Customer Request: Listen to Us!
by Charles Wendel

Recent interviews with business customers indicate some dissatisfaction with their current bank providers and a disconnect between the customer needs and what banks are providing. Despite the "digital revolution" we keep hearing about, to some extent the issues that customers articulate have not changed much from ten or 20 years ago.

Expectations are high. Company executives have become accustomed to an Amazon quality experience. Many have come to expect 24/7 access, quick responsiveness, and a strong customer service culture. In contrast some believe that banks are not taking advantage of technology and that technology adoption gets bogged down in internal bureaucratic processes.

Reality check. Business customers express disappointment in the actual digital capability banks offer versus what banks say they offer. Whether valid or not, some customers distrust what banks are telling them: "All banks will tell you they have a digital platform, and they say they can do things digitally, but they cannot do them." In this case either the bank is deceiving the customer, the banker is deceiving himself, the bank is doing a poor job of communicating its capabilities to the customer, or maybe all three.

In other cases, some companies just do not care about the digital revolution. On said, "We care about rate first and foremost."

What customer experience? Bank management frequently state they are focused on enhancing the customer experience, but at least some business customers are not buying it: "We all hear the words 'customer experience', but no one asks us what we need. Instead they think they know what we need and, then, provide an off the shelf product." Another commented that his interest in digital would have to wait until his banks calculated his monthly interest rates correctly.

No proactivity. "Bankers never reach out." In one case a business customer has a reoccurring need that the company executive thinks the bank could prepare for and simplify. Instead, each request involves a fire drill and results in customer concerns that the issue will not be resolved in time. This business executive bemoans the lack of proactivity and is truly puzzled why the bank fails to address his need.

So, why don't these customers move elsewhere? Multiple reasons exist for companies staying where they are, but each issue may be in the process of being addressed, increasing the threat to the current bank.

1. Customers are skeptical of other companies providing substantially better service than current providers. The view that banks are all the same causes customers to

stay where they are. However, a clear business strategy, consistent and targeted marketing, ads that feature satisfied clients, among other elements, can create a wedge for a bank trying take share. It may take some time., but a few banks are already separating themselves from the pack.

2. The inertia factor is strong and protects many current banks. No doubt that changing banks can be a hassle and eats up a lot of time. We have heard too many stories about the weeks it can take to get an account opened. But, this is changing at the best banks and some are investing in initiatives to assist the business customer in switching over to make the process as painless as possible.

3.The ”heft” factor. Since many Fintechs provide excellent technology solutions, why not move to a Fintech for lending needs? One customer commented that while Fintechs may possess the necessary technology, they lack the size to meet the lending needs of the middle market or larger customer; in short, they lack heft versus their bank competitors. This circumstance may change as Fintechs move upmarket or as they build more partnerships to bring their platforms to banks.

4. Banker retirements. Some companies stay where they are because of the individual banker serving them. While the bank’s services may need improvement, customers trust that the banker will do all they can for the company and try to work through the bureaucracy. As the Baby Boomer generation of bankers continues to retire, that may result in disruptions and a willingness on the part of the customer to pursue more options.

5. Rate. Lower rate often wins out over anything else.

Perhaps the most salient point to come out of business customer interviews is that the concerns they raise have much more to do with organizational issues, responsiveness, proactivity, and creativity than a bank’s digital capabilities. Unless banks address these “analog” issues, the digital message that many are selling may fall on deaf ears.