

KPMG's Annual Banking Industry Customer Satisfaction Survey (BICSS) - 12th Edition

Since 2007, KPMG's annual BICSS has examined the performance of banks relative to the experiences, preferences and needs of their customers. In this year's survey, we spoke to 25,770 retail customers, 3,590 SMEs and 420 corporate organisations. The selection of customers in the wholesale banking segment was driven by a need to ensure inclusion of organisations in each major business sector. Retail respondents were selected to reflect the country's demographic and geographic diversity.

Key highlights

The evolution of the Nigerian banking industry is happening faster than many realise. Growing customer expectations – often set by their best experiences from other industries, new technologies and the regulatory environment have opened the door to competition from within and outside the financial services sector and undoubtedly created a constant pressure for banks to catch up. In this year's survey, we saw a dip in customer satisfaction index in the retail segment even amongst some of the leading banks that have historically performed well.

An increased focus on value

Customers express value as more than just the price paid for a service and indeed define value for money as a fair trade-off between fees and perceived quality derived from the product or service. This year's survey reveals that customers are increasingly focused on value from their banking relationships which is not unexpected given the economic landscape. Double-digit inflation and rising consumer goods prices mean that customers are broadly more conscious of their finances. While eighty percent of retail customers ranked value for money as extremely important to them, only twenty-five percent were very satisfied with this measure compared to forty-four percent in 2017.

Younger customers and those with higher incomes express value in terms of extended propositions beyond basic transactional services. However, banks that are unable to cross the threshold of integrity and reliability will find it difficult to convince customers to buy into other value-added services. For SMEs, access to finance remains a critical challenge with seven-in-ten SMEs saying they are not satisfied with their banks in this area.

Digital: not an all-or-none proposition

Convenience is now a basic requirement from financial services providers especially as digital adoption continues to grow and newer technologies emerge. App-based mobile banking and USSD lead the way with adoption rising from 48% and 41% last year to 55% and 59% respectively this year.

While digital is no longer a luxury, we find that it is not an all-or-none proposition. Only about two percent of customers say they use digital channels exclusively, compared to at least sixty-five percent of customers who use a mix of physical and digital channels. These customers switch between channels, depending on their needs and preferences at any point in time and what is available on a particular channel. These trends emphasise the need for banks to take a universal view of the customer journey and account for touch points that customers experience across both digital and physical channels.

Top 5 Customer-focused Banks

Retail	SME	Wholesale
76.2 Zenith	75.8 Zenith	78.8 Citibank
74.5 GTBank	75.1 Access	75.2 GTBank
72.8 FCMB	74.1 FCMB	74.3 Zenith
72.7 Access	73.7 Diamond	72.4 Fidelity
72.7 Diamond	73.6 Sterling	72.3 Stanbic

Continued relevance of human interactions

As digital shapes the customer experience, we continue to see the value of human interactions as customers seek conversations with their bank to resolve critical issues. Seven-in-ten retail customers ranked staff willingness to assist as an extremely important factor.

For corporate customers, a deep understanding of their business needs continues to be important to strengthening the banking relationship. However, less than half of corporate customers were very satisfied with the quality of their bank's relationship management.

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The annual Banking Industry Customer Satisfaction Survey (BICSS) is a publication of the Management Consulting practice of KPMG Advisory Services. The Management Consulting practice provides strategy, business transformation, digital transformation, data analytics, program management and human resources advisory services.

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