

Don't Be A Geek About Mobile Customers

by [Steve Brown](#)

We came across an article the other day entitled "How to Wear Geek Chic Style." It had a ten step program on how to dress and all the appropriate accessories were described in detail on how to achieve geek-dom. The truth is, for most bankers who are a little older than the article's target audience, all the necessities are probably stuffed in a box somewhere in the attic (because many of us probably dressed that way in high school). The problem was - it wasn't cool then and a lot of fun was had at our expense. Stereotypes wouldn't work if they weren't at least partially true, but they can also cover more important information.

The stereotype most bankers hold of mobile banking users is someone much like the geek that we imagine is the fashion basis for Geek Chic - individuals who work in technology or graphic design. The reality is that your bank's best potential mobile banking customer may well be a geek, but that geek is also likely the owner of a small business. A recent study among small business owners asked them about the importance of mobile banking. The study not only looked at how many wanted to use mobile, but the importance of customer satisfaction with the quality of the mobile offering and how that quality could affect a customer's choice on where to bank.

The survey spoke to more than 800 small-business owners who made in-branch visits in banks. About 66% of the respondents said they were likely to switch banks for a superior mobile offering for business accounts. Yet the study found that 37% of bankers did not even mention their mobile offering, much less its relevance to business banking when speaking to small business owners about opening accounts. Not every bank's mobile offerings are tailored to business customers and if your bank doesn't offer mobile, or if your business functionality is more limited in scope than for individual accounts, it may be something to carefully consider for an upgrade.

Another study looked at the key factors that drove the satisfaction of banking customers who preferred alternative banking channels. There was a significant relationship between age, education and profession of the customers. Their satisfaction was directly correlated to efficiency, security, cost effectiveness, problem handling, responsiveness and accuracy. In a distant second place were factors like brand perception and the convenience of physical branches. Community bankers have always considered the bank's reputation and service to be their primary concerns. But, with this new information, these small business customers show functionality and product lines are also important (in addition to normal customer service).

Customer satisfaction is an ambiguous and abstract concept to be sure. We write frequently about the importance of not sending customers across the street to a competitor because your bank doesn't offer certain services. If your bank doesn't offer business mobile services and your small business customer requires or desires them, then you move beyond just the possibility they may change banks. To gain the advantage, you can differentiate your bank by providing features and functionality to business customers that others can't or just won't.

Some say nerds and geeks are the same, but the word actually originated with Dr Seuss to mean a brilliant person (but often anti-social). Since geeks are more likely to spread the good word about

your bank, go get your geek chic on and be sure your small business mobile offerings are up to their expectations.

BANK NEWS

M&A

The Stephenson National Bank and Trust (\$318mm, WI) will acquire Bank North (\$125mm, WI) for an undisclosed sum.

M&A

Leighton State Bank (\$118mm, IA) will acquire Monroe State Bank (\$25mm, IA) for an undisclosed sum.

Branch Closures

Columbia Bank (\$2.0B, MD) said it will close 5 branches.

Consolidation

First National of Nebraska has filed with the OCC to combine its subsidiaries First National Bank of Omaha (\$14.3B, NE), First National Bank & Trust Co of Columbus (\$444mm, NE), First National Bank (\$441mm, NE), First National Bank South Dakota (\$368mm, SD), Fremont National Bank & Trust Co (\$300mm, NE) and Platte Valley State Bank & Trust Co (\$422mm, NE) together as one bank.

No More

Fifth Third has joined a host of other large banks in announcing it will no longer offer payday (deposit advance) short-term loans.

Not Allowed

The New York Department of Financial Services has blocked Wells Fargo's \$2.7B sale of mortgage servicing rights on 184k loans worth \$39B to Ocwen Financial, saying Ocwen cannot handle its growth.

Settlement

Citibank has agreed to pay \$110mm to settle a lawsuit that it forced thousands of homeowners to pay property insurance premiums through force-placed hazard and flood insurance.

Interesting

A study from the National Endowment for Financial Education finds 33% of people who have combined bank accounts with a spouse or loved one say they have committed a financial deception and 35% say they have been the victim of such deception. By category, people said they hid the following: a minor purchase (53%), cash (52%), lied about something financial (27%), a statement or bill (23%), amount of debt (16%), a bank account (15%), how much they earn (14%) and a major purchase (11%).

ID Theft

A new Javelin Strategy and Research report finds the number of U.S. identity fraud victims reached 13.1mm in 2013 vs. 500k in 2012.

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