



Great Business Service Needed

by [Steve Brown](#)

Dealing with customers is always tricky. The more information people have the more they seem to demand from bankers. Look no further than research from Thunderhead that finds 30% of people will share a bad experience they have with a company and 19% will not trust a company after a single bad experience. That is a lot of pressure. In the banking industry it seems everything is going digital, so the pressure to deliver a high quality experience and great customer service no matter the channel is critical.

When it comes to consumers and mobile banking, studies show that mobile banking has taken hold. So much so in fact, that it's a feature many customers depend on. Today, some 77% of US adults now own smartphones, according to Pew Research. That is driving interest by small business owners to at least take a look at mobile banking.

A new study of 215 small businesses in more than 20 major industries by RateWatch and Simon-Kucher & Partners provides some interesting fodder around this, however, for discussion. It shows that some negative perceptions persist among small business customers. Despite the availability of mobile banking at their bank, 34% of small businesses polled have never used it. What's more, 69% do not have a positive perception of mobile banking services offered by their institutions.

Nevertheless, it appears that it's not so much that small business owners don't want to use mobile banking. The problem is that mobile banking hasn't come up to speed to meet their unique needs. While it's relatively quick and easy for a consumer to deposit one or two checks remotely, it's much more cumbersome for a small businesses owner to do so. Further, it is not an easy task for small businesses to reconcile invoices and bank statements with the mobile technology available today.

All signs point to the fact that the demand is there. Small businesses want to save time by doing their banking on the go. That means bankers should expect more users here once the technology matches up with the mobile banking needs of small business owners.

To illustrate, consider the increasing number of small business loan applications that are being made via mobile phone. A 12 month analysis of transactions on Biz2Credit between Oct 2015 and Sept 2016 showed that almost 56% of small business loan applications came via mobile devices in Sept 2016 vs. less than 40% 1Y earlier.

Small businesses clearly want mobile functions that are easy to use and tailored to their needs. They need a souped-up business version of what's already available to consumers. Community banks with mobile savvy small business customers should keep this in mind. Indeed, the RateWatch and Simon-Kucher study found that digital customer satisfaction is directly correlated with the rate at which digital innovations or new digital features are introduced.

As we have previously reported, there are several big banks offering mobile apps specifically for businesses already. Since the demand is there, shrewd community banks may want to begin stepping

up digital offerings as needed to satisfy this growing market. To begin, ask your business customers regularly what they expect from mobile banking, address any new features needed with your core provider and make sure your digital budget incorporates this growing area of your business.

BANK NEWS

Risky Click

ZDNet reports that last year Google says it took down 1.7B in ads infected with malware.

More Education

A Segmint survey of bank customers finds only 24% say they have a good understanding of all of the products and services their financial institution offers.

Fined

French bank BNP Paribas will pay a \$350mm fine to the NY State Department of Financial Institutions. The fine settles claims it conspired to manipulate foreign exchange prices, rates and made fake trades.

Hiring Millennials

A Bank Director survey of executives and directors finds the following when it comes to hiring millennials: 34% actively seek them but have trouble attracting talented employees, 33% have a plan in place to attract millennials and are satisfied with their efforts and 33% say hiring millennials is not a focus for the bank.

BSA Standards

Regulatory guidance on BSA/AML includes minimum standards around independent testing. These include conducting appropriate risk-based transaction testing to verify the bank's adherence to the BSA record keeping and reporting requirements (e.g., CIP, SARs, CTRs, CTR exemptions and information sharing requests).

Digital Status

A survey conducted by Korn Ferry of Chief Marketing Officers finds the following related to how close their organizations were to transforming to digital, social and mobile: there now (30%), within this year (25%), within the next 1 to 3Ys (41%), and 4Ys or more (4%).

Taking Risk

A Deloitte survey of CFOs at major companies finds 60% of those in North America say now is a good time to be taking greater risk vs. only 40% as of last quarter.

Branch Usage

A JD Power banking study finds 71% of bank customers visited the branch an average of 14x per year and 78% of new accounts are opened in the branch.

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