




Presentation materials and video replay will be provided within one week.

Have questions? Use the questions panel –  we'll field them as we go and during the Q&A recap at the end of the call.

Improving Performance With Customer Insights

Today's Speakers



Stephen Nikitas

Senior Strategist Director, Harland Clarke

- 30 years experience, including senior executive at financial institutions in New York, California and Massachusetts
- Loan portfolio and account holder retention specialist



John Berigan

Executive Vice President, Customer Service Profiles (CSP)

- More than 30 years sales experience
- Primary contact for all sales and marketing inquiries, contract negotiations, and ongoing client projects

Agenda

State of the Market: Latest Trends

Gaining Knowledge and Insight From Actual Customers

Hearing the Voice of the Customer: All Channels, All Touchpoints

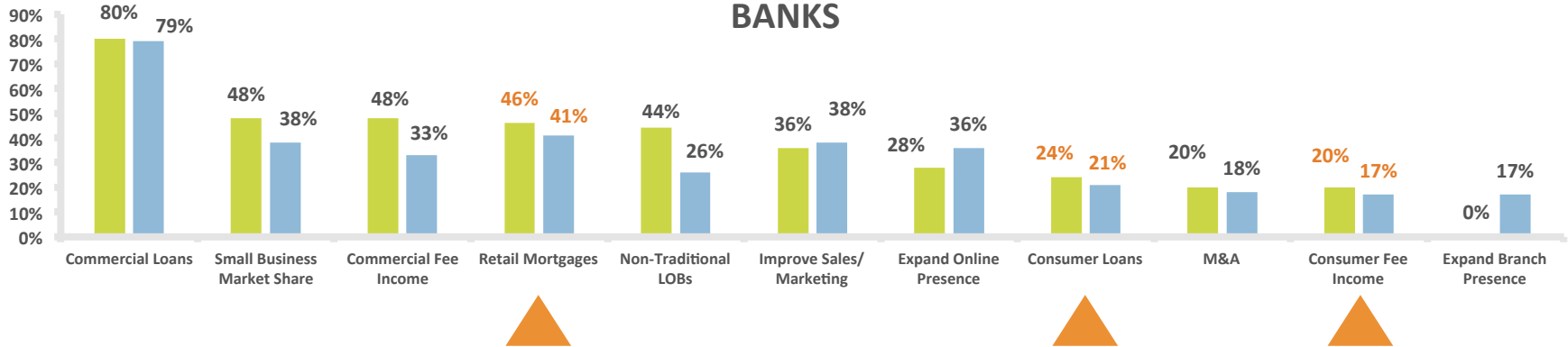
Reporting for Branch Managers and Executives

