

# where does your bank rank?

## a mystery shop investigation of branch customer service excellence

by David Lithwick

### INTRODUCTION

The traditional approach to assessing bank customer service involves market researchers interviewing a large sample of customers. However, this does not necessarily capture real-life interactions between customer and branch staff. The results of a mystery shop study, which is presented below, can fill this void.

To gauge customer service excellence, we recently shopped six major banks in the Greater Toronto Area. For each bank, ten branches were investigated, 60 branches in total. While we recognize that 60 branches is a small percentage of the total number of bank branches in Canada, this mystery shop represents over 45 hours spent in the branches observing and experiencing real bank environments.

The six shoppers who participated in the study represent a mix of customer types. To ensure consistency, each shopper acted as a prospective customer, explaining, "I have been with my bank for a number of years, but I am looking to switch because of poor customer service. Service excellence is what I am looking for, and I want to find out what you offer." No appointments were made. The shoppers simply walked into the branch, spoke first with the receptionist and then with a customer service representative, personal banking officer, or branch manager.

Shoppers reported their experiences and observations by answering the following questions.

### MERCHANDISING

1. Did the branch display customer service information (e.g., posters, brochures, signs, staff buttons)?
2. Was it easy to see?
3. Did any of this information stand out? If so, what?

### STAFF PERFORMANCE

4. Were you greeted?
5. Was a branch representative available to meet you?
6. Did you wait less than five minutes to meet this individual?
7. Did he/she probe your needs?
8. Were they enthusiastic?
9. Did they take their time?
10. Did they lead the conversation?
11. Were they empathetic?
12. Did they explain how they exceed client expectations?
13. Did they refer to customer service literature in their conversation with you?
14. Did they try to sign you up?
15. Did they ask if they could follow up at a later date?

### NET IMPRESSIONS

16. Based on your experience, would you switch to this bank?

How did the banks rate? What would a prospective customer observe and experience when visiting a branch and interacting with branch staff? Are there any best practices to learn from? Worst practices to avoid? These and other questions will now be addressed.

### OVERALL FINDINGS

The banks, on the whole (see following summary table), performed particularly well in two areas: reception (e.g., 78% of the branches greeted shoppers, 88% had a branch representative available to meet the shopper, 77% of the branches did not keep the shopper waiting for more than five minutes) and showing patience (e.g., 92% of the branch staff took their time while serving the shopper).

Conversely, less than half of the branches displayed eye-catching customer service point-of-sale material, and sales closing was frequently absent (e.g., only 48% of the branch staff tried to sign the shopper up, and less than a third asked if they could follow up at a later date).

### OVERALL RANKING

#### **BANK A - 1ST**

The branches appear to be doing everything they can to promote customer service excellence. This includes signs ranking them number one in customer service and staff demonstrat-

## Summary Table

Ranking	1st BANK A	2nd BANK B	3rd BANK C	4th BANK D	5th BANK E	6th BANK F	Total	%
<b>Merchandising</b>								
• Customer service literature displayed?	8	9	8	6	6	8	45/60	75%
• Was it easy to see?	7	8	7	5	6	7	40/60	67%
• Anything that stood out?	5	7	5	1	5	3	26/60	43%
<b>Reception</b>								
• Were you greeted?	8	8	8	8	7	8	47/60	78%
• Banking officer able to meet with you?	10	7	10	8	9	9	53/60	88%
• Wait less than 5 minutes?	9	6	7	7	8	9	46/60	77%
<b>Professionalism</b>								
• Probed your needs?	8	7	8	6	4	3	36/60	60%
• Enthusiastic?	9	9	7	7	4	2	38/60	63%
• Took their time?	9	9	10	9	9	9	55/60	92%
• Led conversation?	7	8	6	7	3	2	33/60	55%
• Empathetic?	9	9	8	6	4	3	39/60	65%
• Explained how they exceed expectations?	10	8	7	6	7	5	43/60	72%
• Referred to customer service literature?	4	6	3	3	4	3	23/60	38%
<b>Sales Closing</b>								
• Tried to sign you up?	6	4	6	5	4	4	29/60	48%
• Asked if they could follow up?	1	2	4	3	4	2	16/60	27%
<b>Net Impression</b>								
• Would you switch to this bank?	9	7	6	6	4	2	34/60	57%
<b>Total Number of "Yes" Responses</b>	<b>119/160</b>	<b>114/160</b>	<b>110/160</b>	<b>93/160</b>	<b>88/160</b>	<b>79/160</b>	<b>603/960</b>	<b>63%</b>
<b>%</b>	<b>74%</b>	<b>71%</b>	<b>69%</b>	<b>58%</b>	<b>55%</b>	<b>49%</b>	<b>63%</b>	

### How to Read the Table

- The table is broken into nine columns. From left to right, the first column lists the questions that were asked.
- The next six columns each contain overall findings on a per bank basis. For example, for Bank F we assigned an "8" to the question, "Customer service literature displayed?" This means that eight shoppers replied "Yes" to this question when queried about Bank F.
- At the top of each of these six columns is "Ranking." Bank F, for example, ranked sixth because they had the lowest total number of "Yes" scores (79). Conversely, Bank A was ranked first because they had the most "Yes" scores (119).

