Harland Clarke Webcast – 06-29-2016
Improving Performance with Customer Insights TRANSCRIPT

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Presenter: John Berigan, Executive Vice President, Customer Service Profiles

Jeb: Good day, and welcome to Harland Clarke's webinar. Today's topic is Improving Performance with Customer Insights. This webinar is being recorded and will be provided to you along with the presentation deck in a few days. If you have questions, please use the chat box located in the webinar control panel. Your questions are private and are only seen by the presenters. I'd now like to turn over today's call to Stephen Nikitas, Senior Strategist Director at Harland Clarke. Steve, you have the call.

Stephen: Great, thank you very much, and good morning, everybody. Welcome to our webinar today. We are privileged to have with us John Berigan. I'm going to introduce John in a moment, but very quickly a little bit of background about me because I will take the reins here in a moment for today's presentation. I am a senior strategy director with Harland Clarke. I have been here for a little over five years now.

I actually come out of the financial services world, where I have better than 30 years of experience in executive management at financial institutions in Massachusetts, California, and New York. My role as a senior strategy director at Harland Clarke is to consult and advise financial institutions on how Harland Clarke marketing services programs can help them to strengthen their loan portfolios, their deposit portfolios, and in general, retain and attract new accountholders. With that, let me introduce my guest host today, John Berigan. John, would you be kind enough to tell our attendees a little bit about yourself?

John: Sure. Thanks, Steve. I appreciate it. Good morning, everybody. I appreciate the opportunity to participate today. I am an executive vice president at Customer Service Profiles, and we have been in the financial industry sector for over 30 years really focusing in on customer experience. I'm also a principal owner and really the person responsible for all sales and marketing inquiries, as well as ongoing client relationships and partnerships. As Steve mentioned, I'm very appreciative of being here today. Thank you.

Stephen: Great. Thank you, John, and good morning. Let's look at what we're going to talk about today. Here's our agenda. My role today is going to be very short because John is really the value add, if you will, to today's presentation. I'm going to start out talking a little bit about the trends in the financial services industry and show you some 30,000-foot information to really tee it up for John. From there, John is going to talk about gaining knowledge and insight from customers and members, hearing the voice of the customer relative to all channels and touchpoints, and then reporting that's provided to branch managers and executives through John's organization. John will also share some case study information with you.

Of course, as we always do, we'll make sure that we leave time at the end of today's presentation for any questions you may have. As Jeb mentioned at the very outset, if you've got a question, if we say something or if you see something that elicits your curiosity and you want more information on it, please feel free to type your questions in the chat box on your screen. We will make sure we get to it at the very end of the presentation, but also at periodic times during today's conversation as we see questions pop in, we will address them at that point. With that, let's take a look at what is going on in the financial services market.

I wanted to start just by showing you these survey results that were conducted among bank CEOs, at the very top, and credit union CEOs, at the bottom. As you might expect, if you are a bank, your focus for 2016 is primarily focused on growing your commercial loan portfolio, but you can see where the arrows are that retail is still pretty important, as it always has been within the banking world. Nearly one out of every two bank CEOs for 2016 – that's the green bar – say that they're going to be focused on growing their retail mortgage portfolio. You can see that one out of every four bank CEOs, as we go left to right, say that consumer loans is going to be important, and 20% of the bank CEOs say that growing consumer fee income is important to them for 2016.

Those of you on the phone from credit unions, as you would expect, it's all about retail. You can see on the bar chart on the bottom of this slide that three out of every four credit union CEOs are going to be focused on growing consumer loans. Roughly 40% are going to be focused on growing the mortgage loan portfolio. I would expect that after the events last week that we saw with Great Britain exiting the European Union, and we see the dramatic drop in the ten-year treasury yield, mortgage rates are likely to continue to ratchet down. I would expect that we'll probably see more interest certainly from credit union CEOs, and likely from bank CEOs, on growing their mortgage portfolios, particularly because rates are dropping and maybe it's a good time for re-fi as well as buying a new home. Of course, growing consumer fee income is important to credit union CEOs, just as it was for bank CEOs. Let's take a look at the next slide.

In our next slide, this is a bar graph that represents the average number of interactions taking place per channel. First off, don't pull your calculators out of your desk drawers and start adding these numbers up. Let me explain what this chart represents. If you go all the way over to the left, based on a recent survey the average American consumer is conducting 9.7, almost 10, debit transactions a month. That's not to say that as we go left to right they're conducting also 5.6 credit card transactions, 2.7 personal check transactions, but those consumers who have a debit card on average are swiping that card roughly 10 times a month.

