

October 2019

# Is customer advocacy all about service?

A fresh perspective on the key drivers of recommendation

**YouGov<sup>®</sup>**

# The world is watching

The Competition in Markets Authority (CMA) has recently published its second set of service quality rankings resulting in both positive and negative press coverage for some of the brands included.

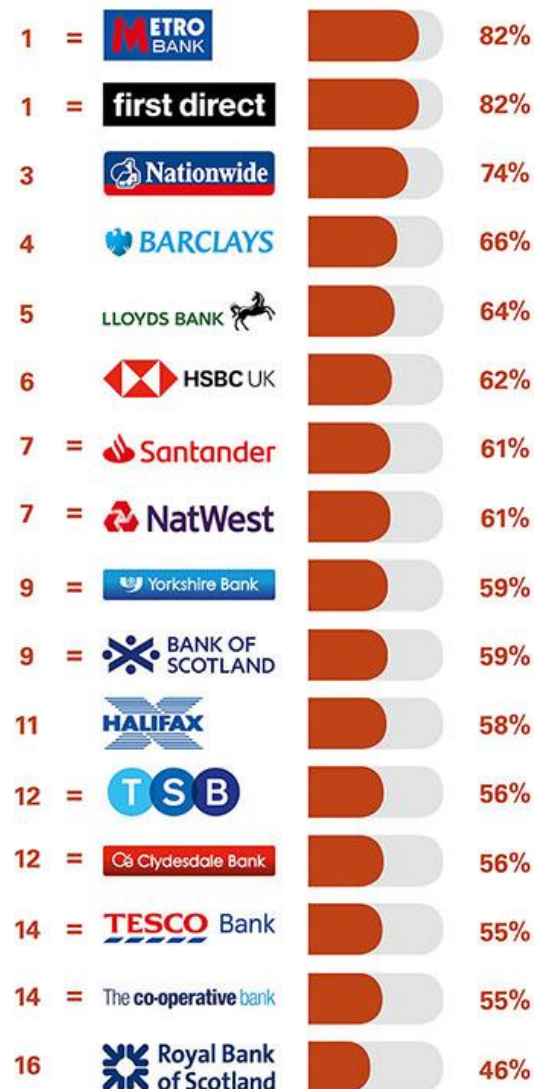
This has sharpened focus on understanding the key drivers of customer advocacy to inform strategy and drive performance.

Whilst brands at the bottom of the rankings will be desperate to improve their scores, those at the top will be focused on maintaining their position of strength.

## Overall service quality

We asked customers how likely they would be to recommend their personal current account provider to friends and family.

### Ranking



## Metro Bank tops latest official bank service league table



## RBS comes bottom of bank league tables

By Jill Treanor  
Business reporter, BBC News

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# Advocacy is not rational

Most of our traditional advocacy studies use rational thinking to consider and determine the key drivers of recommendation.

This approach is flawed as our rational brain uses considered and logical reason to explain behaviour whilst in reality 99% of our behaviour is driven by emotion operating at a sub-conscious level.

When consumers are asked a typical recommendation question, they will answer it quickly and instinctively without using rational thinking or reason. We may not be able to rely on their rational reason for why they answered the question in the way that they did.

## System 1 - Thinking fast

Fast, unconscious, automatic, everyday decisions, error prone



**99%** of decisions are driven by **emotion**



Information processed **quickly** and **automatically**

**CONSUMERS**

## System 2 - Thinking slow

Slow, conscious, effortful, complex decisions, reliable



Rational brain, more complex decision making



May disguise true feelings

**KEY ADVOCACY DRIVERS**

# Is there a bigger picture?

As a result of coming up with the key drivers of advocacy using rational and logical thinking, it is no surprise that most advocacy studies will be measuring and tracking a similar set of key drivers.

But do these factors really vary significantly by different banks? Do they fully account for a brands advocacy score? Or are there other factors that we may be missing?

This narrow focus may mean that our traditional advocacy studies have limited potential to help brands understand and improve customer advocacy.



## Typical drivers of recommendation

- Satisfaction with main service channels
- Complaints handling
- Service levels
- Interest rates and charges
- Ease / customer effort
- Reward programmes / loyalty schemes
- Friendliness of Staff
- Capability / knowledge of staff
- Digital banking / innovation
- Brand affinity

**Do these factors really vary significantly by brand?**

**Do they fully account for a brands advocacy score?**

**Are there other factors that we may have missed?**

# Can anyone find the silver bullet?

With a limited and narrow focus, our traditional advocacy studies struggle to deliver clear and actionable insight.

Our data analysis and understanding is restricted to the data that we are able to collect within our advocacy study which is governed by survey length and prioritisation of questioning.

This often leaves us with the impossible challenge of finding a new and innovative solution to improving customer advocacy. One which is unique, low cost and gives us the edge over our competitors.

The elusive silver bullet!





