



An **Easy On Hold** White Paper

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Bank Customers are Sensitive to Being Placed On Hold

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Customer Service Perceptions Make On-Hold Time a Priority

How does a bank customer decide whether to stay with their current bank or jump to another? Customer satisfaction is paramount in banking, making on-hold messaging an urgent need.



J.D. Power and Associates is a global marketing information services firm known for rating customer satisfaction. In May, 2008, their study of the banking industry's slipping customer satisfaction raises a red flag for the industry.

In their report, "Problems and Fees Drive Decline in Overall Satisfaction with Retail Banks" released May 28, 2008, Power reports that, "Poor problem resolution, long wait times and additional fees all contribute to an overall decline in customer satisfaction with retail banks," and continues:

"The study, now in its third year, finds that overall satisfaction with the retail banking experience has decreased considerably since 2007—down 26 index points on a 1,000-point scale to 737 in 2008. In particular, dissatisfaction with fees is the most commonly reported problem by customers, as well as the second-most common reason for switching financial institutions.

In addition, a rise in the number of problems experienced and problems that go unresolved, increases in wait times to see tellers or speak to phone representatives, and declines in the ease of accessing branches all contribute to the drop in satisfaction.

"Many retail banks are experiencing a decline in their brand image, especially in the current economic climate, where many consumers hold banks responsible for the current housing and mortgage crisis," said Rockwell Clancy, executive director of financial services at J.D. Power and Associates. "With customers experiencing more problems, longer wait times and more fees, that negative view is intensified."

"As banks struggle to meet shareholder demands, the common reaction is to focus on short-term financial gains by increasing fees and reducing staff—leading to longer wait times and poor problem resolution," said Clancy. "But now is the time for banks to really differentiate themselves from competitors by focusing on customer service and convenience. Banks with higher levels of customer satisfaction will generate higher deposit growth and achieve better financial results over the long term."

Perhaps your bank has already made strides in improving overall customer satisfaction. Unfortunately, public perception is being influenced by complaints published on websites and blogs, such as those shown here.



From the Inside Small Biz blog

“My account with Bank of America was at 31.24% annual finance rate! And, this for a good customer. So, I decided to call the Bank and either get it lowered or cancel the card. This began a long trek through this beep and that beep and one wrong department and then another wrong department (I’m still holding...) and then a long session with Kenny G playing. I guess they were hoping I would hang up.”

From Bank Technology News

“The combination of consumers waiting on hold for a customer service rep, redialing when they get the wrong department, sifting through an endless series of IVR options and then hanging up in frustration can be a toxic mix when it comes to customer retention.”

From Financial Services Technology

“We wait for things every day: for the coffee pot to finish brewing, for our popcorn to finish popping; and we don’t get annoyed. Yet for some strange reason, when customers call your business and wait on hold for a few minutes, they perceive that you don’t care enough about them to answer their call immediately.

To make the situation even more difficult, today’s consumers are more willing to switch brands than at any time in the past.”

From ComplaintsBoard.com

“I have been a customer with Fifth Third bank for almost 2 years and I never used to call their customer service until today. I called them at around 1030 pm EST. I had to wait for almost 17 minutes until I got a live person.”



consumeraffairs.com
knowledge is power!

From ConsumerAffairs.com

When I demanded I wanted to speak with a manager, she said if you want to, fine, but you have to be on hold for 30 minutes!

Monday morning comes; I call BOA at 8:15 to resolve the issue. I was on hold until 9:45 until I hung up the phone and decided to go to the bank in person.

When I made the request via telephone with an actual person I was immediately placed on hold and subsequently disconnected.

Bank Of America knows nothing, but they got that "Let me put you on hold" down pat.

From the Gallup Management Journal

Not surprisingly, given the Bear Stearns bailout, the Fannie Mae/Freddie Mac crisis, and the huge losses reported by many of the nation's largest banking institutions, U.S. consumers' doubts about banks have grown considerably in 2008. In fact, consumer confidence in the banking industry was near an all-time low in June, when a Gallup Poll showed that only 32% of the public expressed "a great deal" or "quite a lot" of confidence in banks (the lowest point was 30% in October 1991).

GALLUP
MANAGEMENT JOURNAL