

# Traditional Credit Union Pride in Service May Need Re-Evaluation

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CENTERVILLE, Ohio — When it comes to service banks don't come close to credit unions—do they?

Support Financial Resources CEO Rhonda Sheets says the gap is closing and cautions credit unions from becoming too comfortable with their role as providers of superior service.

"Since their inception credit unions have been distinguishing themselves by how they deliver service but over the years there's been a change and the credit union lead has been slipping," said Sheets. "Last year's annual *American Banker*/Gallup Poll research reported the narrowest margin in the quality of service of banks versus credit unions. The banks have recognized that gaining future consumer loyalty is based on how service is delivered today and they are stepping up to the challenge."

Sheets adds that credit unions can't afford to just rely on consumers' pride in being a member but have to take the time to really understand what they want and how the credit union can best meet those needs.

That drive to help credit unions have that competitive service edge is what prompted Sheets in 1997 to kick off a three-pronged quality service combination of mystery shopping, measurement and coaching that focuses on behavioral change and accountability of front-line employees and their branch managers.

"Our mystery shop program was actually developed for a specific credit union and it was something that once I saw it I knew it could be a way to measure the degree of service down to the behavioral level and build loyalty from there," said Sheets.

Rounding out the program to be a more comprehensive solution, the firm has grown from 300 mystery shops in its first year to some 70,000 mystery shop experiences this year. Sheets says by the end of 2007 that number is expected to rise to 100,000.

She credits the success to not only taking a holistic perspective on service but also tapping actual members to be mystery shoppers.

"Consumers are faced with many choices. You don't want your credit union to just be a place where they get a loan or a place they have a savings account," said Sheets. "The way people want their service delivered changes all the time. Reaching a broader sector that returns again and again to your credit union means delivering high-level service

based on data that is not static or a snapshot of time from last year or six months ago."

In general, shoppers are pulled from age 21 and up. Credit unions are rated based on quantitative measures and more subjective narratives. Potential shoppers are sent invitations on the credit union CEO's letterhead and if selected are provided a small stipend for participating.

"The invitation letter is intentionally very lengthy, full of details in a small font—if they can get through it and respond in a timely manner that's two of the qualities we look for in candidates," said Sheets. "We want the shopper pool to be truly representative of the membership—it is not about segmenting or only selecting a particular type of member."

With an eye on convenience, shoppers have the option to submit their findings via the Web or the postal system. Sheets says although about 85-90% of shoppers complete

reports online, written forms are accepted not to preclude non-computer users from the pool. In general, each member shopper only shops the credit union some two to three months and they are rotated every nine to 15 months to keep employees on their toes and limit the possibility of staffers discovering shoppers' identities.

She says the challenge with using outsiders as mystery shoppers is that not only do employees know automatically and put on a performance but a one-time experience doesn't give an accurate picture of service. According to Sheets, at least two months worth of data should be gathered to get a true snapshot of what is happening at the credit union. To that end executive and management level trend analysis accompanies actionable, Web-based coaching reports consisting of real-time sales and service performance data that include assessments of member engagement and member loyalty.

"If the data measuring the service level is not actionable then it is nothing more than just interesting information," said Sheets. "For example member shoppers identify the degree of service in dimensions

**Dyna Federal Credit Union**  
In-branch Loan Individual Shop Report

Shop Member: M001-LH-0308-02 Employee Name: Nancy DeFronzo  
Branch Name: Market Street Employee ID: nart

Message Attachment: Jon Draughon Service Score: 4.86  
Date and Time of Shop: Friday, 09/12/08 9:50 to 12:00 pm Sales Score: 4.20  
Activity Level: Moderate Length of Wait: 0 Minutes Loyalty Score: 5.00

**The Exterior**

1. Parking 2. Adhesive 3. Sidewalk 4. Doors and Windows 5. Landscaping Overall

**The Interior**

1. Cleanliness 2. Staffing 3. Staff Attitude 4. Staff Knowledge 5. Staff Appearance Overall

**Employee Service**

1. Greeting 2. Assistance 3. Problem Solving 4. Staff Knowledge 5. Staff Appearance Overall

**Overall Service**

1. Provided 10, 15 min. time to complete transaction? Yes 5 5  
2. Provided business card or other contact info? Yes 5 5  
3. Handled discussion in a friendly and confidential manner? Yes 5 5  
4. Would refer a friend or family member to the credit union based on this service experience? Yes 5 5  
Overall Empathy 5.00

**Overall Service**

Based on this service experience, would you bring future business to this financial institution? Yes 4.86 4.20

**Member Comments**

I was pleased with how the employee was an attentive to me. I didn't have a long wait before the employee came over to personally assist me to her office. She was very helpful, knowledgeable, and used a pleasant tone of voice. She truly was a member of the credit union having seen me before. She was interested in my continued business and provided me with the information I needed. She worked quickly with the computer to retrieve the data needed on a loan for the vehicle I was inquiring about. This was one of the most pleasant visits I have had at this location.

**Loan Inquiry Description**

Loan Purpose: used car  
Principal Amount: 2000

Real time reports like these compiled from member mystery shoppers can go a long way in helping credit unions check the pulse of its service levels and determine not only how it measures up to their mission and brand position but also how well they are meeting members' needs.

of reliability, empathy, responsiveness, assurance and tangibles like facilities, while also measuring behavior levels. Their reports can not only be used to identify coaching opportunities but can also be a tangible way to identify those branch managers fostering high quality service environments on a monthly basis."

She adds that the data can also be used to help identify training gaps and initially can provide a benchmark of the actual culture to help the credit union assess if it is truly aligned with its mission and brand.

"Our goal is simple—to help credit unions deliver on service and provide them the tools to help them shine by effecting a change in their culture," said Sheets. "The credit union industry just can't afford to make the presumption that they are always the more personable institution—they have to distinguish themselves and build future member loyalty by delivering service in a way that makes members feel valued and appreciated."

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## CU Leaders From 18 States Latest CU Development Educator Graduates

MADISON, Wis. — With a powerful send-off from Mississippi Credit Union Association President Charles Elliott, 42 credit union leaders recently graduated from the six-day Credit Union Development Education Training sponsored by the National Credit Union Foundation.

Participants included credit union employees, board members, and league officials from 18 U.S. states, Australia, Canada, New Zealand, Scotland, Trinidad, United Kingdom and Zimbabwe. This month's graduates join nearly 700 leaders who have earned the designation of Credit Union Development Educator over the past 25 years.

NCUF is committed to offering at least two DE Training classes each year from now on, in order to allow twice as many credit union leaders each year to experience a total immersion in cooperative principles and credit union philosophy.

"There is growing demand for training that provides a contemporary perspective on how the cooperative business model of social responsibility and community outreach can help credit unions survive," said NCUF Executive Director Steve Delfin. "DE Training and our new Social Impact Management Institutes will demonstrate how credit unions can leverage their value in today's marketplace."

The next course will be held August 22-28 on Bainbridge Island, Washington at IslandWood. The class at IslandWood will be the first outside of Wisconsin in the DE program's 25-year history.

For more information or to be added to the waiting list call (800)-356-9655, ext. 4979.

