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## Understanding Products Needs And Interests

by [Steve Brown](#)

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Over the years there have been many commercial products that have bombed when brought to market, even though at first blush they may have seemed like a winning idea. Remember New Coke and how it offended the taste buds of staunch cola drinkers? How about Frito-Lay Wow! Chips--the line of fat-free chips with Olestra that caused digestive complications for scores of snackers. Going back a little more, there was Clairol's Touch of Yogurt Shampoo, which flopped in large part because the idea of washing one's hair with yogurt didn't appeal to the masses--and those who mistakenly ate it got sick.

There are a host of reasons products fail, and it can be hard to know at the get-go whether something is destined to be a winner or loser with customers. But understanding your target market and having a never-say-die approach to innovation are absolutely essential for long-term success.

We've written a lot about the growing importance of mobile banking, but before you go hog-wild, it behooves you to understand how many of your customers are clamoring for it. It might interest you to know, for instance, that demand tends to vary by geography. A recent study by FindABetterBank revealed that 39% of shoppers from Baltimore said they must have mobile banking and another 39% in the Dallas/Fort Worth area concurred. By contrast, only 31% in Los Angeles, 30% in New York City, 28% in Miami and 22% in Detroit said they must have mobile banking.

If you're in a market where mobile isn't currently all the rage, it might make sense to focus first on other, more pertinent business lines. For instance, if you're catering primarily to an older population, perhaps mobile banking should take somewhat of a back seat to a renewed focus on retirement planning. When asked about their biggest financial worry, 23% of older adults ages 50 to 64 cited retirement healthcare expenses, 22% said saving enough for retirement and 17% said keeping up with monthly expenses, according to the 2013 Mercer Workplace Survey. There's a host of other data suggesting customers need significant help when it comes to socking away money for retirement and budgeting, so bankers should tap into this. If this demographic is a sweet spot for your bank, it could make sense to roll out products and services based on expected interest.

If, on the other hand, your bank wants to target a younger crowd, consider ways to build broader relationships with these customers. For example, TD Bank and the National Foundation for Credit Counseling are teaming up to offer 110 free financial education seminars in select areas of the country for around 2,000 young adults. The learning sessions will concentrate on budgeting and basic financial management skills, understanding credit reports/scores and preparing for home ownership. These are all issues that appeal to younger customers and may help cement current and future banking relationships.

There are so many ways to slice and dice customers it can become overwhelming at times, but it can also surface interesting information you can leverage. After all, knowing who you're trying to reach and what these customers need in terms of banking products is critical. It will also help ensure the products and services you offer won't end up ranking alongside the Edsel or celery-flavored Jell-O.

### BANK NEWS

## **Bank Concerns**

A survey by Bank Director finds 91% of bank directors and senior executives believe unregulated nonbank entities present increasing competition.

## **Mobile Limitations**

A survey by Deloitte finds the Top 5 limitations people say prevents them from using mobile devices (flagged as "significant" or "somewhat significant" reasons) are: difficulty in seeing on a smartphone screen (46%), difficulty in typing on a smartphone screen (46%), difficulty accessing the internet in certain areas (40%), degree of transaction complexity (38%) and difficulty with user interface (32%).

## **Cyber Security**

A survey of 200 IT security managers by ThreatTrack Security finds 70% of respondents from companies with security budgets between \$500,000 and \$1 million had been infected at least once.

## **Social Media**

A new report by Social Media Examiner of thousands of marketers finds: 92% said social media is important for their business; 68% plan to increase efforts in blogging; 68% plan to learn how to create images, infographics and videos; 61% plan to increase Google+ activities and only 43% think Facebook efforts are effective.

## **Small Biz**

The latest JD Power survey of small business satisfaction finds mobile banking usage remains low at only 11%, Home Equity: The Fed reports total home equity loans outstanding was \$704B at the end of last year, a 38% decline from the peak reached in 2007.

## **Innovation**

45% perceive their bank as technologically innovative (down from 67% in 2012), 40% report having had at least one change in account manager during the past year (reducing satisfaction).

## **Customer Opportunity**

Direct marketers find current customers of companies are 15x more likely to buy something from a business they know than mailing to prospects who have never heard of the company.

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