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**An Egyii White Paper**

**Improving the Customer Experience in Banking**

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## Introduction

Financial organizations are at a crossroad. They are struggling and it is the customer who is suffering, causing a break of loyalty and trust and a loss of business.

*How to address this?*

Bankers can continue to focus on re-engineering products, systems and policies. Alternatively, they can break the mold and focus on the customer and the customer experience.

*What is "customer experience?"*

According to Peter Merholz, "Customer experience refers to the totality of experience a customer has with a business, across all channels and touchpoints".

All interactions with the customer should culminate in a positive customer experience if customers go away feeling that their personal needs were met and they were treated properly.

On top of that, "Loyalty and trust," says Jessica Debor in her article 'CRM Gets Serious' in *CRM Magazine*, "is now driven primarily by a company's interaction with its customers

and how well it delivers on their wants and needs."

This white paper will focus on the interaction that the customer has with the customer-facing staff they deal with.

How do customers feel when they leave the bank after dealing with a member of staff? By delivering the right experience, financial institutions have the opportunity to win back their customers' trust, loyalty and business.

## The Challenge Financial institutions Face

David Amano, Senior Partner at Dachis Corp, reports walking by a Bank of America branch in the USA and instead of seeing a bank full of ATMs and promotional materials, he looked through the window at what he calls an 'oasis'. Right at the front of the branch was a lounge with a flat screen TV, designer lighting, leather chairs and gourmet coffee.

*The Problem*

This is all nice on the surface, but here's the problem. Financial institutions are creating "pleasant environments" in physical space and through technology solutions (such as CRM systems). But will this cut the cake?

Do all these "positive" feelings remain once the banker starts personally interacting with the customer? Or do these feelings

dissipate immediately when the banker doesn't interact the way the customer wants to be interacted with?

### *What do Customers Really Want?*

On a personal experience level, what do customers want from their banker?

- They want patience. They don't want to get the feeling that they are being rushed so that their banker can move on to another customer.
- They want to feel special, like a five-star hotel guest. They don't want to feel that they are being given exactly the same speech and responses as every other customer.
- They want to feel taken care of. They don't want to feel that their banker has his mind on his sales targets or anywhere else other than on them and their individual situation.

It's all very well to claim that a customer trusts his/her banker if he is honest, open and reliable. But this is not enough. If the customer does not get a positive feeling during and after a meeting with her

banker, then everything else will be overshadowed.

It is the customer's experience of the banker that is the critical decision factor.

### **The Opportunity**

However, this is where the greatest opportunity lies for financial institutions to differentiate themselves.

Banking doesn't have to be a commodity business. While it's relatively straightforward to copy another bank's products, systems, environment and policies, every interaction with a customer is unique.

But financial institutions have even tried to commoditize this aspect of their business by instituting step-by-step processes for conducting a customer meeting, and by implementing rules and policies for ensuring that their customer-facing people are honest and open.

While these initiatives help to support the customer interaction, the secret of differentiation lies in the banker's ability to flexibly manage the minute-by-minute experience the customer is getting with him. When the banker is right there, in the customer's world with her, acknowledging and responding directly to what the customer is thinking and feeling in the moment – then the customer experience takes on a new meaning



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and true liking and trust begin to develop.

### **How Can This be Achieved?**

So what needs to happen for a bank to create such a customer experience? Bankers who interact with customers will benefit by developing two key drivers of their interpersonal performance:

- Their mindsets, especially their perceptions of themselves, their roles and their customers
- Their communication, especially the way they connect with customers minute-by-minute

Neither one of these drivers of performance can stand alone. It is essential to have the right mindset in order to communicate the right signals to the customer.

### **Developing the right mindset**

To adopt the right perceptions and create authenticity requires a two-step initiative:

1. *Reframe the situation.* How a banker sees his situation controls the experience the customer has with him.

Rather than see himself as a 'banker', a 'financial expert'

or a 'sales person', he can reframe his situation and see himself as a guest relations officer and his customer as a guest.

With this metaphor from the hotel industry in his mind, the banker's whole demeanour with his customer changes. Everything he does – his words, the sound of his voice, and his body language will take on a new dimension.

