
HOW MUCH WOW CAN CUSTOMERS STAND?

Or, "What the hell will our bank do with all this tech?"

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UNconventional Wisdom is a periodic guest blog, where authors hold up the so-called common wisdom to a fresh perspective. To propose a guest blog, email either William Streeter, editor in chief, or Steve Cocheo, executive editor

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Technology is not a new subject. However, its effects upon banking have grown exponentially. We have moved from online products to Facebook and Twitter. Talking with bankers across the country one question remains universal: What the hell are we going to do with all of this?

The time period for being reactive has passed and now we have been flung head on into having to be proactive. Technology is moving so fast and hitting us from so many different directions that it is hard to imagine that anyone can be leading the way—at least without infinite resources.

So, what the hell are you going to do with all of this?

I propose planning for the future while staying grounded in the past.

What does that even mean? It means that for all of the running around we have to do to keep up with the Joneses (a.k.a. competitor banks large and small, near and far), don't lose sight of the core products and services that are your differentiators—and it isn't just service; it is your "face";

Remember: It's what the customer wants

A friend of mine asked me last week, "What is going to happen next with lending?" He has rented his whole life, has a high credit score, and has been unable to secure a mortgage.

Do you think he cares if he can pay for his mortgage on his phone?

No. He just wants the mortgage—period.

This is not to say that it is not a must to ardently work toward technological supremacy. But it does point out that it is what is mixed with that technology that makes the difference.

People and paper are still part of the equation

Consider my health insurance—I don't want to get political—I just want to point out that this is a sophisticated company in a huge industry with more resources than just about any bank out there. Pricing and fairness and the politics aside—the company has spent millions on websites, online tools, and virtual contact with them.

But you still can't physically meet anyone. Even with tech-focused touchpoints, you still have to talk with someone to resolve anything and you still have to submit paper forms and receipt claims.

And at the end of the day, you are still notified about claims, coverage, and other issues via paper mail.

Do you think I care that there is an online resource to monitor my plan/claims?

Or that there is a virtual receptionist to answer the most frequently asked questions?

No. I have questions—and I would even pay a higher premium if I could actually be face to face with a company representative.

The company's online products still have not fixed a basic communication problem. The technology, though on the cutting edge, is not useful for the product they sell—nor effective for the service their customers need.

What will your bank look like?

What about the future? What will your bank look like? Do you see it operated by virtual tellers and email? Will your marketing be done only by Twitter, Facebook, and email? If so, no need to heed this advice. But, if you see a future that still has customer service and real-time people to assist customers—you have to invest in that just as much.

I believe in the boomerang effect in communication. When banks go so far on one end, they correct themselves. Banks were so paper-oriented and have now found efficiencies and advantages to utilizing technology. They sped up the teller line, made transactions faster, and reached out to a group of customers that would otherwise never have come into the branch.

What I fear will happen is that banks will go so far to the other side that person-to-person skills will take a hit.

Life is not a text message

I think this is already happening. I actually had a client email me back by replacing "for" with "4" and other creative truncations. It took me by surprise. I expect this from my nephews—but this?

Where will the personal touch be on the spectrum? Gone altogether? People will still need to communicate and I believe a balance of the computer language and that of words is the key.

Think about this:

It is beginning to mean something to get a call or letter now. A personal note gets noticed. Spending time with someone physically is a big commitment.

When I went into a hotel for a recent conference, I received a handwritten note upon arrival. I assumed it was from the conference coordinator. But instead, it was from the hotel's manager and staff. It was personalized and it caught my attention. An email that said the same thing would have been ignored (if it didn't actually land in my spam folder).

Technology is critical – it cannot and should not be ignored. In the same regard, your people are critical and their development and person-to-person skills need to be honed as much as you train on mobile remote deposit.

How much tech do your clients want?

Community banks cannot win their competitive battle with tech products, because they will have the same products as everyone else – and potentially much later and less sophisticated. But to stay in the game, you must keep up. So what are you going to differentiate yourself with? How do you rise above the virtual chatter instead of becoming part of the noise?

You must assess how much technology your clients really want. How do you do this? Start by mapping out how many customers are interfacing with you in branch versus online.

Create quick, easy interface-appropriate assessments to poll clients. For example, if the interface is in branch, train the front line to poll frequent pay-day clients to consider direct deposit for its convenience. What's most important here is not converting them, but, rather, gathering the feedback. How do they react to this suggestion? This could be a meaningful gauge of this customer group's feelings about technology.

On the flip side, if the interface is online, introduce a "Need to chat?" component and monitor its usage. Or, bring forward your institution's direct phone line information and, again, monitor its usage. The results may surprise you. You may discover that a great number of your online customers need or want more hand holding than you realized.

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