

What Banks Can Learn from Home Depot - ABA Bank Marketing

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If you want to build a better bank, you should take a look at businesses that are clearly passionate about the customer experience. And to do that, you might need to look beyond financial services.

The Home Depot, for example, is the world's largest home improvement retailer, with stores averaging approximately 104,000 square feet of enclosed space and approximately 24,000 additional square feet of outside garden area. They had 2,274 Home Depot stores at the end of fiscal 2015. Sales grew \$5.3 billion to \$88.5 billion, an increase of 6.4% from fiscal 2014. How can your bank duplicate the Home Depot principles?

In May 2003 I invested \$1,000 in nine service leaders, one of them being the Home Depot. It is worth \$6,030 as of April 30, 2016. My Amazon investment is worth \$21,107. In contrast, firms like GE and Dell, who lost their focus on customer service, are only worth \$1,685 and \$465 respectively.

What can banks learn from the Home Depot? What ideas can we copy? From a customer service perspective, are there really any major differences between a bank and the Home Depot other than the products and services offered?

In its operating strategy, the Home Depot is one of only a handful of companies that understand the customer experience. According to a company statement, their customer experience initiative is "anchored on the principles of putting customers first and taking care of our associates. We are passionate about the customer experience." Every bank can master these same principles. Are you walking the walk or just

talking the talk?

They get it.

According to Craig Menear, CEO of the Home Depot, “Customer experience is much more than just customer service...it is about providing seamless and frictionless experience no matter where our customers shop. And because we want our customers’ experience to be as frictionless and seamless as possible, we have been working on a delivery option from each of our U.S. stores.”

He adds, “Our single greatest asset is our more than 385,000 orange-blooded associates. As our customers’ needs and expectations change, our associates remain committed to helping our customers by providing an excellent customer experience.”

What is your bank doing to create a seamless and frictionless experience?

This is where so many organizations fall apart.

Many banks have operating hours that are convenient only to the bank, really stupid rules and policies, call centers based overseas or IVR technology. At all costs, they avoid letting you talk to a live, smart, caring person. Customers today want speed, free services and great service.

Here are some ideas you can copy from Home Depot.

Some of these may seem impractical, expensive—even radical for a bank. Then again, at one point, they must have seemed radical for a hardware store as well

1. Have more convenient hours.
2. Be open seven days a week.
3. Donate your IVR equipment to your favorite competitor. Have live people answer the calls 24/7.
4. Spend money training your leadership team to understand the service strategy.
5. Train your entire staff on customer service with new fresh material every year. Invest in your staff.

Good service will not create loyal customers. Only exceptional *wow* service will.

John Tschohl is an international service strategist and speaker. He is founder and president of the [Service Quality Institute](#) in Minneapolis, Minn. He can also be reached on [Facebook](#), [LinkedIn](#) and [Twitter](#).