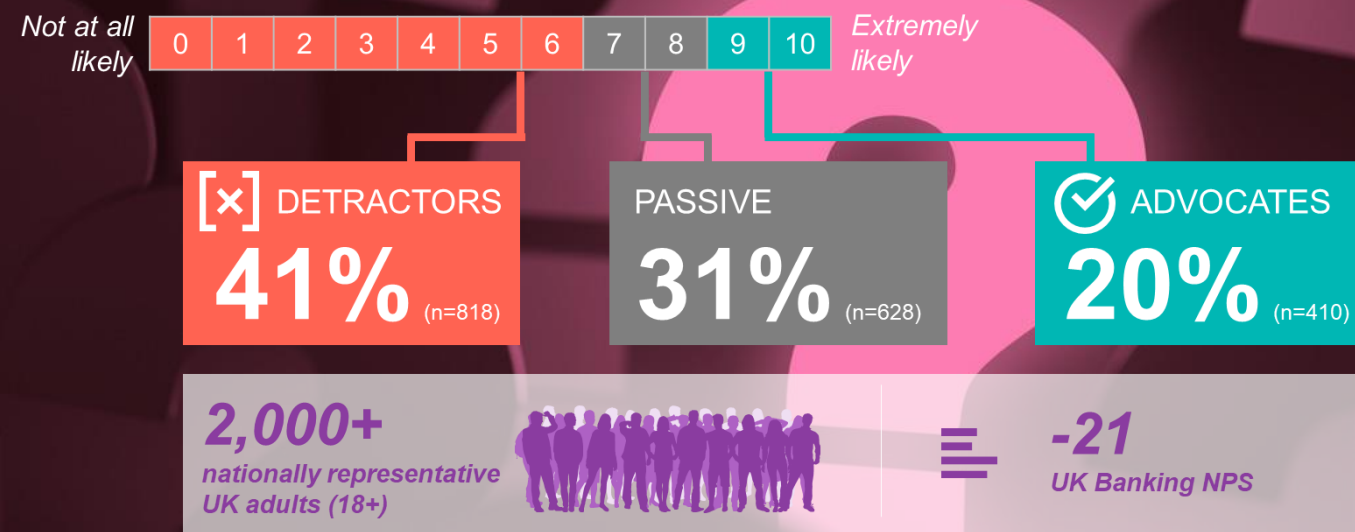
# So what did we do?

# The first UK banking NPS?

In order to review advocacy at a deeper level we initially asked over 2,000 nationally representative UK adults how likely they would be to recommend their bank to family members or friends using a traditional Net Promoter Score (NPS) methodology.

From this, we have produced what we believe may be the first ever UK banking NPS: a measure of advocacy based on a large and nationally representative sample of UK adults rather than an average score across a number of pre-targeted brands.

How likely would you be to recommend your bank to family members or friends?



# The power of connected data

From our initial survey, we were able to generate a robust and representative sample of both advocates, those that would recommend their bank and detractors, those that would not recommend their bank.

We were then able to review over 250,000 connected data points using YouGov Profiles, our audience analytics and profiling tool.

This analysis aimed to reveal whether or not there were fundamental differences in the attitudes, behaviours and demographics of advocates compared to detractors which could not be attributed to the direct experience they had with their bank.





# 250,000 connected data points

Whilst traditional advocacy studies are limited to the amount of data that can be collected in a specific survey, at YouGov we can connect primary research to over 250,000 additional data points.

From detailed demographics, to brand usage and engagement, lifestyle, media consumption, attitudes and beliefs, our Profiles database contains significant potential to access big data and yield new and compelling insight.

The tool also allows us to quickly interrogate this amount of data and identify where there are significant differences between different groups. In this case advocates and detractors.

## YouGov Profiles



### DEMOGRAPHICS AND LIFESTYLE

Segment on a number of categories including general demographic makeup, economic situation and occupation.



### BRAND USAGE AND PERCEPTIONS

Understand usage and perception of thousands of brands across dozens of industry sectors along 16 key purchase funnel measures: Buzz, Attention, Quality, Value, Customer Satisfaction, Reputation, General Impression, Recommendation, Brand Awareness, Word of Mouth Exposure, Current Customer, Former Customer, Purchase Intent, Purchase Consideration and Advert Awareness.



### PSYCHOGRAPHICS

Measure attitudinal and opinion data from a variety of topics around the values and beliefs that drive people's behavior.



### MEDIA CONSUMPTION

Analyse consumption of above-the-line media on a daily basis. This includes TV viewership at the genre, channel, and program level, classifications, radio listenership (40+ key commercial stations), and print readership (national and local).



### LIFESTYLE

Category specific usage and behavior, interests, hobbies, favorite celebrities, top music artists, sports teams and personalities. Banks and supermarkets used. Device ownership.




### SOCIAL MEDIA AND DIGITAL ENGAGEMENT

Review social media engagement including Facebook pages liked and Twitter accounts followed. Identify actual (passively tracked) online and application usage from every website and mobile application.

<https://codebook.yougov.co.uk/>

**User name: profiles\_codebook**

**Password: password123**

A blue-tinted photograph of a city street. In the background, the Gherkin building (30 St Mary Axe) is prominent. The street is lined with tall buildings, and there are traffic lights and streetlights visible. The overall scene is a dense urban environment.

