



## Talking Your Way to Profits

business customers customer service employees

**Summary:** High-quality conversations between employees and customers can be very beneficial for the bottom lines of community financial institutions. According to Gallup, effective conversations initiated by employees are four times more likely to result in sales. We provide three tips to achieve better customer engagement.

Teddy Roosevelt is known for a great many things—one of which is his “Big Stick Ideology,” in which he is famously quoted as saying “*walk softly and carry a big stick.*” The idea behind the saying is that one could be highly effective with a kinder, more gentle approach, especially if it were known that a more forceful option was readily available.

### The gift of gab can result in sales

If you think talk is cheap, think again. Talkative bank employees who are adept at engaging with customers can be worth their weight in words. New research has found that front-line institution employees who are good talkers, are capable of zeroing in on customer needs. Thus, institutions can meet the customers’ needs and gain new business.

High-quality conversations between employees and customers can also be very beneficial, especially for a community financial institutions’ (CFI) bottom lines. According to Gallup, effective conversations initiated by employees are four times more likely to result in sales.

A Gallup poll even quantified the advantage. A customer who has a conversation with a CFI employee is four times more likely to buy something if the conversation is high quality and was initiated by the CFI employee.

### But needs to be valuable gab

Employees with the gift of gab can be valuable assets for a CFI trying to land new revenue. However, there is a distinction between idle chatter and carefully directed conversation. The latter is a fundamental component of sales. The former? At worst, it can be a distraction and an annoyance for those waiting their turn in a teller line.

Researchers have found that customers get antsy if they have to wait longer than five minutes, and some simply leave. Gabby tellers swapping vacation stories with customers may see themselves as goodwill ambassadors for their banks. But they may actually be liabilities. Instead of helping customers improve their financial well-being, these types of bank employees burn valuable time and can end up turning other customers away.

So, it’s important to identify and encourage employees who can effectively engage with customers, identify customer needs, and suggest solutions from the bank’s tool kit. It’s also important to recognize counterproductive conversationalists and impress on them the importance of maintaining focus on the business.

## Tips to ensure customer engagement

How do you tell a high-quality conversation from shooting the breeze? And how do you encourage more of the interactions that are most useful to your bank?

Here are three tips to better customer engagement:

1. High-quality conversations **draw out the person** behind the customer and identify particular financial needs or concerns a customer may have. These conversations can then be steered toward bank products that can help customers improve their financial well-being.
2. To help employees perfect the conversation technique requires coaching. **Regular, effective coaching** can change behaviors. But Gallup found that only two in 10 bank employees said they had received meaningful feedback in the prior week. Managers can overcome that deficit by providing weekly feedback focused on customer engagement.
3. **Managers need to be trained in coaching** and encouraged to do more of it. Managers tend to be success-oriented, so pointing out how effective engagement can boost sales can itself be a strong incentive for managers to do more.

At the very heart of this industry is it's a person-to-person business, brimming with direct conversations. Knowing how to make those individual conversations relevant to your customer can yield positive results for both your customers and your institution!

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## ECONOMY & RATES

Rates As Of: 07/05/2022 05:36AM (GMT-0700)

Treasury	Yields	MTD Chg	YTD Chg
3M	1.73	0.01	1.67
6M	2.52	0.01	2.33
1Y	2.74	-0.05	2.35
2Y	2.87	-0.08	2.14
5Y	2.88	-0.16	1.62
10Y	2.89	-0.13	1.37
30Y	3.11	-0.08	1.20
FF Market	FF Disc	LOBB	
1.58	1.75	1.65	
SOFR	Prime	QBFR	
1.52	4.75	1.57	

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