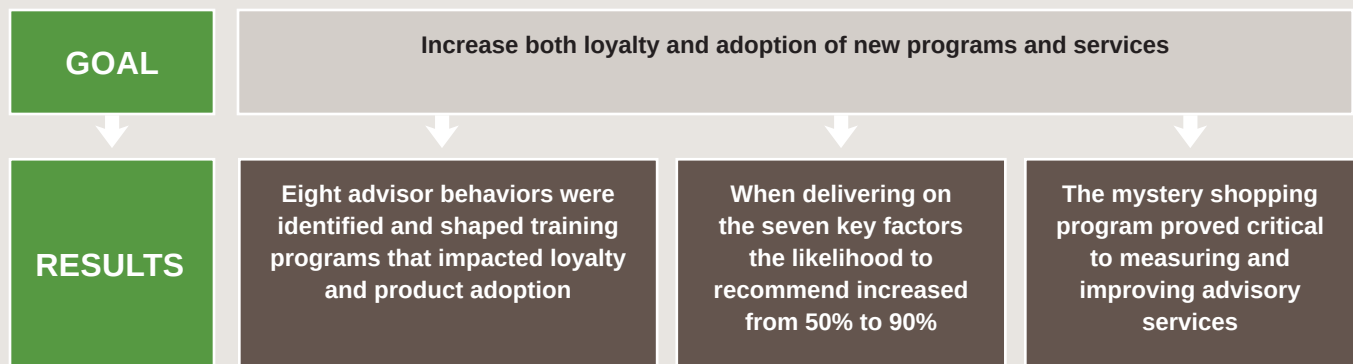


Banking

Focussing on branch services is money in the bank

KEY RESULTS



EVEN AS NEW DIGITAL TECHNOLOGIES TAKE HOLD IN RETAIL banking, consumers still value the human touch and trust factor that comes with face-to-face interactions. That's why the majority of consumers continue to visit branch locations and take advantage of in-person services.

In our 2015 retail banking study we found that 21% of consumers went into a branch to speak with an advisor about products and services in the previous 90 days. Those who spoke with an advisor were 6% more satisfied than those who didn't and 7% more likely to recommend their bank. The findings were similar for those who conducted a transaction with a cashier.

It's apparent that frontline representatives present some of the biggest opportunities for retail banks to increase customer loyalty, satisfaction and referrals. When banks focus on their customers' experiences with a keen eye toward serving their specific financial needs, loyalty increases dramatically and customers are more apt to sign up for additional products.



A North American bank asked Market Force Information® to help them ascertain what specific actions it could take to increase both loyalty and adoption of new programs and services. The bank already took customer satisfaction seriously and had established three programs to measure the customer experience—customer experience surveys (obtained by directly contacting customers who had completed a transaction), a customer satisfaction index (data obtained from the call center) and mystery shopping (whether tellers and advisors adhere to standards).

Market Force's industry analysis (see sidebar) revealed that there are seven key factors that impact customer satisfaction and referrals. When bank locations deliver on ALL factors, the number of customers highly likely to recommend the bank increases from 50% to 90%. The bank used this analysis as a blueprint to identify specific branches that performed poorly on one or more of the seven factors, and it worked with the branch managers to create action plans for improvement.

These seven factors also proved significant in predicting product adoption, with a slight change in the order of importance. Although financial planning and advice remained an important predictor, the advisors' ability to provide clear information and communications about products and services became the top predictor.

When customers indicated that advisors excelled in this area, they were much more likely to take out a loan with the bank. In both models, the importance of the customer advisor role became extraordinarily clear. Their ability to establish a relationship with the customer, offer sound advice and communicate effectively drove both loyalty and product adoption.

WHAT BEHAVIORS DO WE NEED TO IMPROVE?

Given that finding, the bank determined that the mystery shopping program provided by Market Force was critical to measuring and improving advisory services. The bank focused on eight behaviors that tied into its advisor training programs and that clearly impacted loyalty and product adoption:

- Asking needs-based questions
- Tailoring the presentation to the customer, including relevant information
- Asking whether the customer understood and agreed with the recommendations
- Using terminology that's easy to understand
- Spending enough time with the customer—and 5 minutes is not enough
- Offering to set a follow-up appointment
- Reinforcing why the customer should patronize the bank
- Asking whether there are any other ways in which the customer can be helped

What's most important to loyalty and product adoption?

Market Force deployed its analytics team to create predictive models for customer loyalty and product adoption. The team identified the seven most critical components of a customer's likelihood to recommend the bank to others, which include:

1. Financial planning and advice
2. Staff service at the branch
3. Information and communication
4. Financial products and services
5. Interest rates
6. Value for money
7. Perception that the bank values the customer

At the same time, the bank emphasized the key areas that created great relationships with cashiers, working towards both efficient transactions and identifying opportunities for referring customers to the banks advisors:

- Handling traffic efficiently, and when it's high, acknowledging customers and inviting them to the service window
- Connecting to the customer by greeting them warmly, using their name, and otherwise demonstrating that he or she is more than just a number
- Complaint handling—apologizing for the problem and committing to take action
- Reinforcing why the customer should frequent the bank
- Asking whether there are any other ways in which the customer can be helped
- Responsiveness—and the phone shop is a key indicator of this

Each program gave the bank good insights, but by combining all three programs, the bank knew exactly where to prioritize investments in training staff to increase loyalty. With its eye on the customer experience, it's no wonder that this bank has been recognized as one of the strongest banks in the world.

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Thought Leadership

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