

Harland Clarke Mystery Shop Webcast 09/09/2014
Taking the Mystery Out of the Customer Experience
TRANSCRIPT

Presenter: Linda Schrock, Research & Mystery Shop Director

Presenter: Stephen Nikitas, Senior Strategy Director

Melissa: Good day, welcome to the Harland Clarke 'Taking the Mystery Out of the Customer Experience' webcast. Today's webcast is being recorded.

At this time, I would like to turn the webcast over to Steve Nikitas, please go ahead.

Stephen Nikitas: Great. Thank you Melissa and good afternoon everybody. Thank you for attending yet another Harland Clarke webinar in our continuing series of webinars that are focused on helping financial institutions get from point A to point B in their business endeavors.

Today, we're going to talk about mystery shopping and we have a very special guest from Harland Clarke to help us with that exercise, but before we do; just a couple of logistical items.

First off, we will leave time at the end of this presentation for addressing any questions that you may have. I'm gonna ask Melissa to come back in at the tail end of the presentation and share with you ways you can ask a question over the telephone. In the meantime, if there is anything that you hear during this presentation that prompts a question or more curiosity, feel free to type that question into the chat window on your webinar screen and just make sure it is addressed to all panelists.

Secondly, we will make sure that at the very end of this presentation a copy of today's slides are sent to all of you who are on the phone. So shortly after this presentation ends, you will get a copy of today's slides and a recording of the event will be sent to everyone who registered for the webinar, and that recording along with the slides will be sent to everybody within a week or so of today's presentation.

Last logistical item; if you would like follow-up or more information on anything that you hear about or see today, you're going to get a pop-up survey delivered to you at the conclusion at the end of today's webinar. Please indicate on that pop-up survey form that you would like someone to contact you to give you more information about mystery shopping service, so on and so forth.

So, now that those logistical items are out of the way, let's get into today's presentation. Again, my name is Stephen Nikitas, I am a Senior Strategy Director with Harland Clarke; I have been with Harland Clarke now for almost four years. Prior to that, I have a little over 30 years of banking experience from the retail, marketing and operations side of the house. My guest today, who's actually going to be handling the bulk of today's presentation is Linda Schrock. Linda is the Harland Clarke Director of

Research and Mystery Shopping. Linda, welcome. Would you like to introduce yourself beyond what I said?

Linda Schrock: Good morning. I have been with Harland Clarke now for 15 years, and doing the Research and Mystery Shopping program and helping to develop clients to help them build bigger and better relationships with their current customers, and thank you all for joining today.

Stephen Nikitas: Great, thank you, Linda. What are we going to talk about over the course of the next 54 minutes or so? First off, I'm going to ask Linda to come back in here in a moment to talk a little bit about Harland Clark's background and mystery shopping history. Then I'm going to come back in and just talk a little bit about some of the challenges that financial institutions are facing today. At that point, I'm going to hand the reigns back over to Linda who will talk about more in-depth information on the Harland Clarke mystery shopping program; the deliverables, the overall implementation process. Linda will talk about competitive comparisons and the ability to see how your financial institution stacks up against others. Linda will then talk about a pretty robust and very vibrant reporting tool that we have called EnGauge. Then we will wrap it up with some advantages of mystery shopping that are evident for financial institutions and then I will ask, at that point, Melissa to come back online and open up the phone lines for any questions you may have; and at the same time address any questions that may have come in via the chat function.

So, Linda, Mystery Shop Program and History. Why don't you, if you don't mind, tell our audience today a little bit about the program that Harland Clarke makes available.

Linda Schrock: Thank you, Steve. The mystery shopping program here has been developed over many years in regard to being able to be used as an actual training tool to assist our clients in better understanding not only how well they are providing service to their members or customers, but also to understand where some of those needs or skill sets are that they do need to work on and improve upon.

So our team has focused solely on financial institutions. We consider ourselves an expert in this particular area because that has been our main focus for many years. We work with mystery shoppers all over the United States and those Mystery Shoppers are recruited very heavily from the National Association for Mystery Shoppers and Harland Clarke is proud to be called a member of that organization.

As I mentioned, we're looking at helping to measure not only the quality of service but what is that true experience that each individual has when they go into one of your locations or speaks by phone or through the website or the other channels, but we also can provide you with a competitive analysis that will allow you to have a better understanding of how one particular branch may compare to another particular branch of one of your competitors within the same footprint.

The program is fully customized to meet everyone's needs. Not everyone is the same so we need to make sure that you have the opportunity not only with the questions that are on the evaluation forms, but the scenario topics that the shopper would present to one of your staff, those are customized as well.