Case Studies

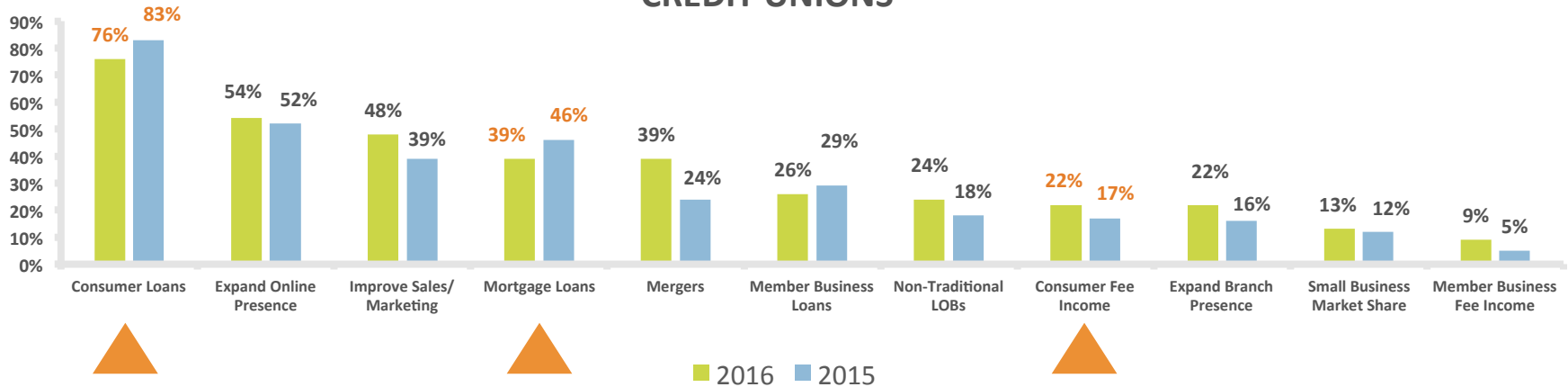
Q&A

Loan Growth Is Top Priority for Financial Institutions

BANKS

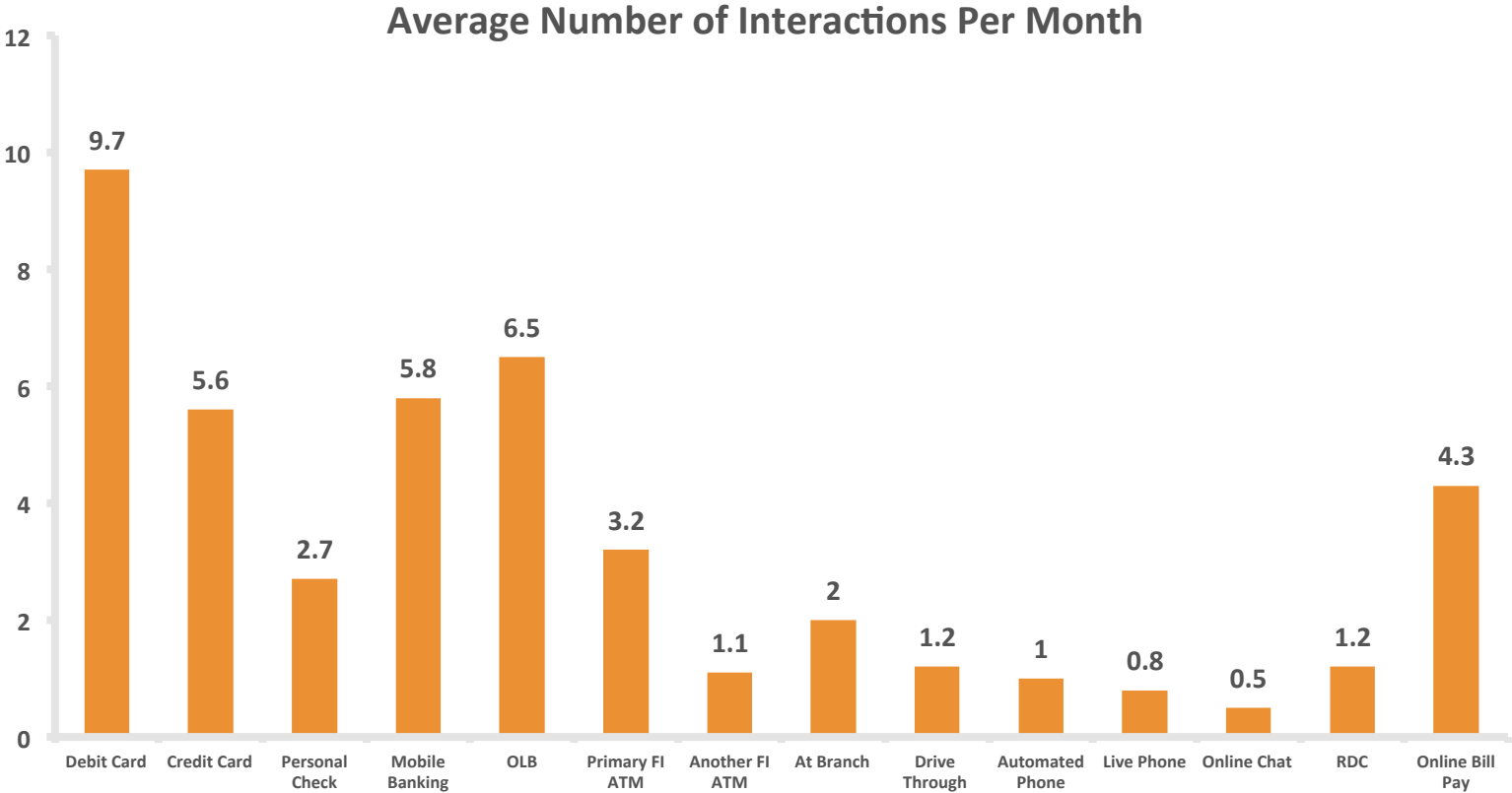


CREDIT UNIONS



Voice of the Customer, powered by CSP

Consumer Interactions



Voice of the Customer, powered by CSP

Bank vs. Consumer Perceptions

How banks view themselves

Relationship Focused – **45%**
Customer Service Pros – **27%**
Traditional/Reliable Bankers – **21%**
Generalized Providers – **7%**

