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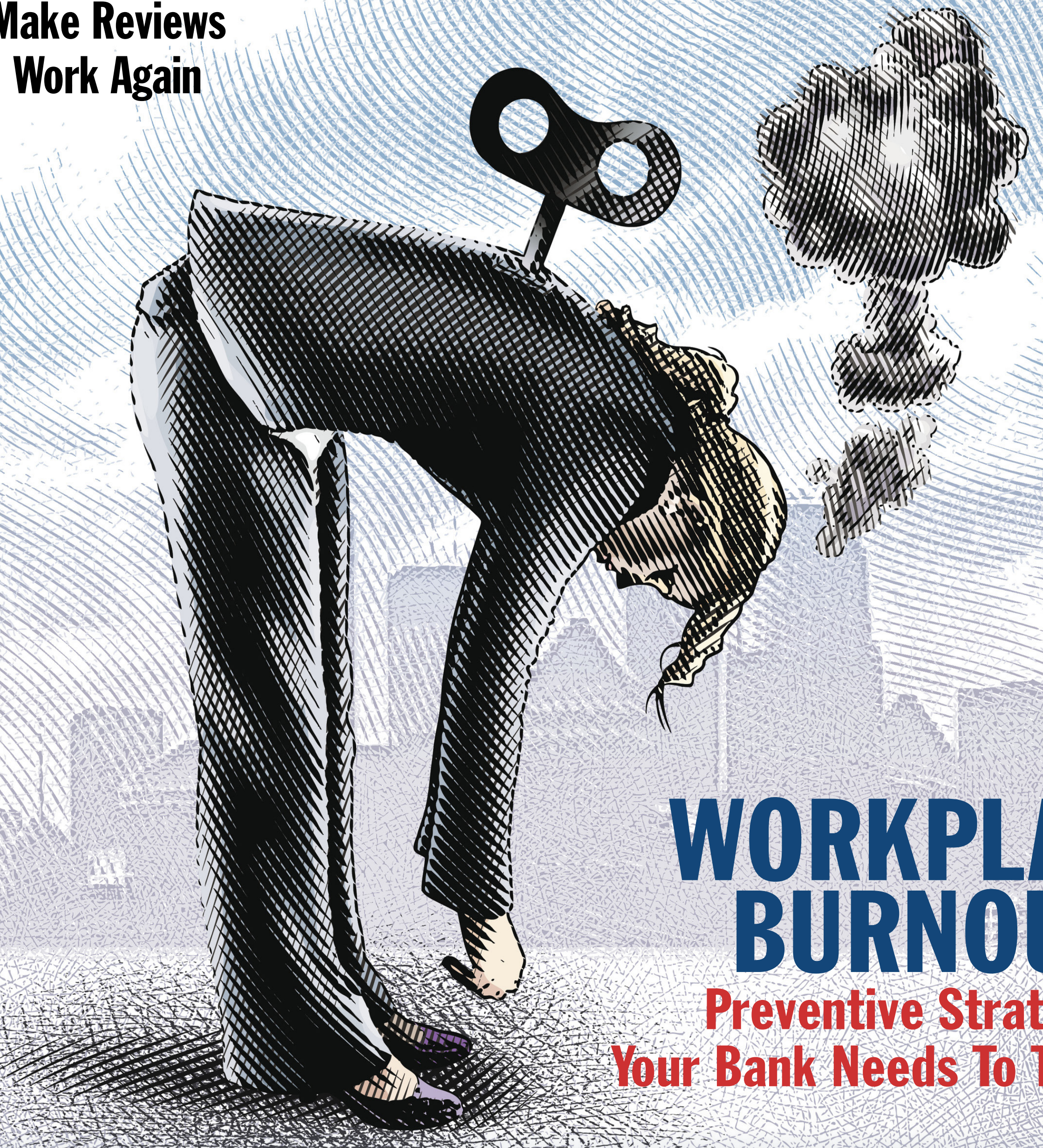

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Worry: The Unspoken Foundation of Bank Customer Dissatisfaction

Research shows that bank customers worry about the interactions with their banks and other financial institutions more than customers in other consumer market segments. Why? Because the stakes are higher. For example, it doesn't matter if you are late to pick up your dry cleaning. You won't be charged a late fee. Or, if you buy coffee at the local coffee shop, you won't be rejected because of a low credit score or missed information in your order.

When it comes to banking, however, there are a myriad of worries, such as funds being lost or data being hacked, fees being charged, unpredictable wait times, administrative red-tape, and confusing, complicated processes. And, it doesn't stop there. If you have ever spent time listening to incoming call center service calls, you would have heard customer concerns such as, "I am calling to make sure that my ATM deposit was credited to my account."

Additionally, customers can worry about more trivial things in their day-to-day interactions with their banks such as, "Did I pick the fastest teller line?" or more profound situations like, "Did I make any mistakes when I filled in my mortgage application?" It's enough to give anyone a headache at best, an ulcer at the worst.

TYPES OF WORRIES

Customer worries come in a variety of forms and intensities. They can, however, be categorized, analyzed, and managed. Here is a starter list of "worry categories" to help bankers understand the customer experience and how the bank's processes, practices and policies impact the customer's well-being.

- Transaction Completion, e.g., "Did my transaction post?"
- Process Compliance, e.g., "Did I fill in the form correctly?"
- Wait Time, e.g., "How long will I hold until the next agent picks up my call?"
- Customer Choice, e.g., "Did I pick the right product?"