**What did  
we find  
out?**

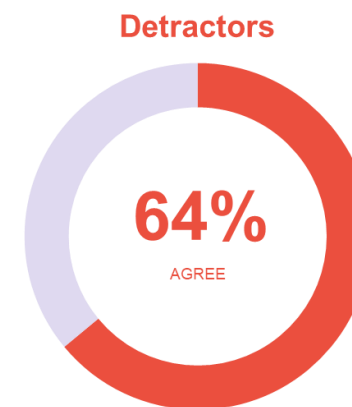
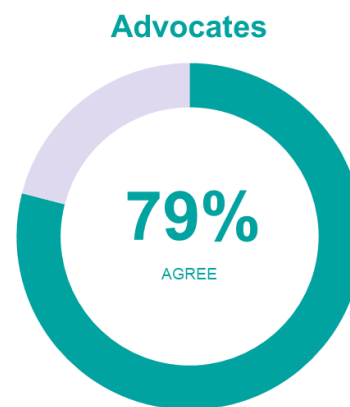
# Advocates are happier and more content with their life

We were able to find a number of differences between advocates and detractors which evidence how advocates are just more happy than detractors.

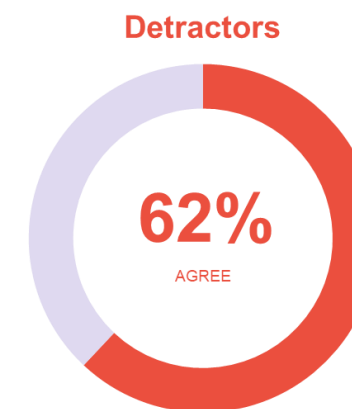
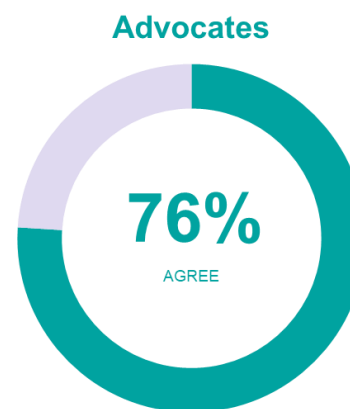
Whilst happiness can be influenced by a number of factors, it is also a natural state of mind for many which is unlikely to be influenced by the direct experience that an individual has with their bank.

Just being happy would appear to make someone more likely to recommend their bank.

## “In general I feel happy with my life”



## “I am happy with my standard of living”





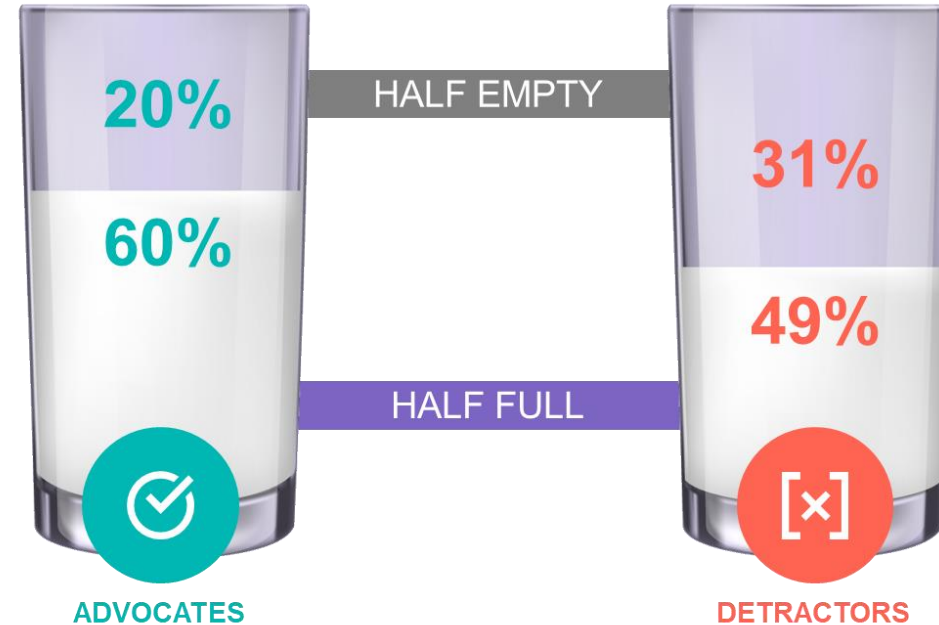
# Advocates are just more optimistic

We also found clear evidence that advocates are more likely to be optimistic compared to detractors.

Not only are detractors less optimistic, they appear to be more pessimistic about the world around them and their own situation.

A more pessimistic outlook in life is highly likely to influence the extent to which these people are likely to recommend their bank but can a bank influence whether someone is an optimist or pessimist? Probably not.

