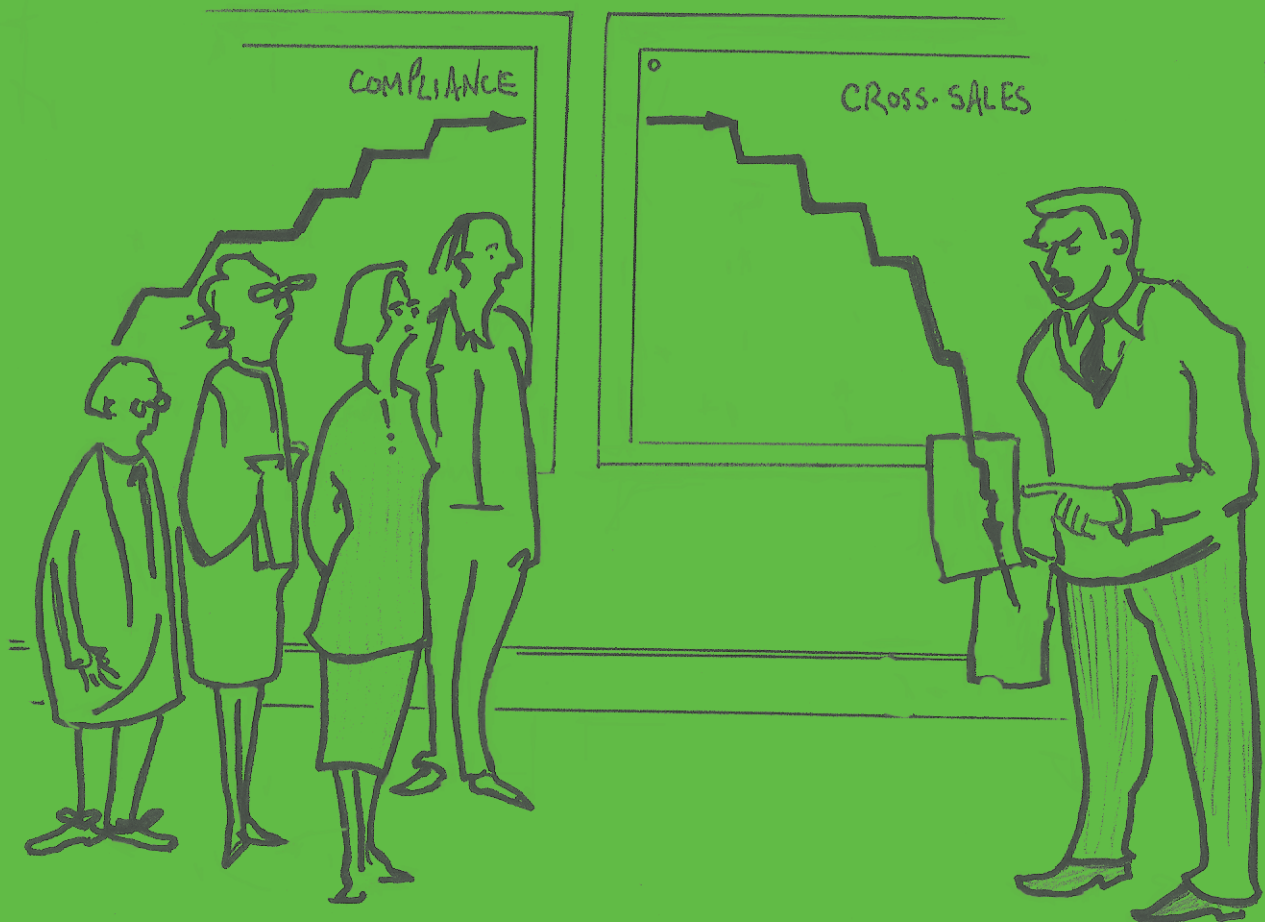


In this issue...

- The impact of non-advice on sales
- The role of interviewers in helping customers make their own decision
- Converting order taking into relationship building



Non-Advice - Back to order taking or a chance to shine?

In a new world of mortgage and insurance regulation, a significant number of customers are opting to take non-advice. However, early signs suggest that even experienced staff are reverting to bland order taking. And critical sales and cross sales are being lost.

