



The bankers dilemma – how to stay close to customers when customer transactions are becoming more remote

Background

30 years ago there were 20,500 bank branches in the UK; by 2018 the number had fallen to about 8,000. A House of Commons briefing paper published in February 2018 attributes this seismic change to financial innovation, falls in demand for the use of cheques and increased use of electronic payment services. The impact of the financial crisis and regulatory costs have also played their part. It means that banks are becoming less visible to their customers and relationships more remote.

At the same time competition has intensified, with new challenger banks offering strong, customer-centric propositions and even opening High Street branches.

Unlike traditional banks, these brands are not hampered by unwieldy legacy systems; instead they adapt quickly to changes in customer behaviours, profiles and needs. With customer numbers in the millions, banks must look to defend their customer base by taking advantage of the many opportunities they have to develop and nurture stronger customer relationships.

Why a close customer relationship is so important

Although many people embrace digital banking, they still value the reassurance of personal contact, particularly when it comes to making significant financial decisions. Identifying these 'moments that matter' and being able to respond effectively can mean the difference between retaining a valuable customer and losing them to the competition.

Retention strategies for most banks have been built around inertia as opposed to great customer experience or service reputation.

However, attitudes are changing. Between 2013, when it was set up, and 2017 the Current Account Switch Service facilitated nearly 4.5 million account switches. New strategies are needed and knowing when a customer is thinking about switching and being able to

intervene will be a key capability for banks; as will the delivery of an excellent customer experience, such as is offered by new challenger brands unencumbered by legacy systems and structures.

CB Insights report that, since 2011, mobile engagements with banks have risen 44% YOY, and digital banking (mobile + internet) now makes up 84% of all engagements

So herein lies the challenge:

In an increasingly digital marketplace with newer more nimble competitors, how can banks identify and deal with the issues – big or small – that create barriers to achieving stronger and more profitable relationships? To do so they need to have a clear understanding of how their customers are feeling after every transaction. They need to be able to gauge the quality of their customer relationships across multiple touch-points; to identify the moments when a personal approach is most needed; to know when to engage with disgruntled customers; and to refine the performance of customer-facing staff so they can optimise contact time and build long-lasting relationships. This is where Davies can help.

“ I just get a sense that we have forgotten that we are there to serve the communities in which we are. That is what Metro Bank wants to do. That is why we are open seven days a week and that is why we are open early and late, because other people’s lives have moved on and it is about time we, as an industry, moved on with that. ”

Craig Donaldson
CEO Metro Bank

How Davies can help you extract maximum value from your customer contacts

Davies’s feedback programmes give banks invaluable insight into their customers’ experiences, enabling them to intervene with disgruntled customers in ‘real-time’ and build a clear view of strategic priorities in terms of customer engagement, service design, employee training and brand management.

Real-time feedback -

the immediacy of our surveys means the feedback you receive carries much greater validity and insight than surveys done a few days or weeks after the transaction. More honest, accurate opinions let you take action instantly. Whether a customer is online, visiting a branch, making an account transaction, mobile banking or speaking with a contact centre, we can capture their feedback. Our surveys ensure that you know exactly how your customers feel at every ‘moment of truth’ and can take remedial action if required.

Prevent disgruntled customers taking their business elsewhere -

‘red flag’ alerts can quickly identify a dissatisfied customer. Alerts can be triggered by any set score or pre-determined word left in a customer’s comment. ‘Closing the loop’ on feedback can stop a customer from shopping elsewhere, retaining a poor opinion of your brand or, worse, sharing their experience with the outside world on social media. It can resolve small niggles before they grow into major complaints and has proven to increase brand advocacy three-fold.

Build stronger relationships -

by understanding what’s right and what’s wrong at the point of customer contact. ‘Voice of the Customer’ programmes identify improvements you can make to your processes and propositions.

Whether through IVR, email, SMS or web chat surveys, being able to get a visceral response from a customer, and fully understand a problem that needs solving, will help you get one step ahead of your competitors. Plus, it will reduce failure-demand and, in turn, improve productivity.

Create better team performance - by letting your customer facing teams learn from ‘real-life’ scenarios. ‘Red-flag’ alerts can be delivered to team leaders to highlight when a call has not gone as it should.

Leaders can deliver ‘coaching in the moment’ to improve a team member’s skillset while the scenario is still fresh in their mind.

Surveys can identify development needs for individual agents so training budgets and Quality Monitoring programmes can be targeted accurately.

It costs five times more to attract a new customer than to keep an existing one 89% of companies see customer experience as a key factor in driving customer loyalty and retention

The probability of selling to an existing customer is 60-70% vs 5-20% for a new prospect.

There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.

Sam Walton
Founder, Walmart





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