## “Optimist or pessimist?”



*“I believe the world is getting better”*

11% ADVOCATES 8% DETRACTORS

*“Household financial situation will get worse”*

22% ADVOCATES 32% DETRACTORS

# Advocates are more trusting

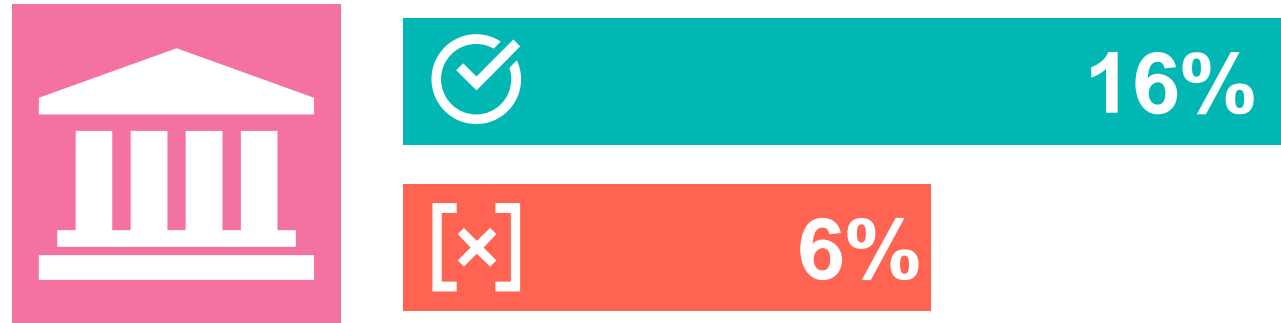
Perhaps connected to a more optimistic outlook, we see clear evidence that advocates are more likely to trust people and organisations in general.

If we agree that trust is a pre-requisite to advocacy, than we can suggest that some people are just more trusting than others and will be easier to convert to advocates.

What we are seeing here is a fundamental difference between people that will trust you until they have a reason not to and people that will trust no one until you have earned their trust.

Again, this is highly likely to be a natural disposition rather than something that is influenced by direct service experience.

## “I trust people and organisations”



*“I trust my insurance company to act in my best interests”*



*“I trust Banks & Building Societies”*





# Detractors are just more cynical

It goes further than a lack of trust amongst detractors. We see how they are far more likely to hold a cynical view towards the banking sector as a whole.

Whilst one could argue that this is as a result of poor service experience with their particular bank, we suggest that it is highly unlikely that detractors have actually been tricked out of money or had sufficient experience with a number of banks to conclude that they are indeed all the same.

This is far more likely to be connected to a more pessimistic and cynical disposition than any fundamental differences in the experiences of advocates and detractors.

## “Banks try to trick us out of our money”



## “All banks are basically the same”

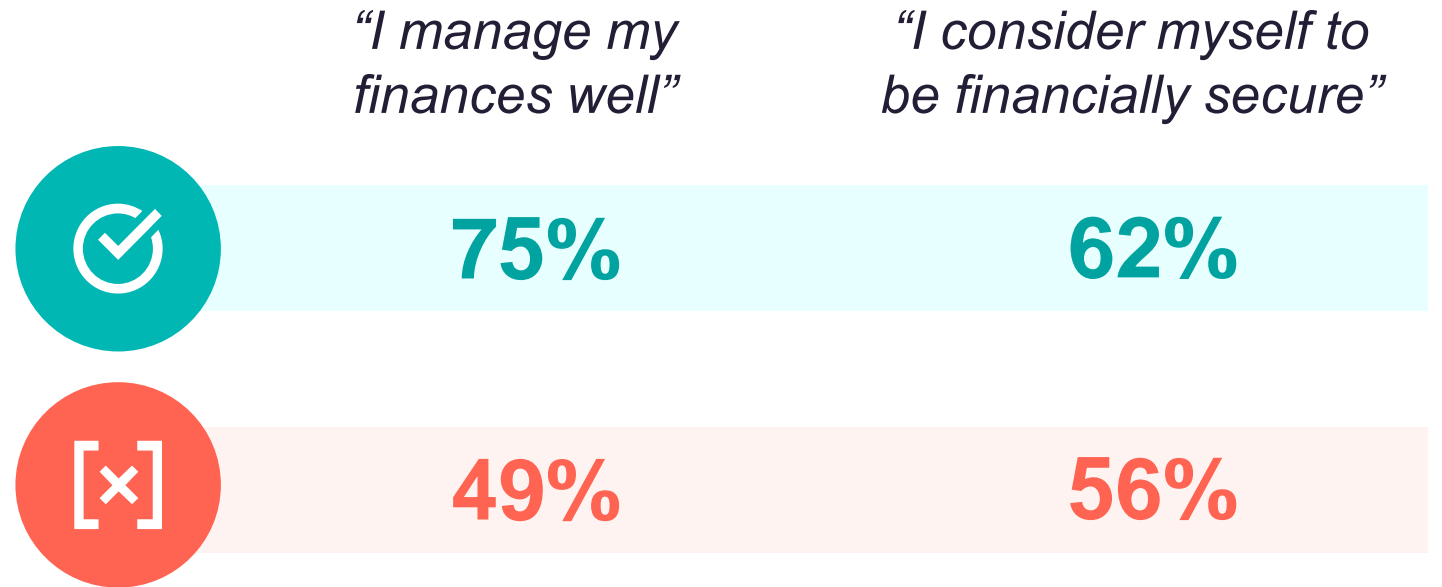


# Advocates are more in control of their finances

Our research also found how advocates appear to be more in control of their finances and perhaps as a result consider themselves to be more financially secure.

Conversely our research also showed that detractors are less confident in their financial situation and find financial matters more confusing.

