



SERVICE QUALITY SET TO IMPROVE ACROSS EUROPEAN RETAIL BANKS AS THE BATTLE TO BECOME MARKET LEADER INTENSIFIES

FOR IMMEDIATE RELEASE

London, 02 September 2010 – The sixth annual Efma - Finalta report on Customer Service in Europe released today finds that Europe’s retail banks are emerging from the crisis with an increased focus on delivering superior customer service. Banks that strengthened service capability during the crisis are reaping the rewards, as there is now a much greater gap between the best and worst service providers.

In aggregate, overall customer satisfaction scores have improved one percentage point since 2008, from 72% to 73%, to reach comparable levels to 2007. However, the report shows the satisfaction gap between banks that took serious actions to improve service over the past 18 months and those that did not has widened.

Banks’ strategic ambition has also increased since 2009. In 2010, a higher proportion of banks are looking to provide market leading service levels, particularly for higher value customers. 80% of banks are looking to deliver market leading or above average levels of service for the mass affluent segment, 74% for small businesses and 56% for mass market customers.

The report shows that banks are increasingly recognising the need for service differentiation. However, as the focus increases across the industry, achieving this will become harder. To stand out from the crowd, they will have to make fundamental improvements and radically change the way that service is delivered.

As banks look to enhance service in 2010, the strategic priorities include the design and management of key processes, enhancing service skills of front-line staff, particularly focusing on the branch managers, and changing service measurement to focus more on actual customer experience rather than customer satisfaction surveys.

Christine Johnston, Director of Finalta commented:

"Benchmarking of over 200 European banks shows that, overall, levels of satisfaction have recovered to near-2007 levels and attrition stabilised between 2008 and 2009. However, these averages mask significant underlying variation. In 2010, an increasing number of banks are recognising the importance of delivering a superior service offer, especially for higher value customers. Some of them are genuinely putting this at the centre of their retail strategies but others still don't prioritise customer experience in business decisions. As a result the spread between high and low performance has widened.

2010 appears the year of "customer experience" with CRM being rebranded Customer Experience Software and consultants asking CEOs to finance expensive projects to define their customer experience strategy. However, improving customer experience does not have to be complex. It does not need massive cross-functional task forces and certainly does not often require huge new software investments. The Efma-Finalta Customer Service in Europe report outlines what can be done with limited budgets, in a short time frame through the application of good research, clear objectives and common sense."

Patrick Desmarès, Secretary General of EFMA commented on the report:

"The good news is that ratings for customer satisfaction seem to have returned to levels similar to those seen before the crisis. In the most part banks are now taking customer service very seriously. They have set up a series of measures to monitor quality of service and have implemented reward schemes to motivate their front-line staff.

"However, there is still a lot to be achieved, especially in process improvement. The banks are well aware that improving customer experience is a prerequisite to becoming a market leader. On the positive side this can be done with limited budgets and in a short period of time through the application of good research, clear objectives and common sense."



Over 200 participants from banks in 31 countries participated in this survey. Respondents were Heads of Service or equivalent.

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A copy of the sixth annual **Efma-Finalta Customer Service in Europe Report 2010** is available on request. Graphics also available.

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About Finalta

Finalta is an independent advisory company that specialises in providing benchmarking and best practice consulting to financial institutions. Finalta provides retail banks with fact-based analysis and practical recommendations designed to support rapid performance improvement.

For further information, please visit www.finalta.eu

About Efma

Efma promotes innovation in retail finance in Europe by fostering debate and discussion among the main players involved in change. Formed in 1971, Efma comprises 2,960 different brands in financial services worldwide today, including 80% of the largest European banking groups.

Through regular events, publications, and its comprehensive website, the association provides retail financial service professionals with answers to their questions about the main issues at stake in their business: multiple distribution strategies, customer approach, CRM, product and service marketing and improving profitability.

Efma is above all a dynamic association, providing a great opportunity for discussion and exchanges without any commercial constraints. It provides its members with a wide range of exclusive services as well as discount rates on non-gratuitous activities. The loyalty of its members as well as their permanent financial support are the best proof of its efficiency. www.efma.com