



Video Conferencing With Business Customers

by [Steve Brown](#)

NASA has found an ancient volcano on Mars that is the largest in the solar system and reportedly erupted non-stop for about 2 billion years. That is certainly a lot to deal with for the Martians living there. While perhaps not as sizeable an eruption, back here on Earth community bankers too are dealing with explosive advances in technology that are significantly disrupting the business. From mobile banking, to robo-advisors and even biometrics, technology has made many aspects of banking far more convenient and less time consuming for customer and bankers alike.

Nonetheless, we strongly believe that technology will never serve as total replacement for human interaction - a reality that continues to be driven home by the fact that many people still routinely visit bank branches. Because of customers' preference for dealing with actual people, some banks have begun turning to video conferencing as a way to bridge the gap between technology and in-person contact. The focus is on one segment of the population that is always working - small business owners.

Because small business owners tend to have small staffs, they are immersed in the day-to-day operations of their businesses. As such, it can be extremely difficult for them to find any time to visit bankers or to book appointments for bankers to visit them. Nonetheless, small business owners often need guidance from experts for both their business and their personal banking needs. This is where video conferencing can help.

Since video conversations aren't constrained by an individual's location, large banks have already begun offering video conferencing as an option for small business owners. The addition of video conferencing gives the larger banks the ability to reach in and try to strengthen ties with small business owners and some appear to be quite receptive. Leveraging technology, these banks are able to open up secure face-to-face video meetings and provide the ability to share documents (such as spreadsheets, charts and graphs) while video conferencing.

While most business owners still tend to prefer in person meetings with banking professionals when it comes to their more complicated financial needs, video conferencing is something that could eventually be adopted for simpler things to save time. Given the reality that people have more and more demands on their time, making it to a bank for an in-person meeting during business hours can be extremely difficult.

Small business customers who contact large bank call centers in some cases are now being told they also have the option of having a video meeting if they would prefer it. Those who choose this option will be sent a link that enables them to initiate a video call, which can be done through any device that has video capability - including smartphones.

While video conferencing is a tool that banks can use to strengthen ties with busy customers, it can also help banks cut costs. Customers in some cases can even apply for financing or open new

accounts through video conferences. Banks then simply collect any hard copy documents required for account opening when the owner has time.

As community bankers strive to find a good balance between providing customers with the types of personal and digital services they find truly valuable, video conferencing is something to be considered.

While perhaps not as explosive as the volcano on Mars, the technology evolution occurring within the banking industry today does look like it will burn some bankers who do not embrace the changes that customers find interesting enough to adopt.

BANK NEWS

M&A Activity

1) PNC Bank (\$366B, PA) will acquire the US equipment finance business of Canadian company ECN Capital for about \$1.3B in cash. The move gives PNC \$1.1B in loans and leases. 2) MainSource Bank (\$4.1B, IN) will acquire independent investment advisory firm First Service Capital Management Inc. (KY) for an undisclosed sum. 3) B. Riley Financial will acquire investment banking firm FBR for about \$160mm in stock. 4) Synchrony Bank (\$72B, UT) will acquire health card portfolio Citi Health Card from Citibank for an undisclosed sum. The move gives Synchrony 110,000 consumer accounts and connections to more than 14,500 providers.

M&A Success

Deloitte's research finds large corporate executives & private equity investor respondents say the most vital factor in attaining a successful M&A transaction for their company is: effective integration (22%); economic certainty (19%); accurately valuing a target (19%); proper target identification (17%); having a sound due diligence process (12%).

M&A 2017

Sandler O'Neill research finds bank earnings could see as much as a 39% increase as a result of the actions of the new White House. Cutting regulation, greater opportunity for growth, higher interest rates and the potential for tax reform all weighed into the analysis.

ID Fraud

Research by Javelin Strategy finds the number of identity fraud victims increased 16% to 15.4mm US consumers last year. Given there are about 242.5mm adults in the US, this would be about 1 in every 16 people.

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