

AccessBank Liberia, AB Bank Rwanda, AB Bank Zambia

The Customer Satisfaction Survey: Giving the Client a Voice

Strengthening Banks on Their Way Towards Customer Centricity

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II. Abbreviations

ABL	AccessBank Liberia
ABR	AB Bank Rwanda
ABZ	AB Bank Zambia
AH	Access Microfinance Holding AG
CNA	Customer Needs Analysis
CSI	Customer Satisfaction Index
CSS	Customer Satisfaction Survey

1. Background

AccessHolding operates a network of 10 banks and microfinance institutions in sub-Saharan Africa, Central Asia, and South America. The core business of most of the institutions has been the provision of business loans in urban and peri-urban areas. In countries where the institutions are more mature, increased outreach in urban and peri-urban areas has been achieved through alternative delivery channels and new balance sheet products. However, in Liberia, Rwanda and Zambia many potential clients reside outside urban areas. Outreach is constrained by factors such as poor infrastructure and high expenses for physical presence and it remains difficult to efficiently and profitably serve customers, especially in rural areas. AccessHolding is investing in digital innovation to expand its current customer base and to overcome problems of profitability and efficiency of servicing excluded segments. New products and services are developed through Design Thinking, placing customers' needs and expectations at the centre.

In a first step towards higher customer centricity, AccessHolding undertook to measure current customers' satisfaction in three of its banks: Liberia, Rwanda and Zambia. Measuring customer satisfaction is part of the wider toolkit of customer insight techniques to be developed. The customer satisfaction measurement will help AccessHolding Banks to focus on its customers, and will inspire and sensitize all staff of the respective banks to improve the customer experience and extend digital innovation.

2. Toolkit Development

The toolkit development included the design and conduction of a quantitative client survey to assess customer satisfaction (Customer Satisfaction Survey, CSS). This was facilitated by an external consultant, who supported and trained staff in the design and implementation of the assessment. The support included training on the job, to enable the banks to regularly conduct and follow up on customers' satisfaction. To enhance staff participation, a staff survey was developed and launched, aiming at sensitising all staff to increased customer centricity and to rethinking the approach to customer service.

2.1. Defining the Basics of Measuring

Customer satisfaction research has developed around two broad types of evaluations: (1) transaction-specific satisfaction and (2) cumulative satisfaction or an overall satisfaction concept. Whilst the traditional concept (1) considers satisfaction as a result of the immediate post purchase judgment or affective reaction, the more economic psychology-based approach (2) relates to cumulative satisfaction as customer's overall experience to date with a product or service provider. To develop a measurement of customer satisfaction for the AccessHolding Banks, it was decided to base the definition of customer satisfaction on the overall cumulative satisfaction.

Through interviews and group discussions with staff at various levels of the three institutions, a set of assumptions were established to relate e.g. price, service, reputation, etc. to customer satisfaction.

Measurement of satisfaction included both verbal and numerical scales to measure attitudes and expectations. It was decided to develop two main indicators (1) the Net Promoter Score (NPS) and (2) the Customer Satisfaction Index (CSI). The NPS was elaborated through asking respondents to rank their likelihood to recommend the bank to friends and family. The CSI is an index of three factors used to define the satisfaction with speed of service, knowledge of staff and bank's responsiveness to clients' needs.

As digitalization of financial services is a key objective of the near future of the three banks, the survey included questions about access and usage of mobile money and mobile banking.

2.2. Methods of information collection

It was agreed to gather the information through telephonic interviews which was seen as the fastest and cheapest alternative. The pilot survey in Liberia was to test whether clients face difficulties in answering and ranking closed-end questions over the phone, which can well be aided through visuals in face-to-face interviews. As clients understood complex ranking questions well, spoke freely on the phone, and were confident and willing to give their opinion during the pilot, the telephonic method was applied in all surveys.

