

BANK MARKETING

# 4 habits that build loyalty

*Customer loyalty flows directly from customer experience. Here's what creates an exceptional experience.*

In the 1980s, quality was the competitive edge. By the 1990s, many organizations had met the quality challenge to the point that most products/services had become commodities. It was difficult to distinguish who had the best bank, cellular telephone, medical plan, rental car, or hotel room; therefore, the competitive differentiation came in the branding.

Companies worked hard to identify their brand and communicate it to the consumer audience.

This decade, with numerous brands offering similar quality and services, the competitive differentiation is in the customer experience.

What makes a positive customer experience and how do we consistently deliver this experience to our customers?

Customer service is more than a smile and good eye contact. Customers are looking for someone to quickly, efficiently, and confidently take care of them and their needs. If there is a problem, they want someone who can resolve the issue.

Do you have the processes and corporate culture to differentiate your bank? Let's look at four service principles that lead to on-going customer loyalty and retention.

**1 Look through the "lens of the customer."** Because customers have their choice of where to fulfill their financial needs, the bank has to convince them that the bank truly cares. An engaged, caring employee raises a customer's confi-

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dence that the bank is looking out for their best interest. The customer trusts that when a teller/loan officer/manager discusses a new product, it's done with the customer's needs at heart. On the other hand, if the customer senses a lack of caring, he or she questions the motives behind any product discussion.

Ask employees to consider these two simple questions when they interact with a customer: What are the emotions? What are the needs? In most businesses, the treatment of customers is the same—kind of a next-in-line mentality. By understanding the customer's emotions first, then meeting the needs, an employee will be in a better position to build an emotional attachment.

Are the emotions and needs of a young couple buying a home for the first time, for example, the same emotions and needs of an experienced real estate buyer requesting a loan? Obviously not—the young couple's emotions are those of excitement, anxiety, and uncertainty. What they need from the loan officer is some sense of excitement, too, but also, assuredness, and an explanation of the loan process in language and terms they can understand.

The experienced buyer's emotions may be more of impatience and desire to complete the process quickly. What she expects from the loan officer is confidence, knowledge, and speed. The end product is the same, a loan, but the individual customer experience is unique.

It's also all too easy to look through the lens of the business versus the lens of the customer in handling complaints. As employees, we often can't understand why a customer is upset over a procedure or policy. "Don't they know it is for their pro-

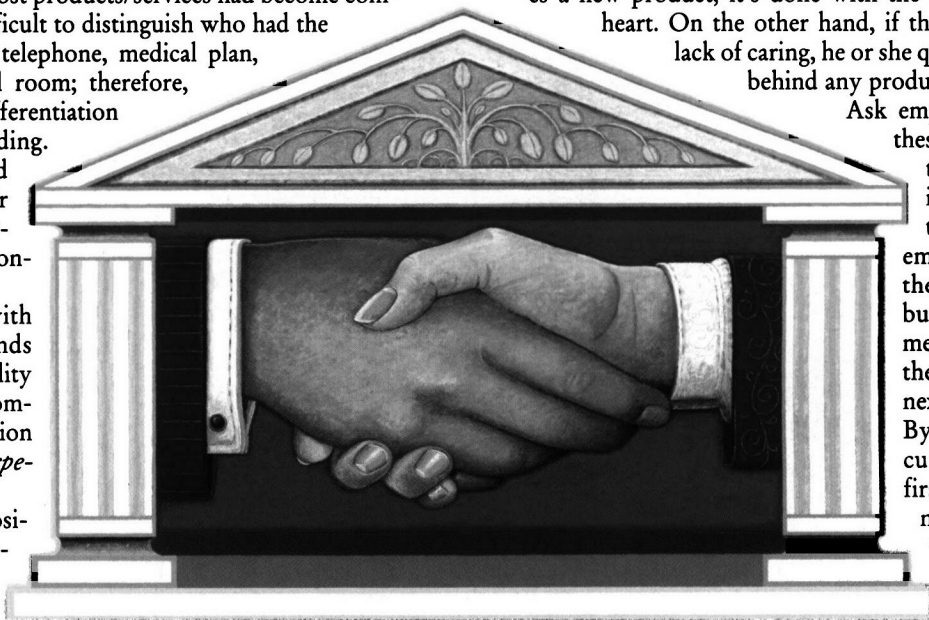


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tection that we hold out-of-state checks for three days?" "Don't they know it will take us time to adequately research their statements if they believe a deposit has not been posted?"

