

## LAMPSHADES AND BANKERS

by [Steve Brown](#)

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Sometimes things get so crazy you just have to throw a lamp shade on your head as a defensive mechanism. Ok, maybe that is a bit over the top, but we know many community bankers out there that not only could pull this off, but would also get quite a few belly laughs from friends and customers alike (just be sure you don't do this when examiners are around, as they might wonder whether you have cracked up given the stress). Laughing is good for you and those you interact with, but as community bankers know, having great customer service is certainly no laughing matter. That is why we were intrigued by recent research from Harvard University that delved deeper into this subject.

It is no surprise to anyone that Google has changed the way information can be accessed. Customers now have easy access to information, can get customer reviews on products/services and can switch banks now easier than ever before. People are empowered and banks need to review customer support strategies to be sure they are up to the task. If you are still not a believer that anything needs to be done, consider that the research found 40% of customers who have a bad experience will stop doing business with the offending company, saying the company obviously doesn't understand or care about them.

To protect customer relationships over the long-term, banks will need to be sure they are doing certain things better than competitors and measuring performance in these areas to ensure service is consistent. Customers want to have a satisfying experience, driven by high quality interactions with employees that aren't rushed and are interested and empowered to solve the problem at hand. Getting this right takes work, but the research finds that bankers who spend the extra effort here will see improved profitability, lower attrition and happier customers.

The first few things companies can do to improve customer service are pretty straightforward. Running nearly neck and neck, the research found customers want employees to be knowledgeable (65%) and to address their needs the first time (64%). Whether a customer has an issue they are trying to deal with or they are simply going through the steps of a buying decision, they want employees to provide knowledgeable assistance and accurate information. A friendly employee that has been trained on a given product/service (and knows it inside and out) is crucial, if you want to make a great first impression.

Next, people want to feel special and be treated like a valued customer every single time (62%). Customers do business with companies that make them feel important, go the extra mile, and basically make them feel like they are the only client. People do things for their own reasons and not yours, so forget about you and focus on the customer if you really want to improve service. Demonstrate a desire to meet the customer's needs (54%) and continually ask yourself what's in it for them?

Finally, no one wants to wait in a long line, be taken advantage of or deal with surly people. Remember, good customer service is all about them, so train your team to move as quickly as they can (49%), offer (and be able to explain) products at a good value for the money (49%) and be courteous at all times (45%). Remember that when talking about delivering products at a good value,

this goes beyond price. In fact, customers see price as only one piece of the value they receive that includes service, information and follow-up after the sale. Training, improving employee efficiency and making sure everyone smiles are key factors that go a long way in this area. The research shows customers not only appreciate these things, but also assign them a pretty high value.

Customers often see banks as being more profit driven than customer friendly and poor customer service is the most common reason people switch banks. Improving customer service is just a good idea - unlike putting a lamp shade on your head.

## **BANK NEWS**

### **FOMC**

The FOMC added 2 voting members yesterday to its roster, after Janet Yellen (former president of the SF Fed), was sworn in as Vice Chair and Sarah Bloom Raskin (former Maryland bank regulator) was sworn in as a Board governor.

### **M&A**

BancFirst (\$4.6B, OK) has entered deal to purchase Bancorporation Inc. and its subsidiary, The Okemah National Bank (\$74mm, OK) for an undisclosed sum. This agreement marks the 3rd acquisition announced in the last 3 months.

### **Call Report Deadline**

The deadline for 3Q Call Reports is Oct. 30th. During this Call Report, banks participating in TAG will calculate assessments on average daily balances of eligible accounts instead of quarter-end (on Schedule RC O).

### **Card Performance**

Card Performance: As consumers continue to pay down debt, card delinquencies at banks dropped 26bp to 3.62%, the lowest level since 1Q 2001.

### **Bank Accounts Hacked**

More than \$3mm was looted from US bank accounts (and at least \$9.5mm from UK accounts) by a global cybercrime ring that allegedly used malicious computer viruses to steal bank-account information from May to Sept of last year. So far, over 100 people have been charged related to these thefts.

### **Patent Infringed**

A federal judge has ordered US Bank to pay \$53.2mm for infringing a check imaging patent held by DataTreasury Corp.

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