

THE ATLANTA JOURNAL- CONSTITUTION TODAY'S TOPIC: FINANCIAL SERVICES

By Rob Chambers

Want to know why banks impose fees on customers with small accounts and not on those with large accounts?

Typically, the top 20 percent of a bank's customer base contributes the equivalent of 140 percent to 150 percent of its income, while the bottom 20 percent may act as a drain on income to the tune of 40 percent to 50 percent, according to Market Line Associates, an Atlanta banking and financial services consulting firm.

Why do banks tend to charge for human contact? Here are some typical bank costs, according to Market Line. An electronic funds transfer costs 12 cents, a direct deposit 20 cents, an ATM deposit 90 cents and a teller deposit \$3.85. "Most banks are attempting to pass some of their costs back to those who are using the services," said Kim Sutherland, a Market Line director.

"But the banks haven't determined the best way to do that while minimizing customer impact. "One way to charge is to bundle services and charge a uniform fee. Another is to unbundle services and only charge for services used. Our opinion is that either is a valid strategy if you research your customer base and find out what they prefer."

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