Is non-advice the new 'execution only'? Or is it a real opportunity to stand out from the crowd and find the growth and profitability everyone seeks?



What's the issue?

"50% of customers using the advice route were extremely likely to buy compared with 17% following the information path only"

In a flat mortgage market where margins are tight, all mortgage interviews are precious and commission from cross sales is as critical as ever for profit and growth.

A report by Price Waterhouse Coopers post M-Day confirmed what businesses know and interviewers experience - customers are more likely to buy if they like the interviewer and choose to take advice. *"50% of customers using the advice route were extremely likely to buy compared with 17% following the information path only."*

So where does that leave non-advice?
Technically non-advice is made up of

'sales using filtering questions and execution only' but what does that look like in reality? From a customer's point of view it seems to translate into a service where the interviewer "can't make a recommendation," but "can ask you some scripted questions."

Some organisations report that up to 90% of their customers 'require' non-advice. Early signs suggest that interviewers faced with a non-advised situation do little to help customers confirm their own decision. They simply revert to pleasant order taking. No surprise then that cross sales are down.



From an organisation's point of view

"It is thought that up to 90% of customers 'require' non-advice"

Under non-advice, the directive not to 'lead' customers and to use scripted questions has led to sales processes that deliver linear, monotone conversations. These stifle staff and add no customer value.

Qualified advisers worry about straying into advice. They dare not answer customers' questions or ask clarifying questions to help customers confirm their own decision. Desperate to remain compliant non-advice interviewers do the same. To compound the problem, lead generators, robbed of successful conversational 'hooks' clam up and the sales pipeline runs dry.

In reality, staff can influence a customer's choice early in a conversation. Lack of time

or fear can cause branches to see non-advice as an easy barrier to hide behind.



No-one is clear about the market demand for advice vs. non-advice. Maintaining and supervising competent staff is an expensive business. Even more so if the number of enquiries is low OR the number of non-advice enquiries outweigh those for advice.

Businesses must handle three pressures - meeting the needs of customers, the regulator and their own sales targets. But they also owe a duty of care to help customers make the right decision for themselves - this does not equate to order taking.



From a customer's point of view

Faced with a choice of '... two levels of service ...' customers opt for non-advice for numerous reasons. For those who clearly know what's right for them, straightforward execution is completely appropriate. But do customers choosing non-advice really know what's right for them and do they actually understand what they have signed up for?

Customers' lives and their financial needs are becoming more and more complicated. At the same time, mortgages are much more complex as fully flexible and offset products continue to grow in popularity. Research shows 10% of mortgage borrowers are now using off-set mortgages. A further three million

people in the UK will be considering off-set in the next couple of years.

So customers choosing non-advice may not be as informed as they think - and could be receptive to an interview that respects their opinion and aims to add value. An adviser who skilfully helps them recognise what they know and what they don't know, will find more customers receptive to exploring further needs or indeed changing track mid-interview.

At the moment a non-advice interview is, at best, pleasant and compliant. But selling the benefits of other protection and insurance products is tougher from an order taking position where there is little customer engagement and no tangible added value.

"2.8 million of the UK population will be considering offset in the next couple of years"



In summary

At a minimum good non-advice can help customers confirm that the decision they are making is the right one for them. An interviewer who helps them recognise that they aren't as informed as they

thought, demonstrates empathy, expertise and credibility. Both approaches start to build a trust conducive to discussing further needs and building the ongoing relationship every business values.

The opportunity to add value to non-advice interviews is considerable, a chance to shine for sales and customer service. Duty of care under non-advice does not equate to safe abdication and pleasant order taking. Apparently risk-free order taking treats nobody fairly, least of all the customer.

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About us...



Setanta Performance is an international consulting firm that helps financial services organisations to achieve superior sales and service results. We use innovative, collaborative methods that help integrate people, technology and processes to produce measurable improvement in business results. Current clients include Abbey, Nationwide, Post Office, Visa and Yorkshire Building Society. Issues where we have made major contributions include:

- Implementing compliant sales and service activities
- Designing sales processes
- Improving customer experiences
- Migrating transactions
- Improving operational efficiency and effectiveness

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