WHITE PAPER

FMSI 2017 Appointment Study

A snapshot of actual appointments scheduled at bank and credit union branches and what it means for today's financial institutions

FMSI
A KRONOS® COMPANY

TABLE OF CONTENTS

INTRODUCTION

The FMSI 2017 Appointment Study, which highlights proprietary data on nearly 1,500 appointments scheduled at more than 160 financial institution branches located across North America during February 2017, provides a snapshot into consumer behavior that financial institutions can use to improve branch service and performance. Available only from FMSI, a Kronos® Company, this data offers valuable insight into when and why consumers are scheduling appointments at bank and credit union branch locations. Financial institution leaders can leverage this exclusive data to:

- Enhance their branch appointment programs with benchmarking data
- Adapt the branch experience to align with consumers' retail technology expectations
- Optimize front-line resources to maximize sales, productivity, and service at branch locations

This report discusses how technology is changing the retail experience and what financial institutions can do to keep pace with consumers' ever-increasing service expectations. It also highlights key appointment study findings and examines what they mean for banks and credit unions looking to improve the branch experience. Finally, it provides best-practice management tips for leveraging appointment scheduling technology to optimize sales and service at retail branch locations.

TECHNOLOGY IS CHANGING THE RETAIL EXPERIENCE

Technology is changing the retail experience, and in the process it is increasing consumers' service expectations — especially when it comes to speed and convenience. Starbucks offers a mobile app that lets customers order and pay for beverages in advance and pick them up without waiting in the cashier line. McDonald's is rolling out digital self-service ordering kiosks to its restaurants — a move aimed at reducing congestion at the front counter. And both Apple and Sprint allow customers to schedule store appointments for product consultations and technical support via web or mobile to avoid long waits. Widespread consumer adoption of these kinds of technology offerings is raising the bar for service across all retail channels.

As consumer expectations for technology-enabled service continue to rise, financial institutions have some catching up to do. In order to fuel profitability and growth, banks and credit unions are starting to invest more in technologies that enhance the service experience by enabling account holders to access financial services where, when, and how they prefer. According to Computer Services Inc.'s 2017 banking priorities survey, customer experience will be a high priority among financial institutions moving forward. More than half of the respondents (55 percent) plan to increase spending on customer experience initiatives, and nearly half (47 percent) cited using omnichannel technologies to attract new customers as their top opportunity.[1]

[1] Computer Services Inc., *Banking Priorities Study 2017: More Than Half of Bankers Expect to Increase Spending on Customer Experience Initiatives,* Jan. 24, 2017, found at http://www.csiweb.com/about-us/in-the-news/news/2017/01/24/banking-priorities-study-2017-more-than-half-of-bankers-expect-to-increase-spending-on-customer-experience-initiatives.

Even as financial institutions invest in their mobile and online channels, they need to recognize the vital role the branch channel continues to play in the account holder service experience. According to the 2016 J.D. Power Retail Banking Satisfaction Study, brick-and-mortar branches are still a key channel for servicing customers in those "moments of truth," such as resolving problems and dealing with more complex transactions. This is evident in user preference patterns, with the branch continually performing higher than online channels in terms of enhancing product understanding and reducing future problems.[2] These findings suggest that financial institutions would be well-advised to invest in technology that makes each branch experience as satisfying as possible for the account holder.

KEEPING PACE WITH CONSUMER EXPECTATIONS

Financial institutions are reinventing the branch experience to keep pace with customers' service expectations. More banks and credit unions are installing tech bars in their branches where account holders can access tablets and browse available services on their own, guided by easy-to-follow menus. Some financial institutions are arming branch universal associates with tablets so they can work side by side with account holders, reviewing their financial needs and delivering a heightened level of personal service. Still others are implementing high-tech video tellers, which connect account holders with employees in a centralized location to perform some transactions that a staff member typically would handle in person.

When it comes to complex and sophisticated transactions, however, most account holders still prefer to meet in person with a knowledgeable staff member at a branch location. By investing in technology like appointment-scheduling solutions, financial institutions can make it easy for customers or members to book a face-to-face meeting with branch staff. The ability to book an appointment in seconds — for a time that is convenient for the account holder — starts the interaction off on a positive note for a more rewarding service experience.

Appointment-setting technology modernizes how account holders engage with branch staff by letting them schedule appointments directly from their smartphone, tablet, or computer — before ever setting foot in the lobby — to avoid long wait times and get access to the specialized assistance they need. This technology is not only a time-saving and convenient option for members, but it also helps branch management boost operational efficiency by staffing the optimal mix of employees to drive service and sales.