This fundamental difference in how these groups view and manage their finances will have a direct impact on the experiences that they have when dealing with their bank or building society.



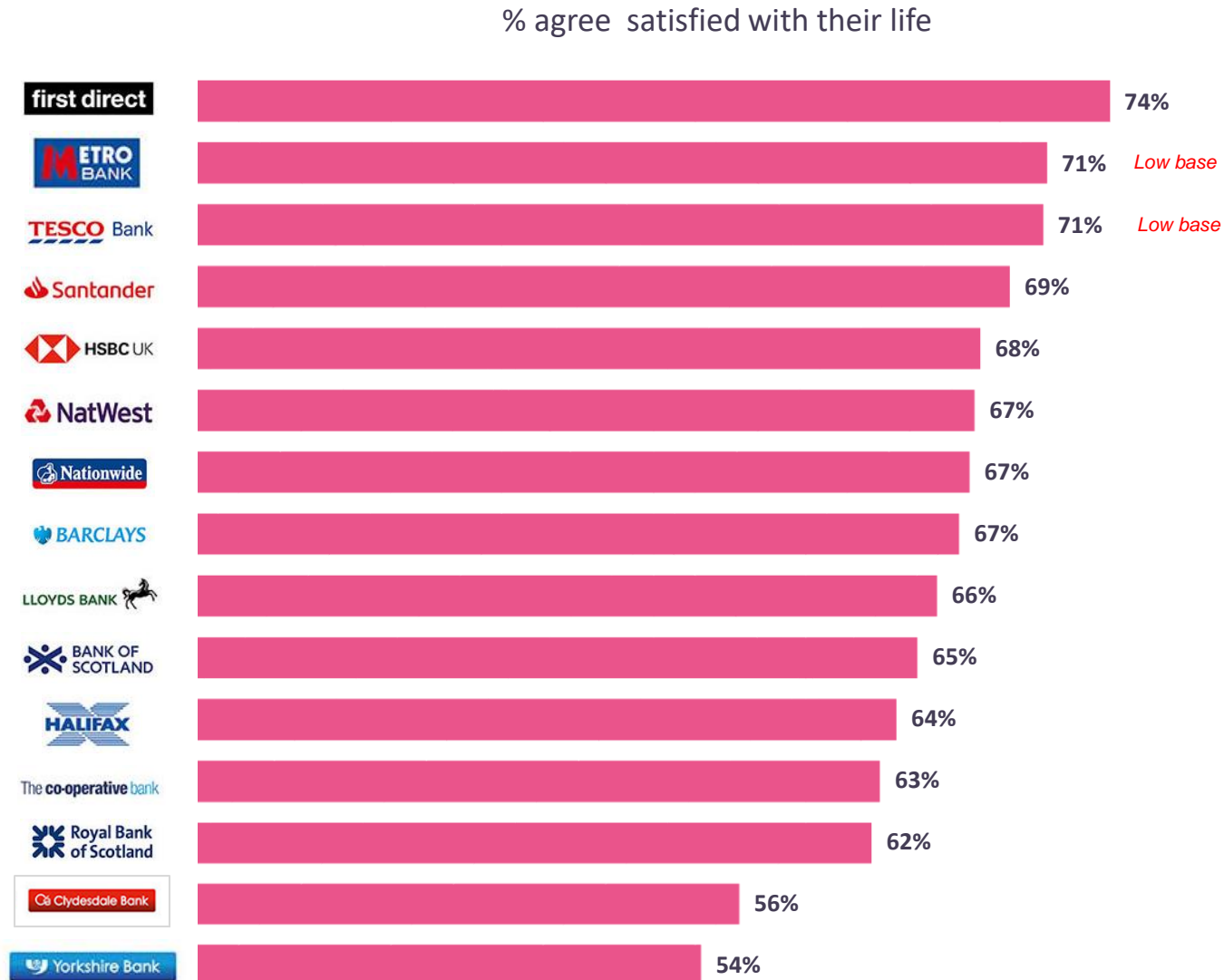


**These traits can vary  
considerably by bank /  
building society**

# “Overall, I am satisfied with my life”

Whilst nearly three quarters of first direct customers say they are satisfied with their lives, it would appear that customers of Clydesdale and Yorkshire Bank are significantly less satisfied.

If life satisfaction is indeed a prerequisite to being an advocate, then it would seem that first direct has a clear advantage over some other brands in this respect.