The interesting thing here, as you go left to right on this particular chart and you get about halfway through this chart, you'll see that the number of transactions taking place at a branch, too, is really low. As you might expect over the course of the last 10 to 15 years, as online banking and mobile banking are making more and more of a presence among consumers, the likelihood of a consumer coming into a bank or coming into a credit union to conduct a transaction is dropping. In fact, if you look at the number of drive-through transactions, to the right of at-branch transactions, only 1.2 transactions take place at a drive-up window.

I think the key here is that increasingly consumers are conducting transactions via the mobile channel, 5.8 transactions on average per month, or via online banking, whether it's a desktop, a tablet, or a laptop computer. Increasingly, as you would expect, as consumers continue to embrace technology, we see more and more transactions taking place through those channels. I think the message here is we have less face time with our customers, less face time with our members, and as a result of that, we need to be really good when we have conversations, and focused when we have those conversations, when consumers do come into one of our branches. Let's go to the next slide.

On our next slide, we're taking a look here at really two things. We know that for years we've been talking about the universal banker, that banker, whether they're at a bank or a credit union, that employee who can have a wide-reaching conversation with that customer or that member who walks in the door. Of course, as we look on the left-hand side here, banks and credit unions view themselves as relationship-focused. The days of pushing a product are gone, at least in the minds of bankers, and we have become much more relationship-focused, much more consultative, much more advice-driven as we ever were before.

Twenty seven percent of us believe that we are customer service pros. Twenty one percent of bankers and credit union executives believe that we are performing the traditional or reliable role as bankers would. Then only seven percent of bankers and credit union executives believe that we're generalized providers. That's all well and good, but how do consumers view us? If you look at the green box on the right-hand side, I think what stands out loud and clear is if you go all the way to the bottom in that green box.

While nearly half of banks and credit union executives believe that we are relationship-focused, unfortunately that message hasn't gotten to the consumer. Roughly 13% of consumers believe that the banker with whom they interact, the credit union platform person with whom they interact, is relationship-focused, is having that advice-driven, consultative conversation, that universal banker presentation before a customer or a member. There's a real dichotomy there between how bankers and credit union executives view themselves and how consumers view the service that they're getting from a bank or a credit union employee. Let's take a look at our next slide.

On our next slide, while that may be well and good relative to the perceptions, community banks and credit unions hold a lot of trust among the consumer. As you can see here, going from left to right, community banks and credit unions in particular gain and hold a lot of trust among consumers. That's very important because we've heard that we've got nontraditional financial institutions starting to converge onto our space. I call it convergent disruptions, when the Apples, or the Walmarts, or the Costcos of the world start offering banking products and services.

While many consumers say they would do business at those alternative financial service providers, in reality we can see that particularly community banks and particularly credit unions hold a lot of trust and faith among consumer in the US. It is likely, as convergent disruption continues to take place, those nontraditional financial service providers may have a difficult time really gaining a foothold when it comes to the financial products and services that a consumer will go to them for. With that, let's go to our next slide. Here is where I'm going to hand the reins of this presentation over to John Berigan. John, if you'd be kind enough to take it from here, please do.

John: Thanks very much, Steve, I appreciate it. This next slide really talks about gaining knowledge and insight from actual customers. It's really more important than ever. It is becoming so important that at the CEO level it's the number two priority as far as strategic initiative, right behind revenue. To be able to understand and to ask a simple question, what your customers think about you is really a crucial component because if you don't know, you really don't know unless you ask them. In Steve's previous slide, there's a real gap between how banks view themselves and how customers or consumers view banks and credit unions; there's a huge disparity.

The need to understand the different sales and service behaviors that really drive results at your institution is critical. For years, institutions have driven customer behavior, and as we all know, due to technology, and the internet, and the availability of additional options, there's been a paradigm shift. Now in the financial sector, customers are really driving the institution's behavior. To be able to understand what that experience is truly affects the way that they feel about your brand.