[2] J.D. Power, *Big Banks Show Significant Gains in Customer Satisfaction as Midsize Banks Decline and Regionals Plateau, J.D. Power Retail Banking Study Finds,* April 28, 2016, found at http://www.jdpower.com/press-releases/2016-us-retail-banking-satisfaction-study.

APPOINTMENT SCHEDULING STUDY FINDINGS

FMSI, a Kronos Company, collected data on nearly 1,500 appointments scheduled by consumers in February 2017 at 160 branches of financial institutions that use Kronos FMSI Appointment Concierge software. The non-appointment visit data were gathered from financial institutions that use both Kronos FMSI Lobby Tracker and Kronos FMSI Appointment Concierge solutions. The non-appointment data were specifically pulled from the lobby interactions that occurred in February 2017, the same time period during which the scheduled appointment visit data was collected in Appointment Concierge.

FMSI has compiled key study findings into four graphics that provide practical insights for financial institutions looking to improve staff scheduling and deliver a superior branch experience to account holders and prospects.

FIGURE 1: Total Visits to the Branch by Hour

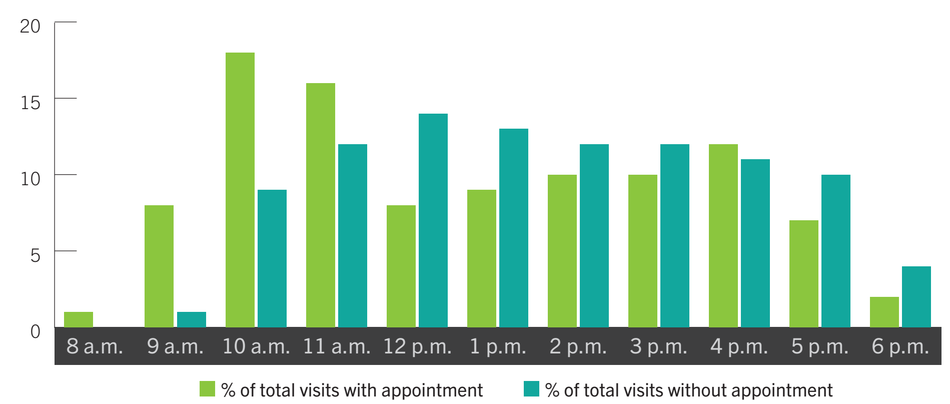

Figure 1 shows total visits — both with and without appointments — to bank and credit union branch locations. As the data illustrates, walk-in traffic was typically light in the morning and picked up later in the day. People tended to make appointments, however, earlier in the day with booked meetings peaking before noon. This data indicates that account holders and prospects generally prefer to schedule appointments to discuss more complex products (see Figure 4) in the morning, and walk-in visitors with more general inquiries tend to start up midmorning and remain steady throughout the business day.

This visibility into branch visit data can help guide branch managers in making more effective staffing decisions. For example, the data suggests they may want to schedule associates with sales experience and in-depth product knowledge at the most popular appointment times, while taking into consideration forecasted walk-in traffic to ensure they have enough staff scheduled to cover demand.

FIGURE 2: Total Visits to the Branch by Day

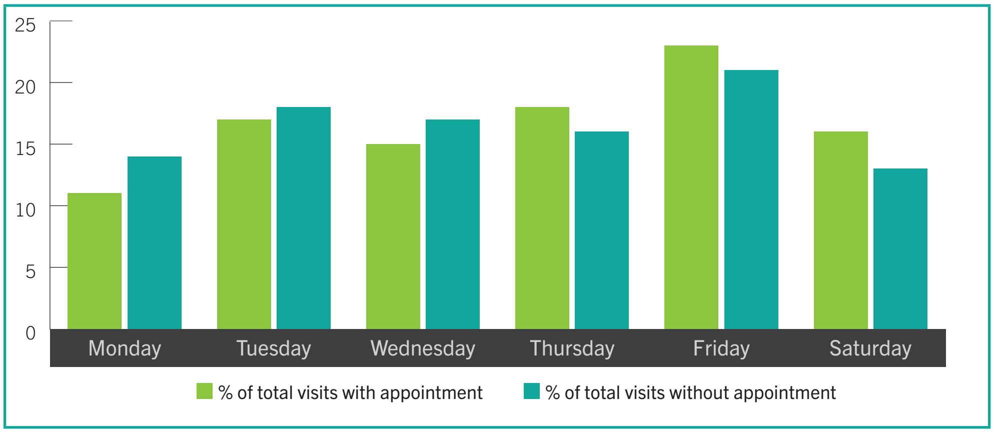

Figure 2 shows total visits to the branch — both with and without appointments — by day of the week. The data indicates that there was not a huge variance in branch traffic by day, except on Friday when many people are paid. On three of the busier days — Thursday, Friday, and Saturday — people with scheduled appointments outnumbered walk-ins.

