

HELPING BIZ CUSTOMERS AND VACATIONING

by [Steve Brown](#)

New research by luxury vacation club Inspirato finds 50% of all workers in the U.S. would give up benefits to get more time off. Additionally, about 25% would give up a private office at work for more days off; 17% would give up a bonus; 10% would decline a 401(k) match; 10% would prefer more time off over a higher salary or promotion and 5% would take a cut in salary to get more time off. It would appear people are quite interested in taking time off when asked, but strangely, despite this, other research finds about 60% of people already do not take all of the vacation they receive. It looks like people need help to fully understand all of their options here. Speaking of helping, there is some interesting data out in the banking sector from Novantas. It looked at 20 major U.S. banking companies and found that when a bank offers a dedicated specialist to support small business programs, more product sales occur. In some cases in fact, results were as much as 300% higher than average results. We have talked before about how much more lift your bank can get when you ensure your staff are knowledgeable about the business of your small business owner customers. This group of customers will do their own research to determine what they need, with 98% of them leveraging the internet before making a purchase decision, according to Forrester Research. Helping them understand your bank is there to help them in their specific business by beefing up your internet presence and combining it with knowledgeable staff in your branches (or via screens in branches that lead to centralized support personnel) are both important legs to this stool. To get to the heart of this, your team has to be armed with a list of questions that should be filled in over time. Some research can be gleaned from public sources, but others will take direct questioning through one on one discussion or via surveys. The key here is to get moving in capturing information you can leverage later into sales. For example, try to find out what products interest the customer; how they perceive your bank and your services; who are your competitors from that customer's viewpoint and why; how is the business structured; and what do they spend money on and why, to name a few. Over time, collecting this information can help you better segment your customers; conduct focused marketing efforts based on customer interests and needs; fine tune your pricing approach on products and services to build profitability per customer; and enhance the chances of your success. Research by JD Power also provides insight into the thinking of your small business customers. The good news is that their latest satisfaction index finds most customers were more satisfied with their bank in 2011 than in 2010 and that is good. However, as with all things there is still room for improvement, as many small business customers said they are still seeking a more satisfying banking experience. To do that, experts say your bank should conduct customer needs assessments; understand both current and future customer requirements (and have a way to track them); have online tools and easy to access information available to help customers do their own product research; and make it easy for them to get in touch with someone no matter how they access your bank. To be sure, capturing a potential customer's attention, holding it and subsequently converting them into a client is challenging. Hopefully, some of the tips we have outlined today will help you in that journey (or at least assist in fine tuning your process and approach). In the meantime, we don't know about you, but taking a vacation sure sounds inviting.

BANK NEWS

Branch Closures

BB&T said it will close 12 BankAtlantic branches and 9 of its own branches in FL, as it consolidates operations related to its recent acquisition of BankAtlantic.

Less Stress

Federal banking regulators said they may delay annual stress-testing requirements (for banks with assets between \$10B and \$50B) until Sep. 2013, to give this group of institutions more time to develop their programs.

Insurance Capital

The WSJ is reporting the National Association of Insurance Commissioners is studying whether to require insurers to increase capital reserves. The review comes as the NAIC worries about insurance company investments in riskier non-agency backed mortgage bonds.

ATM Competition

The Boston Globe reports the Massachusetts Port Authority has awarded new 5Y leases on 31 ATMs at Logan International Airport (in the terminal and surrounding garages). Banks that won (independent ATM operators also bid for spots) were JP Morgan Chase (captured 10 and has no branches in MA), Bank of America (9), Sovereign Bank (6), Capital One (3), Royal Bank of Scotland (1) and TD Bank (1). All told, the banks will pay \$9mm, up from \$6mm under prior agreements.

Economies of Scale

Research by the Fed citing prior studies from the 1990's indicates there are no economies of scale once banks are larger than about \$250mm in assets.

Liability Max Limit

According to the Fed, since 1994, banking organizations have been prohibited from merging if the new company would hold more than 10% of national deposits. The Dodd-Frank Act now prohibits mergers if the new company would hold more than 10% of financial industry liabilities.

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