



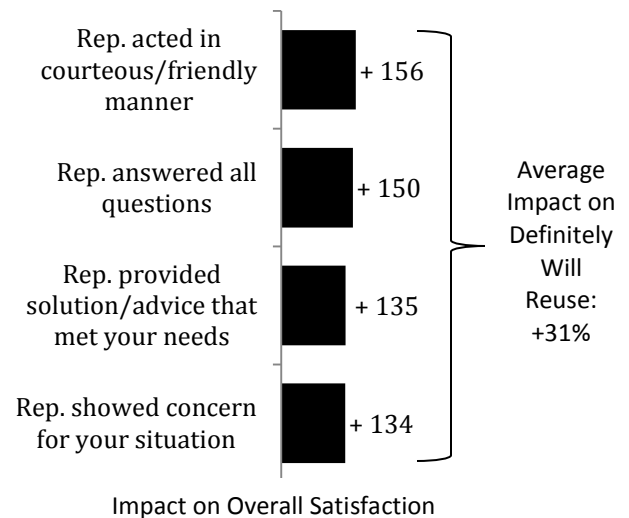
Courtesy is Critical when Supporting Customers during Life-Changing Events

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Life-changing events are typically emotional times for retail banking customers, and whether the life-changing event is negative or positive, customers are often forced to reevaluate their financial situation and potentially make changes to their product portfolio.

Banks must ensure that their frontline representatives are properly trained to handle life-changing events with sensitivity, understanding, and courtesy. Data from *the J.D. Power 2013 Canadian Retail Banking Customer Satisfaction StudySM* finds that most service metrics associated with major life events are considerably more impactful than service metrics associated with routine banking transactions.

IMPACT OF SERVICE KPIs DURING A LIFE-CHANGING EVENT



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

Behind the Numbers

- Analysis indicates that banks able to increase the number of customers who are “delighted” with the handling of their financial needs during a life-changing event by 5 percentage points stand to gain \$4.3 million in additional revenue per 100,000 customers.
- The impact of courteous customer service is more impactful during life-changing events than during common banking interactions. For example, the average impact of service metrics associated with life-changing events is a 31-percentage-point increase on retention, while the average impact of service metrics associated with common interactions is a 22-percentage-point increase on retention.
- Given the importance of courtesy when customers are dealing with a life-changing event, it is imperative for banks to implement a framework that defines the customer experience. Focus should be placed on recruiting employees that are best suited to provide the defined service requirements. Employees should also receive ongoing training and coaching, and be recognized for providing the targeted service level.
- Financial advisors may also contribute to higher levels of satisfaction during life-changing events. When a financial advisor is assigned, satisfaction is maximized when the advice received “completely” meets customer needs, compared with when it does not “completely” meet their needs (889 vs. 690, respectively, on a 1,000-point scale). Currently, 78% of Canadian retail banking customers indicate that the financial advice they received “completely” met their needs, presenting an opportunity for further improvement across the industry.
- For banks to provide accurate and actionable advice to customers during life-changing events, they must first understand the different needs of customers based on the particular event they are experiencing. For example, customers who recently had children are most likely to contact their bank to open a new account or set up trust/investment accounts, while those who recently lost a job are likely to seek financial advice or inquire about special payment arrangements. Banks should use this information to tailor products, develop marketing materials, and create processes that effectively serve the specific needs of various life-changing events.