



## Five Ways To Improve Customer Service

customer service customer retention

**Summary:** Financial institutions that excel at customer service can see benefits in retention and loyalty. But to be good at it requires vigilance and a dedication to constant improvement. We discuss five ways you can improve your customer service.

There are many examples of great customer service across all industries and some that go above and beyond. In the food retail industry, Trader Joe's [broke their own no-delivery rules](#) to help a customer's father get groceries, because he was snowed in his home and couldn't leave. His daughter called looking for help, and Trader Joe's employees delivered food to him free of charge.

With stories like that, the proof of excellent customer service is in the pudding. Actions need to back up what a company says it stands for. Financial institutions (FIs) like to boast about their commitment to customer service and how they strive to always put the customer first. Customers, though, aren't always convinced. Customer satisfaction ratings for FIs have been slipping. They were down 9% YoY, according to the 2023 [J.D. Power Retail Banking Satisfaction Survey](#). The message for bankers is that when it comes to customer service, they might not be as good at it as they think they are.

Customer satisfaction leads directly to customer retention, and holding on to customers in today's highly competitive market is an important goal for any community financial institution (CFI). Research and advisory company Forrester reported that [92% of customers who felt valued](#) by their FI intended to remain customers, and 87% of those wanted to conduct additional business with their FI and even recommend it to others. Customers who feel heard and valued are customers who stay and bring in even more business, whether it's their own or that of someone they recommended to the FI.

On the other side, [J.D. Power's US Small Business Banking Satisfaction Survey](#) uncovered that only 57% of small businesses reported receiving any guidance or advice from their FI regarding their finances. For that percentage to go down, CFIs need to reflect on their current customer service experiences and analyze where it's breaking down for customers, or where there are opportunities for improvement.

Let's take a look at **five ways CFIs can improve their customer service:**

1. **Simplify.** Many banking tasks are cobbled together over time, making them complicated and clunky. Customer frustration with redundant and complex processes can prompt some to just give up and go elsewhere. Closely examining processes with an eye toward simplifying and speeding up can greatly improve the customer experience. For example, forgotten passwords are a frequent pain point for customers, requiring them to return to the password creation process. As a solution, look to things like [biometric login](#) capabilities.
2. **Personalize.** A customer's background and history should drive the banking relationship. By collecting and analyzing customer data, financial institutions can [tailor the experience](#) to the individual customer's wants and needs. In an interesting twist, CFIs can use sophisticated technology to make the experience more personal, such as multi-touch attribution, which aids in a person-centric approach to digital marketing.

3. **Customize.** No two customers are exactly alike. While CFIs can't provide completely unique experiences to every customer, they can build in the ability to offer some customization, whether that means variations in account types or specially designed loan options. The key to customization is listening to customers and then trying to find a tailored banking solution.
4. **Reimagine.** Some customer interactions can be improved by cutting out redundancy and friction. But other improvements may require a deeper dive with an eye toward reimagining how a CFI does something like onboarding. It requires cooperation among different functions and a willingness to work collaboratively toward larger solutions. McKinsey describes one FI that [created an innovation factory](#) that brought together a host of different departments to look for innovative ways to improve the customer experience.
5. **Live support.** CFIs focus increasingly on tech solutions for just about everything, but customers still crave the ability to talk to a live person so they can explain and discuss their issues. Make sure that live support is readily available and agents are knowledgeable and effective. Don't make customers wait online indefinitely while canned music plays, either; [tell them where they are in the queue](#) and provide an option for a callback.

Providing good customer service is a key way of improving retention and loyalty. It is not a one-and-done approach, though. CFIs need to constantly work at improving customer service to keep up with customer expectations, and that involves recognizing areas of improvement and thinking outside the box to craft a truly personal, simple, and tailored customer service experience.

## LISTEN NOW: PROVEN TIPS FOR CUSTOMER SERVICE EXCELLENCE

Elevate your customer service with strategic tools that help you attract and retain customers and drive bottom-line results. In this podcast episode, hear proven principles from former Disney leader Dennis Snow that will help your team achieve its best customer service yet so you can stand out from the competition.

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## ECONOMY & RATES

Rates As Of: 11/21/2023 05:53AM (GMT-0800)

Treasury	Yields	MTD Chg	YTD Chg
3M	5.54	-0.05	1.12
6M	5.43	-0.11	0.67
1Y	5.24	-0.20	0.53
2Y	4.90	-0.19	0.47
5Y	4.46	-0.40	0.45
10Y	4.44	-0.50	0.56
30Y	4.58	-0.51	0.62
FF Market	FF Disc	IORR	
5.33	5.50	5.40	
SOFR	Prime	OBER	
5.31	8.50	5.32	

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