

CUSTOMER TACTICS

Find and Nurture Your Biggest Fans

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By Michael Sisk

Customer satisfaction is a valuable measure for any business, yet it is also a rather blunt yardstick. That's because "satisfaction" is a broad term that can include someone virtually indifferent to the bank but not motivated to leave, to someone very happy who wouldn't consider switching. Banks are keying into the distinctions within satisfaction, and are focusing their attention on the so-called "advocates" among their clientele; these customers not only buy more products and services and do so more often than other customers, but they also recommend the institution to friends and family.

There's value in keeping these customers advocating, and identifying the triggers that move other customers into the advocates category. According to J.D. Power and Associates, for every one million customers a bank has, a five percent increase in the number of customers shifting from "modestly committed" to "highly committed" can lead to an additional \$1 billion in deposits. These "free sales-agents" can also be a counterweight against churn, which is between 10 and 12 percent at most banks.

To understand these advocates and what makes them tick, some banks are turning to enterprise feedback management (EFM), a technology that started as a way to rationalize the often hundreds of surveys a bank puts out every year. But today leading EFM providers are perfecting more sophisticated "customer listening" that can grab and analyze unsolicited chatter about a bank from social networking sites, blogs and other Internet venues. "Knowing what the customer behavior actually is is much more telling than just asking them," says Ron Shevlin, a senior analyst at Aite Group.

Surveys are still important, says Ed Thompson, a vp at Gartner, but that's just a component of today's EFM. Tapping multichannel feedback is one of the two underlying trends driving EFM today. The other is banks' desire for real-time, or near real-time, customer feedback, he says. In the past, the process of gathering, analyzing and pushing customer feedback to front-line employees could take months, which meant that problems identified by the source data were probably too far gone to remedy.

The MSR Group, a provider of customer experience monitoring systems that uses telephone, Web or interactive voice response, contacts customers within 24 to 48 hours of their bank interaction and delivers feedback to the bank's front line via performance monitors within 72 hours. MSR, which counts Compass BBVA, Bank of the West, and Huntington Bancshares among its customers, recently began offering an enhanced performance monitoring tool that includes audio of the customer. Listening to a customer "is

much different than reading the verbatim. You can hear the sincerity and intonation," says CEO Richard Worick. "It also helps the bank employee prepare before the call, to know if this is an enormously upset customer. It arms them with intelligence to do a better job with problem resolution."

MSR provides Advocacy charting, Net Advocacy Rating, and Problem Resolution Tracking and Audit System. MSR also provides Key Driver Analysis, which analyzes data most critical to increasing advocacy scores down to the individual branch levels. This is critical, says Worick, since what turns ordinary customers into advocates is not uniform across the nation. In the East, speed at the teller line is paramount, while knowing the customer name is less important (and in some East Coast cities treated with suspicion). In the Midwest, meanwhile, speed is less a concern than knowing the customer's name.

There are several hundred vendors in the EFM space, says Gartner's Thompson, but one with a sizable presence in the banking industry is Allegiance, which helps financial institutions continually collect, manage and analyze their customer, member and employee feedback, as well as measure, manage and grow loyalty and engagement. "A lot of EFM vendors only do surveys, but we have the ability to scoop in unsolicited feedback - all the rest of that chatter whether it be compliments or complaints," says Chris Cottle, vp of corporate marketing.

Melissa Wagner, market research manager at Texans Credit Union, says Allegiance provides insight into employee attitudes and a new appreciation for how those attitudes shape customer interactions and thus customer loyalty and advocacy. "There's a spillover effect. When the employees feel better about their jobs, the overall engagement with customers increases," she says.

But perhaps most helpful is seeing what problems to focus on first. "You can't approach all your flaws at once, or you'll only create more flaws," she says. Allegiance "points us in the right direction - that solving this problem will have the most impact and so this is where you should focus and have the biggest impact on the bottom line."