As Steve mentioned, we do have a very in-depth and robust recording and reporting tool at this time where we ask the shoppers to provide their true experience. We want you to get as much information out of that write-up that is provided back to us so that you can take this tool and continue to use it to help train your team.

The reporting system is phenomenal. We are very proud that this is a Harland Clarke developed reporting tool and it is provided to you in an online deliverable and real time. There is a summary of common strengths and areas for improvement, which our quality control team look at every time the client is shopped and builds that reporting and supporting document to help you and your management team have a better understanding of what you're doing well, but also what you need to work on. The team here also will assist your leadership in trying to interpret the data and to help in any way that we can to perform subsequent actions.

Stephen Nikitas: Excellent, thank you Linda; all good stuff. So let's get into a little bit of the challenges that are facing financial institutions today. I have a handful of slides here that I'd like to quickly go through.

This one is a recent JD Power and Associates survey that asked people why they switched primary financial institutions and if you go left to right, you can see when it comes to service and fees; by far, coming in at 79% of respondents saying that's why they changed their PFI. Service is a huge differentiator, particularly when you couple it with financial institutions who have fees on product or services that may be perceived as high or maybe exorbitant among the customer or member base. So certainly service is an issue out there that financial institutions need to address in order to make sure that level of retention is where we want it to be. At the same time, in my role as a strategist, I probably work with 200 – 250 or so banks and credit unions around the county; and I would say certainly over the past 3, almost 4 years since I've been with Harland Clarke, the focus among virtually everyone has been to grow their loan portfolios. We know that coming out of the 2008 recession, consumers did a great job of certainly cleaning up their personal balance sheets, but for financial institutions the challenge has been to take advantage of demands for credit among consumers as they slowly but surely dip their toes back into the credit market.

In order to grow long portfolios, financial institutions – again looking left to right – have said they want to bring in high quality customers; and at the same time they want to focus on specific customer or member segments. Translation: from what I see with the institutions I work with, focusing primarily on the affluent and/or the mass affluent segments. That is where touting or providing the level of service that customers and members expect . . . that level of service that's going to create a 'wow' factor for our financial institutions can make a big difference.

Of course, that's where Mystery Shop Program can come into play and I'll let Linda talk more about this later on; but being able to measure our service, compare it to other financial institutions and use service as a competitive tool in our overall quiver, can really help differentiate our financial institution from the bank or the credit union around the corner.

Then from a retail perspective, when financial institutions are asked how they're going to strengthen or improve their overall retail activity, vis a vis how do we sell more product and service? Again prevalent is that focus on specific customer or member segments. Focus on increasing overall wallet share and a little bit further down this bar chart, providing additional front line training to our staff. Meaning providing service that's far and away better than what competitors offer in order to make sure that these specific customer or member segments, like affluent and/or mass affluent, are satisfied/better than satisfied with the service that we provide; and making sure that our staff is focused on retaining and cross selling and doing those things that will ultimately increase the overall product penetration and wallet share among our account holder base.

So with that, I'm going to ask Linda to come in. Linda, if you would, why don't you take the reigns from here and talk about the challenges that a well-run mystery shop program can help financial institutions to solve.

Linda Schrock: Thank you, Steve. As we were talking through here and I heard Steve mention several times that being able to have a staff that is well trained and prepared to speak to any individual that might walk into your branch, is a huge consideration to do these days. Many of our clients have focused so much on that aspect because they really want them to have a really good understanding of not just being order takers any more, but being able to build that bigger relationship. You'll hear me say that a lot because that's the key these days is you just can't be order takers, you just can't do product dumps any more, you really have to take the time to have a needs assessment conversation with these individuals as they come in.

So that's part of helping you solve the challenges is that the majority of my clients have sat on the fence either on the sales side or the service side. I'm getting more and more where everyone has to move to the middle, so it is still very important that you still focus on a high quality of customer service or member service but you also have to give your teams those skill sets that they need to be able to do a needs assessment and understand. So we want to develop and implement a program that's going to follow the culture that you've set into place or the culture that you're trying to move to so that we can then provide you with feedback on all that information.

We also want to make sure that we can provide you with some differentiation from other financial institutions. What are you doing different from another financial institution today, and the consistency across all of your locations or through your phone service, whatever channel we're shopping; we want to make sure that consistency in regarding to service is being maintained at that high level. Then being able to compare your performance against your peers or other competitors will really help you stay ahead of the game.

