



ECONOMY OR FIRST CLASS BANKING?

When people travel, they have a choice of economy or first class. Depending upon their choice and the size of their wallet, they expect a different level of service.

Yet, banking—particularly community banking—has been slow to understand or adopt this concept as it may be applied to banking customers. Today, for example, customers at some banks receive special recognition based upon the size and profitability of their overall personal and/or business banking relationship. Is this fair? Is it right?

The answer for many banks is “yes.” More affluent individuals and successful businesses—or those that have their complete banking relationship with your bank—expect special perks. While most banks do not visibly provide special “first class” teller lines, many do go out of their way to let their top customers know they are very, very important. Customers are told that they have qualified as a “Preferred” or “VIP” customer and that they can expect premier service and assistance because of their position.

Why are banks doing this?

- The top five percent of your customer base may provide 90% or more of your profits
- These are the same customers your competitors are trying to attract—sometimes at nearly any cost

In other words, it pays to treat your best customers royally.

What might preferred banking customers receive?

The “perks” provided for these customers vary by market and by bank, but the list below represents a sample of what many banks do to make sure their most profitable customers are recognized.

- The bank says “thank you” on a regular basis with a customer contact program
- Customers are offered preferential pricing for services such as safe deposit, debit/credit cards, and deposit and loan rates (for lower risk loan customers without the bank violating fair lending laws)
- Customers have direct dial access to officers after banking hours and are given automatic placement at the front of the telephone banking cuing line based upon their caller ID phone number
- Special account identification designates customers as a VIP
- Some banks feature secluded lobbies for their best customers that provide:
 - Elegantly appointed banking areas, coffee bars and an investment news TV seating area
 - Complimentary access to conference rooms for personal or business meetings
 - Teller and customer service functions at a desk, not at a counter
 - Concierge services to ensure personal attention and immediate service
- Two account officers, a primary and secondary officer, may be assigned to the relationship
- Special events are held for customers with invited speakers such as economists or civic leaders and customers are often invited to share their investment and business experiences
- Some customers are invited to join an “Associate Board” to help the bank with business development and to evaluate banking product and service issues

So, remember to recognize and reward your top customers with first class banking.