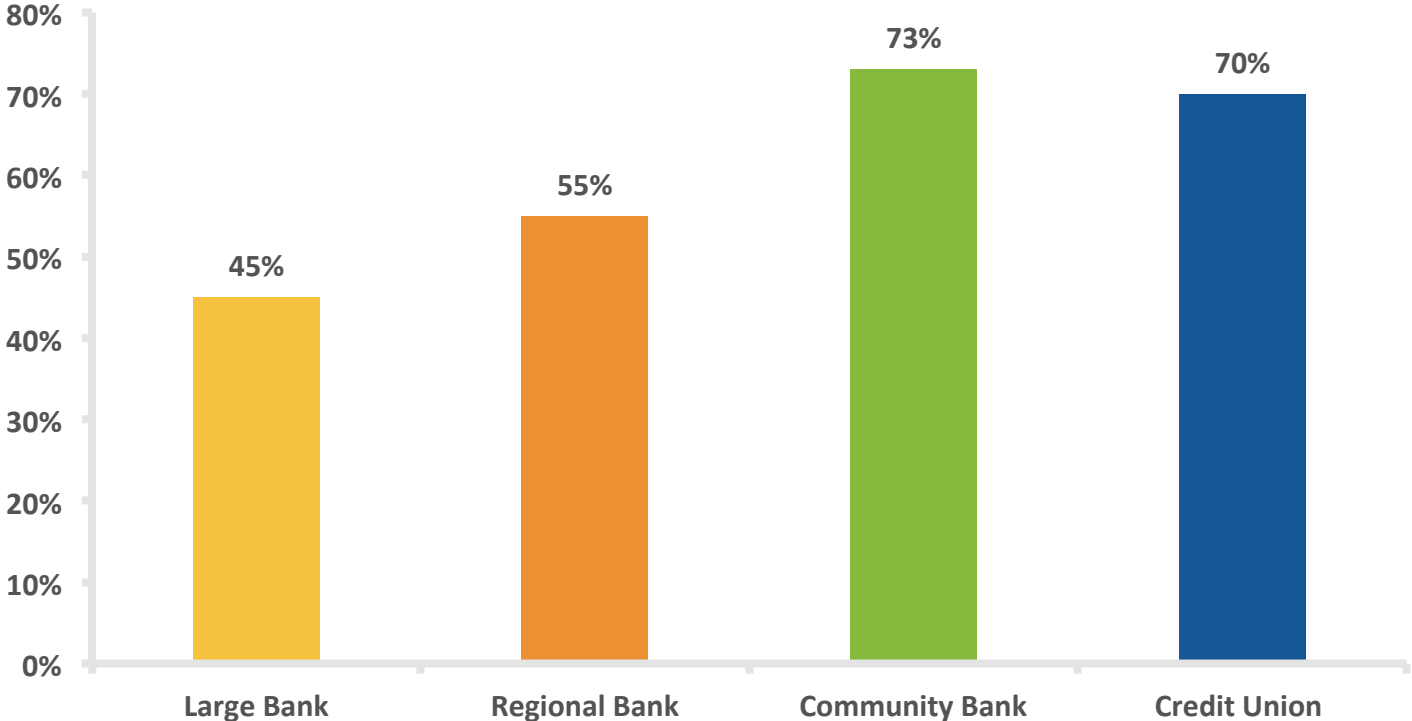
How consumers view banks

Customer Service Pros – **35%**
Traditional And Reliable Bankers – **34%**
Generalized Providers – **18%**
Relationship Focused – **13%**

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Where's the Trust?

Trust by Banking Category



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Gaining Knowledge and Insight From Actual Customers > > >

What Do Your Customers Think About You?

You don't know unless you ask them

Sales and service excellence depends upon their perceptions and feedback

How they feel about their **experience** is how they feel about your **brand**

“Customers are no longer buying products and services – they are buying experiences delivered via the products and services.”

– **Gregory Yankelovich**, *Customer Experience IQ*

"Q&A with Gregory Yankelovich," InsideCXM, June 16, 2014, <http://www.insidecxm.com/qa-with-gregory-yankelovich/>

Why It Matters

Customer Experience Impacts

The bottom line: 41% of customers who opened a new account in 2014 did so because of the customer experience¹

Satisfaction & loyalty: Customer experience is the most critical driver in increasing customer loyalty²

Employee performance: “Optimizing incentive structures to prioritize customer service, investing in training programs and highlighting service advantages” is a Top 10 Trend in 2016 reported by BAI Banking Strategies

When Done Right

- ✓ Promotes a culture of service
- ✓ Increases customer knowledge
- ✓ Provides tools to improve the customer experience
- ✓ Drives results via actionable data
- ✓ Ensures cultural alignment throughout the institution
- ✓ Offers insight into market position
- ✓ Creates endless improvement loop
- ✓ 5% increase in customer satisfaction can increase profitability by 25% to 125%⁴
 - Lower attrition
 - More products
 - More referrals

