

ADDICTED TO CUSTOMER LOVE

by [Steve Brown](#)

Today is the day of chocolate and flowers. Some banks sent Valentine's Day cards out last week so they hit today in order to show their customers love. If you think romance is an old-fashioned idea, you may be missing something, as focus groups consistently indicate many bank customers walking around feel unloved. More than half of small businesses that were recently surveyed said their bank never tries to contact them, other than through statements. A full 85% of customers have also never received a note of appreciation. While you can be a successful company in America without superior customer service, the odds are stacked against you. Recently in San Francisco we had the opportunity to listen and talk to the head of customer service at both Amazon and Zappos, two companies known for fanatical customer service. In addition, over the past 10Ys, we have had the opportunity to talk customer service with banks such as USAA to find out what they do right. Here is a list of 5 things that separate these firms from banks that merely talk about professing love for their customers:

- 5) Send a Message - Successful customer service companies send a note to their customers thanking them for their business and/or following up on how service was delivered. The most effective Valentine appreciation program that we have analyzed is simple in its elegance. A letter from the CEO that says, "You are one of our best customers. We really appreciate that you continue to choose us and I wanted to personally thank you for the opportunity to conduct your banking business."
- 4) Hire Right and Train - Almost every successful customer service company from Southwest Airlines to USAA conducts cultural screening for employees that hold customer service positions. This is almost mandatory, as getting the right employees in the door builds the foundation. This common trait is further supported by both initial and continuous training. The average length of an initial training program at a true customer-centric company is 4 weeks, with usually a minimum of a week after each year. Training ensures each employee knows the history of the company, organization, structure, products/services and processes. A formal training program ensures consistency in the message and allows a superior corporate culture to grow without being watered down.
- 3) Support - Superior customer service is a team effort. Companies that are successful at delivering high satisfaction year in and year out, tend to have a multi-layered support structure. A single person is responsible for the customer experience (Chief Customer Love Officer), client action teams, mentoring programs, advisory boards and ambassadors are all examples of infrastructure at companies that want to support both employees and the customer experience.
- 2) Empower - The number one thing that employees want isn't pay or extra vacation, but a control over their destiny. Allowing employees to make and manage decisions is critical, particularly when it comes to customer service. It has a double benefit of not only making the employee feel valued, but allows for a quick resolution of customer issues (the number one critical factor in customer satisfaction).
- 1) Acknowledge - Catching your employees doing things right and acknowledging that performance sends a consistent and reinforced message that customer service is important to the organization. More importantly, awards and acknowledgement give all bank employees a feedback loop in which to positively change behavior. Most important, this feedback creates a sense of fun, which raises morale throughout the organization and tends to rub off on customers. Zappos routinely shows customers where they can buy products that are out of stock. Do you think that sends a message that customer service matters before profits? Like any relationship, the more you put into it, the more you get out of it. It is no mistake that you will find the above 5 traits at some of the most successful companies.

Before your bank gets too crazy increasing deposit rates, waiving fees or reducing the price on a loan - maybe it is worth considering what can be done to get closer to your customer. By building a deeper relationship, banks can not only develop a fanatical following; but also create long term profitable franchise value. This starts with a simple "Thank You" and Valentine's Day is a good day as any to start.

BANK NEWS

Tag

The ICBA reports that community bankers have already sent more than 1,400 letters to Congress supporting extending FDIC insurance on non-interest bearing accounts (under the Transaction Account Guarantee program). A recent survey by ICBA finds more than 79% of respondents support extending the program beyond its Dec. 12 expiration. These accounts help level the playing field for community banks by ensuring full insurance coverage on business and municipal accounts. If you haven't done so already, go to the ICBA website and use their functionality to contact your Congressperson.

Whopper

The President unveiled a \$3.8T budget and key pieces include: taxing banks \$61B through a "Financial Crisis Responsibility Fee;" a 30% tax on incomes of more than \$1mm (would replace AMT); eliminating the Bush tax cuts for those making more than \$200k per year; raising the top individual income tax rate to 39.6% starting in fiscal 2013; taxing long- term capital gains at 20% and dividends as ordinary income for wealthier taxpayers; increasing the estate tax rate to 45% (from 35% currently); cutting discretionary spending by \$1T over 10Ys; increasing taxes by \$1.5T; boosting investments in infrastructure, education and domestic manufacturing; taxing carried interest as ordinary income; extending the payroll tax cut and unemployment insurance for 1Y.

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