
ATTRACTING AND RETAINING FEMALE CLIENTS

by [Steve Brown](#)

Recent studies claim the disjointed sleep the body undergoes after hitting the snooze button on an alarm clock can do more harm than good. Sleep experts instead recommend people set the alarm for later and get up on the first ring. We don't know any banker who wouldn't like to get more sleep, but competition is fierce, so alarm clocks are still needed. In similar fashion, a wake up call may be in order when it comes to attracting and retaining women customers.

Consider a recent study by Prudential on the financial experience and behaviors among women. Community bankers are always seeking quality customers and you can always do more to attract and retain good customers, so understanding what this survey uncovered can be useful perhaps.

What's clear from the survey is that while you might think you're doing everything you can to engage female customers, you may not be. This is particularly true when the banking relationship is with both a husband and a wife. Here, the survey found almost 25% of women said they would discontinue the relationship with their financial professional if their spouse passed away. That is a large number of clients at risk.

While the study wasn't specifically directed at banks, there are several things to take away from it. As seen above, the large percentage that are dissatisfied means financial services firms at least on some level aren't connecting with women. To solve this problem, banks should also work harder to understand why. According to the study, there are marked differences between women and men when it comes to financial attitudes, perceptions, goals and confidence and banks need to understand these differences to better serve customers.

Consider that analysis extrapolating BLS data finds roughly 40% of married women now earn more than their husbands vs. only 18% in 1987. The simple fact is that women today are the primary wage earners in many households and they are also more likely to be single than a generation ago. That means they are making financial decisions for themselves and for their families, not only because they want to, but in many cases, because they must.

While women are more in control than ever of their finances, the study shows they are facing substantial headwinds when it comes to making financial decisions. It found women felt a lack of understanding about financial solutions was hurting them, so banks would do well to increase targeted financial education to gain traction and new customers. Everyone wants more financial prowess and confidence and banks can play a key role.

Finally, the survey found women are relatively confident in their ability to achieve financial goals such as buying a house, reducing debt, being able to support themselves and not being a financial burden to their families. Yet, 40% said they needed help to feel financially prepared. In addition only 22% felt "very well equipped" to make wise financial decisions.

As the survey shows, banks should be careful to make sure programs fit people as individuals to maximize opportunity. Build a program that targets women supported by a heavy amount of financial advice to build solid relationships.

Capturing and keeping any customer happy is hard work, but as the survey shows, not making the extra effort with female customers is probably akin to falling asleep on the job.

BANK NEWS

M&A

NexTier Bank (\$516mm, PA) will buy Farmers & Merchants Bank of Western Pennsylvania (\$396mm, PA) for an undisclosed sum.

Channel Preferences

Research by PwC finds 50% of people prefer to apply for a loan in a branch, but 63% will research credit cards through internet banking...

Behavior

A study by Synergistics completed in late 2011 found 65% of people opened their bank account by visiting a branch vs. 34% through the internet and 13% on the phone.

Crackdown

Following the collapse of MF Global and Peregrine Financial, regulators are taking a much closer look at accounting firms and the role they play in auditing.

Get Smaller

In an effort to get the largest banks to get smaller and less complex, regulators have ramped up pressure on them to increase capital levels.

Shocking

Driven by higher tax receipts and spending cuts, the Treasury said it would pay down \$35B in the national debt this quarter for the first time in 6Ys.

Online

Analysis by Entrepreneur finds 75% of people using search engines won't click past the first page results and 93% use search engines as their first place to begin research.

Tablets

A Fiserv survey finds about 50% of tablet owners have used their tablet to access their bank accounts.

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