We want to make sure that you're able to retain and grow that customer base and being able to build that bigger relationship again, there's that keyword again, is going to help you do that. It's going to help you increase the product that a particular member or customer may have with you at this particular

time and also enhance; Steve talked about switching, it's going to enhance you to that new individual who may be coming in and looking to possibly switch as well.

So why our program? I'm very proud of our team. We're very hands on. As I mentioned we have a database that's extremely large; with shoppers that are certified within financial industry shopping, the process of how we handle things – everything we do for you is going to be customized, it's unbiased. We want to make sure that we're looking at what you need to do, not what we have to do, so we do have a standard set of forms and questionnaires that we begin with; but we want to design this program so that it aligns with you, your goals and objectives within a program that you're trying to look for. That way we'll be capturing that information for you and then you're going to be able to go back and provide that feedback to your managers or your actual individual employees. So the Mystery Shopping Program that we devise, we use professionally certified mystery shoppers that have a great deal experience in financial institution shopping as well, going back to the fact that's all within our program that we do and that we've ever done. Then we want to make sure that we look at this and be able to consult with you back again with that real data that we've collected to help you take action, to help your teams grow and continue to be better.

So within the mystery shopping, we look for mystery shoppers that are MSPA certified, that's the national association. The MSPA is switching up their program a little bit. They have certification programs, there are multiple levels, several of them have been gold and silver. So anyone that's interested in possibly being a mystery shopper can go out to the MSPA, sign up, pay a small fee out-of-pocket to go through some of these certification programs; which gives them a good foundation about how to be a mystery shopper in general.

So I feel like when I get these individuals, or I should say my scheduling team gets these individuals, they then know a lot about mystery shopping and how to be a mystery shopper. We don't have to walk through those items with them. They come already prepared, understanding mystery shopping in general. Then we're looking for someone that has a minimum of three months, we prefer more, up to twelve months experience mystery shopping financial institutions. It's a different animal than going to do something retail. You really want that shopper to feel comfortable in being asked specific questions about a mortgage, but be able to ask questions about a mortgage as well and make it seem as real as possible. This is someone that I want to come in and actually do business with you.

All of our shoppers are community based, we don't fly anyone in to do these shops, so we will be looking and recruiting shoppers that are either close to the branch locations or within a certain radius of your footprint; making sure that they are either living or working or somewhere in the communities where your branch locations are at.

You also have the option to recruit from your actual current account holders. We have a recruitment ad that we give to our clients to place on the homepage of their website. Any of your account holders that would see that then call our 800 number directly and at that point our scheduling team, or actually the entire mystery shop team, will do more of an interview process with this individual. We'll want to understand whether or not they've had any mystery shopping experience, we'll also want to understand

how long they have been an account holder with you, do they feel at this time they're in good standing with you, have they ever had any issues with you, do they currently work for you or do they currently work for another financial institution, do they have friends or family members that currently work for you? These are some of the questions in the interview process that an account holder would be put through. At the end of that time frame, if the account holder and our scheduler feels that this person would work well with us and they are in agreement that they would like to do this, then we would go ahead and utilize them. We will pay them, just like we do any other mystery shopper. It's just that we have to spend much more time with them because now we have to give them more information about how to be a mystery shopper, what our program's all about; sales and service, and then what are your goals and objectives as well. So it becomes more of a three part session in giving training or instruction to these individuals, than a two part session with someone who already is a certified mystery shopper.

The training is very client specific. They have to understand your organization, the shop criteria and the scenario topics that we want to use. They also have to understand if you have service standards. I call these 'We Will' statements. There might be four to five bulleted items that any time someone walks in to your location or picks up the phone to talk to you, these are steps that you're requiring your team to follow on a day to day basis. So if you have some of those in place, we would like to receive a copy of those so that we can then train our shoppers to make sure that they're following or that they're looking for these items to help you in your training process.

We want to make sure that we set expectations in the experience for you, because our program is solely based on a sales and service training model, we want to make sure that these shoppers understand what sales and service is all about. Do they understand what a probing question is? Do they understand what features and benefits are? Do they understand what cross-selling is? Again, I'm looking to give these shoppers as much information so that when they're evaluating your staff, then I will get the feedback I need to you in order for you to continue to train your team.

Within our program, it's a very sales and service focus but individual questions may be fully customized to meet your specific needs. Typically new clients that come on with us, we do what we call a baseline and that's going to give you your baseline score and from there we'll work to help build upon that score. Typically in all of our programs, it is in-person branch drops where each shopper would be required to evaluate your facility; the exterior and the interior of the building, giving you a complete overview and first impressions of what does this branch look like. Is the landscaping neat and clean? Are the marketing materials outside working? Is your ATM clean, does it appear to be working? Just the overall appearance, first impressions are everything when you walk up to a location.

