

# CURRENT RETAIL BANKING ENVIRONMENT

## 2011 Customer Satisfaction Survey

- Customers likely to purchase their next product from their current provider.  
**DOWN 30%**
- Customers who purchased new products from their bank within 12 months.  
**DOWN 24%**
- Customers reporting they were satisfied with their bank.  
**DOWN 13%**
- Customers who would recommend their financial provider to family and friends.  
**DOWN 9%**
- Customers who complained to their banks.  
**UP 21%**

## Other Factors Affecting Retail Banking

- Declines in trading revenue increase demand for retail growth.
- But, revenue pressure is forcing banks to cut costs across all functions, including retail.
- Therefore, banks must differentiate their approach, while facing spending constraints.
- Unfortunately, most retail customers see little, if any, difference among products.

## IMPLICATIONS FOR RETAIL BANKS

- **Traditional models of customer engagement and loyalty are likely at risk.**
- **Banks struggle to differentiate themselves, especially through products.**
- **All customer-facing employees must be involved with selling, but most employees report that they dislike “selling” to their customers.**
- **Banks risk creating a backlash - especially if you combine a traditional selling style with current levels of customer dissatisfaction.**

## HOW TELEOS CAN HELP

- **Jointly implement a different customer engagement model, based on empowering customers' critical financial decisions.**
- **Train customer-facing employees on a different style of influence, a style that customers see as relevant to their interests.**
- **Remove roadblocks that prevent people from using this different style effectively with customers.**
- **Deploy simple tools that enable customer-facing employees to sell products from the customer's viewpoint.**
- **Implement performance management processes that will sustain the new selling style.**

## RESULTS FROM RECENT PILOT PROJECT

- **Increased new households acquired and number of accounts per household across all pilot regions.**
- **Produced company leading performers on a strategic sales campaign.**
  - all pilot branches exceeded their goals and company average performance
  - all four pilot regions in top 7/20 regions, plus the top three individual branches
- **Delivered observable improvements on collaborative leadership skills.**
- **Delivered a major deal that demonstrated the customers' experience of the new approach.**
  - shifted homeowner's association accounts (\$2.5MM in deposits) from a competitor that is 20x the size of our client
  - currently in negotiations to shift homeowners' accounts and also finance community development projects
  - **shift was attributed by the community's finance director to the "new approach" the regional and branch manager made with the board**
- **Received a commitment to scale this engagement model to the entire retail division beginning 2012.**