



Survey Shows that Retail Banks Really Don't Care About the Average Schmuck

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Here's some news that will come as no surprise to those of us who are at or below the "average salary" mark in our respective U.S. regions:

Enterprise Feedback Management (EFM) solutions provider Allegiance has released the results of a survey showing that bank customers in the U.S. don't feel they are valued or respected by the banks they do business with.

According to the results of the monthly online survey with 500 bank customers (the banks, of course, are not named) only 10 percent reported "neutrality" or worse when considering whether they will discontinue their relationship with their bank within a year. At the same time, only 26 percent of customers think their banks services are the best compared with others.

The survey suggests that although banking customers are exceptionally loyal, they are not unaware of what other banks are doing. Thus banks could be doing a lot more to build customer loyalty -- as any customer could end up suddenly defecting at a given moment. The survey finds that correlation between a customer's emotional engagement and a bank relationship that makes them feel respected is a positive 32%, which is significant.

I recently had an experience with my own bank -- which is one of the largest in the U.S. -- that only affirms what this study reveals. Now, keep in mind that I'm an editor and writer, and I'll admit that I'm among the many Americans who basically live check to check, week to week. Therefore it's not like I have a lot of money sitting around in various accounts. I have checking and savings, and that's pretty much it.

A few years back I signed up for what is called a "service-free" checking account -- which is where I can use ATMs for deposits and withdraws, but if I need to use a teller's services inside the bank, I have to pay a small fee each time I do that (sort of like a "penalty" for having to use a teller). Well, recently I ran into a series of mix ups with my checking account -- which were not really the bank's fault, it's just that the information being provided through the ATM made things unclear to me, due to a change in the way the information was being presented (i.e. the timing of the posts). So I ended up having to use a teller -- and then I was charged. Feeling sort of gypped, I went in a few weeks later and spoke with a rep, who explained the details of the type of banking "product" I had signed up for when I selected my particular checking account. I got kind of miffed and told her I wanted to close out my account and take my business elsewhere.

"OK that's fine," she said, and proceeded to start the process.

As I sat there I thought, "Wow, this is kind of weird -- don't I matter to them at all, as a customer?" I mean, it's not like I was being rude or unreasonable -- I just simply didn't like what I was being told. I wasn't outwardly angry -- in fact, I was totally polite to the rep. In a way, I was kind of hoping that some alternative would be presented, like an option to switch to a different kind of account that would work more to my liking. Instead I was met with

indifference. When I asked the rep whether it mattered at all to the bank that I was closing my account, she basically said no, not at all, that people closed out their accounts all the time and it was a pretty routine thing to do ...

Then I changed my mind and told her to hold off until I had more time to make a decision which bank I wanted to do business with next. So I kept my account open.

Later that day I was talking to friend of mine who used to be a retail bank manager. He told me that basically banks measure your worth by how much money is in your account(s). He basically said if you're just some schmuck who lives paycheck to paycheck, they really don't value you as a customer, as they really can't make much money from your money.

"You're just a minnow to them, in a giant sea of fish ...," he said.

Although its not an ideal comparison, he said in a way the major gas station chains do more to keep customers like me coming back than the major banks do – the irony there being that most people don't have much loyalty to any particular brand of gas. So, for people like me, choosing whatever bank I use might as well be the same thing as which gas station I stop off at when my tank is near empty: No allegiance, no brand loyalty, who cares, it's all based on who has the best location, right? And if I decide to go across the street, "whatever, there will be others who will come to my station, so I really don't need you."

It's interesting to me that, in covering the call center industry, I write so much about the importance of customer service and customer loyalty, yet when it comes to the banking industry, people like me (and there are millions of us) don't seem to matter much in the grand scheme of things. Is this a national trend or just a manifestation of the fact that I live in such a highly affluent area? I dunno ...

So I've decided to stay with my bank for now, because at this point I think I'll just get the same cold attitude anywhere else I'll go. They're all pretty much just after whatever little money they can wring out of me in the form of monthly fees, including out of network ATM fees and the super high cost of those plain check books I buy from them quarterly. There doesn't seem to be much I can do. I wish there was a bank out there that would say "Hey Patrick, we have some great ways for you to increase your savings which won't affect your monthly budget that much ... plus we offer free checking and a slew of other features which are free" ... and then treated me as if they really cared when I happened to need to stop in.

Interestingly, the Allegiance survey reveals that Hispanic customers, in particular, have more negative views of bank service. Hispanics want their bank to be a true partner and help grow their money, yet many of them don't feel this is currently happening. One respondent exemplified this sentiment by saying, "I haven't been given any advice or opinions from my bank that would make me any smarter about handling my money."

Man, I can relate.

So here's what the real point of the survey is: There's no way for banks to know what their customers really think of them unless they ask. That's where EFM solutions provider Allegiance could play a role. You see, EFM is a new business discipline which entails using electronic surveys and other feedback systems to gather opinions from customers and employees, and then using the responses to drive key business decisions. In some ways it is like Customer Relationship Management (CRM), however, while CRM is uses mostly quantitative data to reveal the "who," "what," "where" and "when" about your customers, based on their past interactions, EFM is used to discover the "why" based on your customers' emotional responses to survey questions, which are typically delivered post-transaction on the Web or on the phone. And by better understanding the emotional reasons why your customers want to stay with you -- or leave you -- you can improve customer loyalty. Allegiance's EFM solution, the Engage Platform, is the first system to link employee and customer loyalty and "engagement" to business success. This hosted solution helps high customer touch companies – such as retail banks -- gather, analyze, and respond in real-time to customer complaints, comments

and suggestions. Then they can react, quickly, before customers begin to defect in droves.

“Banks and other organizations need to go beyond customer satisfaction to understand engagement, which is how they connect with customers on an emotional level,” said Adam Edmunds, CEO of Allegiance, in a press release. “Our survey shows that, although banks are doing well in providing basic services to customers, they are not doing as well at making customers feel respected. Respect is an important emotion that impacts customer loyalty, which has a direct affect on profits.”

To learn more, visit www.allegiance.com.

Source: <http://blog.tmcnet.com/makingcontact/survey-shows-that-retail-banks-really-dont-care-about-the-average-schm.asp>