

Scoring a Touchdown with Small Biz Owners

by [Steve Brown](#)

Football fans are eagerly awaiting the kickoff of the 94th season of the NFL scheduled for Sept 5th. Advertisers are already starting to think about Super Bowl Sunday. The simple fact is that commercials aired during this championship tend to take on a life of their own, with some people paying more attention to them than the game itself.

Shareholders and investors may question how prudent it is to spend millions of dollars for a 30-second television spot, but there is no question advertising has power and a good advertisement can be worth its weight in gold. It's why when you say the words "Can you hear me now?" people immediately think of Verizon Wireless and why

when you say "Just Do It," Nike pops to mind.

Retailers are really good at self-promotion and they budget

accordingly. Many community banks on the other hand, might want to consider what these retailers are doing as bankers work to boost their own brand. Every marketer will tell you it is important to get the word out, particularly when it comes to attracting small business customers.

Consider that there is a never-ending supply of press releases from large banks touting their services to small businesses. Large banks issue press alerts when they hire bankers to serve the small business market, when they tie their shoes or when they take a nap. They announce new products designed to serve small business clients and when they participate in community-wide events to benefit small business. There's no reason why community banks can't and shouldn't be doing the same.

Try this at home - do a simple Google search and type in the words "banks and small business". You will be led to the web sites of some of the nation's largest banks, touting their small business offerings. Since customers start first on the web to do research, this is all the more reason for community banks to develop appropriate web content that appeals and then play it up in local advertising efforts.

We're not suggesting you blow the entire marketing and advertising budget to attract small businesses, but to make money you often have to spend it first. Given the competition, there is a strong business case for spending money so you can attract small business customers.

The great thing about business customers is that if you develop a good relationship, they're very loyal. What's more, if you impress one small business owner with your stellar service and products, chances are they will tell friends about your bank. In fact, studies show referrals from friends are a prime way people get banking information. Indeed, according to a 2012 Ernst & Young study, a whopping 71% of customers turn to friends, family and colleagues for information on banking products.

Ideally, advertising should show small businesses the tangible benefits of working with your bank. For example, instead of telling potential customers that you offer good customer service, play up the

services you offer that solve their problems. Instead of focusing on an intangible generic idea that you help small businesses, tell owners about some of your services and how they stack up against the competition.

There's no time like the present if you haven't yet kicked off a strategy to enhance your promotion for the second part of the year. The number of small businesses has increased 49% since 1982, according to the SBA and that means there are lots of companies that desperately need your help with their small banking services. Who knows, if you play it right, there's a good chance you'll score some touchdowns.

BANK NEWS

Tough Environment

Bloomberg reports JPMorgan Chase economists who say the long-run potential growth rate for GDP has declined to 1.75% vs. an average of 2.50% since 1990. Bankers will take note of this because organic loan growth on average tends to track GDP .

Switch Risk

A poll by Harris Interactive finds 71% of people would be at least "somewhat likely" to switch banks if the security of their account was compromised by hackers. On the positive side, 58% said they are willing to take a more active role to secure their online activity and transactions.

Housing Demand

The *Wall Street Journal* reports a rule of thumb indicates that for every one percentage point increase in interest rates (i.e. 3% to 4%), housing affordability declines by 10%. If so, the recent rise in rates has done just that.

Customer Risk

A survey by Ipsos Reid finds 53% of US businesses mistakenly believe a loss of data would not impact their business.

Tablets

Cisco estimates in the next 3Ys, tablets will generate as much traffic as the entire global mobile network did last year.

Marketing

Despite higher success rates by doing so, analysis from Demandbase Ziff Davis finds only 36% of marketers focus the attention of their efforts on the persona of the buyer.

Expensive

It is interesting to note that since 2006, the penny has cost more to produce than it is worth.

Education

A University of Phoenix survey finds 51% of working adults say at least some of what they learned in school is applicable to their current job and 58% of those without a bachelor's degree regret not taking their education further.

Tough Market

The *NY Post* reports 36% of young adults between the ages of 18 and 31 live at home, marking the highest percentage in 40Ys.

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