



Engaging Customers during Account Initiation

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Providing efficient, reliable, and consistent service is no longer enough to maximize customer satisfaction and loyalty. Banks must also execute well during key customer touch points, or “moments of truth.” Account initiation is one of these critical touch points.

In many cases, the opening of an account is the first interaction new customers have with a bank. In other instances, it represents an opportunity for banks to engage tenured customers in a conversation regarding their evolving financial needs. Either way, delighting customers during this touch point may lead to higher levels of loyalty, retention, and share of wallet.

IMPACT OF PROVIDING A HIGHLY SATISFYING EXPERIENCE DURING ACCOUNT INITIATION

| Impact on Satisfaction and Financial Metrics | |
|--|------|
| Overall Satisfaction Index | +296 |
| Likelihood to reuse (% definitely will) | +55% |
| Likelihood to recommend (% definitely will) | +56% |
| Likelihood to switch (% definitely will not) | +49% |
| Share of wallet—deposits (mean) | +14% |
| Share of wallet—investable assets (mean) | +15% |

Source: J.D. Power 2013 Canadian Retail Banking Satisfaction StudySM

Behind the Numbers

- Data finds that engaging customers in a detailed discussion of their financial needs is the primary driver of satisfaction with the new account process. On average, customers who say their bank representative “completely” identified their needs provide significantly higher ratings for account initiation (8.47 on a 10-point scale), compared with those whose needs were identified “partially” or “not at all” (6.98).
 - When compared with customers who are disappointed with their account opening process, customers who are delighted with their account opening process are more likely to indicate that their representative:
 - Explained account features, services, and benefits (65% vs. 35%, respectively)
 - Explained fees and pricing associated with products/services (58% vs. 37%, respectively)
 - Provided a solution/product that met needs of the initial request (66% vs. 41%, respectively)
 - Provided advice for future financial planning (37% vs. 13%, respectively)
 - When comparing the experience of customers who are “delighted” with their account initiation to those who are “disappointed” with the experience, “delighted” customers are more likely to have received follow-up contact (65% vs. 35%, respectively), follow-up from the same representative (68% vs. 33%, respectively), and quicker follow-up (4.9 days after account opening vs. 5.9 days, respectively), compared with “disappointed” customers.
 - To maximize satisfaction, initial follow-up contact with customers should occur within the first 3 days, but no more than 5 days after initiation. Also, the contact should be made by the same bank representative that initially met with the customer.
- Additionally, customers who are “delighted” with their experience are more likely to receive a welcome packet than those who are “disappointed” (51% vs. 33%, respectively). Clearly, providing a welcome packet to new account holders also has a positive impact on satisfaction, although it tends to be less impactful than more personalized contacts.