

BILLBOARDS AND SMALL BIZ CUSTOMER ACQUISITION

by [Steve Brown](#)

The Outdoor Advertising Association of America reports billboard advertisements are used more by local small businesses than large national ones and represent 75% of total revenue. About 80% of companies that advertise this way have less than 50 employees. Community bankers that haven't already done so, may want to remind staff that as they drive around town to look closely at every billboard they pass and check the name of the business advertising. Then, when they get back to the office, turn in the names of those companies to relationship teams to try and generate new business. As an easy ice breaker, you can start the conversation by telling the owner you saw their billboard and go from there. As the data shows, businesses that advertise on billboards are screaming out to community banks - I could be a great new customer for you! Since we are on the topic of what business owners are doing, consider the results of a new survey by Pepperdine University and Dun & Bradstreet. It looked at small and medium sized businesses and found most owners still see weakness in the economy. As such, many are hesitant to make key business decisions. It seems caution remains the buzzword right now, as the analysis found businesses in 3Q even lowered forecasts for annual growth estimates by just over 14% vs. 2Q. We know this isn't great news for community banks that are hungry to lend, but at least it provides insight into how your business clients might be feeling and behaving so you can react, modify your marketing approach and perhaps even moderate loan growth expectations during the first few quarters of 2013. Since 2013 is right around the corner, we also took a look at a recent survey of business owners from Merrill Lynch that might interest you. It focused on owners that ran businesses generating between \$10mm and \$250mm in revenue. This group was asked a number of questions about their current business and where they saw the greatest opportunity for growth during the year. Over the past 2Ys, this group of business owners said they had been focused on targeting new customers (38%), expanding operations to take advantage of new opportunities (37%) and changing products or services to better meet market demands (35%). Like the business owners, community bankers have also been very busy over the past 2Ys. Perhaps it is time to step back and review marketing materials and improve staff training as two great ways to refocus energy to support these areas of business owner focus over the next 2Ys. In addition to the areas business owners have focused on over the past 2Ys discussed above, the survey also identified areas where they expected to see the greatest opportunity in 2013. Here, owners planned to introduce new products or services (24%); take advantage of new technologies to improve their business (24%); target a new kind of customer (21%) or expand U.S. locations (21%). To gain traction on this front, community bankers may want to set up specialized sales and support teams to proactively communicate to the market that you have products and services to meet these needs. Take a look through the customer's eyes into your bank and your offerings and see if it is crystal clear that you can support their efforts in all of these expected growth areas in the coming year. Doing so can give you a better chance of connecting with these areas of customer interest and improving your chances for success. No matter what happens in 2013, we know community banks will be right in the thick of things trying to help small business owners. If these surveys and others are correct, loan opportunities might be choppy, but the economy is slowly rebounding, so you should get more opportunities as the year progresses. Who knows, maybe it is time to put your bank up on a billboard

advertisement to let small business owners know you are right there with them and ready to provide support.

BANK NEWS

TAG

It looks like the odds of passing the 2Y extension have fallen, as Republicans and Democrats are using TAG as a bouncing ball between them to gain leverage in other areas. Keep up the pressure on Congress, but also understand we have entered the Twilight Zone.

No M&A

The WSJ says the Fed is warning the largest banks not to try and do large acquisitions right now, as discussions around too big to fail swirl around the industry.

Project Blitzkrieg

Online security firm McAfee released a report warning criminals were planning a massive cyber attack on 30 U.S. banks with the intent of funneling out money. The sophisticated Trojan has reportedly been tested successfully on bank accounts already in the U.S. and criminals are being offered a share of funds stolen in exchange for hacking.

Mobile Banking

Bank of America reports it now has 12mm mobile banking subscribers of its 58mm total customers or about 21% penetration.

Mobile Issues

A study from Javelin Research finds banking consumers that had trouble accessing mobile banking jumped to 14% in 2012 (from only 4% in 2009). While the "why" isn't yet known, weak cell service, unsupported smartphones, app complexity and other factors could be in play.

Small Biz Competition

Bank of America continues to hire 1,000 new bankers with expertise in small businesses, as they seek to expand relationships. It appears to be working, as the bank reports small business lending is up 21% vs. 3Q last year.

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