These findings suggest that account holders appreciate the ability to schedule an appointment for higher-traffic days in order to avoid long wait times, further highlighting consumers' evolving service expectations. Once consumers become accustomed to the convenience of booking appointments via web or mobile, chances are they won't be interested in going back to the old ways of interacting with their financial institutions. With insight into which days are more popular for booking appointments, financial institutions with appointment software are better equipped to staff branches with the right number and mix of employees to meet service demands and drive sales.

FIGURE 3: Appointment Status

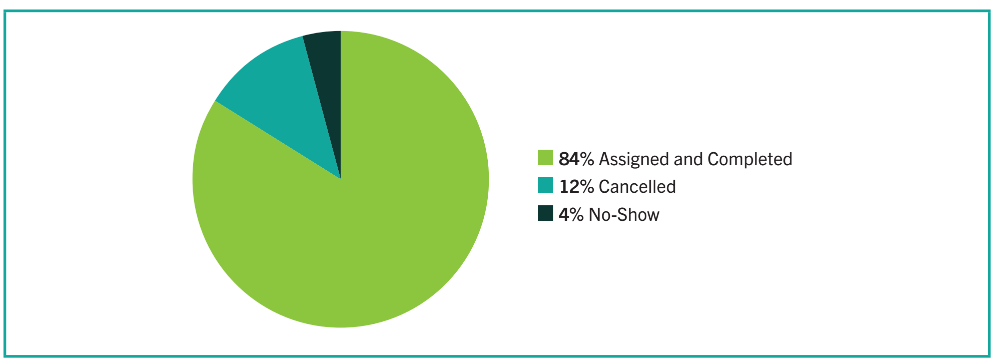

Figure 3 shows the percentage of account holders with scheduled appointments who: 1) met with a branch employee; 2) cancelled their appointment; or 3) failed to show up. This data reveals that the vast majority (84%) of account holders who scheduled appointments actually showed up and met with a branch employee.

In addition, the 12 percent cancellation rate suggests that account holders will take advantage of features within appointment-booking solutions that make it easy to cancel or reschedule meetings, thereby minimizing "no shows." By offering technology solutions that allow account holders or prospects to book, cancel, or reschedule appointments quickly and efficiently, financial institutions will have the information they need to make staffing decisions that effectively balance cost and service.

FIGURE 4: Appointments by Product or Service Requested

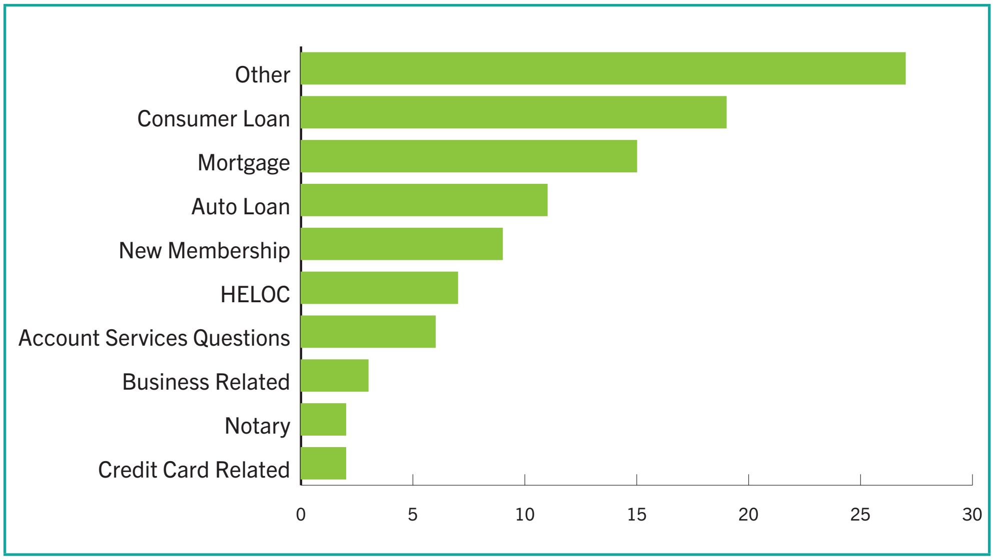

Figure 4 shows the purpose of consumers' scheduled branch appointments — whether to get a document notarized, open an account or membership, ask a question about an account, sign up for a credit card, or discuss a product or service. The data reveals that account holders and prospects tended to make more appointments to discuss complex, revenue-producing products like mortgages and consumer or auto loans than they did to make more routine inquiries or transactions.

