

Establishing Best Practice Customer Engagement Models in Financial Services

By David Hicks – CEO of Mulberry Consulting

Given the pressures that banks and other financial service organizations are under in the current economic climate, the challenge of defining and establishing best practice customer engagement models has never been more important. To quote the great Yogi Berra, “it’s not a matter of life or death; it’s much more serious than that.”

At Mulberry Consulting we think about this in terms of helping clients become more **Customer Intelligent**. For us it’s about measuring an organization’s customer-facing capabilities, understanding what’s truly important to customers, and then establishing a framework within which a brand’s value proposition can be operationalized. Particularly in financial services, **Customer Intelligent** companies tend to be better at acquiring and retaining customers, better at reducing churn, and better at leveraging customer insights effectively. But perhaps most importantly, **Customer Intelligent** organizations know what they stand for. They have a clearly articulated value proposition, and they’ve defined the customer experience delivery needed at every touch point to support that proposition.

A good example of a **Customer Intelligent** organization is Canada’s TD Bank. It’s no accident that they just won J.D. Power’s Retail Banking Customer Satisfaction Award for the fourth year in a row. Their convenience-based value proposition - originated by Commerce Bank, which TD acquired - comes directly from the insight that they’re a retailer rather than a banker, and has allowed them to align their operations behind that idea, from end to end and across multiple touch points.

One insight that we would offer from our own work with retail banking clients is the need for organizations to understand which touch points have the greatest potential to create – or to erode – equity in relation to a given value proposition. Clearly many touch points represent table-stakes for a retail bank – reliable automated transactions, online information and offerings, accurate statements and so on. These can certainly erode value if there are problems, but they also do little to build positive equity because they’re simply expected to work. In general it’s the more complex touch points - opening and closing accounts, particular service requirements, and particularly problem resolution – that have far greater potential to

create or destroy equity. And it's no accident that these all tend to involve direct interaction between staff and customers. We help our clients identify and then manage the high value touch points that are specific to their particular business.

A good example of customer focus being made intrinsic to a brand's value proposition can be seen in the positioning adopted this year by Ally Bank in the USA (not a client), which is the reincarnation of GMAC Financial Services. Ally promises complete transparency on rates and terms, vows not to hide behind jargon and legalese, eschews teasers and bait-and-switch tactics, and employs the slogan "Straightforward." Its website offers such customer-friendly gestures as a 24-hour service line that connects to live representatives, complete with a "current wait time" indicator. In its mission statement Ally say that they want to "find the pain points of traditional banking and improve them." It sounds to us as though someone there did some customer journey mapping and has been paying attention to customer experience best practices!

It's also worth noting that external circumstances can change customer priorities. A year ago at the height of the financial crisis the overwhelming customer need was for reassurance as to banks' stability and ongoing viability. Now, with the crisis easing, **Customer Intelligent** banks are starting to look for new insights into how the recession may have changed customers' thinking – perhaps permanently.

For an example of a company responding to changing customer needs, look at one of the largest US mutual fund and brokerage organizations. When the equity markets collapsed in 2008 the company faced major outflows from its mutual funds. Critically however, they also had the insight that their customers' primary need in the crisis was for reassurance, so their response was to reverse a previous strategy of driving for greater online automation, and to focus on making personal contact with higher net worth individuals, despite the higher cost of doing so. The program included increased personal outreach by account executives, invitations to local financial seminars, conference calls with fund managers, follow-up email, CSAT surveys, and so on. The point is that a **Customer Intelligent** organization like this one is close enough to its customers to understand when priorities have changed, and is also flexible enough to adjust its strategies accordingly.



In recent years Mulberry Consulting has helped a wide variety of financial services organizations become more **Customer Intelligent**, including CitiBank, Merrill Lynch, Aviva, Axa, Royal Bank of Scotland and HBOS, and at the current time we're seeing a significantly increased level of interest in understanding and establishing best practice customer engagement models in these and similar businesses. It seems that one consequence of the economic downturn has been to make many financial services organizations give renewed scrutiny to the customer experience they create, realizing that a positive and memorable customer experience is one of the single greatest potential sources of sustainable competitive differentiation.

To help organizations prepare for the new post-recession realities Mulberry Consulting is offering a free no-obligation trial of **CiAssess**, our proprietary online platform for assessing an organization's customer-facing capabilities. **CiAssess** evaluates capabilities and identifies gaps or weaknesses in brand, process, data, people and experience delivery by comparing the outside-in and inside-out perspectives. The process can result in greater cross-functional organizational alignment behind a **Customer Intelligent** agenda. Just email davidphicks@mulberryconsulting.com and we'll give you more details.

About Mulberry Consulting

Since its start-up in 2002 Mulberry Consulting has been retained by senior management at some of the world's largest organizations to provide advice on optimizing the Customer Experience and driving customer-centered change, a process we think of as helping our clients become more **Customer Intelligent**. Our proprietary tools and processes have been used successfully by many companies to develop frameworks within which disparate internal activities can be effectively connected and aligned behind a clear Customer Experience proposition. Headquartered in the UK, and with offices in New York and Toronto, Mulberry Consulting has significant experience in financial services, in both Europe and North America.

For more information please visit us at www.mulberryconsulting.com or contact David Hicks, Mulberry Consulting CEO, at davidphicks@mulberryconsulting.com. Our existing clients are also available to talk directly about the impact our work has had on their businesses.