

## SPAM, SPAM, SPAM

by [Steve Brown](#)

---

The Davos World Economic Forum is a meeting where the smartest and coolest of the global elite get together to exchange ideas on some of the world's most pressing issues. The meeting takes place in the Swiss ski resort of Davos, generally in January and brings together some 2,500 top business, political, academic and other leaders of society. The 2013 meeting ended recently, with the closing advice from business leaders to be confident, but not complacent, as the global economy gains momentum. The same could be applied to banking in the US. There is a growing body of evidence of improving conditions in the economy and in credit. The Fed just released a survey showing stronger loan demand for both business and mortgages in the past three months - also great news. Yet, we also know risks remain. At the 2004 Davos forum, Bill Gates predicted the death of email spam. Recall this was during the time when everyone received multiple daily emails for recreational pharmaceuticals, remedies for any physical inadequacies, or best of all, a letter from a deposed president of a third world country offering riches, if only you would help by sending them some money first. We can only imagine that eyes rolled with Gates' prediction back then, but truly, there is a great deal less spam now. Spam filters and email address authentication technology work pretty well, but the real driver was weak results. Mostly, the spam that gets through is easily recognized and ignored, so spammers have moved on to other activities. The carryover problem from so much spam over the years is that a lot of legitimate email is ignored too. Everyone has too much of it, leading social media sites like Facebook to thrive in part because they offer a centralized means of communication with a larger number of people, friends or business acquaintances - all without the need for individual messages. We have discussed the increasing preference of bank customers toward using electronic channels to carry out their banking needs. It's also well known that it is easier to sell another product to an existing customer than to try and capture a new customer. However, if customers less and less frequently come into branches, what is the best way to offer additional services to existing clients? Is targeted email a reasonable means to offer products to customers and get results? Some ways to improve results are to avoid group emails with a general message like "We're friendly," as those tend to be ignored. However, by doing a bit of research in your market, you may find an opening to send a more specifically-targeted email that would generate a higher level of interest. Depending on the situation, identifying products where competitors are charging too much might be one way for a smaller, more efficient competitor to step in. Consider the large bank competitor that increases fees on deposit accounts or credit/debit cards. Your community bank could communicate you are still interested in this business and appreciate customers to increase opportunity. Email reaches so many people, quickly and inexpensively and is powerful when leveraged properly. To boost results, structure a marketing email with a simple idea, not a general message. Make the communication concise and clear. Explain the details, but mostly highlight the difference between your bank and the competition. Have the email signed by a person, not just the bank. Reiterate that you want the customer's business. Do these things so your email won't be considered spam and your bank will open up new opportunities as you increase business.

### **Related Links:**

[PCBB 2013 Executive Management Conference](#)

## BANK NEWS

**M&A**

Southern Bancshares (\$2.1B, NC) will buy Heritage Bancshares (\$272mm, NC) for \$4mm in cash and stock. Southern is the parent of Southern Bank and Trust, while Heritage is the parent of The Heritage Bank.

**M&A**

SCBT Financial (\$5.1B, SC) will buy First Financial Holdings (\$3.2B, SC) for 302.4mm in stock, creating a major financial shift in the state. SCBT is the parent of SCBT and First Financial is the parent of First Federal Bank.

**M&A**

First Financial Bankshares (\$4.4B, TX) will buy Orange Savings Bank (TX) for \$56mm in cash and stock or about 1.23x book. First Financial is the parent of 11 bank subsidiaries.

**M&A**

Securant Bank & Trust (\$214mm, WI) will sell its trust group to Midland States Bank (\$.15B, IL) for an undisclosed sum. The trust group provides trust administration to people receiving litigation settlements.

**M&A**

Credit card processor Total Systems Services (TSYS) will pay \$1.4B in cash to acquire prepaid card marketer NetSpend. TSYS wants to compete more effectively against Square and other prepaid marketing companies.

**M&A**

Ally Bank (\$92.8B, UT) will sell its correspondent lending operation to Walter Investment Management Corp. for an undisclosed sum, as it focuses more on growing direct lending activities. Walter specializes in offering solutions to owners of less-than-prime, non-conforming and other credit-challenged mortgage assets.

**Interesting**

Barclays Bank (UK) is rolling out free internet Wi-Fi in 1,500 of its branches, as it seeks to attract new customers and retain existing ones.

**Retail**

Safeway has introduced its own debit and loyalty card.

*Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.*