

## HITTING A HOME RUN IN CUSTOMER SERVICE

by [Steve Brown](#)

The 2013 Major League Baseball got under way on March 31st, as scores of baseball fans were glued to their TV rooting for their favorite teams. As the oldest professional sport in the US, throughout the season and beyond, fans remain deeply loyal to their chosen teams. This commitment continues despite various missteps players and coaches may make throughout the season. Even game-costing mistakes don't tend to sway a fan's loyalty.

Sadly, the data shows bank customers aren't nearly as loyal. A recent survey from PwC found 40% of people shifted business to another bank after a bad experience. On these occasions, there will always be another bank or credit union waiting in the wings.

There's even some evidence that satisfaction with credit unions is growing to the detriment of the largest banks. Credit unions recently outperformed banks in the Tempkin Group's 2013 Experience Ratings in the banking industry category for the 2nd consecutive year. Credit unions received a rating of 79% in the 2013 survey, exceeding ratings received by USAA, with 78%, and the two top-rated banks ING Direct and TD Bank, which both came in at 74%.

The lesson here is that while community banks are extremely customer-centric, you must still need to be vigilant about maintaining the quality of customer relationships because competition is fierce. You might be surprised to know research from Accenture found that while 63% of financial advisers surveyed say they have a "personal relationship" with clients, only 38% of investors described the relationship as "personal." While this study wasn't solely aimed at bank-based financial advisors, the takeaway is nonetheless important. While you may think your customers are satisfied and that you are doing everything you possibly can for them, the question is whether they agree. The key to improvement here is to recognize things continually change and disconnects can surface.

Step two to improve is to take concrete steps to measure customer satisfaction. A survey focused on customer satisfaction, customer service efforts, specific marketing campaigns and more all make sense to do now and again to see how you stack up.

When it comes to improving customer service and increasing satisfaction, there are other notable outtakes from the PwC study cited earlier. For one, 25% of memorable bad experiences involved rates or fees. Another important finding: 50% of customer recommendations are due to good experiences, not discounts or free products. Finally, the human touch still counts, as people said they would typically be willing to pay a 9% price premium for issue resolution with a live representative.

To see how fast things can evolve related to customer interaction and satisfaction; consider the new tablet-like or video ATMs just announced by Wells Fargo, Bank of America and JPMorgan. It is too early to tell how this will work out, but these banks test market things first, so they must have seen something exciting to be rolling them out across the country so quickly. As with airlines, gas stations and many other services, people don't mind self-service if it is intuitive and easy to use in many cases. Banking remains a predominantly people oriented business, so one way to score big with customers is to stay on top of the trends as you continually solicit feedback and refine offerings.

### BANK NEWS

## **Rising Awareness**

ComScore research finds more than half of those surveyed (51%) say they are aware of digital wallets.

## **Small Biz**

A Manta survey finds nearly 40% of small business owners say they are seeing a return on investment from using social media. Further, 74% have one person dedicated to social media activities and 81% have increased the amount of time they are investing in social media vs. last year.

## **Competition**

To help you keep tabs on what the largest banks are doing, research by Javelin Strategy finds 100% of them now offer the ability for customers to check account balances, view recent transactions, transfer funds between accounts within their bank and pay bills via mobile channels. Other mobile services most of them now offer include: the ability to check credit card balances and transactions (87%); transfer funds between customers at their bank (74%); business mobile banking (70%); transferring funds from other banks (57%); mobile person to person transfers (57%) and mobile deposit capture (52%). Now you know.

## **Savings Account**

Banks seeking to boost deposits down the road might want to target family members of retirees. That is because an AARP survey finds 90% of people 65+ want to live at home for as long as possible, but assisted living costs about \$40,000 per year on average. Advertise your targeted savings accounts to boost deposits.

## **Mobile Banking**

Javelin Strategy reports that while 91% of bank mobile solutions allow customers to transfer funds between accounts in the same bank, only 26% allow customers to transfer funds between banks (P2P).

## **Small Business**

A survey of small businesses by the National Small Business Association finds 40% outsource their payroll management.

## **Passwords**

If you are wondering why biometrics or BYOID is gaining traction, consider research by Harris Interactive finds 58% of people have 5 or more passwords, 30% have 10 or more and 8% have 21 or more. Maybe that is why nearly 40% of people have to ask for assistance to reset a password at least 1x per month.

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