

Do banks meet client expectations?



The lingering effects of the financial crisis have given cause to worry. Although the worst seems to be over, customer-oriented companies are experiencing a difficult period of transformation; retail banks are no exception. Being successful today is a challenge. Those who will take the lead are those who promptly adapt to the shift in client needs and focus on long-term relationships.

Much of the efforts by banks to transform have been directed internally in the last few years. Although this was necessary, banks were a bit over-focused on internal optimization, which unfortunately has resulted in forgotten customers. There have been waves of migration from one bank to another and, therefore, customer loyalty has gained more prominence from the strategic point of view lately. Even though banks have started to regain lost ground in the quality of their customer relationships, many clients have already changed and so have their needs--their expectations have risen, they demand better treatment and they are more sensitive to their personal finances. Banks are now eager to get into a client's mind in order to be more competitive.

PwC and Senteo have recently published the results from an annual study known as the Customer Experience Index (CEI). This benchmark study is devoted to retail banking and provides banks with a tool for measuring the quality and consistency of customer experience and therefore offers precious client insight. This year the CEI included more than 1000 standardized mystery shopper visits to different branches of 90 retail banks in four countries (Slovakia, the Czech Republic, Ukraine and Russia).

The banks were evaluated and ranked based on their performance in five key areas which influence the experience of a potential customer and determine his satisfaction or dissatisfaction. These areas are Brand, Communications, Environment, Offering and Culture.

The overall winner was the Czech Republic, which also ranked highest in every respective area. Slovakia, however, took second place in customer experience. One surprising result was that the difference between countries was not as big as expected.

In respect to the Slovak market, there was one interesting finding--the performance gap between banks is very small. In fact, it was the smallest of all the countries measured. In other words, banks in Slovakia approach their clients very similarly and clients have a similar experience wherever they go. This fact also means that all banks are close to the overall average and therefore there exists an opportunity to improve and step up. This opportunity lies in having an innovative client approach, which could lead to both competitive advantage and distinction among the competition. The same holds true for the Czech Republic as well.

Even though Slovak banks scored similarly, there are some areas in which they did show differences. The biggest variation in client score was observed in the areas of Culture and Brand, which shows Slovak banks differentiate themselves mainly in the quality of their customer service, their desire to assist customers and their attention to customer needs. Variation was also observed in product portfolio knowledge, brand visibility, and integration of the brand into branch design and merchandizing.

The category with the lowest score overall was Offering, which is not too surprising given the similar situation in neighboring countries and slowly-recovering financial market. This suggests that customers still have high expectations and are eager to enjoy access to more solution-style bank offerings. We are aware that some players deliberately propose a more limited range of products than their competitors, preferring to focus on operational efficiency.

On a positive note, Slovak banks received the best average results in the area of Culture, providing a solid foundation for future development. Culture is undoubtedly the single toughest performance element, so it is usually a very good sign when averages in this category are high.

If we compare just Slovakia and the Czech Republic, the three best Czech banks gained a slightly higher score than all the Slovak banks, which makes sense considering the overall top ranking of the Czech Republic in the study. However, Czech players could improve their performance as well. As with Slovak banks, Culture is the area which differentiates them the most. The second highest score spread for Czech banks was observed in the Environment category, which includes comfortable surroundings, proper interior zoning, convenient waiting areas and intuitive navigation for customers. Still, the Czech Republic is considered to be among the best-developed Central and Eastern European banking markets in terms of customer-orientation and quality of service.

Lessons learned

A positive customer experience at a retail bank means that the customer feels that his expectations were met or surpassed. He should feel that he received exactly what was needed (or maybe even more) and that the treatment he received was satisfactory or even spectacular.

Even though Slovakia scored high and ranked 2nd among the four countries, there is still room for development. We believe that improvement could lie in new tailored product roll-out and customer approach improvement. As the study confirmed, clients are willing to pay more if better client services are delivered. Therefore, innovation and quality could lead to higher satisfaction, greater loyalty and long-term profitability.



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