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## Taking Oneself Too Seriously

by [Steve Brown](#)

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People tend to know a lot about birthstones - the unique stone assigned to each month, but it may surprise you to learn that each month also has at least one flower associated with it. December's flower, for instance, is the narcissus. The name comes from the Greek mythological figure who was so beautiful that he fell in love with his own reflection and couldn't tear himself away, bringing about his demise.

This highlights an important point for banks, many of whom are excessively vain when it comes to the quality of their customer service. The simple fact is that customers have choices and lots of them, so one should never get too cocky. Even though the total number of banks has dropped over the years, there are still around 6,800 in the U.S. In most communities, banks are on every corner and for some customers, there is very little stopping them from giving their hard-earned dollars to a competitor. That's one reason why banks need to continually strive to build deeper and better relationships.

We're not just talking about retail customers here. The dangers are very real when it comes to corporate banking customers as well. To this point, we found a recent study by Ernst & Young very telling. While 63% of executives surveyed gave their current core banking teams high marks on overall performance, banks fell short of expectations on 11 out of 16 key performance criteria used to select and continue core bank relationships. It's noteworthy, for example, that 89% of corporate customers cited service quality as the top criterion for selecting and keeping their primary bank, but only 73% said their banks are performing well in this area. Meanwhile 82% cited product quality as very important, but 64% gave their banks strong marks in this area.

When asked what would make them switch banks, some familiar themes surfaced. For starters, corporate customers said they wanted their bank to be cost-competitive. They also said they want to work with a strategic partner, not just have a place to park their money. Additionally, corporate customers indicated that they don't like working with banks that are too pushy.

These third-party studies are good for understanding general trends to be sure, but what they don't do is tell you what's happening at your bank. That's why it's so important for each bank to do its own benchmarking. It will help you analyze on a regular basis what the bank is doing well, what it's doing poorly, and what improvements would make a difference in keeping relationships on solid footing.

As community bankers, we pride ourselves at the high level of customer service we offer, but no one should stare in their own reflection too long. Ask whether your bank has taken the time to ensure that the level of service provided is matching customers' expectations. Are bankers giving customers what they want, or just what it seems they might want? After peeling back the layers of this onion, some might be overestimating things.

As you get ready to begin a new year, consider your accomplishments, but also seek to improve to stay sharp. Competition is everywhere so be careful not to get complacent. Everyone knows there is a fine line between pride and narcissism, so be careful not to cross it and good things will come your way all year long.

### BANK NEWS

## **Credit Scores**

Experian research finds that when comparing the generations, it finds Gen Y (Millennials, 19-29Ys old) has an average credit score of 628 vs. 653 for Gen X (30-46Ys old), 700 for Baby Boomers (47-65Ys old) and 735 for the Greatest Generation (66Ys and older).

## **Hiring**

A Manpower Employment Outlook Survey finds Q1 2014 hiring plans are at their best level since 2008. Overall, 73% of companies say they will keep staffing levels where they are now, 17% plan to hire and 7% plan to fire (not sure what happened to the rest but good news nonetheless).

## **Small Biz**

A Bank of America survey of small business owners finds: those looking to hire staff are doing so to address increased business (56%), bring new or different skills to the business (36%), fill vacant positions (29%), provide relief to overworked employees (26%) and respond or adapt to a new business environment such as mobile or digital (24%).

## **Fines**

Merrill Lynch agreed to pay \$132mm to settle civil charges that it misled certain collateralized debt obligation investors during 2006 and 2007.

## **Fines**

The CFPB has accused GE Capital Retail Bank of misleading consumers using its health care credit card product called CareCredit and has ordered it to refund up to \$34mm to more than 1.2mm consumers. This is the first action related to so-called deferred interest cards (where interest rates accrue but are deferred during a promotional period).

## **Almost Back**

Pension values have climbed back as the economy has recovered and now cover 96% of future obligations according to new research. At the end of 2012, funding levels were only 70%.

## **Small Biz**

A survey by j2Global of small business owner expectations for 2014 finds 88% want to get rid of at least one legacy piece of office technology, 70% have used or plan to use Facebook as a marketing tool, 60% plan to use cloud services, 44% plan to use email marketing, 31% worry about the impact of Obamacare on their business, 25% worry about tax policies, 15% worry about state and local business regulations and 14% say adopting mobile marketing best practices is a top priority.

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