit of quick work in Excel is around the number of businesses operating in the country and their respective size. For instance, the data shows 62% of all businesses employ 0 to 4 people; 17% employ 5 to 9; 11% employ 10 to 19; 9% employ 20 to 99; 1% employ 100-499 and 0.30% employ 500 or more. Adding these up, about 90% of all employment in the country comes from business establishments that employ less than 20 people and 99% comes from those who employ less than 100. No matter how you categorize small business, this is one reason community banks are so important as the top lender to this group of customers and why the small businesses themselves are so important to economic and jobs recovery in the country. To gain an edge, take a look at your marketing materials, how you contact business owners, where you find them and what sorts of targeted services you offer them. Then, leverage this new data to see if there is anything you can be doing to improve.

Moving away from the Census data to the small business customer's view of banking relationships, we find some other key areas that could be worth your consideration to help boost your business and profitability. Advice for small business owners (SBOs) on how to choose a bank usually begins by telling them to consider what they need from a bank before they start looking. Here, you might be able to attract more customers by educating them on why they might need a bank in the first place and how yours can help. That sounds pretty basic, but keep in mind that SBOs are busy running their business every day, so they have little time to think about much else and despite the excitement you know it to be, banking may not be at their top of mind.

Another area of advice given to SBOs is to determine whether or not they need specialized services. Here, most will begin their search online, so making sure your bank pops up when key words or phrases are used is important. Beyond that, keeping your website up to data and having targeted information about services you offer is also helpful in driving more business.

Finally, consider creating a marketing piece specifically for SBOs that may be looking for a new bank, that have just opened up in the area or that may be complacent but tired with their existing institution. On it, consider highlighting any specialties you have, how to set up a meeting with a banker, commonly asked questions and testimonials from happy customers.

No matter how you begin or where such analysis takes you, sometimes it can be interesting to find out what you may not know or confirm something you already do. Good luck in your efforts and remember that testing your ideas in real life is what makes the process of customer acquisition fun.

# **BANK NEWS**

## **Capital Penalty**

Capital One will pay \$12mm to military customers to settle charges from the DOJ and OCC that it improperly foreclosed on them and overcharged for credit card and auto loans.

## **Branch Closures**

To improve performance, Iberiabank (\$11.7B, LA) said it will close 10 underperforming branches.

## **BofA Mobile**

Yesterday, the Bank launched its retail mobile check deposit application that allows customers to use their mobile device (including the Kindle Fire and Microsoft tablets) to deposit checks electronically. There is no charge.

## **TAG Anger**

Before the Senate Banking Committee, Treasury Secretary Tim Geithner went on record as being against the extension of TAG saying that it is no longer needed. The position drew ire from bankers and trade association groups.

## **Fed**

Fed Gov. Sarah Bloom Raskin (voter) said the financial system should focus on providing "old-fashioned, but essential intermediation between savers and borrowers in the non-financial sector." She seemed to imply that greater regulation against Too Big To Fail Banks is still needed.

## **Lower Forecasts**

A survey by the National Association for Business Economics finds only 22% of small businesses surveyed reported increased employment in July, a 26%+ decline from the prior three surveys.

## **CU Watchdog**

The NCUA will form a special office to oversee the largest federal credit unions with assets above \$10B (there are 4 of them). The new division will focus on safety and soundness issues connected with potential systemic risk.

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