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1. Ernst & Young 2014 Global Consumer Banking Survey
2. Ibid.
3. American Customer Satisfaction Index, Fornell et al, 1996
4. Harvard Business Review

Why Harland Clarke Voice of the Customer?

- Value delivered at affordable price versus the competition
- Insights and data representative of your customers and branch network
- Holistic approach to customer experience management
- Financial institution experience and exclusivity
- Solution customization and flexibility
- Analytics and consultation
- Peer group benchmarking by asset size, region and state
- CSP — 30 years of thought leadership in Customer Experience Management (CEM)

“70% of buying experiences are based on how the customer feels they are being treated.”

— McKinsey

"The 'moment of truth' in customer service," by Marc Beaujean, John Davidson, and Stacey Madge, McKinsey & Company,

[http://www.mckinsey.com/business-functions/organization/our-insights/the-moment-of-truth-in-](http://www.mckinsey.com/business-functions/organization/our-insights/the-moment-of-truth-in-customer-service)

[customer-service](http://www.mckinsey.com/business-functions/organization/our-insights/the-moment-of-truth-in-customer-service)

Hearing the Voice of the Customer > > >

All Channels, All Touchpoints

Voice of the Customer

Voice of the Customer delivers actionable intelligence to improve performance, directly from the source that matters most – your account holders.

Using a variety of survey methodologies, we provide insight necessary to engage account holders and build a consistent customer experience.



Our Omni-channel Approach

All Experiences, All Channels

- Branch
- Call center
- New account opening
- Lending
- Business banking
- Daily/regular interactions



"89% of consumers have stopped doing business with a company after experiencing poor customer service."

