

Observations & Insights

from

*Jeff Judy &
Associates*

Who Sets Your Standards for Member Service?

Hint: It isn't the banks ...

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If you were to look at advertising from credit unions, as well as taking a look at their internal communications, what would be the number one point you would take away in regard to the level of service their members can expect?

Typical answers from credit union staff probably include words like “exceptional”, “personal”, “outstanding”, and the like.

But what would the typical answers be from *members*, and more importantly, from *non-members* you hope to turn into members? They hear the same message over and over:

“We’re better than a bank.”

When “Best” Just Means “Better Than Bad”

Let’s face it, credit unions are a little obsessed with their bank rivals. So when they say, “our service is the best”, they often really mean, “compared to banks.”

The question is, is that how your members evaluate your service, by comparing you to banks? Not really.

After all, many of your members may not even be interacting with banks. And if they don't have firsthand experience of customer service at your bank rivals, "service at banks" cannot be what they use to decide whether they like the way you treat them.

And even for the non-members you are inviting to join your credit union, “better than a bank” is hardly enough to inspire them to take action and move their accounts to you.

For most members and non-members, the measuring stick, in terms of service, comes from other types of service providers, not banks. Every one of your members has multiple service experiences in a typical day, and they all contribute to that member's personal standards for acceptable, much less outstanding, service.

Imagine one of your members, perhaps a small business owner who has some credit and deposit products with your credit union. Further imagine a to-do list that person has drawn up, one that mixes business and personal items.

On the list are, say, a call to a plumber, or to a heating contractor for a furnace tune-up; stops at the dry cleaner and at the hardware or grocery store on the way home; a question to get answered by the business's attorney or accountant; an appointment to make with a healthcare provider; a request for some information from an insurer; and a call to their financial institution to discuss a perceived issue.

Let me ask you this: when the member's eye hits that to-do item, "call the credit

union," does that lead to immediate action, or to procrastination? What's the emotional reaction the member experiences upon seeing the reminder for that task? Is your service so good that they anticipate addressing their issue with you to be one of the easiest and most pleasant tasks on their to-do list?

Or would they rather interact with their plumber or their doctor's office or the hardware store than with your credit union? Your staff may be very pleasant, but what is the member's confidence that you will be more than just polite, that you will be responsive and effective in meeting their needs?

What about your web site? Is it better than the nearest bank's? *Big deal!* When members think about what they expect in online service, they think of Amazon first. You may not compete with Amazon in what you offer, but they are certainly helping to set the standards you will have to approach if you want your service to be judged excellent by your members.

Recognize Your Real Competition

Your members' standards for "great service" are constantly set and reset by all their experiences with a variety of businesses and individuals throughout the day. *That* is what you are competing against. Being satisfied with "best in industry" service doesn't mean a lot in a broader financial services industry that doesn't get much respect from the public. Being "better than a bank" will not generate a lot of enthusiasm. If all you can do is outperform your banking rivals, don't count on developing loyalty, even enthusiasm, among your members.

You can do better. If your credit union can offer me better service than my bank, that's nice. If your credit union can be as efficient as my dry cleaner, or listen to my needs as well as my plumber does, now you've got me! Instead of reacting to what your bank rivals do, base your standards on what your members have come to expect through service experiences elsewhere in the community. Those are high standards, and they just might help you capture loyal members who are more than willing to grow their relationships with your credit union.



Jeff Judy's booming voice and unique instructional style have been enjoyed in classrooms and auditoriums across the globe. Jeff is in demand as a trainer for individual financial services institutions as well as regional and national trade associations. His practical, down-to-earth approach consistently wins him high ratings from participants in his seminars and workshops. Jeff also educates audiences through his frequent interviews and articles in trade journals and more general financial media, as well as through his own biweekly electronic newsletter, Jeff's Thoughts. For information about Jeff's work with credit unions, visit www.JeffJudy.com/creditunions.html.