



## February 2015 Bank Client Newsletter

Dear Judi,

I truly believe customer service is THE NICHE of community banks. But "statistics show that "90% of all community banks are the same or worse when it comes to customer service". If you're like most community banks, your banking team thinks your bank is an exception. But - how do you know? Read on...

Judi

### 10 Keys to an Effective Mystery Shopping Program

Over the years we've discovered an ugly truth, and that is that the majority of community banks just don't manage telephones and it shows. Over 90% of all community banks are the same or worse than big banks when it comes to customer service. At the same time, 90% of community bankers truly believe they're better than their competition. However, just because you think your bank's phones are handled properly doesn't mean that they are. You have to score it. You have to monitor it. You have to manage it. If you're not doing these three things there IS a problem.

In the modern world we live in, customers have more choices than ever before. The local bank a few blocks from their home or work is not their only option. So when engaging with customers, it is important to meet or exceed the customer's expectations. When over 70% of potential customers are visiting your website and calling your bank for product/service information, before ever visiting your location, it makes sense to put some focus there. By the way, if an employee is great on the phone, you can know that same employee is going to be great in person. That's a guarantee.

### What We Found

Here's a quick case study... For approximately 3 years, we worked with a community bank conducting telephone mystery shops on a regular basis. Throughout that time, the bank was consistently scoring 100% and higher (A+) each month. With a leadership change that bank decided the shops were something they no longer wanted to do. Fast forward 3 months. We shopped the bank and found that much had changed since the last scheduled mystery shop. Their score had dropped significantly to 58% (F). What happened? With the lack of the follow up that their employees had become accustomed to, the employees know that there is no accountability. They weren't rude on the shop, but they were no longer engaging and having a conversation with the caller, nor looking for opportunities to help. Instead, they were simply answering the phone. What used to set this bank apart from their competition has been negated and now they are no different than the big banks and most of the competing community banks in that critical area.

### In This Issue

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By Sheila Keller

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## Measuring Customer Satisfaction in the Banking Industry

### **Abstract:**

The working of the customer's mind is a mystery which is difficult to solve and understanding the nuances of what customer satisfaction is, a challenging task. This exercise in the context of the banking industry will give us an insight into the parameters of customer satisfaction and their measurement. This vital information will help us to build satisfaction amongst the customers and customer loyalty in the long run which is an integral part of any business. The customer's requirements must be translated and quantified into measurable targets. This provides an easy way to monitor improvements, and deciding upon the attributes that need to be concentrated on in order to improve customer satisfaction. We can recognize where we need to make changes to create improvements and determine if these changes, after implemented, have led to increased customer satisfaction.

***"If you cannot measure it, you cannot improve it." - Lord William Thomson Kelvin (1824-1907).***

This study takes a look at the models for measuring customer satisfaction and suggests areas for further research.

### **Introduction:**

Banking operations are becoming increasingly customer dictated. The demand for 'banking supermalls' offering one-stop integrated financial services is well on the rise. The ability of banks to offer clients access to several markets for different classes of financial instruments has become a valuable competitive edge. Convergence in the industry to cater to the changing demographic expectations is now more than evident. Bancassurance and other forms of cross selling and strategic alliances will soon alter the business dynamics of banks and fuel the process of consolidation for increased scope of business and revenue. The thrust on farm sector, health sector and services offers several investment linkages. In short, the domestic economy is an increasing pie which offers extensive economies of scale that only large banks will be in a position to tap. With the phenomenal increase in the country's population and the increased demand for banking services; speed, service quality and customer satisfaction are going to be key differentiators for each bank's future success. Thus it is imperative for banks to get useful feedback on their actual response time and customer service quality aspects of retail banking, which in turn will help them take positive steps to maintain a competitive edge

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For complete article, [click here.](#)

By Dr. Manoj Kumar Dash & D.M. Mahaptra

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### More Customer Service Statistics:

- A dissatisfied customer will tell eight to ten people about his/her problem. One in five will tell twenty
- It takes twelve positive experiences to make up for one negative incident.

### Upcoming Events:

The **Quirk's Event 2015**- Feb. 23-24 in Brooklyn. For more information, [click here.](#)

The American Marketing Association's "**Analytics with a Purpose**" conference will be held March 1-3 in San Diego. For more information, [click here.](#)

IIR's "**Fueling Forward the Innovation Engine**" conference will be held March 11-13 In Austria. For more information, [click here.](#)

The Advertising Research Foundation's **Re: Think 2015 "Reimagine Research"** conference will be held March 16-18 in New York. For complete information, [click here.](#)

Worldwide Business Research's conference, "**Next Generation Customer Experience**" will be held March 23-25 in San Diego. For more information, [click here.](#)

Strategy Institute's "**Customer Experience Strategies Summit**" conference will be held March 25-26 in Toronto. For complete information, [click here.](#)

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