– RightNow Customer Experience Impact Report

2011 Customer Experience Impact (CEI) Report commissioned by RightNow (acquired by Oracle(R)), "Customer Experience: Empowering People. Powering Brands. With Oracle Service Solutions." 2012, <http://www.oracle.com/us/solutions/customer-experience/cx-service-exec-strategy-brief-1730729.pdf>

How It Works

Account Holder Panels

- Statistically significant number of evaluators reflecting account holder demographics
- Objective, unbiased responses
- Entire footprint is represented at all channels
- Verbatim comments
- Identifies employee

Peer Benchmarking

- All channels
- Individual criteria & key metrics
- Robust peer database
- Ability to self-direct peer comparison

Analysis & Consultation

- Key drivers identified at each touchpoint
- Executive OnReview analysis
- Coaching/training resources
- Strategic and comprehensive recommendations

Identification of Key Drivers

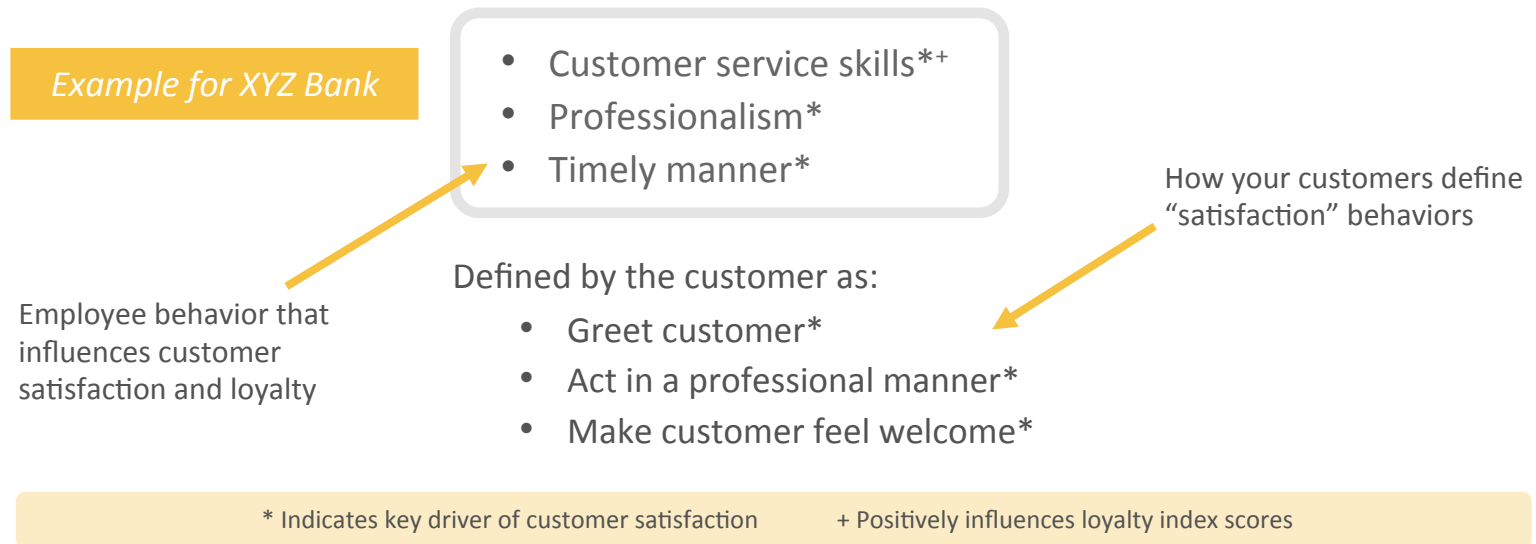
We run several statistical and diagnostic tests on your customer data

- academically rigorous, valid, and reliable
- stable way to compare the importance of all satisfaction criteria