The second part of that facility evaluation is actually going into the branch itself, looking at marketing materials. If you have T.V. monitors that are scrolling your marketing advertisements, we want to look at those. Any brochures; are the up-to-date, are they current? If you're providing rates, are those current and visual? Anything else about the overall cleanliness and appearance of the branch itself.

The teller evaluation is going to give you some detail about how many teller windows are open, how long they had to wait in the teller line to be served and once we are actually invited to come forward to interact with that individual, then that's when the true evaluation begins. The questions range from the greeting; was it done in a very friendly and positive manner, was their name plate or name tag visible, were they dressed appropriately, did they ask for our name and use our name in the conversation? When we presented the scenario clue, what did that teller do? Each one of you will be different in a program because the expectations that you have set for a teller are going to be completely different. They also may be different from branch to branch and the time of day that the shopper is in there as well. Some of my clients, their tellers have been trained to open accounts and do a little bit of everything, the only thing they can't do is talk about loans. That would be a set up of a completely different program for you, knowing the knowledge base that those individuals have.

The Customer Service Representatives, we're looking at the hand off from the teller to the customer service representative. How does this individual interact with us as well; is it greeting in a very positive, friendly manner, introducing themselves, what does their work area look like? Is information in there about another customer or member? Has it been put away, has the monitor been minimized? Things to protect the security of that person that individual's working on a file for before we move forward.

The Customer Service team, we consider that more of a platform level representative and these are typically your true salesmen. These are the people that the expectation from our perspective, goes much higher. I am looking for them to do a needs assessment and based on the answers to my questions, or the questions that they've asked me, make a recommendation to me. If you have five checking accounts, don't just list off five checking accounts to me. Listen to what I'm saying to you and that I would prefer to not like checks and I like an online format, and let's start with that one first and work our way backwards so that we're not taking up all of the time of that particular individual. It's also going to save your individual employee's time as well because they'll be focused in on the one or two accounts that they feel might specifically meet their needs.

The other options that you have with our program are phone calls. If a branch has a direct line that anyone in the community could call to ask questions of or speak to a specific individual, then we want to do those types of calls. It gives you a different perspective of the overall quality of service within the branch. It's a good thing when you're face-to-face but what happens when you're on the phone and how is that person interacting with us? If we're transferred, is it a cold transfer or is it a very warm and inviting transfer and what takes place when that other individual that we're transferred to picks up the phone and starts to interact with us as well?

Call centers are, for the most part, always included in a mystery shopping program. Again, you need to understand how those individuals answer the call. What are they doing with the scenario clue when it's presented? Are they capable of giving us detailed information?

We do back office calls as well. We've done HR, we've done IT; some of the scenario clues that we've used for HR would be, "I'm looking for employment, are you hiring right now and what would be the process that I would need to follow in order to actually apply for a job with you?"

We've done collections, and sometimes collections we'll handle debit card situations. So we pose the scenario clues that would be realistic for either a customer or a potential customer to ask of this particular individual group.

The website evaluations are really focused on the overall appearance of your website, the ease of use. Is everything working properly, can I get to a link that you're sending me out to and can I get back to your homepage? Does everything look like it would be very user friendly to complete, the applications, all of those things. The other important piece of that though is that we do send a request for information through your 'contact us' button and we measure the response time that we get from this particular individual, and it's not an automated response; we want an actual email from that individual. When the quality control team goes in with this particular evaluation, they will clean up and make more presentable material to use in the paragraph all about your website; but however the email comes from that individual, they don't touch. We want you to have a really good understanding again, what is the quality of service and the skill sets of this individual that is presenting us this information back to us.

So those are the main three options: the in person, the phone calls and the website, that you have. Some of our other shop services is that we have been asked to do some new customer experience audits where we will find a shopper who will actually be willing to go out and actually open an account. We will follow the onboarding process for you.

We do competitor shops where the majority of my clients will pick and choose multiple competitors and maybe two or three branch locations with each of those competitors. So if you're launching a new program and you know your competitors already have that, you probably would like us to see how that's being presented to the shoppers and the shoppers will do a comparison between the information they received from your location; but also the information they would have received from the competitor.

The last item that is available currently is a live chat. If you have that function available on your website, we have mystery shoppers that are willing to go in and do a live chat so that you can get that experience through those multiple channels.

