

insights



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Successful customer experience - by design

However hard financial services organisations try to differentiate themselves, their efforts pay off slowly, if at all. Recent *Which? magazine* reports show that only 33% of customers are 'very happy' with their bank. Such low levels of satisfaction have a dramatic impact on their willingness to purchase further services. So what does it take to develop happy, loyal customers who are advocates for their bank? Making the whole experience of banking more pleasurable would be a good place to start.

Consider this typical event observed recently in a large branch.



A customer's experience

A woman came to the counter of her branch to draw out £1,300. The money was intended for car tax, insurance plus holiday spending. It wasn't a particularly busy day so she queued for only six minutes before explaining what she needed to a nicely groomed, polite cashier who made good eye contact and said:

"£1,300 Mrs Wright? No problem, we can do that for you. I can give you £1,200 from here and you can get £100 from the ATM. You'll need to go to the ATM first, or the system

will think that you've gone over your limit."

Mrs Wright did as suggested, went to the ATM, where the queue was quite short, returned five minutes later, queued again and was given the extra £1,200 she needed. After 20 minutes in the branch Mrs Wright left, apparently satisfied, to go and get her car sorted and go on holiday. Though she had raised an eyebrow when directed to the ATM, she had not complained. She had even thanked the cashier as she left.

"58% of customers had complained or had thought of complaining. And 27% said that they would not do business with that organisation again."



Differing perceptions

The branch manager could be forgiven for thinking they did a good job. They certainly appear to have ticks in some boxes;

- decent service
- reasonable customer interaction
- all audit controls met
- clean and tidy branch
- ATM in working order

However, from the customer's perspective, key questions arise about the experience:

- Was it distinctive or pleasurable?
- Did it meet or exceed her expectations; or has she lowered them to meet the bank's?

- Did it match the brand promise and marketing aspirations?
- Does the bank know what she really thinks?

And this was a very simple transaction. What happens when customers want to do something more complex - transfer current accounts or re-mortgage? More complex transactions regularly produce greater levels of difficulty and irritation for customers. For example, one major bank was taken aback by its own research. Feedback from customers who had recently re-mortgaged showed that 58% of them had either complained or had thought of complaining. And 27% said that they would not do business with that organisation again.



Choreographing the customer experience

The issue here was that Mrs Wright would have felt irritation, at best. Her branch experience was one to be endured because it couldn't be avoided. Of twenty minutes, only 2-3 were in any way valuable. Unless her bank can enrich such *'moments of truth'* she will resist buying further services. Add a bad experience or two and she could join the estimated 750,000 people who now switch banks annually.

So what can be done to enrich experiences? Key customer interactions need to be thought out in detail and managed pro-actively. In short, organisations need to learn to choreograph customers' experiences. These experiences are a product of the people and processes that customers encounter.

Human interactions and the bank's processes are inextricably linked. They are the DNA of the customer experience and their *'double helix'* nature determines the success of customer interactions. (See Fig.1)



Choreographing these experiences means enhancing both

the interactions and processes, from the customer's point of view, to deliver experiences that customers are happy to repeat and likely to talk about.

The good news is that the Pareto principle works here. Improving a small number of regularly occurring experiences (greeting, dealing with enquiries, interviews, account opening, basic transactions etc.) will have a major impact on perceptions. Improving means much greater attention to detail. All branch staff need to participate and regularly work at making things better for their customers.

Local managers need to lead the activities. This involves a five-step approach:

- 1. Observe and analyse existing experiences**
 - Walk the key physical and virtual pathways - from the customer's view point, then map them
 - Identify physical and cultural barriers to performance
 - Involve contact centres, marketing, product development etc. to ensure an integrated customer experience
- 2. Improve key customer pathways**
 - Define and document the desired customer experience - build simple story boards
 - Simplify staff and management activities
- 3. Improve key processes**
 - Map significant processes related to customer pathways
 - Redesign key customer touch points, forms, hand offs, branch lay outs etc.
- 4. Rehearse and certify new behaviours**
 - Rethink key staff and management behaviours
 - Rehearse on site; simulate and practise key customer experiences
 - Area/regional managers certify branches
- 5. Sustain and reinforce customer focused activities**
 - Retrofit new pathways to existing programmes quickly
 - Equip all managers to observe and diagnose in the field
 - Monitor data; correct and improve

"Why do an estimated 750,000 people switch banks every year?"

Much of the effort applied to acquiring and deepening relationships will be wasted unless the experience of connecting with the bank is significantly improved. Conversely, satisfying interactions create more opportunities to engage customers in mutually valuable conversations, from which sales flow naturally.

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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 Banco Comercial Português, Britannia Building Society, Nationwide and Visa. Issues where we have made major contributions include:

- Designing sales processes
- Improving customer experiences
- Migrating transactions
- Improving sales productivity of small business banking
- Recognising lifestyle tribes
- Improving operational efficiency and effectiveness

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