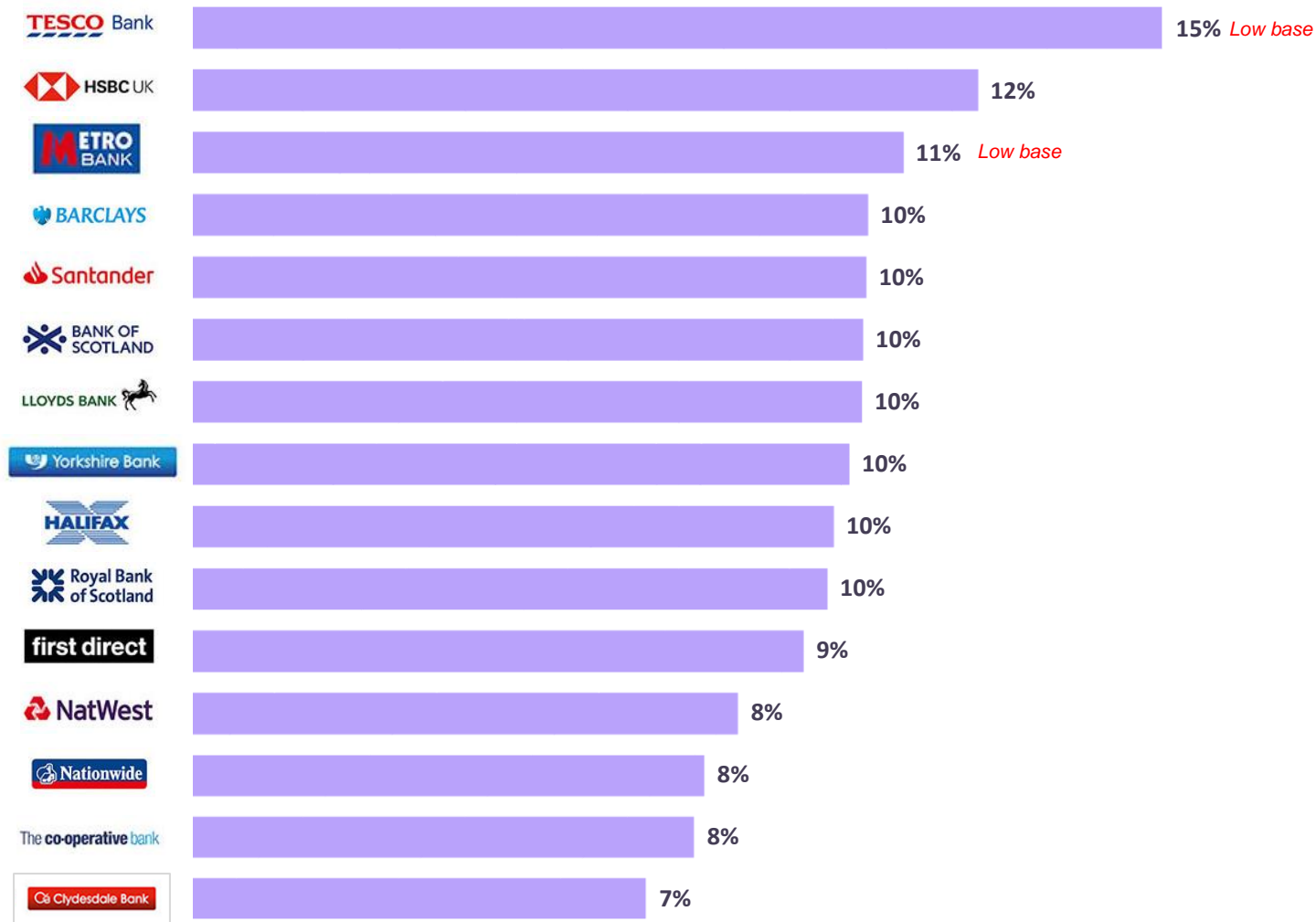


# “I trust people and organisations”

We also see how customers of some brands are just more trusting of people and organisations in general compared to others.

If trust is indeed a fundamental driver of advocacy, then brands which have more trusting customers in general such as Tesco Bank and HSBC UK will have an advantage over others such as The Cooperative and Clydesdale Bank when it comes to turning their customers into advocates.

