If Steve Jobs had run a bank…

…would you have heard a peep about fees? This was the man who got the world to stop ripping off the “greedy music companies” and to pay for songs downloaded from the Apple iTunes store instead.
His company also charged top dollar for its products, which were nevertheless eagerly snapped up by millions. He and his shareholders became quite wealthy in the process.

Despite that, the protesters banging drums in parks around the world would, we suspect, have been among those putting flowers in front of Apple Stores to note Jobs’ passing.

By contrast, when Bank of America announced that it would begin charging $5 a month to customers who use its debit cards (since rescinded) you would have thought the company had just committed a felony. Bloggers, the media, Congress, even the President of the United States all weighed in with outrage. Yet it was government price control that prompted the bank’s action.

Some might question the advisability of the move given the bank’s recent history, but it certainly had every right to implement the fee. Private companies in this country, not the government, are supposed to decide what they will charge for their products, within a few broad guidelines. Can you picture the President publicly calling out Apple for charging too much for an iPhone? So why are banks being singled out?

Here’s why: One exception to government price controls is the utility sector, and unfortunately a large percentage of people count banks as utilities. Part of the reason for that is heavy regulation, part deposit insurance. But the thinking generally seems to be, “They get to use people’s money, so they shouldn’t be allowed to overcharge for things.”

David Bohne, president of USAA Federal Savings Bank, summed up the situation succinctly during ABA’s Annual Convention. He said, “We have done a terrible job of marketing the value of our products.”

Some banks have done a better job at this than others, of course. And all banks think they’re understood and appreciated in their market, but evidence suggests this may not be so.

Banks take people’s money, yes, and they keep it securely; make it available virtually any place any time; let people bank on a smartphone or in person; and, most importantly, lend the money out to people to buy homes, to run, expand, or start a business. These are strong positives, but they have come to be taken for granted—or as entitlements.

Ask yourself this: How would Apple (or another savvy marketing company) reposition this array of services in a way that would refresh the inherent value? Banks need to put their best people to work on that question. Once a better value proposition is crafted, it should become the job of everyone who works in the bank, not just the chief marketing officer, to help disseminate it. If each employee can correct the misunderstanding of even one person, that in time will become a strong foundation from which the industry can confidently move forward.• Click here to read the print version of article.