By capturing the reason for an appointment at the time of scheduling, financial institutions can match the account holder or prospect with the most appropriate employee based on expertise, experience, and availability to drive better sales and service results.

BEST-PRACTICE TIPS FOR GETTING THE MOST FROM AN APPOINTMENT-SCHEDULING SOLUTION

Management tip #1

Make the omnichannel experience as seamless as possible

Offer appointment-scheduling technology that lets account holders transition seamlessly from the call center, website, or mobile app to the branch lobby. When account holders and prospects use technology to schedule an appointment in advance, the branch employee is able to assemble paperwork and do any necessary research prior to the meeting. Furthermore, because appointment-scheduling solutions let individuals know what documents to bring, they come to the meeting better prepared. This mutual preparedness results in streamlined interactions that leave more time to discuss additional products that meet the account holder's needs.

Management tip #2

Optimize use of front-line resources to drive service and revenue

Use your front-line employees more effectively with the help of appointment-setting technology. When account holders book appointments in advance and specify the reason for their visit, branch managers are able to make sure front-line staff with the right skills and knowledge are available to service their needs. With qualified staff at the ready to meet with account holders and prospects, branch managers are better able to reduce lobby abandons and increase sales closure rates. In addition, appointment-setting solutions can help branch managers optimize overall productivity by cutting down on the time employees spend waiting around for work.

Management tip # 3

Remind people of appointments scheduled for peak no-show hours

The FMSI 2017 Appointment Study revealed that 43 percent of no-shows occurred at the 9:00 a.m. and 10:00 a.m. hours. Consider following up with all individuals who schedule appointments for these time slots via an automated phone call or email the day before. Since nearly half of all no-shows occur within this two-hour time frame, a simple reminder can help encourage people to keep their appointments, thereby increasing staff productivity and boosting revenue generation.

Management tip #4

Take a data-driven approach to improving sales and service

Use appointment-setting and lobby-tracking technology together to track branch-based activities and evaluate visitors' patterns of behavior instead of relying on paper-based documentation that may — or may not — be accurately completed by branch staff after account holder interactions have occurred. Lobby management technologies like appointment-setting and lobby-tracking solutions collect critical performance data that enables financial institutions to analyze trends that occur at each branch. Armed with these valuable insights, branch managers can make more informed decisions about both staff scheduling and marketing.

For example, if the metrics reveal a spike in car loan appointments on Friday nights in a certain branch, management can use that insight to schedule staff at that time and location who have the appropriate skills and product knowledge to improve service and sales. Furthermore, if aggregated data uncovers an undesirable number of branch visits for simple service questions, the financial institution may consider creating a marketing campaign to educate account holders to check online or phone the call center before visiting the branch.

CONCLUSION

For today's financial institutions, the pressure to offer innovative services — especially in the branch — is greater than ever before. After all, consumers' service expectations are on the rise based on retail experiences in other industries. While banks and credit unions continue to lag behind their tech-savvy customers and members, appointment-setting technology designed specifically for financial institutions is helping them catch up. These tools are not only closing the gap between what account holders expect and what is delivered, but they are also proving highly effective for increasing branch efficiency and bottom-line results.

The FMSI 2017 Appointment Study findings suggest that account holders and prospects are starting to embrace branch appointment-booking solutions to schedule meetings at convenient times and locations, enabling them to avoid long waits and meet with an employee who is fully qualified to handle their service needs. The data also indicates that people are making appointments to discuss more profitable products, such as consumer loans and mortgages. Therefore, staffing branches with the right employees during scheduled appointment times will help financial institutions better leverage face-to-face interactions to drive revenue.

As banks and credit unions across the country continue to redefine and reconfigure their branches, appointment-setting technology can help financial institution leaders improve the service experience, increase operational efficiency, and increase sales for better business outcomes.