The Mystery Shop Program Deliverables, as I mentioned, we want to get a baseline shop so that we can have an analysis of your current skill sets and where you are today among the group of employees that we're shopping. We'll do that multiple channels; the in person, the phone center, the back office and the website. What that's going to help us do is we'll set the benchmark score, we'll help you to set a benchmark score, and then begin to continue and show hopefully some trends and improvement from the baseline ongoing. Not only in an organizational all-over score, but we'll be able to show you individual questions as to how your team is improving in specific areas.

Most clients do a baseline and then we continue to do an ongoing program in some format. That can be from bi-monthly, monthly, quarterly or as defined by you. Some of my clients we shop twice a quarter, some we shop semi-annual. It's really going back to that full customization of your mystery shopping program, it's based on your needs not on our specific needs.

The overall results are then provided to the entire management team. Especially after our baseline, we want to do a baseline review with you, give you as much information as we possibly can; so that you're armed with enough information that you need to either take next steps to bringing training in or having your managers take the next step to train your team and so forth.

The other item that we have is we have what we call our '100 Percent Club'. We provide a certificate to anyone, after your baseline program, that receives 100% on their certificate. We have signature line for the financial institution as well for us and we ask that you provide a name of that individual that will be signed. If you keep in mind our mystery shopping program is based around a sales and service program and to be able to give you information to train your team, so we want to reward those individuals as well, who have participated and who are continually doing well for you in those two particular areas; sales and service.

So within the mystery shopping implementation process, we do a consultation first After you've agreed you'd like to come on and have us do your mystery shopping program, there's a 90 minute implementation call that we do to begin with to launch your program. We're going to know everything about you, we're going to fully customize those evaluation forms based on your needs. There's multiple ways that questions can be answered; either non applicable, they can be tagged as information only, our scores are up to 100% but they can go beyond 100%. If you have a net promoter program, you can group questions together to get a subtotal and then get a total based on that full evaluation. So when we're done with that consultation and that implementation conference call, we're going to know everything we need to go in and begin your program.

Then we're going to go out and we're going to complete your baseline, come back to you and review the results and consult to identify those gaps and make recommendations to you, best practices of what other clients have done over the years that have helped them be more successful in specific areas.

Then from there, it's up to you to take the ball and run with it. We want you to go back to your management team, go back to your executive team whoever it may be, and decide how are you going to help your team. What I have seen over these 15 years is that a management team that is willing to help their team and provide training and do some additional leg work to help their team . . . if it's in a huddle meeting, if it's in a big training session with everyone; week by week or month by month or every couple of quarters, your teams start to appreciate the fact that they understand the mystery shopping program and why it's there but they also appreciate the fact that you are taking the time to not always point out the negative but point out what we've done well and also go in and provide some backup to that. Well, here's what you could do. Here's what others have done in order to be more successful and this is what we want to try to help you with.

So we usually give you a time off. Usually it's a one quarterly time frame to be able to plan and put some processes into place and then we want to continue to go back out and reassess. It's very important that you continue to reassess yourself and after every quarterly session or whatever we've set you up for the frequency that you've required to do; we want you to review that. We want you to talk to your staff, we want you to talk to your management team and the circle just continues in that way.

I mentioned being able to provide you some feedback about competitors and some peers. We also offer some outside the box, if you will, some peer-to-peer comparison within the mystery shopping itself and competitive shops are another segment of our mystery shopping program as well. We also have a different segment here too where it's important that you understand possibly strictly within your asset size, your number of branches, maybe even a similar regional location that you're in; where do you compare to those other peer-to-peers? So we want to be able to provide you some feedback with an organizational overall score of each of these financial institutions and yourself so that you can see where you might need to work and to get better and to improve upon.

Steve, do you have anything you want to add?

Stephen Nikitas: Linda, if I could, as a retailer and a marketer in my former life; I always found this sort of information to be really critical because it helped me identify where I may need to really strengthen my service from a competitive standpoint if I want to make sure that relative to my peers or relative to my local competitors. I truly want to use service as a differentiator and as a competitive tool.

Linda Schrock: We also will be able to take the questions that we have created for you and your program and compare not only how your scores were based on these specific questions, but also how did those other four financial institutions compare to you. Again, as Steve said, you want to be able to measure that quality of service. We want you to measure those skill sets, especially on the sales side because most people really struggle with asking probing questions and talking about the benefits and being able to cross-sell products and services. Sometimes it's even more about even being able to ask the name and use the name, as you're going to see in this next slide here for the areas of improvement as well. So we're able to do a little bit of that matching for you, not only by a competitor, but by peer-to-peer as well.