% trust people and organisations





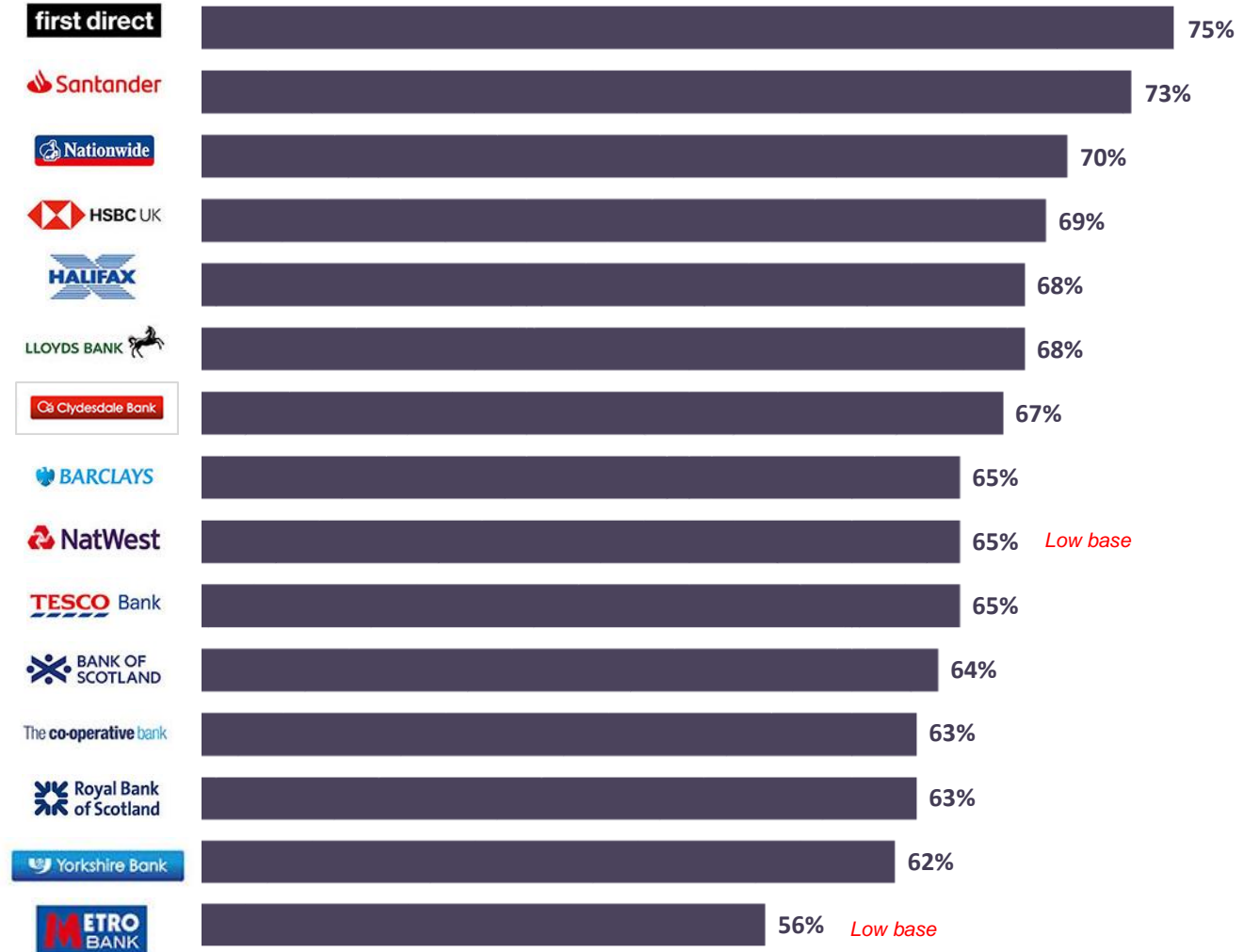
# “I manage my finances well”

It would appear that customers of first direct and Santander are much more in control of their finances and consider themselves good at financial management. As a result they will be less stressed by their finances leading to a more positive experience connected to them.

Conversely, customers of RBS and Yorkshire Bank are significantly less confident in the way they manage their finances which is bound to put them under greater stress and have a negative impact on their experience.

The question is to what extent is financial management an intrinsic behavioural trait or a behaviour that is learnt through experience?