If you think about the way that customers can interact with you, all those different touchpoints that Steve talked about earlier, if you're not gaining information about how that customer is engaged with you and how that experience goes, it is a real critical piece to be able to compete with your peers. Service and sales are no longer separate; they are one and the same, like the quote from Gregory Yankelovich regarding they are not just buying singular products and services anymore; the experience is absolutely crucial. If you're not measuring the customer experience, you really don't know. Next slide, please.

Then you have to ask yourself why it matters. The main reason, to be perfectly candid, is because your customers say it matters. The impact that the customer experience has on an institution really affects several facets of the organization. One is the potential of the bottom line. We know through additional studies that 41% of customers who've opened up a new account did so because of the customer experience. We also know through measuring key metrics that customers experience is the most critical driver in increasing customer loyalty and thus propensity to add additional products to their portfolio.

Now the employee performance is an interesting aspect of this entire component because you've now engaged your two most valuable assets, your customers and your employees. A huge initiative in 2016 is being able to structure and optimize incentive programs around customer satisfaction, loyalty, and advocacy. FIs are investing a lot of money into being able to help their employees understand what behaviors are really driving the member and the customer experience. When it's done right, it really works. What we've been able to do is to help our clients create a roadmap for customer experience excellence. One of the ways we can do that is to really understand your needs and objectives and then customize the voice of the customer, the voice of the member solutions, around those particular needs, and then empower and help make accountable the employees by providing them this information on a timely basis, then the ability to take action, which really drives results.

If we're able to provide each individual institution those key drivers of satisfaction, what are those behaviors that when I engage with an employee at an FI really drives overall customer satisfaction, what predicts that I'll be more loyal and buy more products and then ultimately advocate for that individual or institution, the ability to have this roadmap and to be able to detect what criteria that you need to take action on is really an important component of this. It creates a circular loop of being able to enhance the overall customer experience, which we know through the 30 years that we've been doing this that it improves retention, revenue, and ultimately profit. You can see that last check, the bullet on the right, just a 5% increase in customer satisfaction can help increase profitability anywhere from 25% to 125%.

If we look at the next slide, please, why it makes sense to partner and potentially integrate the Harland Clarke Voice of the Customer program, there are several benefits. These are just a few that we want to highlight for today's conversation. The value that Harland Clarke is able to provide to you as an institution, and that comes through a variety of ways, versus the competition. Providing insights and data that is statistically significant and relevant at each individual touchpoint, that is a real important note because, from a quantitative standpoint, you're able to make strategic decisions based on this information. What it also does at the enterprise level is it creates a holistic approach to this whole endeavor of customer experience management.

What we have seen through our data, in being able to compare different FIs to each other, we can tell where it's really a cultural component of an institution, and it really stems from the top on down. We also have a tremendous amount of experience. We're exclusive in the FI industry. We've worked with thousands of different institutions of all different sizes, anywhere from a multiple of thousands of branches and offices all the way down to two and three.

I think the most important thing is our ability to be able to really create this roadmap and to understand what your needs and desires are in creating a Voice of the Customer solution because even though you're in a commoditized industry your needs are different from your competition. You may have different philosophies on customer experience. The people you hire, the way you execute, are just a few of the different things that are important to you. The Harland Clarke solution is customized around what your needs are. You do not have to fit into a box.

The critical thing that is going on in the industry from an education standpoint is that now once we've had a program in place, and we're getting this information, what do we do with this information. The Harland Clarke Voice of the Customer solution is keen on delivering to you actionable information through our different analytics and then being able to provide you human consultation and intervention on what the information means, what you can do to take action, and sharing best practices with you. We really help you leverage the data within your institution. Then there's a robust benchmarking portfolio which allows you to compare yourselves by like question all the way to every single key metric at the portfolio size, your asset size, region, and then ultimately down to the state. The benchmarking is very granular.

Also, there's the ability to differentiate between banks and credits. Our thought leadership has been really driven by our experience with all the different institutions that we have worked with. I think a very powerful quote there is that seven out of ten buying experiences are based on how the customer feels they are being treated. It is not necessarily product-driven anymore; it's how well do we treat our customers and our members. Next slide, please.

A case study that we have really validates what we just have been speaking about in being able to help an enterprise design a program. We started from scratch with this particular bank, and they have grown from being our least successful bank in our portfolio to our most successful. They really bought into this cultural environment, but they had some challenges. One of the things that they needed to do is establish a platform of customer service where they felt they were comfortable and they had the core culture in place. Now they needed to grow revenue.

