

Fulfilling the Small Biz Wish List

by [Steve Brown](#)

Every year as holiday time approaches, we're inundated with list after list of the best gadgets to buy, the most creative gift ideas, the hottest toys of the season and so on and so on. This year, as you're busy making your personal wish list, we ask you to consider what such a list would look like from a small business owner's perspective. We're betting that close to the top would be the desire for expanded mobile banking offerings.

We're all familiar with the idea that mobile banking is becoming more sought after by the masses and we have even heard very recently that some of the largest banks expect to close as many as 67% of their branches in the next 5Ys given sharp changes to customer behaviors. What might surprise you as well is just how much small businesses like and use mobile banking. According to a recent report by mystery shopper ath Power Consulting Corp., small business customers are more frequent users of mobile than the average retail customer. Indeed, almost 67% of small business customers log in at least twice weekly.

Despite this interest, many banks are still behind the curve when it comes to mobile banking. According to the ABA, only 53% of all commercial banks offer some form of it. The other 47% clearly need to get moving and get on board. Interestingly, though, even banks that already have a platform may be shocked to find it is not be living up to the expectations of small business customers so more can be done across the board.

To understand more, look no further than the same study that shows 67% of small business mobile customers would consider leaving their current bank if they found an alternative with a superior mobile banking offering. What's more, small business customers are more than 3X as likely as retail customers to say they would switch banks for this reason.

That is risky, so instead of letting small business customers walk out the door, it is time to start thinking about how to keep them by giving them the mobile services they want. Small businesses say they want more than the ability to pay bills and check balances. They want credit checking, credit card acceptance, tax payments, wire transfers, payroll and even stop payments included in the mix.

Next, consider how best to charge for these coveted services whenever and wherever possible. Small business customers are used to paying for banking services, so they'll most likely be willing to pay a monthly fee for expanded mobile banking capabilities. Certainly, they are more likely do so than retail customers, so it's something to seriously mull over.

Another consideration is making sure your mobile banking efforts aren't hindered by technology glitches. The study found almost 50% of small business customers said they experienced some problem or problems with mobile banking in the past year. Banks certainly can't always control these issues, but you do have to be on the lookout for potential problems and fix them quickly when they occur. After all, it only takes a few bad Tweets to give your bank a bad name.

As you make your holiday wish list and check it twice, know that small businesses are doing the same. If you're not already offering a stellar mobile offering and have no plans to do so soon, be careful or you may end up with a lump of coal instead of satisfied customers over the longer term.

Take the time, analyze your mobile options and plunge right in and get started because time is of the essence. At least take the time to add it to your own wish list for 2014.

BANK NEWS

Fed Assets

As of Dec 10, the Fed's \$3.9T in asset holdings were 55% in Treasuries, 37% in mortgage backed securities, 7% in other securities and the remainder in various smaller amounts. Given the change to tapering next month we thought you would like the quick refresher so you know where it is most likely to occur.

Lawsuit

Fox News reports JPMorgan Chase is suing the FDIC for \$1B related to legal claims following its acquisition of Washington Mutual's assets back in 2008.

Not So Free

A 2013 Bankrate study finds only 30% of banks offer free checking (a checking account with no minimum balance requirement and no monthly fee) vs. 39% in 2012, 45% in 2011 and 76% in 2009.

Biz Customers

A BizBuySell.com survey of business brokers finds a 68% increase in business transactions this year vs. 2012, driven mostly by Baby Boomers who reached retirement age and sold their businesses (about 50% of all sales). Looking to 2014, 83% of those surveyed said they expect more businesses will be sold.

Small Biz

A Bank of America survey of small business owners finds the biggest concerns for their business success in 2014 are: health care costs (77%), effectiveness of government leaders (76%), commodities prices (70%), strength of US dollar (69%) and consumer spending (63%).

ID Theft

A report by the Bureau of Justice Statistics finds identity theft cost Americans \$24.7B in 2012 or about 43% more than all of the theft from burglary, property and motor vehicle theft combined (\$14B). Meanwhile, Javelin Strategy & Research finds people who have their information taken as a result of an online data breach are 9.5x more likely to have their identity stolen.

Credit Unions

The NCUA reports total loans in the CU industry climbed 2.9% in Q3 and the total number of CUs declined to 6,620.

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