% agree they manage their finances well





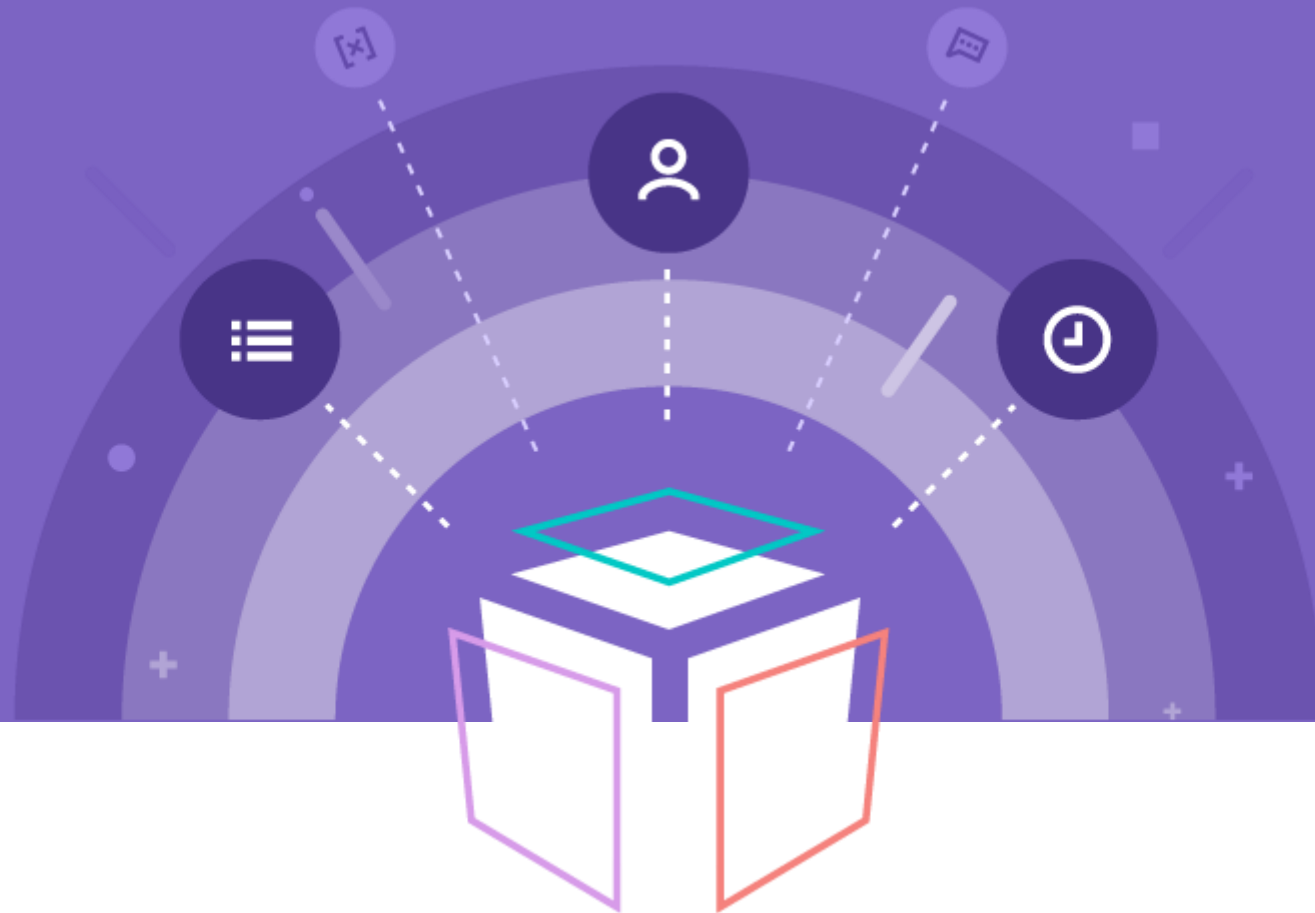
**So what  
are the  
implications?**

# Implications

- Customer advocacy is not all about service
- How well do you really know your customers?
- Some of your customers may never be advocates
- Does your brand have an advocacy advantage or disadvantage?
- Is customer advocacy a brand challenge as well as an experiential one?
- Can advocates be targeted and recruited as well as nurtured from your existing customer base?

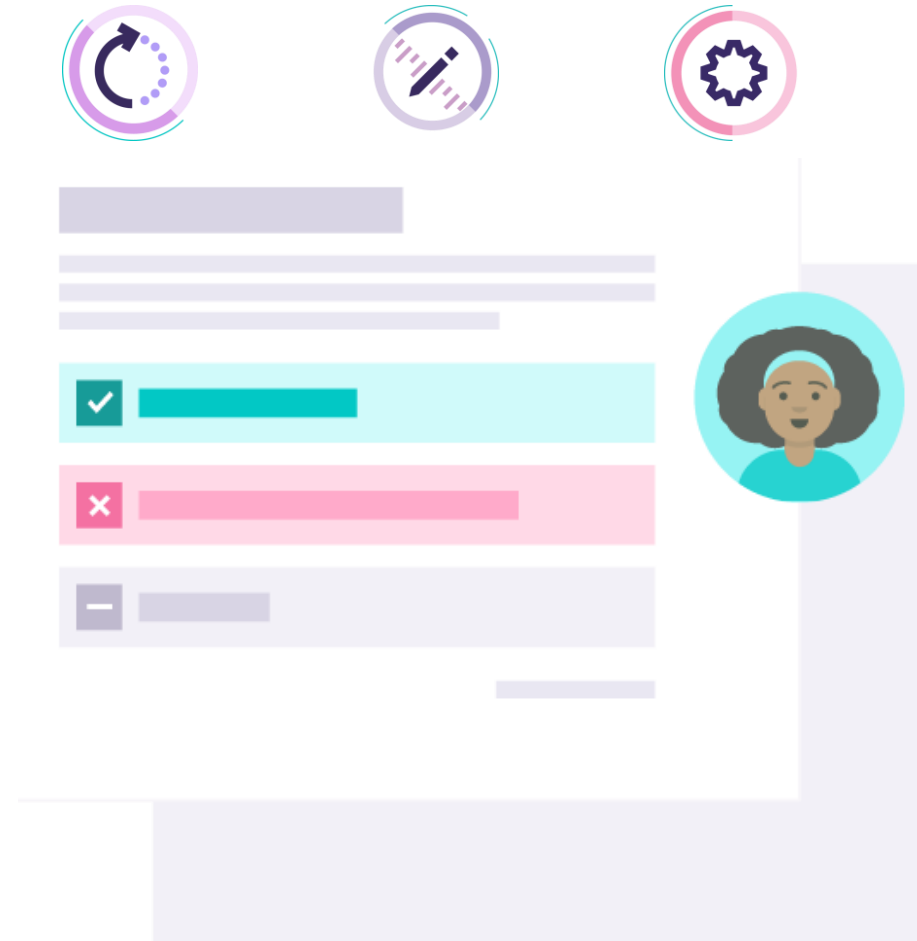


# How can YouGov help?



# Solutions

- Access connected data through YouGov Profiles and profile your existing customer base
- Reveal if your brand has an advocacy advantage or disadvantage.
- Access a robust and representative advocacy benchmark of the UK market.
- Support from sector experts who specialise in customer advocacy and brand tracking
- Explore the connection between customer advocacy and brand equity using YouGov Brand Index.





# Thank you

For further information about this research or to discuss any of our research solutions further please contact Sanjay Khandelwal using the contact details opposite.

**YouGov**<sup>®</sup>

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