



“Putting the heart & soul back into your customer experience”

Soundings from within the Maelstrom



We recently (May/June 08) undertook a ‘sounding’ of what was going on within the building society sector. At a time of significant turmoil we wanted to understand what was happening about the customers and the experience they were receiving.

What did we find?

Surprisingly, we found a wide variance of views across the people we interviewed: from complacency to ‘a call to action’.

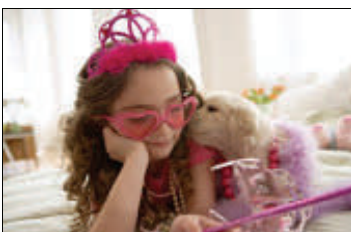
Feedback from a varied range of executives, media and sector commentators suggest that even in these tumultuous times, pro-actively managing customer experience remains vital to meeting current challenge and securing future business.

Key Quotes

A leading journalist told Springboard that ‘if anything customer service will become more of a focus. Building societies can’t afford for their customers to be wandering off. Also, technology is playing a growing role in enhancing customer services.’

While there was considerable awareness of the challenges facing mutual building societies, there was also a note of caution from one senior figure in the sector. He noted the very different relationship that building societies and banks had with their customers.

‘Building societies are owned by their customers and that dictates the terms of the relationship. There’s not so much selling of peripheral products because they don’t have them. Customers could react negatively if they felt they were being sold to.’



Another leading journalist noted how much things had changed in the last few months and felt that it was banks who could perhaps most benefit: ‘I think banks particularly will be looking into new ways of retaining customers and ways to measure customer engagement’.

And finally, the view from the top: the chief executive of one medium-sized mutual building society was quite clear that managing customer experience was even more important in the midst of the current economic maelstrom:

‘Managing customer experience is fundamental to the future prosperity of building societies. While banks and building societies focus on funding and liquidity, they may lose sight of the customer. This would be a major mistake as customers are fundamental to the future.’



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Key Findings

The IFA's 'Treating Customers Fairly' initiative puts customer experience firmly back on the boardroom agenda. And challenges around creating consistent experience across new technology touch-points means that it needs to be there. It is those that deliver an excellent, memorable or even extraordinary experience, which will come out winners in the end.

Insights and the key drivers going forward

From this 'sounding' we have been able to focus in on three key areas that we think are important. One is Political, the second is technological and the third is economic.

1) Political ~ IFA Treating Customer Fairly Campaign

The continuing disquiet with the way financial service practices have been disadvantaging customers has resulted in Political intervention.

The IFA's 'Treating Customers Fairly' initiative is putting customer experience back on the boardroom agenda.

Failure to address this area will only see increased government intervention and regulation.

2) Technology ~ Adapting to New Technology

Significant investment has been made within customer facing technology from web 2 ~ IVR ~ tailored DM. Increasingly; it appears as a cost cutter rather than experience enabler.

New technology creates a host of new touch points which alienate customers and require new behaviour from staff.

3) Economic ~ Retaining Customers in a Time of Churn

Customers have been seeking safe havens as the Maelstrom batters their finances. This has led to a large influx of customers and funds. Once the storm passes, these same customers will start to reappraise the financial landscape. It is essential you retain them or those funds could be moving off to pastures new. Losing sight of these customers would be a mistake for the future.