They wanted to speak to their employees within the enterprise to really begin to start increasing revenue, and through that, by adding additional products and services to existing clients as well as growing new accounts. They got a lot of resistance because the employees said, "We know our clients, and they don't want to be sold products." In a sense, they were correct, but this institution was able to go back to the Voice of the Customer data, and especially around those key drivers they were able to determine that a key driver of satisfaction at every experience, with their bankers doing the needs analysis and understanding and assisting them with their financial needs, were critical key drivers in the overall customer satisfaction, loyalty, and advocacy.

They were able to talk about that and to coach and train on those behaviors, and it created a shift because all of a sudden what the customers were really saying is, "Okay, Mr. and Mrs. Banker, when you approach me this way, and you understand my needs, and you ask questions, and you create this relationship where you're assisting me with my financial needs, not only will I buy from you but I will buy more from you." What they were able to do is they were able to gauge this by presenting some data points around this. They saw that they added 43,000 new deposit accounts, and they added over 161,000 new services. They were able to increase the products per household by half a product and then nearly $650 million to their core deposits. It was all through being able to design and customize a program that provided for them the statistically significant data because of the engagement of their customers. Next slide, please.

Now we just wanted to talk about how do you work with and customize a solution that is going to fit your needs. The way we do that is providing the Voice of the Customer. It delivers actionable intelligence to really help you not only understand, but improve performance. That comes directly from this extremely valuable resource that you have, and that is your accountholders. The way we're able to do that is we integrate our multi-channel data infrastructure in order to collect and report your customer experience data. We're very agnostic to the type of methodology. We can do that by accountholder panel, web, online, mobile, telephone base, really anything that fits the different channels that we'll be working with together, as well as what's most compatible to you. Next slide, please.

If you take a look at our omni-channel approach – and again I think this is a really important point that we're discussing – and if you think about the way that your customers or members can engage and work with you, Steve pointed that out in one of his earlier slides about all the different ways that they can transact, what we're able to do as your partner, and in designing a program that really fits your needs, we're able to give you access on that customer member experience at every individual channel. If you think about all the business that you did yesterday that you're doing today, and that you will do in the future, the Harland Clarke Voice of the Customer solution is able to provide you information on that experience, what is important, how satisfied are they, how loyal are they. You get a 360-degree view of your entire enterprise.

The strength in this approach is the ability then to determine which ones are going to fit best for you, so we can begin with a couple of different channels and add on as the Voice of the Customer solution matures, or you can do it all at once. Your accountholders are engaged in doing business with you in all these channels. We can also provide you information as they are cross-channel users. Each channel has the ability to utilize the different methodologies to capture this information.

If you go to the next slide, Jeb, please, this is a high-level view of how it works. We work with you to design this program, but the accountholder panels are really the way that differentiates the Harland Clarke solution to many of the other companies out in the marketplace. One of the truly unique ways that we do this is if you think about the in-branch, and the data is revealing obviously that more customers are moving toward mobile channels and technology, but what we cannot forget is the importance of the opportunity to create that relationship because that's where the majority of new products are being added.

If you think about the in-branch and the call center solution, for example, one of the ways that we are able to accommodate this particular component is by utilizing your own accountholders to participate. We get a statistically significant number of those customers or members to participate where they're evaluating actual real transactions, and we are able to report back to you by specific demographics so that you can continue to analyze and deepen that component of how satisfied are your most profitable customers, how loyal are they, what are those predictors, and what else are they looking for.

We create an environment where hundreds to thousands of different accountholders are participating in this program, which ensures objective and unbiased responses. It also integrates your entire footprint. Your entire footprint is represented in all these different channels. We do text analytics on the verbatim comments. Now you've combined a program that provides you quantitative data as well as qualitative data.

Our programs give you the ability to be very granular, so you can drill down; you can have an aggregate score at the enterprise, the region, the branch level, and then ultimately even down to the individual employee. That's important as you begin to foster this culture because these programs are not to be viewed as a punitive way of gathering information to size and to punish. It's a way to reward and recognize. It's a way to identify what is going on at your institution and to close that gap between the banker's perception and the customer's perception, which is truly reality.

The ability to have access to that and then center around that, as we talked about is one of the key initiatives in 2016, is very important. If you think about all those different channels, you'd have your own internal scoring components and scorecard, but the ability to benchmark yourself against your peers is very important. Our Voice of the Customer program allows you yourself to measure and compare all those individual different channels, whether it's the in-branch, call center, digital channel, the lending channel, whether it be mortgage or consumer loans, business banking, or the new accounting opening process.