- At the bottom of each of these six columns is "Total Number of 'Yes' Responses" and "%."

"Total Number of Yes Responses" - number of "Yes" responses that each bank accumulated out of a possible 160 responses. Bank F, for example, acquired 79 "Yes" responses.

"%" - Total number of "Yes" responses per bank out of 160. For Bank F this is 49% (79/160).

- The second to last column "Total" shows how the banks performed on the whole. For example, the first question, "Customer service literature displayed?" had 45 "Yes" responses out of a potential of 60. Hence, of 60 branches shopped, 45 or 75% displayed customer service-related literature.

ing friendliness and service commitment. As a result, nine out of ten shoppers would switch to this bank based upon their experience and observations. The following comment illustrates why:

"The receptionist was astounding! She greeted me with a big smile, asked how she could help, brought an investment consultant over to me, and introduced me to the consultant. I felt important and welcome."

### BANK B - 2ND

Bank B demonstrated a strong commitment to service excellence and accountability through its merchandising efforts and for the most part the branch staff as well. The receptionists were welcoming and helpful, while the personal bankers appeared interested, sales driven, and empathetic, as typified below.

"A few hours after I got back to my office, the branch manager called me!

He really hoped that I would bank with his institution. He then called a week later to see if I had made a decision and said how he enjoyed meeting me and hoped that I would become a customer."

Although seven branches performed well, three others did not. Two shoppers, for example, were ignored by receptionists, while one shopper also witnessed a service representative berating an elderly customer. While this act appears to be an isolated incident, it humiliated the

customer and alienated others who witnessed the incident.

#### **BANK C – 3RD**

Six branches performed very well. They had strength in signage and staff committed to service excellence, as noted by the following comment.

“The personal financial service officer was very keen in getting my business and very good at recapping my needs. She subsequently called me two times, asking if I had any questions and whether I had made a decision yet in switching banks.”

The other shoppers, however, spoke to uninterested staff, who either made the shoppers wait, appeared bored, or volunteered little information.

#### **BANK D – 4TH**

Although it is one of the largest banks in Canada, it ranked fourth, due to anaemic merchandising and receptionists either being rude, restricting access to bankers, or misdirecting the shopper to the wrong staff person. One example is the following.

“The receptionist was cold and impersonal, and I felt she spoke to me as though she had better things to do. When I asked her about a ‘ladies’ room,’ she suggested I go to the restaurant next door.”

Yet once our shoppers were able to get past the receptionist, they were frequently met with responsible staff persons committed to building long-term, successful relationships. It was the professionalism and attentiveness of these staff members that influenced six shoppers to switch over to this financial institution.

#### **BANK E – 5TH**

Actual interface with branch staff was a disappointment for six shoppers, despite a guarantee from the executive vice-president (in a brochure) claiming that “everyone from the branch rep to the CEO is accountable.”

Less than half of the branch representatives did a needs assessment, were enthusiastic, led the conversation, tried to

sign the shopper up, or asked if they could follow up at a later date. In fact, only four shoppers would switch over. Typical of these experiences was the following.

“Though the branch was empty, with two tellers on duty and a more senior officer working at the service counter, I was ignored. I asked the teller if I could speak with someone. She said that they were all busy and would be for at least the next half hour. She did not ask for my name or telephone number or offer to set up an appointment.”

#### **BANK F – 6TH**

Apart from greeting the shopper and not making them wait, staff performance was poor. Few staff showed enthusiasm, assessed the shopper’s needs, led the conversation, displayed empathy, or made any effort to sell, as illustrated by the following comments.

“The personal banker did not probe to identify my banking needs nor make any attempt to lead the conversation. It was left to me to ask all the questions. Most of my questions were answered with a yes or no.”

Another shopper noted, “I was disappointed that the bank manager didn’t seem to really be interested in my concerns. He didn’t ask me any questions other than ‘Do you want to sign up today?’”

For these reasons, only two shoppers would switch to Bank F.

### **BEST PRACTICES**

#### **1. MAKING SHOPPERS FEEL WELCOME**

A number of receptionists did an outstanding job in greeting the shopper. They asked the shopper how they could help, escorted the shopper to a reception area, brought a personal banker to the shopper, and recapped the shopper’s needs. They also thanked the shopper for coming and wished the shopper a good day.

#### **2. STAFF AVAILABILITY**

Close to 90% of the branches had staff available to meet with shoppers and answer their questions.

### **3. COMMUNICATING A DISTINCT ADVANTAGE OVER OTHER BANKS**

Bank A branches in particular were able to clearly differentiate their bank from others with both signage and branch staff repeatedly pointing out that Bank A has been ranked number one in customer service for the past two years and is doing everything it can to provide excellent service. No doubt, signage emphasizing customer service serves as a daily reminder to staff that service excellence is Bank A’s number one commitment.

