

No Crying Over the Onion

by [Steve Brown](#)

As a busy banker, you may not have had time to come across an online publication called The Onion. Truly it is NOT the primary resource for the stories in this publication, but it is fun from time to time. The Onion is satirical and sort of like MAD Magazine written for slightly more mature people. No one on any side of any issue is immune from being made fun of as can be seen in recent top stories that include - North Korea's supreme leader Kim Jong-Un named as the Sexiest Man Alive for 2012 (the press in North Korea, not realizing it was satire reported this news as fact) or that a new improved version of Google Maps allows users to launch missiles at any location on the globe, accurate within 5 feet (this seems like perhaps an unwise software feature).

Mobile technology has completely stepped over the need to install physical land lines in the world and at the same time, the use of mobile phones in the US has caused almost 52% of households to either ditch entirely or not use land lines. This is of enormous interest to Verizon, Google, Apple and others because they want more people to use smartphones and there is no use for a smart-phone without internet access. Smartphone penetration is already over 50% in many markets, so now firms like Google are looking to new ones to find growth. To be sure, there are still plenty of places in the US where internet connectivity is either spotty or where speeds are slow, so the technology revolution still has its intermittent issues. Nonetheless, it makes you wonder how service might improve if internet connectivity were no longer primarily the realm of utility- type companies and where things would eventually evolve.

For bankers, this points to more and more customer adoption of mobile banking as internet access continues to improve. Heck, even the American Banker announced a Mobile Banking Intensity Index that it uses to gauge deployment and adoption of mobile banking in the US. The index measures the monthly change in adoption of mobile services, with information gathered using a survey of senior level bankers whose banks offer mobile services (the volume of activity for various mobile services is also monitored, so bankers can track it).

As this index evolves and more and more customers have access to the internet in the country, demands will naturally increase. The information collected across the board should help banks determine what is most important to provide in a catalog of mobile services and should help determine where best to invest capital and effort in providing services customers need.

After all, a recent survey by Bain finds mobile banking is having a huge impact on routine banking activities. In fact, 64% of US mobile banking users say they want to use their smartphones or tablets to check account balances; 41% say using their smart device for remote deposit capture is of high value to them and 26% say paying bills through their mobile device is also highly valued. Clearly things are moving forward in mobile and customer behaviors are changing so the index outlined above will be interesting to watch as things continue to develop.

In the meantime, the Onion also reports "Man on the Cusp of Having Fun Suddenly Remembers Every Single One of His Responsibilities", so we will stop peeling back this onion and end this story here as we get to work before someone starts crying!

BANK NEWS

Mutual Funds

The SEC issued a proposal that would require money market mutual funds to have a floating net asset value (instead of the current practice of fixing the NAV at \$1 per share) or impose a 2% liquidity fee on redemptions when the weekly liquid asset level falls below 15% of total assets. Retail money market mutual funds with \$1mm per day redemption limits are exempt. This could help banks in the longer term by pushing some investors back to bank deposits in order to ensure stability of return.

Social Biz Stats

When it comes to social media usage, research by HR Communication finds only 44% of customer question tweets are answered within 24 hours; 56% of customer tweets are totally ignored; 74% of small businesses do not put a call to action in their tweets; companies do not respond to 70% of customer feedback from social media, 87% of Fortune 100 companies have a presence on at least one social media website (Twitter is the most popular); 80% of small to medium sized businesses plan to increase their use of social media this year; 39% of companies do not track their social media responses at all; and 46% of online users go to social media sites to review purchase decisions before buying.

Housing Support

The FHFA said FNMA and FHLMC will extend HAMP through 2015, along with a streamlined home loan modification initiative, as the agency seeks to support borrowers who are 90+ days late on their mortgage payments.

Federal Funds

If the Fed begins to cut back on asset purchases in the 3Q, a rate hike in the federal funds rate may not happen until 2015 (the Fed will want to monitor things as they unwind stimulus so is likely to move cautiously).

Digital Wallet

A survey by PayPal finds 86% of people in the US with they could leave their wallet at home and 29% would choose a smartphone over a wallet if they could bring only one item when going out.

Website Upgrades

Pew Research indicates 85% of mobile users expect the mobile version of a company website to be as good as the desktop view.

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