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Industry warned to meet customers' expectations

At a forum yesterday, a panel of local and international financial services executives explored the question: "The customer experience: has the customer been forgotten?"

Attendees heard that Australian financial services organisations still have a lot to learn about intelligent use of social media but ignore it at their peril; that the customer experience should be addressed at director and board level – but too often is not; and that organisations seeking long term success should be looking beyond short term efficiency measures and sales figures to the more sustainable gains derived from a loyal and growing customer base.

A recurring theme was the disconnect between word and deed when it comes to looking after customers' interests and the lack of genuine customer focus among many organisations – with banks being clearly on that list.

"In practice you very rarely see the genuine article, because there is rarely if ever anyone on the board whose role is solely about the customer experience," said Ron Whatford, UK CEO of EA Consulting, one of the expert panellists.

"Certainly they all care and mean it when they say they do, and all have KPIs around it, but until there is someone who has ultimate responsibility and oversight of the customer experience at that level it will continue to come a poor second to other board members' concerns – in particular their short term profit and loss and related performance imperatives."

He noted that financial measures are short term, and therefore easier to focus on, whereas changing the customer experience was a long-term project.

Whatford, who has previously held a range of customer-related roles in banking and finance, including as chief experience officer at Lloyds Banking Group, also pointed out that the subjugation of customer needs flies in the face of the fact that customer expectations are becoming greater, not less – and that there are clear positive links between successful organisations and high levels of customer satisfaction.

Social media, mobile technology add pressure

The role of social media and mobile technology in heightening customer expectations was also canvassed extensively.

“Customers increasingly expect immediate and appropriate responses from their bank or other financial institution,” said Jason Millett, another panellist, and director of MillStreet Consulting. (Millett has held various general manager roles in consumer and business divisions of the Commonwealth Bank and Westpac Banking Corporation.)

“In what is essentially a bland set of offerings [from all the major four banks], it is service and the ability to meet those expectations that will be the key differentiator. Customers expect that with the technology now available their bank will know their finances, know their habits and their issues and not have to, for example, endure endless calls going over the same ground with different departments.

‘And if they do, it’s getting easier than ever to take their business elsewhere, literally with the click of a mouse, because more banks are actively helping them to make the switch.’”

The third panellist, Gerd Schenkel, executive director of Telstra Digital, who in a previous role founded NAB offshoot and Australia’s fastest growing online bank, UBank, also highlighted the importance of the right organisational structure in achieving a culture of ‘zero tolerance’ for customer complaints.

“Organisations might have 20 more different departments that need to ‘touch’ on a customer’s seemingly simple needs,” he said. “However, too often, no single one of them has responsibility or oversight of the whole experience. So while each may cite relatively low mistake or complaint figures, once you add them all together you may be looking at up to half of their processes entailing a mistake at some stage. So what we need is a ‘glue’ that will unite those different departments, excellent communication between them and strong, firm leadership with a listening culture and an open mind on how to address issue and opportunities.”

“Unless the issue of the customer experience is addressed, the long term effect of putting it too far down the list will become all too apparent,” said Ron Whatford. “Evidence suggests that there is huge business lost through poor customer service, however it’s not as easy to track the cause and effect factors for this as it is for short term bottom line figures. Empathy is important in the service we offer our customers, combined with a serious commitment to making it easy for customers to deal with us. We need to demonstrate that we know how to do what we say we will – and that we do it well and quickly.”

AB+F Daily Online note: there will be further commentary from this panel in the October issue of AB+F magazine.