

# CASE STUDY



## *Bank of the West's Commitment to Increasing Customer Satisfaction Pays Off in Multiple Ways*



### CHALLENGE

Provide actionable information to increase customer loyalty and satisfaction plus advocacy metrics which are directly linked to a positive impact on financial performance.

### OUTCOME

The APECS® Performance Monitor provided Bank of the West timely access to customer feedback, allowing them to improve their service delivery and increase their customer advocacy levels. Cross-sell efforts are up and the APECS® system enabled the bank to tailor coaching and training efforts to each branch's specific needs based on actual performance.

### METHODOLOGY

Telephone Survey Post-Transaction Measurement.

*Bank of the West was committed to listening to their customers and finding out how to serve them better. With The MSR Group and the APECS® Performance Monitor and Improvement Process, they gained much more.*

Bank of the West, a nearly 700 branch financial institution headquartered in San Francisco, was serious about improving service delivery to their customers. They wanted a customer satisfaction measurement system that would provide actionable information, including timely prompts to the appropriate employees so they could react to feedback quickly and do what was needed to save or enhance the relationship. The system also needed metrics that could be directly linked to a positive impact on financial performance and allow benchmarking so the bank could track its progress and compare results to national norms.

### SOLUTION



Bank of the West engaged The MSR Group and its APECS® Performance Monitor system to meet these challenges. The Performance Monitor is a secure, interactive, web-based software application that gives users the ability to review, monitor and download actionable metrics generated from customer advocacy survey response data.

It can be accessed by clients at any time, from any internet connection, and allows for review of customer feedback within 72 hours of an interaction. APECS® offers client-defined access control, user-friendly navigation, presentation-ready charts, robust data download functionality and efficient

user audit capabilities. According to Susan Strong, Vice President of Sales and Service at Bank of the West, the Performance Monitor has made its customer research more valuable for two main reasons: timeliness and information flow.

“With past customer research programs, the results were old before we even received a report. With the Performance Monitor, customers are contacted within 24 hours of a transaction so they are more likely to remember their experience,” said Strong.

Second, the system has built-in information flow. The Performance Monitor puts easy to understand current data and historical information at the fingertips of staff at all levels. Action Alerts appear immediately on the desktop of the responsible Branch Manager. According to Strong, that alone resulted in increased awareness of customers’ top issues across the organization—from corporate executives to employees at the branches to call center staff.

“Action Alerts provide us with early indicators of possible customer attrition. The color-coded Problem Resolution Tracking system has made these easier to manage,” she added.

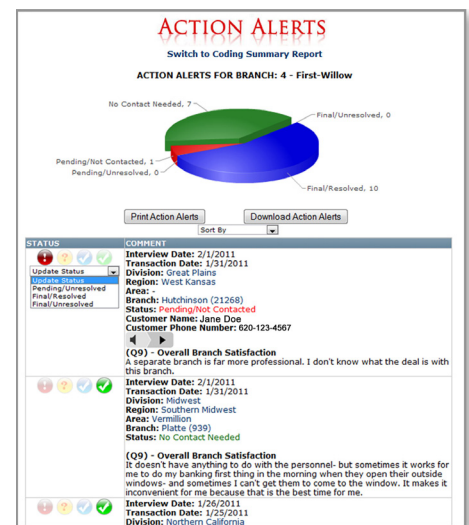
In addition, The MSR Group’s National Consumer Banking Survey provides banks with comparisons to statistically reliable national norms. With its nearly 700 branches across the country, the regional comparisons have been useful to Bank of the West.

“We have a very diverse customer base. Everything from large cities in California to Midwestern hometowns with a population of one thousand,” said Strong. “Seeing how the ratings differ around the country has been very useful in understanding our markets and in working with our branches across the United States.”

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Vice President of Sales and Services, Bank of the West



## CROSS SELLING

Promoting new services in a way that is meaningful to customers is a challenge for many banks. Bank of the West’s Strong notes that, while it can be difficult, her organization began an initiative to do just that, taking advantage of the APECS® measurement capabilities to track progress.