Any way that you guys are doing and conducting business today, we have the benchmark against individual criteria and questions, as well as those very important key metrics. Currently, there's over 200 different FIs in our database that you can drill down to and self-direct on our web-based reporting portal to be able to compare yourself versus the entire portfolio, your asset size, your region, your state, whether you're a bank or whether you're a credit union. What's even becoming more important now is the analysis and consultation because once we have this information, how do we make it actionable?

That's the commitment that we have at Harland Clarke Voice of the Customer solution is that there's human intervention in laying out for you what it is. What we do is, through our statistical modeling, we create and identify all these key drivers at each touchpoint so that you understand what that is that's driving this behavior. We also provide for you written analysis called our Executive OnReview. This is in addition to the web-based reporting portal. Our teams will schedule a minimum of two executive presentations to provide you this roadmap that shares with you best practices, key findings, key recommendations, observations, key drivers, benchmarks, etc. Then we lay out that strategy and provide you recommendation around those. Next slide, please.

What's going to be able to identify those key drivers and the way that we are able to do this is that Harland Clark VOC piece will take all the different information we've received and run it through our statistical modeling to provide you these key drivers by individual channel. That's important. Now you have actionability around each individual channel; it's not an aggregate enterprise key driver. It's very actionable and granular.

For example, if you think about the banker, and that banker has the opportunity to really grow revenue and effect business results, as a banker I now know that the data reveals that customer service skills, professionalism, and making me feel valued might be a key driver, so every time now I have an experience with a member or a customer and they walk away feeling valued, and I displayed good customer service skills, that predicts that they will be more satisfied, that they'll buy more products, they'll be more loyal, then ultimately they'll go out into the marketplace and advocate for me.

We're able to do an additional analysis around those key drivers of satisfaction that I identify those performance criteria that will have an impact on improving those key satisfaction drivers. All of a sudden I have some very detailed items that I can focus on to create actionability within my area. The thing to think about is that the power of part of this is because nobody else has your customers and your employees. This information is unique to you as an individual FI. The ability to really drive business results is there. Next slide, please.

Now what do we do with that information? How do we leverage that data to continue to foster, and improve, and create a culture of great customer experience? What we have provided through our real-time web-based reporting portal are resources and expertise to really help improve employee behavior. Now all of a sudden the employees have a different perspective and a different view of why it's so important to create a loyal customer.

Now they have scientific data from your customer base that's telling you this is what you can do to create a great customer experience and this is will make me loyal. Now all of a sudden it's not a guessing game, so change management begins to occur. We have a library of activities and articles that are provided to you and your team, and your FI has access to these 200-300 different articles and activities that are updated frequently and that you have unlimited access to. It's an easy way for your people to coach, and to train, and to reward and recognize. Next slide, please.

We can even take it a step further. I think this is really where the whole customer experience market is moving, as well. We talked about early on the amount of money and investment by executives around manager development and training is critical. Talent, as well as being able to understand that, is crucial. The opportunities that are going to exist for us to be able to continue to create these relationships is very important.

The ability to leverage this Voice of the Customer data through a manager development and training piece is something that is really differentiating FIs today. The ones that are doing it are seeing that it's really assisting and creating a gap from their competitors around being able to understand the bank metrics, what it is that's driving customer experience, help provide leadership development plans, then really the workshops and the ongoing piece, is very powerful, as well. Ultimately, it helps empower and make accountable the managers who can really be the influencers of change at the FI level.

If you can go on to the next slide, please, now we get into how does the data get to you. It's through our real-time web-based reporting portal. Here's just a snapshot, a static snapshot that you guys would have access to, and your employees would have access to, depending on what level of engagement they are. Here you see six of the key metrics. It's that up-to-date benchmarking analysis report that you have the ability to get an immediate snapshot of how you stand compared to your peers at every one of those components.

If you take a look at the loyalty index, this particular FI is at 81%. The benchmark average for their asset size is 85.2%, so there's a significant difference between the benchmark and the FI score. The ability then to click on each one of those gauges – if you go to the next slide, please – allows you to continue to get more and more granular and dig deeper into the data. Now we're looking at the performance with the employee. You can see that gauge. You can see that trend line, how you're doing from year to year, see how you're ranking versus your peers in the overall performance.

