

Who's On First, What's On Second, I Don't Know...

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by [Steve Brown](#)

One of the most well-known baseball comedy acts is the "Who's on First?" exchange between Bud Abbott and Lou Costello. Listening to this dialogue, it's clear that each man is completely befuddled by what the other one is saying. In real life, misunderstandings aren't always so comical, particularly when it comes to customer service.

Take for instance the disturbing set of statistics from Oracle that highlights a disconnect between businesses and their customers. The first shows 49% of senior executives believe customers will switch brands due to a poor customer experience. The second shows that 89% of customers say they have switched because of a poor customer experience.

To be sure, the two studies didn't focus on banks, but the results aptly drive home the importance of good customer service. Attaining consistently high marks in this area usually requires collecting data on customers' experiences and acting quickly and effectively on your findings.

Many banks we know still rely on rudimentary systems to collect customer feedback. That is generally okay, as it's not just a matter of having the information, but rather what you do with it that counts. Far too often the data isn't timely enough to make a difference; other times, the data is from too small a sample or it is too obscure to be meaningful. To advance the runners, banks that haven't done so may want to consider implementing a system that collects and analyzes comments from customers in a useful way, and doing so can be a home run.

There are many products to help you here, so do your due diligence. We believe that whatever you choose should come with certain key functionalities, such as real-time or near real-time feedback. It is important for banks not to have employees waiting weeks or months for pointers on how they are doing. The closer you can get to real time the more effective you will be and the faster employees and customers will see results. Employees need to understand what they are doing right and what they are doing wrong so management can step in immediately to fix any issues. This type of approach can help keep small issues from mushrooming and it's a great learning tool for employees.

Sometimes organizations rely on surveys to get information from customers about their recent experience. This is a great idea as long as the surveys are more extensive than just the usual multiple choice questions AND you do something with them. Customer feedback isn't always accurate, but if you ask for input, be sure to use the results to try and improve the bank.

Companies may also offer customers the opportunity to complete surveys anonymously because they feel it promotes greater candor. While that can be true, it also prevents you from following up with customers when there's a bad experience. Not only that, but you can't follow up with employees to ensure they are coached so similar issues don't happen in the future. Balance is important here, so experiment, test and repeat to refine things.

Now, as you start the New Year, we urge you to take a moment to listen to the "Who's on First" exchange between Abbott and Costello for a good laugh. After all, laughter is good for the soul and it will put you in the right frame of mind to think seriously about how you gather and analyze feedback from customers and how you might be able to improve this year.

ECONOMY & RATES

Yesterday

Treasuries proved attractive to investors causing money to flow out of equities and into the safe-haven asset. As a result, yields fell 3bps by the close of business trading.

Today

With nothing on the docket for the day, yields are unchanged as we head into the weekend.

Rates As Of: 01/03/2014 09:00AM (PST)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.06	0.00	0.00
6M	0.09	0.00	0.00
1Y	0.11	0.00	0.00
2Y	0.38	0.00	0.00
5Y	1.72	0.00	0.00
10Y	2.99	0.00	0.00
30Y	3.92	0.00	0.00
FF Market	FF Target	Fed Disc	
0.00	0.25	0.00	
Prime	Unemployment	Oil	
3.25	0.00	\$0	

[More Market Rates](#)

BANK NEWS

Busted

Aubrey Lee Price, the former bank director of Montgomery Bank and Trust (GA) that defrauded investors has been captured by police after being on the run since 2012. Price stole \$21mm from his bank and investors, faked his death and then fled. He faces 30 years in prison.

Bank Closures

For those keeping tabs on bank closures, the FDIC reports 24 banks closed in 2013. That compares to 51 in 2012 and 92 in 2011. Note that if this average percentage decline holds in 2014, there would be about 12 banks closed during the year.

M&A

North Brookfield Savings Bank (\$215mm, MA) will combine with FamilyFirst Bank (\$52mm, MA) into a larger entity that will retain the North Brookfield name. Terms were not disclosed.

M&A

Central Bank (\$1.2B, MN) will acquire First National Bank and Trust (\$45mm, MN) for an undisclosed sum.

M&A

Cornerstone Bank (\$1.3B, NE) will acquire Bank of Marquette (\$35mm, NE) for an undisclosed sum.

M&A

Bank 7 (\$333mm, OK) will acquire The Montezuma State Bank (\$99mm, KS) for an undisclosed sum.

M&A

Union First Market Bank (\$4.0B, VA) will acquire StellarOne Bank (\$3.1B, VA) for an undisclosed sum.

Branch Sale

Trust Company Bank (\$34mm, TN) will sell two branches to The Bank of Fayette County (\$323mm, TN) in an effort to reduce expenses and improve capital ratios. Terms were not disclosed.

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