Stephen Nikitas: And this is where many of you may have attended Harland Clarke Opportunity Analysis webinars in the past. As part of the Opportunity Analysis, many financial institutions will elect to have a sample mystery shop performed for them and oftentimes what I see, working in concert with Linda when we deliver those opportunity analysis, it's this area of skill sets that oftentimes staff is lacking. That ability to cross-sell, that ability to ask those probing questions in order to get a better feel for their members or their customers particular product or service needs going forward.

Linda Schrock: So that's an opportunity that we will provide to you as well and within each executive summary we provide after a baseline, we will do a mini comparison of you and other financial institutions that have also completed a baseline shop with you. We are collecting our industry average that we've been able to collect over many years for many clients that have done a baseline with us, but we also provide you with our year-to-date for all of our clients that are shopping with us within our

mystery shopping program for that one year. Again, we want you to be able to see where you compare to those others or to our standards so that we can help you and work towards getting or meeting those same goals. We want you to be at that same level or above and so we want to make sure that you have an understanding of where that is today so that we can help work with you within those specific areas. Steve, did you have anything you wanted to add there?

Stephen Nikitas: I'm sorry I had you on mute, I apologize. Again, from a retail perspective, I always just found this great information to help me identify my shortcomings or my strengths if they were there. From a training perspective, it helped me to compile that kind of training program that would lift the skill set of my staff and, at the same time, make sure that was the kind of training that was going to be ongoing. Because as we know, when it comes to service it's really a journey and not a destination in order to make sure that our staff is providing that level of service that really is going to provide that wow factor to the member or to the customer.

Linda Schrock: Thank you. I mentioned briefly a minute ago about our reporting system and we have – as I stated earlier, I'm very proud of the fact that we were given the opportunity to build this reporting tool in house with Harland Clarke employees. What that really allows us the opportunity to continue to do is to build new features and enhancements into the software. This year, we've probably released two or three new features and by October 1st, we'll have at least five more features that will be coming into the software. So it's very robust but it's very user friendly. It's real time so there are multiple portals that come into this system so you have the opportunity to view and download reports. You can search by employee, by branch. There's a mapping feature that you can view by branch and get a history based on that particular branch and then there's multiple drill-down paths that you can take. The system automatically builds the reporting system for you as the data is collected and put into the system. So, it will give you a monthly trending or quarterly trend, however you want to see this and you're able to enter different administrative levels within your program; within your team to actually have access to viewing the system. There is an actual video demo that you'll be able to see and we'll get that information to you.

So within this system, it's a 24/7 online access, so you can log on any time. My quality control team contacts you when the shop results, or the plan as we call it, has first been released. She is the one that sets you up initially into the system itself. Once you're in as the administrator, then you can physically go in and set up other administrators or other users in the system, depending on how you would like them to be able to interact with the reporting system itself.

The real-time shopper feedback . . . So a shopper is able to go out today, come back later today, log in to their side of this reporting system, fill out the evaluation forms and hit submit and it goes back to the scheduling team and the scheduling team then will preview them; making sure that the shopper did what we asked them to do. They can send it back with any questions they may have, then they can literally pass it over to the quality control team and the quality control team will begin looking at it and reviewing it for accuracy and misspellings and things like that.

So it's very interactive, as I said. The graphs and the charts are very easy to compare. Everything is built for you as the data is collected. One click drill-down that opens up a lot of information for you, it's very easy to navigate.

The detailed observation – we really feel that this is the best piece of it that we can provide to you so that you can understand what you need to do and work on in order to get the best experience for your customers or your members. We spend a lot of time with these individual shoppers. All of our shoppers are required, actually, to call in prior to going out to do their assignment. It's because I want our shoppers to have an understanding of who they're talking to, I want our scheduling team to be able to provide them with very thorough instructions on what needs to be done, the scenario topics that need to be used and how they can present that; specific information that you all as clients may be looking for us to bring back to you, so the shopper has a very good understanding of what they're doing. I want you to feel like you're sitting there as you're actually reviewing those results. So the mystery shopping EnGauge tool has become a very important part of our program, mainly because of the fact that it's real time and you can look at those evaluations through the entire month, you don't have to wait until the end of the month or the end of the quarter. You're getting those and they're being processed through for you as you need them.

We're very financial institution focused. The program is customized from the questions on the form, to how they're scored, to the scenario topics that are utilized, to the people that are shopped. You don't have to do a full branch shop; you can shop your personal bankers or your customer service reps only. We have many clients who focus on that platform level only. We implement a program within 30 days. We've done it sooner, but we would prefer to have 30 days.

The positive approach is another thing that we talk to the shoppers about. I don't want them to go in looking for the negative or what's wrong in your organization. I want them to report back what is right but clearly there are areas that everyone needs to work on, we know that.