These questions signify worry. Worry is a negative feeling. The source of the worry, in this case the bank, is subconsciously blamed for the negative feeling. When your bank causes worry, or doesn't take steps to mitigate it, your customers develop negative feelings about your bank.

A MISSED OPPORTUNITY

Why is "worry" generally not recognized, discussed or addressed by bankers? Because worrying is often a feeling that exists in the background. Rarely do customers articulate it in their complaints or voice it when asked general open-ended questions about their experience. Bankers are busy enough addressing the stated problems of customers that they have no time, interest, or appetite to probe for the unstated worries.

Instead, banks measure "first call problem resolution," but they do not explore "worry identification and resolution." If it's silent, it's not measured. If it's not measured, it's not recognized, discussed, or addressed. And, if it is not even verbalized, why should banks care about it?

The reason is that this sense of "worrying" degrades the customer experience rapidly and has a cumulative impact. Because it is not an instant feeling, it can last for minutes, hours, days, months, or longer. It might not be verbalized, but it is real. You ask customers to stay with your bank forever; to buy more products, open more accounts, refer the bank to their friends and family. Their responsiveness is greatly affected by their experience. Happy customers will stay long-term, open more accounts, refer the bank to others. Perpetually worried customers will not.

TACTICS THAT REMOVE OR MITIGATE WORRIES

There is tactical path that systematically can identify and remove or mitigate these worries. The first step is to understand what customers worry about when they interact with the bank. Become knowledgeable about the nature of the worrying and what action (or inaction) of the bank is fueling the worry. This phase is called "worry mapping." There are two components to successful "worry mapping."

1. Conduct analyses of bank processes, policies, and communications to develop hypotheses of what is causing customer worries.
2. Conduct customer research to understand what customers actually worry about and validate the hypotheses generated based on the analyses above. There are two types of customer research that are relevant in this case: passive and active. "Passive" refers to listening to recorded calls (or using speech analytics) and reading customer feedback (or using

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>
> – Michael Billia, Investors Bank

text analytics). In both cases, the bank has to read (or listen) between the lines to identify the underlying worry. "Active" requires asking questions of customers and frontline employees.

The second step in worry mapping is to identify what modifications to processes or information flows can mitigate the worries. In some cases, there is something the bank does (e.g., a process, a policy) that can be eliminated or modified. In other cases, a new process step or a new information flow needs to be added or modified.

THE ROLE OF THE FRONT LINE

It is essential to train the front line to develop the skillset to probe for underlying worries. Part of the training includes developing of targeted questions to ask or even pre-emptively providing answers to questions that are representative of customer worry. Today's front line is far more likely to be serving customers who have problems to resolve, need advice, are opening a new account, or require additional information. These are higher worry-propensity interactions. The front line in a digitally transformed world, where mundane transactions have migrated to other channels, have a higher role and responsibility to manage customer worries.

Michael Billia is a senior vice president with New Jersey-based Investors Bank. He says, "It's all about listening to what the customer is saying, not drawing conclusions until you hear the whole story. Empathize with them and try to find a solution." Investors Bank trains employees through a program called Customer Connect, which encourages front line employees to have conversations with customers (or potential customers) to find out how they can help and to uncover the questions civilians might have about the banking process.

There are tricks to the trade, says Billia. "I think customers that are nervous are reserved and don't ask a lot of questions. One of the things bankers need to do better is develop a rapport through an open conversation to make the customer feel at ease, also to make them understand that no question is stupid." Just listen—really listen to what is being said or is going unsaid.

"We tend not to listen to the full concern and try to answer questions before we really understand what the [issue] is," Billia notes. When it comes to banking and financial matters the queries are often multifaceted and can head off in several directions. According to Billia, "It starts with having great conversations. Listening and letting the customers know that we are there to help them, not just to sell a product or a service."

Banks that proactively address and manage their customers' "worries" have more satisfied and more loyal customers.

THE IMPACT OF DIGITAL TRANSFORMATION

Digital transformation is a powerful tool to assuage customer worries for two reasons.

First, it allows for two-way information flows. Deposits and payments can be confirmed, and alerts can help prevent undesired outcomes. The amount, frequency, customization, personalization, and ease-of-access of information in a digital environment transforms the customers' banking experience. Second, digital transformation allows for real-time interactions. Credit applications, even for small businesses, can be instantly decisioned. Mobile check deposits can be instantly checked (e.g., for missing or stale dates) and accepted in real-time. Expected wait times for a chat session are visible, so gone is the worry of "how long will I hold for"? The content of the chat session is emailed to the customer providing a record of the conversation as opposed to yesteryear's "do you remember who you spoke with who might have told you that?"

TURN WORRY MANAGEMENT INTO A COMPETITIVE ADVANTAGE

Senior management must drive the cultural transformation of the bank in order to identify and eliminate customer worries. Below the C-suite, executives who will (and should) find themselves in the middle of such efforts include heads of retail, it/ops, digital transformation, and customer experience.

Banks that proactively address and manage their customers' "worries" have more satisfied and more loyal customers. That's because a "worry-free" bank creates fewer negative surprises to its customers. The worries about (and the occasional) negative outcomes damage the feeling of trust which is the foundation of a relationship with a financial institution. A bank that can avoid these self-inflicted wounds will have happier customers who will be less likely to defect and more likely to provide referrals. Net promoter scores should rise dramatically. The C-suite and bank boards will value the positive results to customer experience and the impact to shareholder value creation. ■

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