Again, that data can become very diagnostic. The beauty of this in our web-based reporting portal is it's very granular. You can see at the aggregate level and total bank level, but as you continue to drill down, you can get down to the individual employee evaluation itself to be able to reward and recognize, and to coach and train. The reporting portal is very robust and powerful.

We take that reporting and – next slide, please – are able to provide you the written analysis on that executive component. We know that the majority of executives are not going to be logging on to the web-based reporting portal, so what we do is our research team provides written analysis, probably a 10- to 12-page PowerPoint report that really gives high-level overviews for the sea-level executives. Then we're able to explain to them exactly what it is, and what's going on, and how we are going to help you, the FI, continue to improve in these areas. Again, as we know, just a 5% increase in customer satisfaction can lead to quite an important level of profitability, anywhere from 25% to 125%.

If we can move to the next couple slides, I know we just have a few minutes left here to talk. Again, a couple more case studies. This is an interesting case study. We spoke with this bank at the ABA Conference, and they were a Voice of the Customer partner of ours from 11 or 12 years, still are, but after about the third year, what they wanted to do is they were having an issue with retention, and so as we created this program with them, they wanted to really understand what impacted customer loyalty. We were able to identify those behaviors for them that really improve the customer experience.

They were having an issue with retention; they needed to improve on retention. The executive at the bank worked with his CFO to create a plan, and they wanted to know the financial impact that lost customers were having on their enterprise, and if they could design something and get information around and be able to increase retention, what impact would they have. Each half a percentage point increase in retention equated to half a million dollars. You can see that first year, as a variable of their retention strategy, they saw a $3 million boost to their bottom line. They were able to increase first-year attrition rates by 50% by having information about their onboarding process and that new account opening. Again, the ability to capture this information through all different channels is extremely important. Next slide, please.

We had a larger institution, and one of their keys was really being able to identify what behaviors were across their enterprise so that they could again begin to focus in on what it is that they can do at the individual level to drive performance. What they were able to do was, after the second year of implementation, they saw a statistically significant increase in all three of those customer metrics. The Harland Clarke Voice of the Customer program, that only provides information on the individual experience, but it also gives you brand awareness around the loyalty index and net promoter score. They were able to calculate and gauge the progress that they made in each of those three areas. That flow of customer experience data is allowing institutions to see financial results. Next slide, please.

Here's another very powerful quote that's taken from an objective third party, American Banker. We're talking about retention, and so if you can just improve customer retention by 5% and sustain that – and that's part of the benefit of having a Voice of the Customer solution in place; you're able to understand if you are sustaining it or not because you're measuring – you can improve operating earnings by as much as 100%. The thing that is different today than it was five or ten years ago is that the executives and the CEOs understand clearly what it is that's driving their business. That is the end of our conversation. Steve, I'll hand it back over to you for any potential questions. Thank you.

Stephen: All right, thank you, John, lots of good stuff. We do have a handful of questions, John. I know we've only got about 11 minutes left until the top of the hour, so let's see if we can get through some of these. The first question: How long does it take CSP to implement this type of program for a financial institution?

John: It takes less than 60 days for the program to be launched, implemented, and actually seeing results.

Stephen: Okay. John, what is the average size of the financial institution with whom you work, average size being asset size?

John: It really differs. I think maybe a better way to answer that, Steve, is we have asset tiers anywhere from 250 million to 500 million, 500 million to 1 billion, 1 billion to 5 billion, 5 billion to 15 billion, 15 billion to 25 billion, and 25 billion and above. We have credit unions and banks that fit in all of those particular asset sizes, but our core is probably 1 billion and above.

Stephen: Okay, 1 billion and above. John, when a financial institution engages CSP, typically what's the tenure of that engagement? Typically how long do they remain a CSP client?

John: Our average tenure right now is 9+ years. Again, we talked about the culture; this becomes part of their culture. It truly does. It is represented by the ongoing partnership between Harland Clarke Voice of the Customer solutions and the FI.

Stephen: John, you may have covered this when you went through the presentation, but we have a question asking is the reporting portal updated on a real-time basis.

John: It is, yes. Data can flow in in a variety of ways, through handheld mobile, web-based, telephone-based, in person, or mail. The data is received, goes to our quality control so as to protect the integrity of the data, and then it's entered into the web-based portal and becomes available right away. The ability to take the action to reward and recognize is a critical component of all of this.