In the last four or five years, it has been huge that the teams learn how to ask probing questions. They need to learn how to do that needs assessment and to be able to better understand what that individual needs that's sitting across from them. We want to make sure that the shopper understands from my approach and my teams approach that we want it to come a reflection of what's positive and then here are some things that you need to work on to get better. So we're always going to consult with you to review the results, the training, and the service standard recommendations; we'll give you as much as we possibly can. If you're looking for more in-depth sales and service training, we work with a gentleman out of Indiana that actually will come on site and will do a sales and service training with you. He has a standard program similar to ours, but he will have a full on implementation conversation with you to better understand your need as far as the areas that you would like him maybe to hone in a little further in and do a more broader training on some of the others. So if that's something you need, it is something that actually runs out of our program, if you will.

So the extensive up front shopper training to ensure the understanding of the custom shopping scenarios, the snapshot of the experience of that individual's having with you; I want you to feel like you're sitting there while you're reading that interaction detail.

The prompt report details for uploading client review, as I mentioned a moment ago, you don't have to wait; these shops are pushed through to you as they're approved by the scheduling team and cleaned up and approved by the quality control team and then they're released. We want to do that very quickly. We typically say that once the quality control team has it in their hands, we want to get it out to you within a 72 hour time frame.

The system and the portal is very user friendly, it delivers the enhanced flexibility for the reporting and analysis. And we're very proud to say that in these many years that myself and the two team leads that have been with me for many years, we have a 90% annual client retention rate. So we're very pleased and proud that what we're doing is really helping all of you out there in the financial industry to do better, to train your team to do better and to be able to compete in this industry.

Stephen Nikitas: Alright. Well, Linda, thank you very much; that brings us to the end of today's presentation. Or actually, I should say to the Q & A portion of today's presentation. Early on I invited everybody or anybody who had a question, to ask it via the chat function on your webinar screen and I'm going to address some of those questions that have popped in, in a moment. Melissa, I'm going to go through our chat questions first and then I'm going to ask you to come back on board and instruct our attendees how they can ask a question over the telephone. Before we do that, Linda, I've got a number of questions that have come in that I'd like you to address if that's OK?

Linda Schrock: Perfect.

Stephen Nikitas: So Linda, our first question: Where do you get your shoppers? Do they live or work within the areas where particular branches are located?

Linda Schrock: Yes. Our main recruiting process is through that National Mystery Shopper Provider Association or the MSPA. There are three things that we look for in hiring a mystery shopper. Number one is that we like to get them from the certified National Association. There are other vendors that we utilize to recruit from and they do have some similar certification programs, but it's not as robust as the MSPA. They do have to work or live or somewhere in the communities, especially if you're a credit union, they will fit within your field of membership because we review that with you and look that up to make sure that those shoppers do fit within your field of membership. The third part of it, we want someone that has at least a minimum of three months of shopping financial institutions because, again, that's our main focus. We understand that shoppers will do other types of mystery shopping, but we want to have a really good understanding of how long they have been shopping banks and credit unions so that they can give us the information that we need to provide back to you.

Stephen Nikitas: Excellent. Linda, does a financial institution have the opportunity to customize the questions on the evaluation form, those forms that the shoppers are using in order to evaluate the bank or the credit union?

Linda Schrock: Absolutely, and that's part of the implementation process, that 90 minute conference call. Each client receives a copy of our standard sales and service questionnaires for each individual that we'll be shopping prior to that 90 minute meeting in order for them to be able to review the questions, see if they will fit exactly what you're looking for and then during that 90 minute call we will review those. If you don't have a name tag or if you have a name plate, we'll change the wording. Some of my clients don't like the word probing, so it's just asking questions. There are others that get added to the form once we're having our conversation and I'm hearing from you what I think you might need, we will make suggestions as to what to add. So absolutely, questions can be added to meet each client's specific needs.

Stephen Nikitas: Linda, once the program starts, if you were to start mystery shopping on day one; how long would it take for the financial institution to begin receiving the results of those evaluations.

Linda Schrock: It depends on how quickly the shoppers are scheduled. But if they would be shopping on the . . . let's say if this last week because of the holiday, if they started to go out on the 2nd or 3rd and were being assigned, we could have things back by the 5th and this week by the 8th we could begin to see some actual results. Because all mystery shoppers are independent contractors, we're not really allowed to dictate the date and the time that they go out but we can give them a due date and ask them to follow suit with that due date. It would just depend on when that individual went out between the time they got their shop and the due date.

