



Email Usage And Millennial Banking

by [Steve Brown](#)

You may not be keeping track, but research by Email Monday finds 79% of people surveyed use their smartphone for reading email. Perhaps more interesting is that if the trends hold, sometime next year an estimated 80% of email users will access their email accounts exclusively from their mobile devices. It looks like if you want to communicate with someone using email you will have to make it fit into something pretty small.

A study by Harris Poll finds just over 50% of millennials say they are familiar with their local community banks. That is ok maybe, but it pales in comparison to the 82% who say they are familiar with national banks. At the same time, however, millennials are open to switching institutions, with about 60% saying they are open-minded about using a community bank.

So what can community banks do to better motivate this generation? Well, Harris found 83% of millennials said they would switch banks for the promise of more or better rewards.

Yet another study by Deloitte finds 73% of millennials hold business in high regard. That is good, but large percentages of millennials also remain worried about the motivations of businesses when it comes to ethics or being society focused. Here, Deloitte found 64% see businesses as focusing on their own agenda vs. considering the wider society, 58% say businesses behave in an ethical manner, 57% believe business leaders are committed to helping to improve society and 54% say businesses have no ambition beyond wanting to make money.

No matter your approach, bankers will need to balance all of these things to appeal to millennials and then some. One area for example is around fees. Here, Harris found 94% of millennials pay close attention to the no-fee aspect of things when choosing a bank. Large banks often charge consumers more than community banks do for services such as overdrafts, ATM withdrawals and account maintenance. So, while we've said it in the past and continue to believe that fees are important, be mindful of what you're charging when trying to attract younger customers.

In perhaps an odd twist to all of this research, the Deloitte analysis found that millennials are not very impressed by the "buzz" businesses try to create through social media. Most seek out such things as the quality of products and services (63%), levels of employee satisfaction (62%), customer loyalty or satisfaction (55%). Way down the list is the business buzz at only 27%. It is good to see millennials looking much deeper into what companies are doing and why.

Another interesting fact to consider when courting younger customers is that Harris found 41% percent of millennials stressed the importance of doing their banking at the same bank as their parents or other family members. This is a great reason to leverage existing customer relationships. As you are working with existing customers, remember to seek out their children too as potential future customers that may not yet be on your radar.

No matter the survey, it would seem that millennials are a tricky bunch to satisfy for a whole host of reasons. However, by catering to this younger generation's unique needs, community banks can capture more customers and keep them longer.

Keep your eyes open to the changing demographics of your customer base, answer your emails quickly, and take steps proactively to do the things they expect before you are asked. Oh yeah - don't forget to bring the coffee too.

BANK NEWS

Global Impact

Moody's has downgraded its sovereign rating on China from Aa3 to A1 based on the view that China's financial strength will deteriorate in the coming years. Total outstanding debt was about 260% of GDP as of the end of 2016. This was Moody's first downgrade of China in almost 30Ys (1989).

Regulatory Timing

JPMorgan reports Congress is having a dispute over the Durbin Amendment that threatens to slow down or even end the Dodd Frank repeal process in the House. Given everything already on the plate to deal with (healthcare, tax reform, etc.), it looks like regulatory reforms are probably a next year thing.

Artificial Advisor

In Europe, people who have Amazon's Alexa can ask it financial questions and get back advice provided by UBS. It will be interesting to see how long it takes for this to happen here in the US.

Open Banking

The Financial Times reports Spanish bank Banco Bilbao Vizcaya Argentaria (BBVA Compass in the US), becomes the first international bank to offer open banking. This concept allows BBVA to share customer data (with their permission) with third parties like retailers & others who then offer personalized products and services. Interesting way to earn more fees for BBVA & stay in tune with changing customer behaviors.

Customer Centric

PwC research finds 61% of bank executives say a customer centric business model is "very important" and 75% are making investments in this area.

Business Risk

Javelin research finds 25% of the time small businesses will switch primary financial institutions when they have some sort of wire or payment fraud incident.

Ratings Cut

Moody's cut the credit ratings on six Canadian banks amid a slowdown in the country's real estate sector and higher consumer debt levels.

Debt Size

Studentloans.net research finds the total amount of student debt in the US is now \$1.4T.

Copyright 2018 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.