2.3. Designing the questionnaire

The use of the telephonic method to collect survey data, plotted the maximum length of the questionnaire: Since telephone surveys may interrupt the personal time of the respondents, the questions were to take no longer than 15 minutes.

The 14 survey questions covered satisfaction with service speed, product and service satisfaction, satisfaction with service delivery, improvement ideas and responsiveness to clients' needs and the client's likelihood to recommend the bank. The survey additionally asked about access and usage of mobile money channels for banking needs.

3. Sample Selection

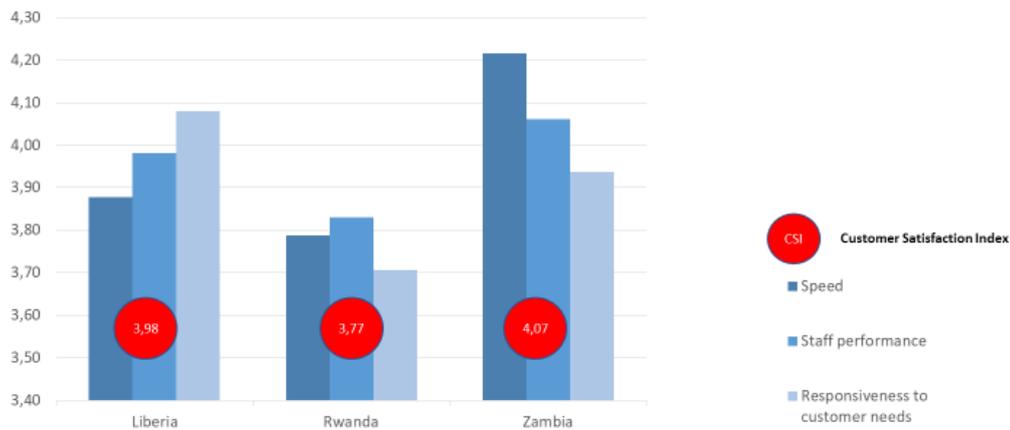
From September to November 2017, nearly 1,000 customers were included in the telephone survey in the three participating countries. (Liberia and Zambia: 361 respondents, Rwanda: 207 respondents). The use of a telephonic interviewing, allowed for a larger target sample than face to face interviews would have. The sample was randomly selected from the central client data base and consisted of both loan and non-loan clients, having at least one active account with the bank. Overdue clients or clients with blocked accounts were excluded to avoid a negative sampling bias.

In Liberia and Zambia, the sample helped minimise the sampling error to +/- 4.9%, (Rwanda +/-6.76%). The sample group included clients from four of the seven branches in Liberia and from all branches in Rwanda and Zambia. While the sample size is statistically representative at the institutional level, the sample size breakdown per branch is too small to represent each branch. However, specifically including branches and identifying and comparing their performance was important to enhance staff involvement and foster future branch competition.

4. Results

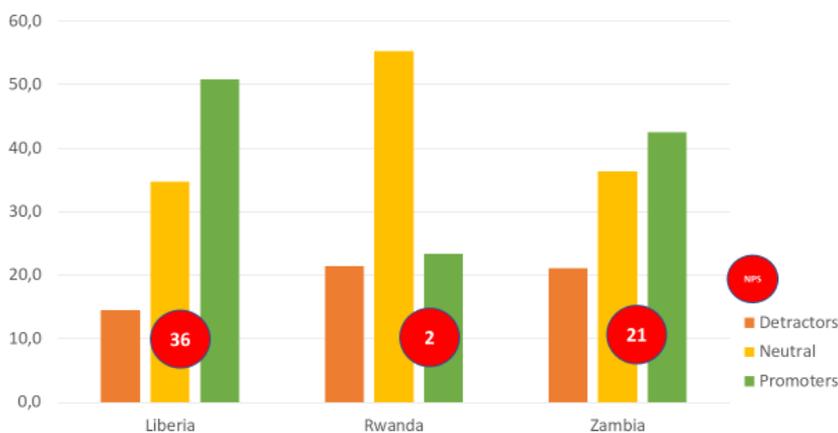
- **The Customer Satisfaction Index (CSI)**, calculated on the basis of satisfaction with speed of account opening, satisfaction with staff knowledge and felt responsiveness of bank to client needs, scored between 3.72 and 4.07 on a scale from 1 to 5. It is important to note that the CSI cannot alone determine overall client satisfaction as it is not built on numerical values but rather descriptive codes (1 very dissatisfied and 5 very satisfied).

