

# Investments and Insurance Help Bank and Client

HOLLYWOOD, Fla. -- The banking industry is still under pressure, say Peter Eliopoulos, chief marketing officer at M&T Bank/Wilmington Trust, who spoke last week at BISA's annual conference. But if banks focus on investments and insurance (or "dotting the i's" as he calls it), they can go a long way toward regaining their footing in the new world, he says.

The pressure comes from flat revenue combined with shrinking margins, Eliopoulos says. Indeed, revenue has flat-lined for the past 19 quarters, he says, which dates back to mid-2010 when the industry and the economy were grinding through a slow recovery. And making matters worse, banks' profits are still one-third lower than they were pre-crisis, Eliopoulos says.

In dire times like this, he says that "crucial dialogues" with clients are especially important. Those conversations should be about their full financial needs--including investments and insurance, in addition to deposits or loans.

This all leads, of course, to the fee revenue that banks need. There's a common pitfall, however, that he urged the crowd to avoid. "With the discussion of fee revenue, what's often lost is the customer."

But adding investments and insurance to the product mix at a bank program not only helps the customer, but the bank as well. Both profits and tenure of customer relationships are enhanced if the customers also have either investments or insurance from the bank. In fact, he says that profit can be as much as 78% higher if a deposit -only customer adds either insurance or investments. And the length of the customer's relationship is 63% longer.

He notes that safe-deposit boxes are an often-overlooked as a way to deepen customer relationships because they store tangible items they usually feel close to.

It ultimately comes down to really putting yourself in their shoes, he says. "Everyone talks about it, but it's hard to do." Still, he said, advisors also have to know where they fall in a client's life. In response to a question from the audience, he noted that banks are just not the most important part of clients' lives. "Most days [clients] probably feel more emotionally attached to their cell phones," he said.