



Traveling Through Biz Checking Account Success

marketing business customers

Summary: An annual business banking study found 70% of small firms without a business checking account were denied a business loan in the past 2Ys. We provide insights from this study to help you connect to more business customers.

As you ponder where to travel this summer, we found it interesting that the Organization for Economic Cooperation and Development (OECD) researched countries worldwide to try and figure out those that have the most native born population living abroad. At the top of the pack it found Ireland (18%), followed by New Zealand (14%), Portugal (14%), Mexico (12%) and Luxembourg (12%). Meanwhile, those with the least living abroad were China (0.3%), US (0.5%), Japan (0.6%), Brazil (0.7%) and Australia (2%).

To keep existing customers from traveling to a competitor in banking, there are some things to keep in mind. Consider the recent findings from Nav.com's [Annual Business Banking Study](#). It found 70% of small firms without a business checking account have been denied a business loan in the past 2Ys. It also found small business owners without a business checking account were twice as likely to consider closing their business due to cash flow challenges and a lack of access to capital.

These findings reiterate the importance of business checking accounts and the insight they can provide to community banks. Also of note, the survey found 50% of business owners without a business bank account say they want to open one, but haven't had the time to set one up. To capture this business, now may be the time to make business account setup easier and to communicate that more actively to local business owners.

Convenience also remains a major factor when business owners consider where to do their banking. Here, the study found 47% chose their business bank account because it was at the same bank as their personal bank account. Meanwhile, 46% said location was a reason for choosing their business bank, easily beating out cost (17%) and perks (13%).

Certainly, community banks are facing strong competitors. Here the study found business owners prefer large banks (57%) vs. community banks (18%) or credit unions (15%). Again, this could be because they have their personal accounts there, as indicated above, so differentiation is critical.

Some bankers indicate to us that they have had success by continually showcasing how convenient, customer-friendly and responsive they are compared to larger counterparts. Ongoing appearances at community events, participating in small business panels, and visiting local businesses are also cited as ways to gain broader penetration within the business community.

Another solid way to reach these customers might be to offer free ongoing classes or one-time seminars on topics applicable to small business owners. The study found 24% of business owners said managing finances is a major pain point for them and a hardship. Highlighting what your bank can provide here should go a long way to help raise awareness, as you deepen ties with business customers.

By staying connected to the businesses in your community, you can ensure business owners turn to your bank when they need you. That said, now may be a good time to take a walk around the neighborhood to visit new businesses that may need your assistance, before they go on summer vacation, perhaps.

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