Stephen Nikitas: Great. You may have addressed this a little bit a little while ago, but I'll ask it again. What are the different channels that a financial institution can evaluate with the shop program?

Linda Schrock: You can do branch in-person shops, you can do branch phone calls, you can do calls to your call center, you can do calls to your back office department, you can do a website evaluation, you can do live chat evaluations if need be.

Stephen Nikitas: Once a shop is completed, the results start to come back in, what kind of assistance are you able to provide a financial institution in order to address gaps or do what might need to be done in order to address any service issues?

Linda Schrock: Well after every baseline, we are doing a review with the overall results with each client, and at that time we're pointing out to them things that they did very well and things that we know that they need to work on. So from the experience that we've had in these many years, we're able to tell them what we know other clients have done over the years to help and get better in those particular areas as well. So while we're on the phone, or sometimes it's done in person, we will do whatever we can to help you in specific areas. The quality control team, when they are writing up their executive summary for you, will also point out some of those areas of successes but also some of the areas of improvement. They also tie it together in a summary paragraph. Every time we shop you, you'll get that

executive summary. That tie-in will also look at previous shops and if they're starting to see, they meaning the quality control team, starting to see that you're making strides and moving items from the improvement column over to the success column; they'll want you to know that right up front so that you can start to pay closer attention. There's some really good reporting in the EnGauge system. My favorite is the response recap section, that allows you to pull up by evaluation form and look at all the questions and build it off of a one year program and show exactly where you are and what are those items that you still need to work on. So there's a lot of feedback. We're available all the time; Monday through Friday by phone or email. If the client has questions, we want to be there for them.

Stephen Nikitas: Linda, probably not getting into the nitty gritty of pricing, but how do you price a mystery shop program?

Linda Schrock: The pricing is really based on the number of locations, the number of phone calls, the number of staff that you have per location, because the would determine the frequency. Also it is determined by location comes into play sometimes, frequency plays a huge part in it. So that would be a little bit of what we would look at to consider pricing.

Stephen Nikitas: Excellent. Melissa, would you be kind enough to come back on the line, we've gotten through all the questions that came in via the chat screen. Would you be kind enough to invite our attendees to ask a question over the phone?

Melissa: If you would like to ask a question over the phone, please press *1 on your telephone keypad. If you're using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. A voice prompt will indicate when your line is open and please state your name before posing your question. Again, please press *1; that's *1 if you have a question over the phone. There are no phone questions at this time.

Stephen Nikitas: OK. Linda, I was looking at a recent study that was conducted by the American Banker's Association that was just published. I find it very interesting for this topic because I think it really bares out the importance of service in mystery shops. This particular study by the ABA asked consumers how they like to manage their accounts and it took a look at activity between 2013-2014 and interestingly, the percent of consumers who were utilizing a branch actually went up year to year. Online remained relatively consistent, mobile obviously grew a bit, phone channels remained consistent. The gist of this study was the fact that lo and behold, consumers are using the branches. So in a sense there is a renaissance going on, or at least year over year, relative to consumers going into a branch. What the ABA found was that probably a couple of things are driving this. First off, people want to go into a branch to open up an account and we know that in particular that Gen Y likes to go to a branch in order to open up an account. You might not see them all that often after they open the account, but they will go into a branch to open the account and get that financial advice. And secondly, what the ABA cites is that the economy has become challenging and consumers are increasingly showing their likelihood to turn to their local bank or credit union for financial consultation. How do I make sure that I'm managing my money properly in order to either prepare for retirement or afford a house, buy a car, etc. etc. This

branch renaissance, in many ways, is being driven by a challenging economy where consumers are increasingly turning to their bank or their credit union for their advice.

So, Melissa, with that; it sounds like we have no questions that have come in via the telephone. We've gone through a number of questions that have come in via the chat screen, so thank you all very much.

Linda, any parting words before we wrap up?

Linda Schrock: Just to thank everyone for giving us this opportunity to speak with you today and I look forward to possibly interacting with some of you later on down the road. Thank you all very much.

Stephen Nikitas: Thank you. And just as a reminder to everybody, very quickly, a copy of today's slides will be sent at the conclusion of this presentation to all of those who are on the phone with us right now. Within the next week or so, you will get a recording of this presentation, obviously along with the slides. At the conclusion of the presentation, you'll also receive a pop-up survey; if you would like more information on the mystery shopping program, please indicate it on that pop-up survey and we will reach out to you shortly after that and address any questions that you may have.

So with that, I want to thank everyone very much for attending this presentation. Linda, thank you, great job; all interesting and great stuff and we'll talk to everybody again in an upcoming Harland Clarke webinar. Thank you.