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Can't Get No Satisfaction (Anywhere Else)

How One Mid-Sized Credit Union Has Risen To The Top In Member Satisfaction—And Members Are Doing The Talking

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SAN FRANCISCO -

San Francisco Fire Credit Union here is the best financial institution in the city, says the online community at the local yelp.com, a U.S. city review site. And not surprisingly, membership growth is also something to shout about: the credit union adds 4.5% to its membership annually.

SF Fire didn't get to the top by focusing on member satisfaction, said CEO Diana Dykstra. And it steers clear of spending money on outside advertising and marketing, she continued.

Instead, three years ago the SEG and community-charter credit union started to zero-in on the concept of member loyalty.

"I'm a \$436-million credit union in a city with a lot of noise surrounding financial services," explained Dykstra. "San Francisco is one of the most expensive media outlets in the country. If we advertise, who will listen? We've tried all the marketing and to no avail."

'Fooling Ourselves'

And the customer satisfaction paradigm isn't satisfying, Dykstra added.

"Most of us in the industry have done satisfaction surveys, and we are fooling ourselves by lumping 'satisfied' and 'very satisfied' members together," she said. "We've really distorted the picture."

Satisfaction measures fall short, neglecting to measure "whether you'll get repeat business and positive word-of-mouth," suggested Denise Wymore, a culture consultant based in Seattle.

The result: "Member loyalty had been waning for years," said Dykstra.

Now, SF Fire has joined the Net Promoter Score (NPS) movement, surveying its existing and potential members with the fundamental NPS question: "How likely is it that you would recommend us to a friend or colleague?"

On a scale of 10, a score of 9 or above means your members say good things about you behind your back. If a member gives a score of 6 or less, they are labeled "detractors" and will most likely talk dirt.

Therefore, "Net Promoter measures loyalty versus satisfaction," said Dykstra. "Loyalty has a much deeper value set, and loyalty turned out to be our success.

"I am now growing members at a faster rate than the average credit union because I'm focused on making sure the NPS is moving forward," she continued. "All of a sudden, I'm the top-rated FI in San Francisco, and it's all referrals."

The NPS question becomes a beacon for the organization, according to John Abraham, general manager, Net Promoter Programs at Satmetrix. "From there, you either ask a second survey question to

encourage members to elaborate, or you follow-up with the member. One of the core tenets of the NPS methodology is that you should link feedback to the individual member to see how to segment your business and how you should grow.”

One Utah CU's Strategy

The Foster City, Calif.-based Satmetrix provides on-demand software and consulting services to improve customer/member loyalty. NPS recently gained credence after a joint study by the Filene Institute and Satmetrix found that credit unions rank higher in terms of customer loyalty than other financial institutions.

America First CU in Ogden, Utah, takes the NPS principle and applies it to members who have been both declined and approved for loans, said Tammy Gallegos, VP-service quality at the \$4-billion institution. “We want to make sure they’ve had a good experience either way,” said Gallegos. “So we talked to our call center representatives about taking the time to tell the members who were declined why they didn’t get the loan, and what they could do to get the loan in the future.”

Two years later, those declined members are giving America First higher ratings, increasing the Net Promoter Score by nearly 25%, Gallegos said. In feedback, one member declared, “That was the best loan denial I ever got,” she added. America First conducts transactional-based surveys in call and loan centers, teller lines and online, and then analyzes the results and publishes them on the enterprise intranet so that managers can set goals.

SF Fire CU also holds the staff responsible. “We base 100% of our employee incentive on Net Promoter Score,” Dykstra added.

Once a CU starts measuring loyalty scores with NPS, Satmetrix can help take it to the next level, said Abraham. “NPS needs to lean toward closed-loop improvement efforts,” he said. “We help you work through some of the segmentation issues and identify which are the most profitable segments.” In addition to consulting services, Satmetrix provides technologies such as feedback management; real-time data reporting to employees; interfaces to Customer Relationship Management platforms and core systems; and Adaptive Conversation, where members can interact with other members as they rate the credit union.

FOR MORE RESOURCES

Read more about technologies to measure member loyalty at cujournal.com and search the following bolded terms in the archive:

Leveraging Data To Add Members, on two databases from Raddon Financial Group.

Making 'Contact Us' Count: How One CU Makes Most of Member Feedback, on feedback online at Utah Community CU.

I Want My Branch TV, on Lobby Tracking, a web-based system that monitors and reports lobby activity at Tinker and Visions FCUs.

For info on this story:

* www.americafirst.com

* www.sffirecu.org

* www.denisewymore.com

* www.satmetrix.com

Recommended by Diana Dykstra:

The One Number You Need to Grow, Harvard Business Review, A Fresh Approach to Measuring

Member Loyalty, Filene Research Institute

Recommended by Denise Wymore: The Ultimate Question by Fred Reichheld (c) 2007 The Credit Union Journal and SourceMedia, Inc. All Rights Reserved. <http://www.cujournal.com>
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