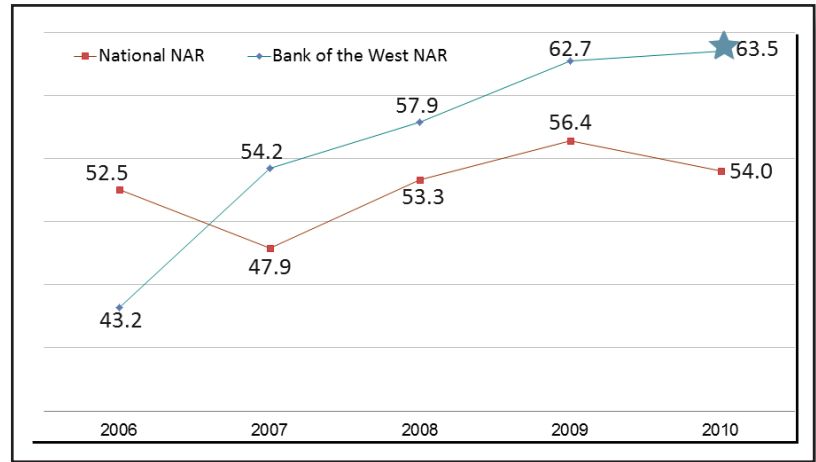
“We have our bankers asking questions of our customers to understand their specific needs (both present and future) and then offering products that will meet those needs. It is interesting to see how our employees are doing overall compared to our competition,” she said.

Bank employees stepped up their cross-selling efforts right away and the survey results reflected this. Twenty-two percent of customers surveyed in second quarter 2007 reported that branch employees recommended additional products and services

during their branch visit, compared with 14 percent in fourth quarter 2006.

Since beginning its cross-sell initiative, Bank of the West has experienced steady growth in the number of customers reporting that an employee had recommended additional products or services beyond the customer's original inquiry.

By 2010, the bank had increased this number to 31 percent of customers surveyed—7 points above the national average—and is on track to end 2011 at an even higher rate.



*In the first year, Bank of the West's NAR improved by 11 points. They were awarded the APECS Customer Advocacy Award for the Western Region in 2009 and 2010, plus the JD Power award for Highest in Customer Satisfaction for the Western region 2008 - 2010.*

## RESULTS

After initiating the APECS® Performance Monitor in October of 2006, it didn't take long for Bank of the West to see dramatic improvement in their customer satisfaction scores. In the first year, the percentage of customers in the Advocate category increased by 5 percent and their Net Advocacy Rating (NAR®) improved by 11 points. "I am most proud of how we compare in terms of net advocacy, especially given that the criteria of the APECS® system is more stringent than a net promoter score. That makes me feel really good, really proud of what we've accomplished," Strong said.

Bank of the West has continued to make considerable gains each year, ending 2010 with a Net Advocacy Rating (NAR®) that is 20 points higher than where they started in 2006 and over 7 points higher than the national average. This significant accomplishment earned them the honor of the APECS® Customer Advocacy Award for the Western Region. They also won the J.D. Power award for Highest in Customer Satisfaction for the Western region for three consecutive years.

Some of the changes Bank of the West has made to its service programs since beginning APECS® are the addition of Magical Moments and driving responsibility for advocacy down to the branch level. Magical Moments are the converse of Action Alerts, providing staff with notification that a customer reported his experience to be above and beyond expectations. Strong believes Magical Moments are great for morale and motivating employees, stating, "The Magical Moments are reinforcing the positive and giving a balance to the whole process."

Driving the advocacy scores to the individual branch level has allowed the people who are on the front line to make the changes needed to enhance the customer experience, she said.

"The Performance Monitor makes it easy to connect the dots between customer information and performance. At Bank of the West, we've tied the quarterly results and use of the Performance Monitor to incentives for staff. They have a stake in the outcome and are taking the initiative to improve the customer experience by providing immediate feedback and by coaching and training staff appropriately," said Strong.

Initially Bank of the West engaged The MSR Group's APECS® System for their retail branch network. Today, the APECS® measurement dashboard includes customer feedback for the Call Center, Mortgage, SBA Loan, Indirect Lending, Small Business and Convenience Banking Loan Divisions, providing the organization with a more holistic view of their service delivery.

## SUMMARY

By engaging The MSR Group and the APECS® Performance Monitor system, Bank of the West gained access to timely, actionable customer information they could use to increase their Net Advocacy Rating and improve their overall level of service. Here's just a sampling of what they gained from this program:

- Real-Time Service Performance Evaluations, available within 72 hours of a customer interaction at each of the bank's 700 branches
- An accurate measurement of customer advocacy, the Net Advocacy Rating (NAR®)
- A dashboard which provides an instant view of the overall Net Advocacy Rating (NAR®) and quarterly positive or negative trending
- Organization-wide service level reports for integration into management reporting
- Interactive access to the data 24 hours a day/7 days a week
- Audio Action Alerts to provide immediate notification when a customer's needs must be promptly addressed, complete with actual audio from the interview
- Magical Moments that give the bank an opportunity to recognize employees for "doing things right"
- Key Driver Analysis which is derived from the bank's own data and highlights the criteria most critical to increasing advocacy among their customers
- The MSR Group National Consumer Banking Study that allows the bank to benchmark their results against a true national average and also to other banks in their region

Bank of the West continues to use the APECS® Performance Monitor and considers it an essential tool in achieving their customer satisfaction goals.

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