Customer Satisfaction Index



- In global terms, a **Net Promoter Score** above 50 indicates that a company is doing great and anything below 0 should be of drastic concern. In the financial service industry, however the majority of institutions rank below 50. The three banks had NPS between 2 and 36.

Net Promoter Score (NPS)



- **Access to mobile money.** Whilst in Rwanda nearly all customers confirmed access to mobile money or mobile banking (96%), in Liberia it was not even half of customers (47.5%), and in Zambia the slight majority (55%). This enormous difference in access and usage of mobile money is a crucial factor of consideration for the introduction of the digital innovation as foreseen by the banks.

5. Lessons Learnt

- **Voice of the client:** In all three countries, clients were very content to comment on their satisfaction and gave numerous recommendations for changes. As client feedback in all markets is relatively new, clients were generally driven by curiosity to participate in the interview. A difficulty arose in keeping clients focussed on the fourteen pre-defined closed-ended questions

and to incentivise ranking and grading questions. The overall response rate was higher than predicted, and clients answered more openly than expected. The survey also turned out to be an ideal tool for conducting 'awareness' of clients about their relationship to the bank.

- A **large amount of information** gathered during the interviewing, is not recorded into the multiple answer-style questionnaires. To benefit from this information, each interviewing day ended with a feedback and round up session. It is essential that the project managers participate in these sessions to forward relevant information to the various departments. This function will be essential in leading the journey to more customer focussed banking and design thinking.
- **Making use of internal client data.** Some internal data was used to run analysis of the information gathered through the CSS. However, a more consistent analysis of internal and especially transactional data, will improve the understanding of clients and will facilitate the interpretation of CSS results.
- The **research process needs to be formalized** and anchored into the structures and processes of each of the banks. It has been decided by AccessHolding to measure Customer Satisfaction regularly and make it one of the key performance indicators. For the replication of the CSS, it is important to delineate the research methods, the questions, and sample selection, to allow for comparison over the years.
- The **follow up process of the results of the CSS** is of core importance and demarcates the steps ahead for all banks. Whilst the CSS gives insights around customer satisfaction, a road map must be elaborated to meet client expectations and thereby improvement of customer loyalty. It is important to clearly outline how increased satisfaction is to be achieved, to be able to measure success of the initiative during the next CSS. An action plan must be created that clearly outlines the issues that need to be addressed as well as the root cause of problems and barriers that could stop improvement taking place. Resources must be allocated, and measurable targets must be set to track progress.

6. Conclusion

CSS is a powerful tool that gives all banks of the AccessHolding network meaningful insights into client satisfaction. To be able to adjust products and services to increase satisfaction, more information on the behaviour, needs and expectations of customers must be gathered. This information gathering needs to be integrated into the processes of each of the banks and should happen regularly.

Getting an understanding of customer satisfaction on a regular base would help the banks to improve their customer value proposition and define a sound customer centric strategy. Over time various projects will contribute to improving customer satisfaction (e.g. the comprehensive Customer Care approach currently implemented).

The next step ahead for AccessHolding is a Customer Needs Analysis, which shall be conducted shortly. But whilst surveys provide the insights that show where attention is required long lasting improvements with regards to increased customer satisfaction and adjusted product development will only materialize once the banks have adopted the survey-result-to-action approach which likely requires cultural change and setting up additional functions to nurture, monitor and follow-up on a customer-centric business attitude.