



Top 4 Ways To Keep Customers Engaged



profitability business customers customer retention

Summary: In this competitive market, it is clear that banks need to focus more intently on customer engagement. We provide you with the top four ways to do this.

You have to love the way the government operates sometimes. Take for instance the fact that Fish and Wildlife has a dedicated page detailing how they count and estimate bird flock sizes. Apparently taxpayers seem so interested in this that they even have a calculator where you can test your own counting skills across a multitude of flock size ranges.

While most bankers probably don't have time to play the bird flock counting game, everyone has time to count the number of customers on hand, those that leave and how frequently they leave. Perhaps as it is with birds, figuring out exactly how many customers are really switching banks and whether it is a high rate or not is sometimes difficult to know. To help you set a baseline, we surface two studies that produced two different outcomes.

One study released in March from [AT Kearney](#) shows that primary bank switching rose 17% in 2018, up from 9% in 2015. Age, of course, is a characteristic of the switchers--millennials, but so is income, according to this study.

Another [study by JD Power](#) from April 2018 through February 2019 found that only 4% of customers switched banks in the last year. However, it was also reported that 53% of surveyed retail bank customers use mobile banking and that midsize banks had much lower scores in innovation and satisfaction among those under 40Ys of age.

It is tough to figure out which one of these is "right", but regardless of which study makes more sense to your customer base and operating market, it is clear that banks need to focus more intently on customer engagement. Here are four good ways to accomplish this.

1. Think of every customer as a potential defector. When viewed through this lens, banks will be more likely to treat customers as individuals and work harder to cater to their unique needs. Engaged customers tend to have more products with their bank, so remember to check on any changing needs regularly.
2. Stay relevant to customers. While switching banks can be difficult, technology and innovation are leading reasons for customers to defect. To stay relevant seek to offer innovative products that customers have come to expect. Customers likely won't mind if your bank isn't first to market with new technologies, but they could object if you're behind the curve years later.
3. Focus on relationships. Banks can easily lose good customers simply because they aren't focused enough on relationship management. We know community bankers are masters in this area, but it never hurts to review and reassess. Customers should feel appreciated, so reward loyalty through lower fees, cash back offers or other perks. Referral programs can be another effective tool to reward engagement and drive new business.

4. Communicate continually. Sending out a survey to key customers is a quick, easy and sometimes effective way to take the pulse of your customer base. Be sure to also follow up with personal interviews, especially for those customers who are unlikely to respond to a survey.

DEPOSIT OPPORTUNITY YIELDING 2.55%

In an effort to expand our relationships, PCBB is pleased to offer community banks a money market deposit account rate of 2.55%, subject to availability. Contact operations@pcbb.com.

Copyright 2021 PCBB. Information contained herein is based on sources we believe to be reliable, but its accuracy is not guaranteed. Customers should rely on their own outside counsel or accounting firm to address specific circumstances. This document cannot be reproduced or redistributed outside of your institution without the written consent of PCBB.