### **4. BANKING OFFICERS’ TESTIMONIALS**

Some branch officers gave powerful testimonials as to why they like banking with their employer. This included a personal banker explaining that she was very happy with how her bank treats her, both as an employee and as a customer, and wants all her customers to be satisfied as well. A branch manager also said that he has been with his bank for 23 years and was very satisfied with how they have treated him.

### **5. WINNING THE SHOPPER OVER WITH EMPATHY**

In two-thirds of the shops, the banking officers used empathy to generate goodwill and understanding. One personal banking associate, for example, said she puts herself in the customer’s place when it comes to service and listens carefully so she can provide what the customer wants. A personal financial service officer said that he too has had customer service issues with a previous bank and knows how important it is to be able to get someone to help the customer.

### **6. RETURNING CALLS PROMPTLY**

Two branch staff mentioned that they are obligated to return calls within two to three hours, which is a commendable goal. If customers have a complaint, following up with them in a timely manner demonstrates a genuine desire to resolve the issue quickly.

## 7. FOLLOW UP

Three staff persons followed up with a phone call. The approach they took was very effective. A banking associate, for example, thanked the shopper for coming in and asked if she could be of further help. An account manager displayed persistence by calling the shopper twice, while a branch manager called a few hours after the shop, emphasizing that he would very much like the shopper to become a client of his branch.

## 8. SPECIAL SERVICES

Four bank branches featured special services tailored to the unique needs of their customers.

- Two branches each had their ABM machines equipped with special audio capabilities to assist the visually impaired.
- A third branch featured a telephone banking station setup at a desk in the customer area. In addition, there were a chair, writing counter, and a privacy barrier for the comfort and convenience of customers.
- A fourth branch had an investment centre located in the branch, which included six terminals for customers to access their brokerage accounts or to conduct online banking. A large, electronic moving stock quotation board was also displayed along with two, large hanging TVs (one tuned to ROB TV and the other to MSNBC) so that customers could obtain the latest business news.

## WORST PRACTICES

### 1. MAKING SHOPPERS WAIT

For 14 branches (or close to 25% of the shops), shoppers had to wait at least five minutes until they were able to speak to someone. In some cases, shoppers were completely ignored by staff, even though the branch was empty, or they were told that they would have to wait another 30 minutes until they could meet with a banker.

### 2. PUTTING UP BARRIERS

Several shoppers encountered barriers set up by a receptionist who frus-

trated their attempts to meet with a branch officer. One receptionist, for example, said that personal banking officers are only assigned to customers with multiple investments and large balance accounts. A second receptionist instructed the shopper to make an appointment, even though the branch was not busy, while a third insisted that the shopper show two pieces of identification before she could see someone.

### 3. UNINTERESTED STAFF

Apathy was encountered in 22 branches (or one-third of the shops). The net effect being that the prospective customers are left with the impression that they are not important enough for the branch and hence the bank as a whole.

### 4. FAILURE TO MAKE USE OF CUSTOMER SERVICE LITERATURE

Many staff persons did not make effective use of all the resources available to assist them. Less than 40% referred to customer service brochures when they met with the shopper.

### 5. FAILURE TO CLOSE/FOLLOW UP

There was a general failure by branch staff to ask for the shopper's business or to ask if they could follow up later. Less than half tried to close the sale, and only 5% actually placed followup calls.

## KEY LEARNINGS

1. Have branch staff wear buttons saying, for example, "I am here to answer your questions." This will not only encourage customers to ask them questions but also force the staff to be customer focused.
2. Set up a training program for receptionists, which would focus on greeting customers, needs assessments, team playing, and guidelines to minimize customer waiting time.
3. Have prospective customers fill out a mini needs assessment. This would give the prospective customer something worthwhile to do while they wait, while also ensuring the personal banker is well informed of their needs.

4. Train banking officers to be sales driven. This training should include conducting a thorough needs assessment, using literature to point out important features and information relevant to a customer's individual needs, providing suggestions, making an effort to close the sale, completing a contact report on each prospective customer they meet, and following up by phone.

5. Set up a "buddy" system in which senior banking officers not only teach newly hired staff what their bank's commitment to service excellence entails but also to help them develop customer service skills.

6. Encourage personal banking officers to provide testimonials of their own satisfaction with their bank.

7. Encourage banking officers to return customer calls within two to three hours. It's a simple yet very effective display of customer care.

8. Make customer appreciation programs regular events, sending thank-you notes to new customers, for example, or offering customers incentives for referrals.

9. Institute stiff penalties on staff who are abusive to customers.

## CONCLUSION

Mystery shopping can be used not only to see what new initiatives your competitors are offering but also to gauge whether your organization is delivering on your promises.

The learnings from this shop provide hands-on direction for banks to raise the customer service bar even higher. Either way, mystery shopping is a tool that can help banks retain customers in a sector characterized by increasing consumer choice.

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