



CUSTOMER PERSPECTIVES™

Client Newsletter

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Increasing Customer Satisfaction and Loyalty

A company will dramatically increase customer satisfaction and loyalty when it adopts the following strategy:

1. Don't create problems for customers.
2. Proactively notify a customer if a problem does occur.
3. Resolve the problem quickly and decisively.

The successful implementation of this strategy is difficult. Research indicates that between 40 and 50 percent of a company's customers have experienced at least one problem during any six-month period. Proactive notification of the problem is provided in about 60% of the cases. Only about half of the problems are resolved to the customer's satisfaction.

As would be expected, customer satisfaction scores are significantly higher when no problems occur. Reality is that problems do occur, even in the best organizations. A substantial comeback in customer satisfaction is possible, but only if problems are resolved quickly. By listening to its customers, a company can learn both what problems exist and at what rate they are resolved. The positive impact of proactive problem resolution is good news for companies striving to maintain a base of loyal customers.

Excerpts from an article by Alan Dutka, President of NSRC, a Cleveland research firm.

***** Upcoming Seminars *****

- The American Society for Quality will hold a conference on Six Sigma on February 12-13 in Phoenix. For more information visit www.asq.org/conferences/six-sigma/index.html.
- The American Marketing Association will hold a conference on applied research methods on March 19-22 in Chicago. For more information visit www.marketingpower.com.
- IIR will hold the following conferences:
Marketing, March 19-21, Las Vegas
New Product Development for Services, March 21-23, San Diego
Youth Marketing, March 25-28, Huntington Beach, CA
Achieving Customer Service Excellence, March 26-28, Anaheim, CA

For more information visit www.iirusa.com.

A Mystery Shopping Expert Offers Advice On How To Get The Most From Your Program *"What Gets Measured Gets Improved"*

In order to foster sustained growth at your financial institution, it is important to incorporate your mystery shopping program into a larger scheme for organizational improvement, says Rhonda Sheets, CEO of Support Financial Resources, Inc., a financial services consulting firm based in Centerville, Ohio.

The measurement of employees' skills through a mystery shopping program is one of seven disciplines of "breakthrough" organizational performance, says Sheets. These disciplines are:

Set expectations.

At the start of any initiative, it is important to set clearly -defined expectations, says Sheets.

Expectations provide the initial framework for future success, she says.

1. Communicate expectations.

Everyone – from management to customer service representatives – needs to understand what is expected of them, says Sheets.

This lessens the likelihood of a breakdown in customer service because everyone is aware of what is required to fulfill his or her role, she says.

2. Measure expectations via a mystery shopping program or other performance measurement tool.

"What gets measured gets improved," says Sheets. "Good employees love to be measured. If you're doing a great job, mystery shopping pinpoints it month after month."

"If you're not measuring your performance, you're missing the opportunity to know truly where you stand and what deficiencies you need to correct," she says.

4. Provide actionable feedback to managers.

"Feedback has to be given in an actionable format, because if it doesn't come back in that format, it's not useful," says Sheets.

Financial institutions should make sure that the evaluations they receive from their mystery shopping vendor offer specific suggestions for improvement, such as tips for how to overcome a customer's objections to a certain financial product, she says.

5. Deliberately develop managers.

Many managers at the retail branch level have been promoted to their positions because they were good individual performers, says Sheets.

But these employees oftentimes need direction as they learn how to manage and direct other people.

A financial institution's leadership should be involved in developing branch managers to effectively lead others, says Sheets.

6. set and stick to clear lines of managerial accountability.

"If you fail to set clear lines of accountability or fail to give the proper authority," says Sheets, positive change is less likely to take root at your organization.

7. Be actionMinded.

If mystery shopping data is used correctly, financial institutions should be able to coach their employees to exhibit the kind of behaviors that make an organization stand out for its friendliness and warmth, Sheets says.

"A mystery shopping program that measures real experiences, from real customers, during real transactions is the best way to gain critical customer knowledge."