Probably not. Remember, it is not the customer's job to see through *our* lens, it's our job to see through the customers' lens and understand their emotions.

**2. Everything "speaks" in your physical environment.** Everything your customers see, hear, smell, and touch impacts their experience. Imagine a customer entering your parking lot to use the ATM and seeing discarded cigarette butts as they get out of their car, an overflowing trash receptacle, or a torn-off piece of yellow paper with a hand-scribbled notice that says "out of order" taped to the machine. All this detracts from your business's image. It sends a message to the customer, "Do you really want to do business with this bank?"

Once inside, imagine a customer entering your bank. She notices the empty boxes stacked outside an office, she sees the brochures offering your services scattered all over the display stand, and when she steps up to the teller line she can't help but notice the coffee cups and food wrappers cast to the sides of the paperwork.

Consciously or unconsciously, the customer is receiving an impression of your bank that is not the impression you want them to have. As a bank, the message your physical environment needs to send is one of professionalism, care, trust, and order. When your environment contradicts this message, it becomes an intrusion on the customer experience. These disconnects add up and result in customer concern and a weakening of their loyalty and retention.

All employees need to understand that it is their responsibility to help keep up the physical environment of the bank. It is impossible for one person (usually the bank manager) to be the one constantly policing the area and picking up the trash. Employees need to recognize that the details of their personal appearance, work area, and common areas impact the customer experience, and that it is important to ensure the right message is being sent all the time.

Take the time to walk through your bank, starting with the parking lot, looking through the lens of a customer, and see what your environment is speaking to you.

Then share this with all your employees and let them take the "walk" too.

**3. Exceed their expectations.** Meeting your customers' expectations may satisfy them, but it is not enough to build their loyalty to keep them coming back. You must *exceed* their expectations so that they feel set apart and valued. You know you will have accomplished this when you hear them say something like, "Wow, I didn't expect them to do that!" or "I felt as if they really cared." And in today's world, customer service is so bad in most cases, that it is not that hard to create that feeling.

Calling a customer by name is a huge plus. It shows you pay attention to them as an individual and not just a number.



**"The customer notices empty boxes stacked outside an office. Consciously or unconsciously, she is receiving an impression that is not the impression you want her to have" — Teri Yanovitch**

Noticing a customer has the potential to qualify for another product that may be better for them and letting them know about it and why is another good example. Sending a goody basket with a handwritten note to that young couple who just took out their first mortgage will generate a "wow." So will giving your direct phone number to a new customer who is anxiously waiting for their ordered checks to arrive and telling them to call you if they have any other questions.

One of the easiest ways to identify what will amaze and delight your customers is to hold a company meeting with everyone and ask them to share the things they have done to delight their customers, or things they have experienced as customers that wowed them. Hearing some of the things may give ideas to other employees and some of the things may be so good, that you incorporate them into a best practice. Many banks today give out dog biscuits at the drive-thru window if they see a dog in the car because they have found customers really like this practice. Small "wows" like

that add up, creating a powerful and positive customer experience.

**4. Making it easy to do business with you.** Service problems typically have nothing to do with employee attitudes, but everything to do with broken processes. Many procedures and systems designed by the organization pose a difficulty for the customer (and the employee) because they usually have been created looking through the "lens of the organization." Consider the customer who needs an approval for something just outside the limits empowered to the employee. Everything stops as the phone call is made to request a manager to a work station. The customer waits; other customers in line wait; and the employee

becomes embarrassed. The manager finally strolls up, gives a cursory glance to the form, and signs his/her approval. The customer got what he wanted, but he wasn't real happy about the experience.

How do you decide what processes to focus on for improvement? Listen to the top frustrations customers complain about. Listen to what the top frustrations your employees have in serving employees effectively. Continuous improvement is the key.

#### Putting it all together

The key to building customer loyalty is to make service excellence a habit. The Greek philosopher, Aristotle, once said: "We are what we do repeatedly; therefore, excellence is not an act, but a habit." That's something well worth remembering at all times: delivering service excellence is not just for now, it's a way of life. When employees focus on these principles and make them a habit, your bank will achieve the most powerful result of all—*repeat customer business.* BJ