



Customer Indifference Undermines Mutual Building Societies

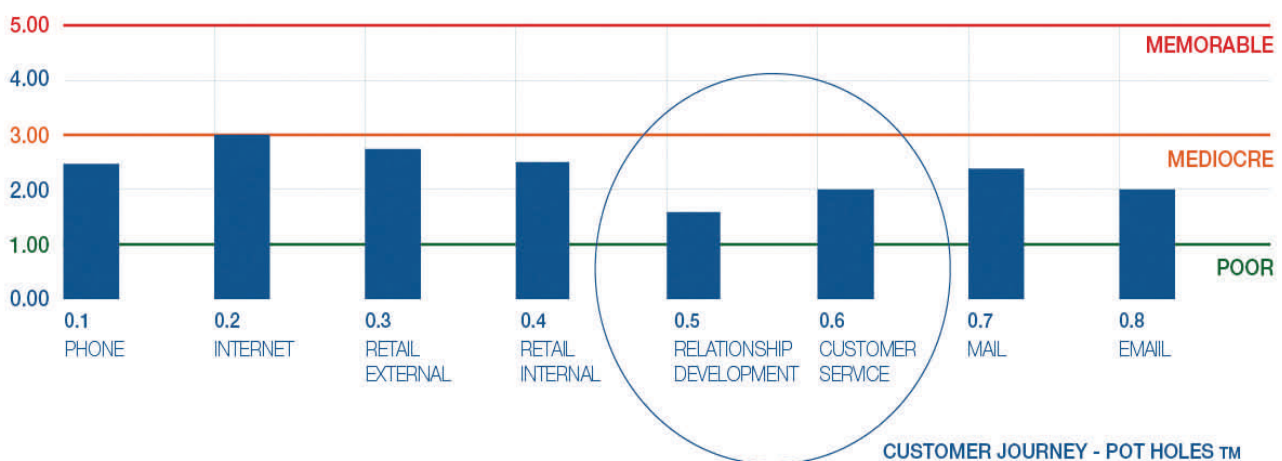
Mutual building societies are providing consumers with an indifferent customer experience and failing to make more of mutual values to differentiate their offer in the marketplace. This is the conclusion of a new research report into customer experience - *Mutual Appreciation: Who Stands out in the Building Society Crowd* - by Springboard Commercial Solutions.

A representative sample -over 10% of the UK building society universe - of large and small building societies was researched. The project goal was to understand and uncover the current customer experience being delivered versus customer expectation and identify areas and opportunities for improvement. Only one of the sample delivered an experience that overall matched the average experience expected.

GRAPH 0

STANDING OUT FROM THE CROWD

OVERALL AVERAGE CUSTOMER EXPERIENCE BY BUILDING SOCIETY



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- No one provided an outstanding customer experience across their organisation.
- The most positive experiences were in areas which required no human interface;
- Internet strategies - from on-line internet banking to 'shop windows' - failed to 'join up' with other touch points to deliver a consistent experience.
- Little attempt was made to follow up with prospective customers or develop a relationship leading to an enhanced and differentiated experience.

Mark Hollyoake of Springboard says, "We believe that customer experience is one area where mutual building societies can differentiate themselves from their private sector competitors. But both individually and collectively, they fall short in; the creation of customer expectations that set them apart from other providers of financial solutions, and seem to operate a product as opposed to a customer-centric approach to business."

In terms of a tactical response, Springboard CS recommends a return to the mutual values that sit at the heart of the building societies movement. "Mutual building societies need to translate these into customer experiences that set them apart from their competition, through delivery on a functional and emotional level".

To achieve this, Springboard suggests:

- Develop a factual understanding of what the most profitable customers expect and the value they represent.
- Clearly identify the 'touch-points' which make bonding, impact and value enhancing experiences across the customer journey.
- Ensure that 'customer experience leaders' communicate to staff what is expected of them.
- Back this up with a reward and motivation programme that is aligned with this objective and supports the delivery of your customer experience.
- Regularly audit the operation against 'good practice' to ensure that it stays ahead of the market and customers expectations.

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Society has a high regard, and considerable affection, for mutual building societies. They have traditionally been a benchmark for understanding the customer and providing him or her with ‘best buy’ financial products. Hollyoake believes that “It benefits all of us if they remain a vital and competitive force in the UK financial services market and one of the ways of doing this to ensure that they communicate what they stand for by creating memorable experiences for the customers that the deal with.”

Notes :-

The Research Approach

Springboard experienced a representative sample of both large and small mutual building societies with a retail presence, spread around the country. Customer experience points were mapped and some 58 individual research areas identified covering:

- Phone
- Internet
- Retail External
- Retail Internal
- Relationship Development
- Customer Service
- Post/Direct Mail

Email

The research took place over a period of 18 months. Each society had at least three retail branch visits, two separate direct contacts and two separate customer service approaches. Researchers interfaced using a mix of products:- from simply trying to open an account, an ISA, second mortgage, investment advice, new mortgages of varying sizes and sometimes an explanation of what was on offer (their proposition).

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Each researcher maintained a file on the BS they were researching. Within this file are the; sales materials sent in response to a request, letters, e mails, in some instances photo's of branch's and the notes from each experience. The experience was rate on a scale of 1-5:

1. Poor: Gap between expectation and the actual experience received / delivered.
 2. Inconsistent: Isolated expectation achievement only.
 3. Mediocre: Little to differentiate the experience, met some - but not all of our expectations.
 4. Good: The experience delivered against our expectations.
- Memorable: Exceeded our expectation and left us with something from the experience that we wanted to share with others.

About Springboard Commercial Solutions

Springboard Commercial Solutions helps businesses improve customer management and experience. Its services include benchmarking, customer management solutions, commercial training and development. www.springboardcs.com.

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