This new perception alone can transform a customer's experience from one where she feels disconnected from the banker, to one where she feels honoured and respected.

Reframing is a powerful tool which can be used to change the way a member of staff feels about himself, his responsibilities and his customers, thus changing his behaviour and the results he gets.

2. *Strive for personal congruence.* When our words, voice and body language are in alignment and are all sending the same message, we are congruent. Too often in customer meetings a banker's words say one thing but his voice and/or body language say another. The result is mistrust on the part of the customer.

To achieve personal congruence, the banker must take a hard look at his sense of who he is, what he



believes, what skills he is using, and the kind of behaviour he demonstrates. These four aspects of himself need to be in alignment to create personal congruence and be perceived by the customer as authentic and sincere.

For example, if a banker sees himself as a trusting, caring person but believes that customers will switch between financial institutions for even a small improvement in return on investment, then this inner conflict will reveal itself in mixed signals being sent to the customer. On the one hand everything he says to the customer might show an interest in their situation, while nonverbally he might communicate impatience.

Such mixed signals can spell the death of a business relationship because they undermine the development of trust.

### **Developing the right communication**

The right communication for an improved customer experience is 'presencing'.

Too often, when a customer is interacting with her banker she can see that although he is

listening and responding to her, his mind is actually elsewhere. When one is responsible for hitting monthly targets and promoting the latest financial products, these things sit just behind the front of one's mind, affecting one's behaviour. The customer can see that her banker is being driven by an agenda, not the real-time information being passed between them. Consequently she feels devalued.

'Presencing' is a way to manage and direct our attention. It means to be 100% 'present', in the moment, whenever one is with a customer.

To achieve this requires making an effort in three respects:

- *Eliminate all thoughts* about the past (e.g. previous customer experiences) and the future (e.g. what your planned outcome from the meeting is) and focus your attention on the present.
- *Take notice of your customer.* Notice as many aspects of their dress, face, posture, gestures, tone of voice, key words and phrases used, and overall demeanor as you can. This act of observation is enough to fully occupy one's attention.
- *Respond directly to the whole message* your customer is sending you, not just her words. This means you don't respond with a pre-prepared message, but you enter her world and



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connect with the information and sentiment she is communicating.

This method of communicating sounds obvious. Of course we should all be totally present when interacting with customers! The truth is that we're not there with them most of the time. Today's work demands ensure that half of our attention is directed somewhere else.

Be under no illusion, 'presencing' takes effort and determined concentration. But when done effectively, it transforms the customer experience – and thus creates the liking and trust that helps the banker to achieve those challenging targets.

### **How Will Financial Institutions Benefit?**

The first and most important benefit of this new approach to the customer experience is that the pervasive negative customer word-of-mouth about the financial institution will cease, and will be replaced with something much more positive. It is the human experiences in the bank that customers are driven to talk about. Improving the feelings they get when they are doing business with the bank is a sure way to

generate great buzz about the organization.

The second benefit is that bankers will perhaps for the first time get to really know and understand their customers as unique individuals. This will lead to customers being offered solutions which really fit their needs, thus creating commitment and long term loyalty.

Finally, the bank will stand out in the marketplace. The creation of its own brand of unique experiences for the customer every time she interacts with a banker will set the bank apart from all others. These experiences cannot be copied, and the bank will build its own 'aura' around these experiences which will drive its competitiveness.

### **Overall Business Results**

The overall business impact of improving the customer experience in this way cannot be over-emphasised.

If a customer feels good when interacting with a banker then she will both give the bank more of her business and tell everyone else about it. The result will be more customers coming to the bank and a higher share of wallet per customer.

### **Summary**

If a bank wants to reap the rewards of an improved customer experience, it needs to go beyond



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environment, systems and policies and 'get down and dirty' with the minute-by-minute human communication going on.

The rewards in terms of the hundreds of thousands of positive conversations taking place about the bank can only be of the highest value at this time.

### **About Egyii**

Egyii is a learning and development consultancy that helps financial institutions get better results through their people's relationship skills.

At Egyii, we have developed a set of simple, new tools that leads to higher performance for better results.

[http://www.egyii.com/The\\_Egyii\\_Toolkit.pdf](http://www.egyii.com/The_Egyii_Toolkit.pdf)

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