We identify the key drivers of your customers' experience

We use your data to identify the employee behaviors that have the most impact on satisfaction and loyalty scores

- Plus, analyze which transaction behaviors are connected to overall satisfaction



Coaching and Training

Resources and expertise to improve frontline training

- Activities, articles and exercises designed to provide coaching and training specific to all of the criteria evaluated and measured
- Topics include service attributes, sales behavior, telephone etiquette and more
- New materials and topics added quarterly
- Unlimited access to STARS coaching and training resources

STARS Approach

Service & sales
Teamwork
Attitude
Recognition
Success



Manager Development and Training

Use data to help financial institutions coach, motivate and manage employees within their unique service climate

Incorporates all data including:

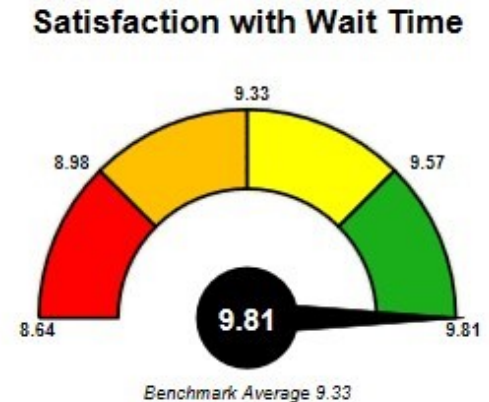
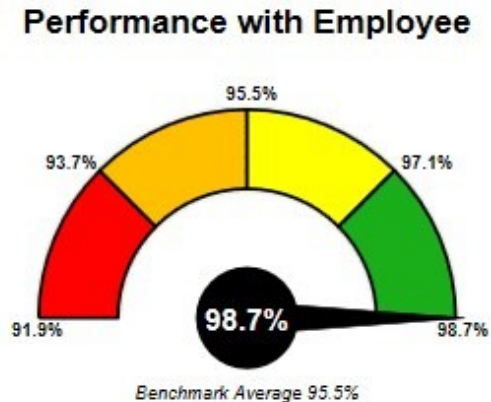
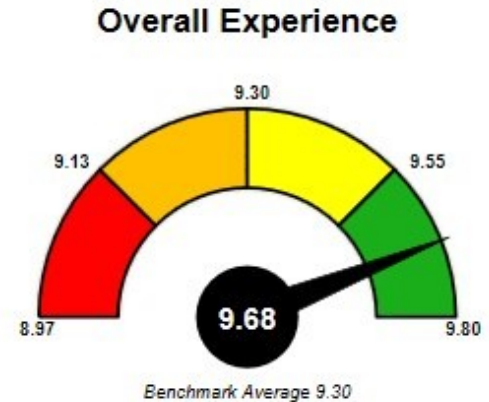
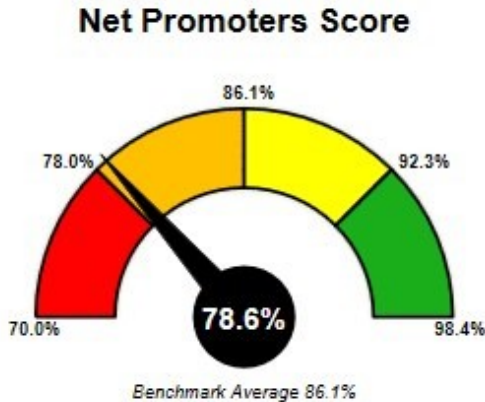
- Bank metrics
- Customer service data
- Leadership development plans
- Employee engagement/satisfaction survey

Several customizable delivery options:

- Certifications
- Coaching/mentoring
- Workshops
- Online/webcasts

Reporting for Branch Managers and Executives > > >

Benchmark Analysis Reporting (BAR)

