



Business Customers And Their Digital Needs

by [Steve Brown](#) Topics: [mobile banking](#), [digital banking](#), [business customers](#)

Summary: Digital tools have been widely accepted and used by consumers. Are business customers seeing any benefits?

For some, retirement is just around the corner, while for others it is quite a ways off. Some interesting thoughts on retirement: experts say you should not withdraw more than 4% of your nest egg in the first year, Social Security is meant to replace about 40% of your pre-retirement income, and 94% of those 50+ say technology helps them keep in touch with family and friends. Good luck to all regardless of age or stage.

On the technology front at least, things are moving rapidly forward for people of all ages. That is also the case when it comes to how retail customers embrace bank apps and other digital tools, and how small business customers take to them.

No one can deny that for consumers, there's a plethora of digital tools at their fingertips and they are increasingly satisfied with the offerings. Here a [J.D. Power 2019 US Retail Banking Advice Study](#) found a 21-point satisfaction gain over the past year for advice delivered digitally, and an even higher 30-point gain among consumers under 40Ys old.

The types of advice on digital tools that consumers appreciate most are investment-related advice; quick tips to help improve their financial situation; retirement-related advice; advice to help keep track of spending and household budgets; and saving for a large purchase.

While the [J.D. Power 2018 US Small Business Banking Satisfaction Study](#) found that nearly 50% of small businesses say they don't bother with their bank's mobile offerings due to little value, another survey shows some areas community banks might consider to upgrade business apps.

In addition to the mobile remote deposit capture feature, the [ath Power Small Business Digital Banking Study](#) found small businesses would also like digital tools that could expedite cash receipts and boost cash flow. These include online account opening, online business loan applications, digital payments and business planning/management tools. While this survey is a bit older, many of these features are still needed.

[Another survey by Aite and Bottomline Technologies](#) found that in addition to the aforementioned tools, small businesses would also like other things. These include: advanced fraud management tools offered within the online banking; account onboarding self-service tools; online tools for cash flow management, including forecasting and budgeting that are integrated with online banking to minimize manual entry; and integration of online banking with leading accounting systems.

Mobile banking is definitely on every bank's radar, but going forward, it is important to know what your business customers may want. Staying in tune with these customers is the best way to satisfy their ongoing needs for time and cost efficiencies too.

The same ath Power survey above found that 67% of business owners would switch banks, if there were products/services that could help them grow their business better. Also, 54% stated they would even think about moving to a non-bank option, if it could help them with this goal.

While your relationships keep your business customers more loyal, we all know that there could be reasons why a business customer might also stray so it is critical to stay connected.

ECONOMY & RATES

Rates As Of: 05/07/2019 11:27AM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.40	-0.01	0.05
6M	2.42	-0.02	-0.05
1Y	2.37	-0.01	-0.23
2Y	2.28	0.01	-0.21
5Y	2.25	-0.03	-0.26
10Y	2.45	-0.05	-0.23
30Y	2.86	-0.06	-0.15
FF Market	FF Target	Fed Disc	
2.40	2.50	3.00	
SOFR	Prime	Unemp	
2.42	5.50	3.60	

[More Market Rates](#)

BANK NEWS

Digital Deposits

[BofA reports](#) 77% of its deposit transactions are now completed through digital channels.

M&A

1) BancFirst (\$7.7B, OK) will acquire Pegasus Bank (\$624mm, TX) for \$122mm in cash (100%). 2) Merchants Bank (\$1.7B, MN) will acquire The First National Bank of Northfield (\$206mm, MN) for an undisclosed sum in cash (100%). 3) First-Citizens Bank & Trust Co (\$36B, NC) will acquire Entegra Bank (\$1.6B, NC) for \$219.8mm in cash. Entegra will also cancel a strategic merger of equals it entered into in January with SmartFinancial given the higher price received from First Citizens. 4) Two bank holding company Lake Shore III Corp (\$318mm, WI) will acquire First American Bank (\$131mm, WI) in stock (100%) for an undisclosed sum. 5) Chambers Bank (\$844mm, AR) will acquire River Town Bank (\$134mm, AR) for an undisclosed sum. 6) CB&S Bank, Inc. (\$1.7B, AL) will acquire PrimeSouth Bank (\$247mm, AL) for an undisclosed sum in cash (100%) 7) Teachers CU (\$3.2B, IN) will acquire New Buffalo Savings Bank (\$120mm, MI) for \$21.3mm in cash (100%) or 1.29x tangible book. 8) Hancock Whitney Bank (\$29B, MS) will acquire MidSouth Bank (\$1.7B, MS) for \$213mm in stock (100%) equal to 1.4x tangible book.

P2P

[BofA said that as of Q1](#) it had 5.4mm users of Zelle and 6.3mm users of its voice-activated digital assistant, Erica.

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