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## Staying Relevant by Staying Current

by [Steve Brown](#)

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There has been quite a buzz around the sale of the Washington Post to billionaire Jeff Bezos of Amazon fame. The Post is one of country's most influential daily newspapers and was founded 136Ys ago. It mostly functioned as a regional daily until it catapulted to worldwide fame as a result of the Watergate scandal of the 1970s. It seems a given now that after its acquisition by Bezos, the new Washington Post will be a leader in digital news.

Newspapers, like banks are making every effort to deal with rapidly changing customer preferences in order to stay relevant in their markets. The number of people who look to print newspapers for their primary news source is a distant third behind television and the internet, regardless of the age group. One has to wonder what people will put on the bottom of bird cages in the coming all-electronic world.

To be sure, the Washington Post has an active online web site, but is the content presented effectively? Bankers may find themselves in a parallel position here. Every financial institution has an internet site, but in terms of content, what do web pages actually say and how much focus has been placed on its relevance to today's customers? The competition for banking customers is almost entirely taking place via digital channels in today's world and community banks are scrambling to adapt.

People do still look for a convenient location when shopping for a bank, but chances are, the next step is a transition from branches to the bank's web site instead. This could take years or it could happen faster, but it is happening and it seems to be irreversible. As such, the content on a bank's web site is arguably one of the most important factors in winning customers.

Buy your marketing team lunch and you will find out firsthand that it is a real challenge to create compelling web content around banking services. Web content should define your institution and its business focus, as well as highlight why customers should do business with you. In the end though, a lot of this information is more interesting to you than it is to people going to your web site, at least initially. Most people search for banking services with about the same level of passion as finding a dentist. The content of your bank's web site needs to get past the consumer's low passion level for the subject and a lack of tolerance for complexity. Customers do have high expectations for results however, so your site should highlight your bank's competencies.

Many bank web sites were developed a few years ago and have experienced upgrades in visuals and navigation. They are far more functional than originally structure, but the content may have changed very little. If that is true at your bank, then it is probably time to refresh the information. Having a content strategy to address the sometimes conflicting objectives of web site visitors will increase your odds of success.

Know from the outset that your site visitor is initially only marginally interested. Begin with simple, easily consumed chunks of information and add attractive opportunities to explore further. Then add complexity and illustrate key competencies. Present everything from the customer's viewpoint and with the understanding there will be differences between individuals and businesses. Be certain

contact information like phone numbers and opportunities to ask for more information or get more help are obvious and inviting. No matter where your customers go to access your bank or its information, staying relevant by updating your website and participating in available digital channels is mandatory for success. It will also help differentiate your bank in this crowded world of information, data, voices and visuals.

# BANK NEWS

## **Job Cuts**

Bank of America said it will lay off 1,000 people in its mortgage and consumer lending operations as rising mortgage rates have slowed activity.

## **Loss**

Bloomberg reports Fifth Third Bank (\$121B, OH) lost \$27mm due to a fake vehicle financing fraud that involved 10 people, including a former vehicle dealer, his accountant and fake buyers.

## **Be Prepared**

The FBI is warning banks to take precautionary measures in anticipation of distributed denial of service attacks (DDoS) hackers have planned for this month. The attacks are broken into phases and are being coordinated through a Tunisian website and are known as "OpUSA." The first phase began Sep. 1 and will run for 10 days with attacks against a specific bank each day and phase II will begin on Sep 11 with more widespread attacks.

## **New QM/QRM Rule**

Regulators have jointly proposed an updated mortgage risk retention rule (originally issued Mar 2011) that aligns the qualified residential mortgage (QRM) standard with the CFPB's qualified mortgage (QM) standard. Regulators said QM loans satisfy the low default risk required by Dodd Frank, wiping away the original requirement of a 20% down payment for lenders to be able to securitize loans. The change means there is no LTV requirement anymore (was maximum 80%) and debt to income is capped at 43% (vs. 36% originally proposed). Banks would have to retain 5% for non-QM mortgages, among other things, however.

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