

Tackling In-Branch Customer Experience

by [Steve Brown](#)

The football gag is a reoccurring joke in the beloved comic strip Peanuts. In it, Lucy van Pelt (a smart-alecky, acerbic acquaintance of Charlie Brown), tells him she will hold a football while he kicks it. Despite bad outcomes in the past, he inevitably falls for Lucy's trick. He runs up to kick the ball and Lucy predictably pulls it away at the last second. Charlie Brown goes flying, thumps to the ground and Lucy makes a snide remark about his foolhardiness for having trusted her.

For a significant period of time after the 2008 financial crisis, many bank customers may have felt like Charlie Brown after their football was pulled away. Perception about banks has slowly improved in the years since the collapse, but our industry is still working to repair the damage and prove our ongoing commitment to customers.

What customers experience when they walk into a branch says a lot about a bank's commitment to them. Yet it's an area where some banks may struggle. A laudable goal for the months ahead should be to increase the quality of these interactions to cement more relationships and to expand opportunities in the New Year.

A good starting point is to monitor how long on average your customers are waiting to get service. According to the FMSI 2014 Retail Branch Lobby Study, lobby wait times rose to 5.08 minutes in 2013 from 4.46 minutes in 2011. While wait time isn't the only measure of good service, it's not in a bank's best interest to have customers grumbling about long waits either. You have to balance staffing and activity, so this is always tricky, but tracking things like wait times is an important first step.

To address wait times that are creeping up, banks may want to assign someone to work the crowds at particularly busy times. We saw this strategy in play recently and it worked quite well. Seeing lines building, a bank employee sprang into action. They approached customers individually, asking the nature of their business and directed them to the proper area of the bank so they could be served more efficiently. The long line quickly dissipated and the potential for customer angst was averted.

Of course, sometimes wait times are inevitable, but it may interest you to know that providing service with a smile can help alleviate a customer's stress even when lines are long. A recent study by J.D. Power shows that simply greeting customers at the branch entrance can significantly increase wait time satisfaction. Even when customers had to wait 7 minutes or more, those who were greeted still showed a higher level of satisfaction than those who were not greeted.

It is also important when possible to greet customers by name. For obvious reasons it isn't always practical, but when doable, the strategy is sound. Customers feel important and it also has a ripple effect when others in the bank hear you addressing someone familiarly. It can mean the difference between ordinary experiences and exceptional ones.

When customers walk into a branch, the best bankers scramble to make them feel welcome and to sincerely try to help. You want customers to be long-term allies and it is important to thank them for choosing you as their banking partner. The industry has come a long way since 2008 and as community banks it is important to keep the positive momentum going. Start by tackling the goal of providing an even better in-branch experience for customers and you are well on your way in 2015.

BANK NEWS

M&A

The Bridgehampton National Bank (\$2.2B, NY) will acquire Community National Bank (\$945mm, NY) for about \$141mm in stock.

Huge Costs

Citibank said it will set aside \$2.7B in legal costs (investigations into FX, Libor and compliance) and \$800mm in repositioning charges in Q4.

Cyber Risk

KrebsOnSecurity reports the Department of Homeland Security is warning banks, investment companies and other credit providers to quickly address a flaw that allows cyber criminals to eavesdrop on web site activity. The virus is a twist on the Poodle virus.

LendingClub

The online peer-to-peer lender's IPO was extremely successful, valuing the company at about \$9B. For the first 3Qs of this year, the company issued \$3B in loans. Consumers can borrow up to \$35k and businesses can borrow up to \$100k, but these amounts are expected to rise over time.

Same Day ACH

NACHA (the organization that sets rules for its ACH network) said it would support same day ACH payments. Under a new proposal the sending bank would have to pay 8.2 cents per transaction to the receiving bank. Comments are due Feb 6 but the new rules are expected to be approved by banks.

BSA/AML

On Dec 2, regulators released an update of their examination manual around BSA and AML. Banks are expected to have a good handle on the details of this 442 page document, so we decided to place it here just in case you wanted some pleasurable reading during the holidays: [BSA/AML Exam Manual](#) (pdf).

Low Down

In what may seem like a step back to pre-crisis days, FNMA and FHLMC said they would allow borrowers to only put down 3% down payments as long as the home was a primary residence and for a purchase (no cash out refinances).

Pay Control

Bloomberg reports Fed President Hoenig saying US banks will face compensation restrictions unless the TBTF problem is solved.

Deeper BSA

A banker wrote that examiners told them at a recent FDIC compliance exam that the bank should be doing customer due diligence on non-bank financial institutions and validate that they follow consumer protection and other laws.

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