



## Product Assortment Or Customer Experience

by [Steve Brown](#) Topics: [business customers](#), [customer retention](#)

**Summary:** The findings from a recent study may give bankers food for thought on how they address new products and services. We give you the highlights.

In case you missed it, scientists have reportedly developed a new laser known as the Cytophone that is 1,000x more sensitive than current methods. This is huge because the laser has reportedly already been tested and used to detect, target and destroy cancer tumors in blood cells. Scientists hope it could one day be used to destroy melanoma and metastatic cancer. Now that is the sort of scientific advance we would all love to see.

While not as life changing as this sort of cancer busting laser, bankers also do lots of testing in order to deal with industry challenges that seem to constantly shift and change over time.

One recent study gives banks food for thought in terms of how customers may choose financial providers. While traditional wisdom dictates that consumers choose the overall banking experience first and individual products second, [a Kasasa study](#) calls that thinking into question and surfaces some interesting things to think about.

The study found 84% of Americans determine the products and services they want from a financial institution first, and then look for an institution that offers them. Notably, consumers identified various bank offerings as very or somewhat important when choosing an institution for everyday banking needs. Here, some 87% said they wanted ATM fee refunds and no ATM fees; 86% cited a physical branch presence; and 79% said digital banking capabilities. Additionally, 71% said credit card offerings were important when choosing a financial institution and 63% said P2P payments were important too.

The findings underscore the importance of having a broad suite of products for any bank. In fact, 87% of respondents with a primary financial institution already said it was important to them that their provider was able to serve more than just one of their financial needs.

As you're thinking about what other products and services can effectively augment your existing line-up, we want to zoom in on small business credit card offerings because so many competitors are doing so.

Here, some community banks seem to take a reactive rather than a proactive approach to small business cards. This could be a serious mistake considering that a majority of small businesses will use a credit card for business expenses.

Not only that, but research finds many small businesses actively shop for business credit cards and many are open to having a community bank as their provider.

In fact, an overwhelming 80% of businesses that have a credit card with a community bank consider that card to be primary, according to research from Visa and A.T. Kearney.

By making credit cards an integral part of offerings, banks have the potential to develop deeper and stickier relationships with small business customers.

Certainly, community banks know how to satisfy customers, but pressures are everywhere. It might be time to do a little testing of your services, as your team stays educated on those products most in demand by listening to customers. It is a difficult balance sometimes, but the rewards could make it all worthwhile.

# ECONOMY & RATES

Rates As Of: 07/12/2019 11:47AM (PDT)

Treasury	Yields	MTD Chg	YTD Chg
3M	2.13	0.05	-0.22
6M	2.07	-0.02	-0.41
1Y	1.96	0.03	-0.64
2Y	1.84	0.09	-0.65
5Y	1.86	0.10	-0.65
10Y	2.11	0.11	-0.57
30Y	2.64	0.11	-0.37
FF Market	FF Target	Fed Disc	
2.40	2.50	3.00	
SOFR	Prime	Unemp	
2.41	5.50	3.70	

[More Market Rates](#)

## BANK NEWS

### Digital Debit

[BoFA has a new digital debit card in its mobile app](#) that could attract more customers and reduce fraud. This card doesn't get sent in the mail, but can be used for shopping, along with deposits and withdrawals at BofA's cardless ATMs. BofA currently has 16,000 cardless-supported ATMs and that number is increasing. 59% of those in a Mobile Banking Competitive Edge Study stated the cardless feature is very or extremely valuable. Still only 9 out of the top 20 banks offer it.

### Cryptocurrency Crackdown

The Financial Action Task Force (FATF) was formed in 1989 by the G7 countries as an intergovernmental organization to develop policies to combat money laundering and terrorism financing. The FATF just said it plans to tighten oversight on cryptocurrencies, by requiring countries to register and supervise cryptocurrency-related firms. The FATF initiative marks the first attempt to establish a global approach to regulating the \$300B cryptocurrency trading market around the world.

### Digital Strategy

[A survey of global retail banking executives finds](#): 36% expect to launch a digital-only bank brand as a result of their innovation strategy; 31% expect to invest in fintech startups; 29% hope to work with fintechs in regulatory sandboxes; and 56% stated that the sandbox approach to working together with fintechs will be mainstream by 2025.

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