

# Nuts & Bolts

PAYMENTS » TECHNOLOGY » OPERATIONS



PHOTO: RANDY FARIS/GETTY IMAGES

»» TECH TALK

## Listening exercise

When Iowa's First Citizens Bank supercharged its customer surveys, the data it gleaned helped it not only cross-sell but also keep customers who were on the verge of leaving.

By Carol Patton

**F**or more than 10 years, First Citizens Bank mailed paper surveys to the homes of customers who had either opened a new account or closed an existing one. "Our goal was to hear the voice of our customer to try to understand how our service levels were," explains Joleen Fleming, senior vice president and retail officer at \$1.2 billion-asset First Citizens, based in Mason City, Iowa.

However, the survey response rate was low, in the single digits, and the information was often too generic to use. So last year, the bank outsourced this task to Avannis, an ICBA-preferred vendor that specializes in

experience management tools, guidance and support for the financial services industry.

Through Avannis, the bank surveyed specific customers online throughout last March and April until a statistical significance was reached. If customers didn't respond to the emailed survey, Avannis called them, asking them between 10 and 12 questions, such as, "How did you originally choose to bank with us?" "Over the past six months, how satisfied have you been with our services?" "How likely are you to recommend us to others?"

Customers were then asked to rate the bank's services, including its interest rates, branch hours, website and mobile banking app. Customers were also asked about their preferences for social media channels.

Survey results provided key data that extended well beyond customer opinions about the bank's services. Fleming says the information revealed upselling opportunities, such as customers who needed a car loan, and problem-solving opportunities, such as customers who had a negative interaction with an employee. It even provided clues as to which customers were considering moving their accounts to a different bank.

"We have recovered customer business," Fleming says, adding that roughly 20 percent of survey respondents opted to provide their name.

During the survey period, First Citizens also received daily alerts if a low or high satisfaction level was mentioned in the survey.

"Many of the customers that were 'upset' really just wanted to learn more about our products and services," Fleming says. "Even customers who didn't provide us with their name, we could figure out which branch they were talking about."

### Listen, analyze and act

First Citizens' survey data also guided the community bank's marketing team by gauging customers'

awareness of its products or initiatives, such as its free mobile app and social media activity, so as not to waste marketing dollars. The community bank now promotes its app and other products on Facebook and other social media channels and plans

**"Don't be afraid to survey and see what customers have to say, whether it's good or bad. If you're not asking customers what they want, your competitors will."**

—JOLEEN FLEMING,  
FIRST CITIZENS BANK

on securing a Twitter handle later this year.

Among the survey's biggest benefits is its turnaround time. In some cases, Fleming says, First Citizens contacted its customers the day after they responded to the survey instead of waiting weeks or months to address questions or resolve issues or complaints. Ultimately, she says, it

prevented some customers from taking their business elsewhere.

During this time, the community bank was also engaged in a strategic planning session. Fleming says receiving valuable, real-time information confirmed what the strategic planning team had already suspected with regard to products and services, enabling it to move ahead with confidence.

"We were trying to plan ahead and didn't want to implement products and services that may not be relevant to our customers," Fleming says. "The survey results reported what we thought, so we felt very comfortable moving forward with our strategic direction."

Meanwhile, First Citizens is still digesting the data and "putting it to good use," says Fleming. She advises that banks only gather customer feedback when they are prepared to act on constructive or positive comments and implement changes that could affect their business strategy or operations.

"We owe it to our customers to hear what they have to say and provide them with a good venue to [express their opinions]," Fleming says. "Don't be afraid to survey and



see what customers have to say, whether it's good or bad. If you're not asking customers what they want, your competitors will."

### What works and what doesn't

While many community banks conduct surveys, approximately 40 percent still engage in old, ineffective practices, says Emily Sayer, national sales manager at Avannis in Denver.

"They take word-of-mouth [information] from customers visiting their branch or use a once-a-year paper survey," she says. "There isn't a huge benefit to that, other than making a point-in-time decision like investing in a new banking mobile tool."

Sayer says the most effective survey programs offer a steady "drip" of data and gather feedback from many customer touchpoints—typically three touchpoints for small banks and eight for large banks. Customers may be contacted after a teller or call center experience, opening or closing

**"When bankers start gathering consistent feedback, they find out what's going to make customers stay, pay and refer before spending marketing, operational or capital dollars."**

—EMILY SAYER, AVANNIS

an account, loan closing or after an online or mobile banking session.

All large community banks gather customer information daily, while smaller banks used to conduct annual studies. Just like the big banks, smaller banks find a return-on-investment from daily feedback. Both are careful not to contact the same household more than once every six months.

### ICBA member offer

Want to gain insight into your customers' banking experiences? Avannis gives many ICBA member banks surveying capabilities on par with the big banks'. The company works with community banks to determine what information they would like to gather and which survey method they would like to deploy. Then, Avannis reaches out to a certain number of customers according to a bank branch's size and budget. It's affordable, too: There's no setup fee, no contract and payment is based on the number of completed responses. Learn more at [avannis.com.icba](http://avannis.com.icba).



To maximize the return-on-investment of a survey, Sayer says questions should be tailored to the key drivers of loyalty: overall banking relationships, components of functional transactions and upcoming needs. It's also important to target different demographic categories to gain their perspectives and then develop creative strategies for each category to drive more revenue.


In a sea of different survey methodologies, paper-based tends to have the lowest response rate, Sayer says. Banks should consider a wide range of methodology options to maximize responses. Most programs include online surveys, high-end phone conversations, text messages, interactive voice response and social media.

Sayer adds that some community banks discuss daily alerts where there is an attrition risk or sales opportunity at morning staff meetings so the research is providing the return on investment. "Branch managers will receive in their inbox all the information about who to reach out to, what their issue is and how to resolve it. Most best-in-class banks require their business line managers to report

monthly and say, 'Here's my strategy to move my numbers up this month.'"

Whether it involves increasing branch hours, adding more branches or offering new loan products, community bankers no longer have to assume they know what their clients prefer, want or need. "That's going to save them truckloads of money," Sayer adds.

But, she cautions, some community bankers tend to operate in a bubble, believing that everyone "loves them" instead of using direct customer feedback to verify. Survey data can also help bankers analyze each business line, examining which changes improved revenue or customer satisfaction.

"This becomes part of a bank's operational must-haves," she says. "When bankers start gathering consistent feedback, they find out what's going to make customers stay, pay and refer before spending marketing, operational or capital dollars. Daily, the attrition catches and upselling request allow banks to see consistent payoff." 

Carol Patton is a writer in Nevada.