Stephen: Sure. John, does CSP provide frontline training for a financial institution?

John: We do. We certainly do. Again, that manager development training piece is part of that overall solution. It's a great program.

Stephen: John, the next couple of questions are not so much logistic as opposed to philosophy. One question asks customer service certainly matters, but does it trump price when it comes to a decision the consumer will make?

John: In our experience, yes, it does. Absolutely, it does. We talked about that earlier in one of our slides. A huge percentage of new account openings are based on the customer experience. They can get products from a lot of different areas, but people are very impressed and it's an important part of their decision-making process of who they do business with by the type of customer experience they have. Almost 90% of consumers that stop doing business with the company is after they've experienced poor customer service.

Stephen: John, do digital and mobile channel experiences provide as much an opportunity to impact the consumer as that face-to-face interaction?

John: That's a great question. We feel that, gathering data in the customer experience, that those digital experiences is important. One of the things that we are finding in our data is that we talked about the loyalty index, that when FIs have the opportunity to have a human interaction with their customers, loyalty numbers are 20% higher than if somebody is solely interacting with the bank through technology. The importance of getting our technology users somehow in front of the humans within the FI is an important component, and once that opportunity presents itself, to make sure that they are professional and are understanding the customer's needs, and that experience is one that continues to drive them to do more business

Stephen: John, what are some of the ways you gain information from customers or members?

John: Some of the methodologies, you mean?

Stephen: Yes.

John: There's several different ways, Steve. There's the ability to get information from them via traditional mail, our account or member panels, where they're actually evaluating real-time experiences with employees, and they can communicate with us via web, via mobile, and telephone. There's five or six different methodologies that we are able to integrate into the Voice of the Customer solution for the FI. It's really what best fits their needs. That's part of the customization of the design that's important.

Stephen: John, I think the second part of that question, as I'm looking at the list, is how do you identify those customers or members to whom you are going to reach out.

John: That's a collaboration with us and the FI. The beauty of that is that part of the conversation is who do you guys want to hear from. Is it based on profitability? Is it based on age? Is it based on a particular lifestyle or financial group? There's a lot of different ways that we can segment the data. It could be totally random. It could be based on what I just mentioned. That's part of the design and the roadmap of the Voice of the Customer solution. Then within that, we ensure that there's a statistically significant number of people that are participating and providing us and the FI feedback to take these analysis and key drivers into action.

Stephen: Okay, great. John, this looks to be the last question that I see submitted. We certainly have had many questions submitted by today's attendees, so really good stuff and information that obviously is important and of keen interest to our attendees. This looks to be our last question, and it may be a little long, but let me pose it for you. We are training our staff to be universal bankers, but do you really find that consumers are looking for financial advice and consultation from their FI, or do they simply want to get in and get out of their bank or credit union and get on to their next task at hand?

John: That's a great question. I'm very adamant in our answer that absolutely they care about the advice and the recommendations they're getting from their bankers at the FI. We talked about that United Community Bank study, for example, about how it added additional deposits and new services, and added products per household, and grew their core deposits by $650 million. Thousands upon thousands of those customers said, "You know what? When I have an experience with you, and you do these certain things, it predicts that I'll be more satisfied, that I'll buy more and I'll be more loyal." Our data, without question, shows the importance of behaviors really driving buying habits. Does that help?

Stephen: Absolutely. Thank you, John. That looks to be our last question. It takes us up to about 45 seconds or so before the top of the hour. John, before we sign off, any final words that you'd like to leave our attendees with?

John: The only final words that I have would be I'm very grateful for your time today. If you guys have any questions or additional interest, please feel free to contact anybody at Harland Clarke. We'd be happy to help after that.

Stephen: Great. Just a reminder to the folks on the phone, a recording of today's presentation will be sent out to each of you within the next several days, so be on the lookout for that. Thank you all very much for attending this webinar. We certainly hope it was helpful, and we look forward to hearing from you in the future. Thanks, everybody, and thank you, John.

John: Thank you, Steve.

Jeb: This concludes today's webcast speaking to Voice of the Customer. We'd appreciate your feedback. There's a few survey questions at the end of the webcast. If you would take a moment to fill those out, we'd love to get your feedback. Thank you.