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## WEB SITE REVIEW

by [Steve Brown](#)

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Our discussion earlier this week on branching involved a call to a banker we know, in particular because they had been successful in expanding their branch network. In that conversation, however, it was clear that this bank is successful for other reasons as well. As the discussion shifted to other aspects of their business development efforts, what was striking was how carefully and comprehensively this bank defined its target customer and therefore the bank's identity. It was easy to identify how the bank views itself, where it operates and the services it wants to offer right on its web site. We realize that it may seem crazy to some that we do this, but as longtime residents of the community banking industry, we sometimes go out and look at bank web sites in our spare time. What we have found is that many sites are quite generic. The home page is what catches your eye first, but some are so bland as to lead off with a reference to FDIC insurance regulations or cautions on phishing schemes. These are important to be sure, but should they be front and center? Is this the primary message you want to deliver to a potential or existing customer? We also notice that some banks still refer prominently to price. Whether it is an interest rate on loans or on deposits, leading with price discussion is just a bad idea to maximize your performance. It is good to talk about loans and deposits, but just as important to strip out discussion of price, so that might be something a quick look at your website can rectify today. Customers pay attention to price, as we all know, but it should not be the primary metric upon which you want your bank to be judged. If an interest rate is the first thing that comes into view on the web site, your bank has made this the most important message. Most people go to the bank's site to log into their accounts, so functionality is important. The site simply has to work well for all account functions and be intuitive. These days, people begin their search for a new banking relationship by going online, so your web site should also appeal to casual drop-in visits. Further, it is also important to remember that it's a lot easier to sell an additional product to an existing customer than to go find a new one. For these reasons, your web site should offer a comprehensive view of the services you offer and your expertise - all in a way that strikes the eye of visitors. What we don't see as often on web sites anymore is the personality of the bank in its images. Perhaps not wanting to come off as cheesy or just trying to look professional, most bankers use "bank-like" pictures all over the place. To infuse more personality into your web site, consider something as simple as a picture of the bank, the smiling people who work there or smiling customers. Be sure to tell a cohesive story of your how your expertise helps customers (our experienced business lenders can help you grow your company) and perhaps your history (our bank has been here since 1925). Be sure to also emphasize customer service, security and stability. If you haven't done so lately, it may be time to take a hard look at your web site to ensure it offers the best view of how you want to be seen. When you do, make sure you look at each page through the eyes of your customers and your prospects.

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## BANK NEWS

### **M&A**

Renasant Bank (\$4.2B, MS) will buy Merchants and Farmers Bank (\$1.6B, MS) for \$119mm or about 1.19x book.

## **Retail Sector**

Bloomberg reports private equity firm Blackstone Group will buy a stake in 40 US shopping centers in a deal worth \$1.1B from UBS.

## **Competition**

Fifth Third Bank is now offering the ability for mobile customers to deposit checks with their smartphones. Research by FindABetterBank.com indicates mobile deposit capability is offered by 20% of US banks now and is expected to reach 50% by the end of this year. Competition: SunTrust Banks has launched a complimentary service that allows new and existing clients to tap into a dedicated team at the bank that will help them switch checking and other accounts over from other banks.

## **More Value**

JPMorgan officially passed Wells Fargo this week as the most valuable bank in terms of market capitalization.

## **Fees**

A recent court ruling will allow retailers to charge up to 4% more for purchases made with a credit card (vs. debit or cash). Look for prepaid cards to see even more growth.

## **Huge Fines**

Morgan Stanley estimates fines will reach a total of \$22B around the Libor scandal rocking international banks.

## **Happy Again**

A TD Bank survey finds 46% of CFOs at companies in the US say they are more optimistic about economic growth this year than last and 57% said they are more positive about their own company performance.

## **Mutual Funds**

The Investment Company Institute reports money market mutual funds have captured \$149B in new investor funds since Nov. 2012. The increase is attributed to investors moving money from banks due to the expiration of TAG and related to money received from stock dividends received late last year (before tax increases kicked in). For banks trying to compete, note that the average money market fund yielded 0.04% on an annualized basis as of Feb 3.

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