



Driving Your Future Business Growth

by [Steve Brown](#)

Did you know that research finds 31% of urban land is used by parking spots? This might be interesting to bankers since you probably make loans to businesses that have parking spaces. This is important in particular when you consider that projections indicate autonomous car market penetration will reach 25% in the next 20Ys (by 2035). If you aren't driving the car when you go somewhere, do you really need to park it when you get where you are going or does it just drive on to the next person?

If that is too much to digest right now, consider that right now community banks are the primary lender to small businesses all over the country. Community banks represent over 50% of all small business loans. The question is, without getting into a driverless car, how can you continue to grow your business in this tough environment?

To begin, community banks have an advantage in the area of personal service. This allows banks to leverage this strength while expanding into new areas for ongoing success. As larger banks have dumped branches and cut business to small companies and municipalities for profitability considerations, opportunity abounds in many regions for community banks. Your bank is well known to offer exceptional service probably and customers will often seek you out regardless of the drive for digital.

Another possibility is to further target your marketing efforts. One bank we know has had great success looking to areas of heavy foot traffic in order to expand their customer base. This strategy has brought them new customers from some of the biggest banks.

Still another possibility is to seek out strong partners to work with that can bring customers or additional services perhaps. Here you have to be careful, to be sure, as customers can be negatively impacted, so be sure to do your homework in advance. That said, when good partnerships are found and things work well, you can expand your customer offerings possibly as you hopefully expand your overall customer base.

In addition, focus on customer satisfaction. Although you know your customers well and certainly are keeping them happy, loyalty can be fleeting. Customer demands are higher than ever, so the slightest mistake can lead to immediate repercussions. Stay on top of what your customers are thinking, how they feel about the bank, what they tell your staff and continually ask them how you can improve to meet their needs. People like to tell you what they think generally, so communicating is good to do.

Finally, be sure to make it a regular practice to contact your top customers. Communicating on a regular basis is vital to understanding any changes with your customers and ensuring they stay loyal, and this is especially true with your biggest and best clients. Satisfaction also means addressing any of their concerns, so immediate resolution of any issues is critical. Consider that a report by Accenture finds more than 80% of bank customers who switched to another bank said they did so due

to poor service. This group also said they would have stayed, had their issue been resolved with the first point of contact.

There are many changes happening around community bankers these days, including technology and other things, but you are still the anchor of your community. Your team is more readily structured than the biggest banks to easily handle customer issues quickly and acceptably, so keep at it. Your community needs you and your team does good work, so even if you don't have to park your own car in the future, it will still make sense to get out and see your best clients.

BANK NEWS

Mobile Upgrades

Citigroup has upgraded its mobile app and enhancements include ways for customers to: dispute credit card charges, enroll in paperless statements, request a credit limit increase, and view recurring charges.

Balance Sheet

JPMorgan research points out that it is unlikely the Fed would move to reduce its balance sheet until the target Federal funds rate is reached (1.50% to 2.00%), which will most likely be 2018.

Bill Pay

Research by Fiserv finds online bill pay between banks and billing companies now accounts for 58% of all consumer bills that are paid.

Know Me

Research by Collinson Group of affluent middle class consumers finds 47% say they feel more loyal to banks that know who they are and treat them differently and 52% expect to be rewarded for their loyalty.

Higher Cost

The Fed has released its price increases for 2017 for FedACH and Fedwire users. In an effort to cover costs, the changes will result in a 5.3% average increase for FedACH users, 3.3% increase for Fedwire Funds, 18% increase for Fedwire Securities Service and 8.1% increase for FedLine.

Security Concern

Research by Fiserv finds 64% of people who do not use mobile banking say security is their primary concern.

Director Age

Research by Equilar finds the average age of a board director at a Fortune 100 company has declined from 66.0 in 2010 to 63.0 in 2014 (about 5% in 5Ys).

Wells Brand

Research by cg42 finds only 24% of survey respondents said they had a positive impression of the Wells Fargo brand vs. 60% prior to the scandal.

AI Expansion

Research by Bank of America Merrill Lynch projects artificial intelligence applications will expand in the coming years to include driverless vehicles and service robots.

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