Were You Talking to Me?

by Steve Brown

In an effort to label the characteristics of people born during certain times, demographers give names to different groups. If you are a Baby Boomer (Boomer), you probably are hardworking, motivated and might define yourself based on professional accomplishments. If you are Generation X (Gen X) on the other hand, you are labeled as independent, resourceful and probably have a careless disdain for authority and structured work hours.

Why should bankers care? Well, if you look around at any banker's conference, chances are that most of the people in the room are either Boomers or Gen X. Experts will tell you that if most of the professionals and especially the management in an industry are from roughly the same generation; they will have some characteristics in common. It's pretty easy to assume communication activities will therefore be aimed at similar people, because that is how the communicators feel most comfortable communicating. Basically, every marketing piece bankers see from competitors or colleagues is probably from someone of the same generation.

Let's take a look at some characteristics of the generations that most people working in banks belong to. The Baby Boomers were born between 1946 and 1964. The Boomers were the first TV generation and the first divorce generation and they listened to rock and roll. Boomers tend to view technology and innovation as requiring a learning process before adaptation. Those who came of age in the 60s and 70s had relatively good economic opportunities and tend to be optimistic, the Vietnam War notwithstanding. The Yuppies who came a bit later had greater economic struggles, coming of age and getting their first cars during the oil embargo, buying first homes in times of high inflation and high unemployment. They took on a more self-righteous, self-centered approach as a result.

Generation X was born between 1966 and 1980. They were the first generation of latch-key kids with career-driven parents. They tend to be individualistic, entrepreneurial and often carry high levels of skepticism of authority. They change careers more frequently and this is the first generation where it is not normal to work for a company for life. They lived through the transition from written/printed archives of knowledge to digital. Most are comfortable in both electronic and print environments.

The success of any community bank depends upon its ability to communicate its products and services to the people most likely to use them. At this moment, most banks' customers look quite a bit like the bankers themselves - Boomers or Gen X.

What about other generations, though and when do you have to care? Moving closer to the present, the Gen Y/Echo Boomers born from 1981 - 2000 are immersed in technology. They are also almost entirely immune to traditional marketing and sales pitches. They have seen it all and since they were small children, so to get them you have to target them individually. They are optimistic and have great expectations for themselves. They get all their information and most of their socialization from computers or devices. They have never known a world without computers and they want unlimited access to instant information, along with immediate processing of transactional business.

Gen Y represents the future of the banking industry, so it is important to look at their general characteristics as you refine your offerings. To be successful, it is clear banks need to adapt communications, not only how it's delivered but also the approach. When thinking about how your bank can prosper going forward, remember to think about who it is you are talking to.

BANK NEWS

Welcome Aboard

The Financial Stability Oversight Council (FSOC) has designated Prudential Financial as the third nonbank financial company subject to consolidated supervision by the Fed and enhanced prudential standards. Prior nonbanks already identified as systemically important to the financial stability of the US under Dodd Frank are American International Group (AIG) and General Electric Capital Corporation (GECC).

Extreme Competition

Community banks should note that from 2Q 2012 to 2Q 2013 FDIC data shows banks with assets <$100mm saw loan totals decline 9.8% and those with assets $100mm to $1B grew a paltry 0.2%. Meanwhile, aggressive marketing and increased competition saw banks with assets $1B to $10B grow loans 4.1%, while banks $10B+ grew 4.9%.

Branch Staff

Banks considering arming branch staff with tablets should note a survey by Wipro finds 68% of consumers surveyed said they like the idea of bank staff floating around the branch with such tools.

Online Banking

Javelin reports 84% of consumers now use online banking on a regular basis.

Technology

If you thought technology was moving fast, consider communications from machine to machine are expected to grow 24 fold in the next 4Ys.

Reputation Matters

A survey by Concerto Marketing Group finds 83% of people who trust a brand will recommend it to others and 82% will use its products and services frequently.

Marketing

A Gartner study finds almost 50% of social marketing teams say creating and keeping content current is their top priority.