

New Research says Financial Institutions Miss 9 out of 10 Retail Sales Opportunities

*Branch Bankers and Banking Call Center Representatives “Drop the Ball”
According to 2006 Cohen Brown National Mystery Shop Study*

LOS ANGELES, Calif., October 24, 2006 — Financial institutions fail to capitalize on the overwhelming majority of opportunities to help retail customers with immediate financial needs, according to new research conducted by Cohen Brown Retail Analytics, a division of Cohen Brown Management Group.

In a nationwide study, Cohen Brown found that 88 percent of immediate sales opportunities were missed by branch banking representatives. Additionally, banking call center representatives missed 94 percent of opportunities for immediate sales.

The nationwide study examined geographically dispersed branch locations and call centers among the largest 60 banks in North America. Cohen Brown Mystery Shoppers visited 615 branches and made 374 calls to call centers.

The Mystery Shoppers presented themselves as affluent, middle-aged professionals with three immediate financial needs: personal banking, business banking and mortgage. They provided 1,845 immediate sales opportunities in-person and 1,122 immediate sales opportunities by phone.

While 75 percent of the branch personnel made the Mystery Shoppers feel welcomed through words and actions and 89 percent of call center representatives clearly introduced themselves by name, most bank personnel did not respond to overt sales clues or attempt to close a sale. For example:

- During branch visits, only 12 percent of potential sales opportunities (214 of 1,845 opportunities) were acted upon. On the phone, only six percent of potential sales opportunities (65 of 1,122 opportunities) were realized by call center staff.
- Even when clues from shoppers were recognized and appropriate leading questions were asked, bank representatives made little attempt to close the sale and follow up. Only 24 percent of branch visits and 16 percent of call center contacts would have resulted in opened accounts based on the Mystery Shoppers' experiences.

“This year’s study shows clearly that bank branches and call centers are dropping the ball, leaving an enormous amount of money—and many opportunities to help customers—on the table,” said Martin L. Cohen, M.D., chief executive officer and co-chairman of Cohen Brown Management Group. “As one bank executive we met with put it, ‘You mean a customer came into our branch saying she had bags of money to give us, and we did nothing?’”

“Yes,” said Cohen. “In most cases, the branch staff did a great job of making the shopper feel welcome but missed opportunities to help the shopper by fulfilling their immediate, let alone longer-term, financial needs.”

Cohen Brown Retail Analytic's Behavioral Mystery Shopping ProcessSM uniquely focuses on the effectiveness of banks at identifying and capitalizing on profitable sales opportunities. One of the most important metrics gained from the process is identifying the number and percentage of missed opportunities during the interaction, an important and overlooked metric that differentiates Behavioral Mystery ShoppingSM from traditional mystery shopping.

"As we provide counsel to banks across the globe, one common factor our clients share is the desire to improve the client experience and increase needs-based sales. Accordingly, the data from our Behavioral Mystery Shopping Process becomes extremely valuable to institutions seeking to achieve those objectives." said Edward G. Brown, president and co-chairman of Cohen Brown Management Group. "The ability to measure the effectiveness associated with a differentiated client experience, from a sales and service perspective rather than from a traditional service assessment, allows for companies to achieve improved customer interactions with fewer missed opportunities."

Additional information on Cohen Brown and the Cohen Brown Retail Analytics Behavioral Mystery Shopping Process is available at www.cohenbrown.com.

About Cohen Brown Management Group, Inc.

The Cohen Brown Management Group is an internationally recognized leader in sales and service performance, specializing in the financial services industry. Over the past 28 years, Cohen Brown has excelled in producing dramatic and profitable bottom-line results for its clients, providing expertise that encompasses all aspects of the financial services industry. With clients throughout North America, Latin America, Europe, Asia, Australia and New Zealand, Cohen Brown provides performance consulting and training services to all business lines and delivery channels, including retail branch networks, call centers, direct banking, corporate and commercial banking, mortgage banking, investment services, private and international private banking, personal and institutional trust services, and insurance. More information on the company and its services can be found at www.cohenbrown.com.