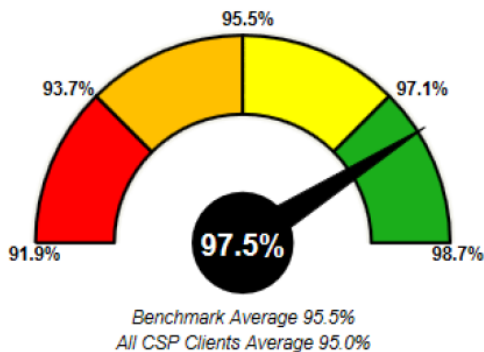


BAR Drill-Down Reporting

Key Metric Gauge, Trendline Graph and Rank show how your financial institution compares to others in your peer group

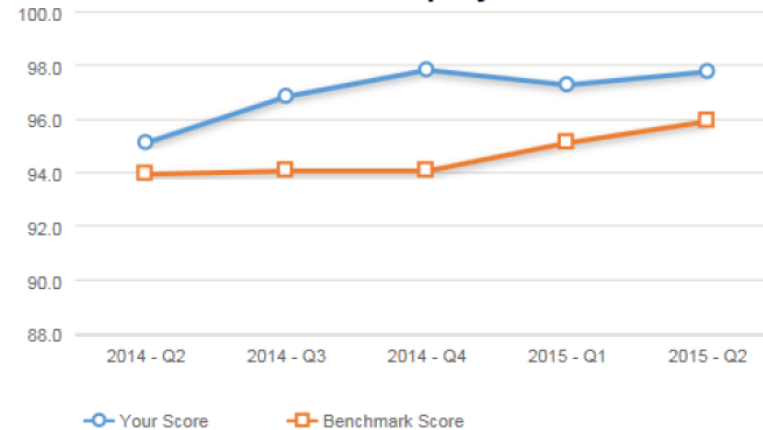
Key Metric Gauge

Performance with Employee

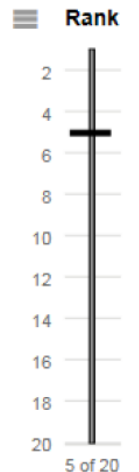


Trendline Graph

Performance with Employee vs Benchmark



Rank



Executive Analysis

OnReview:

High level overviews for high-level executives

Total Organization Key Metrics			
Performance Score	96.64%	+0.42	↑
Satisfaction Score	9.66	-0.3	↓
Loyalty Index	87.54%	+2.51%	↑
Net Promoter Score	88.40%	+8.02%	↑
Overall Experience	9.12	+0.10	↑
Digital	9.58	-0.16	↓

Channel 2015 Metrics and Changes in Scores

Satisfaction			Performance		
Change +/-	2015 Score	Channel	2015 Score	Change +/-	
+0.24	9.70	Personal Banker	98.21%	+0.35%	↑
-0.3	9.66	Lobby Teller	95.30%	-0.31%	↓
+0.24	9.52	Drive Up Teller	97.21%	+0.45%	↑
+0.05	9.31	Call Center	96.32%	+0.01%	↑
-0.03	9.01	Online	NA		
+0.02	8.88	Mobile	NA		

Branch Comparisons

Highest Scoring Branches	CSP Normalized Index Score	Lowest Scoring Branches	CSP Normalized Index Score
(08) Prescott Valley Branch	+6.30	(03) Avondale Branch	-7.12
(09) Cottonwood Branch	+3.27	LSI Overflow	-3.40
(01) Luke AFB Branch	+1.27	(06) Surprise Branch	-2.42

Voice of the Customer, powered by CSP

“If you can improve your level of customer retention by just 5%, and sustain that improvement over five years, you can improve operating earnings by as much as 100%”

> > >

- American Banker

"A High-Profit Strategy for Banks: Find the Top Customers and Keep Them," American Banker, July 21, 1993

Q&A Wrap Up

Type your question in the questions panel 

Stephen Nikitas

Senior Strategy Director, Harland Clarke

John Berigan

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and previous events.

Thank You

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