

KPMG's Annual Banking Industry Customer Satisfaction Survey (BICSS) – 8th Edition

The KPMG BICSS was launched in 2007 to heighten the consciousness of service delivery among Nigerian banks. This year, we have again expanded the scope of the survey to 28 locations across the country covering about 20,800 retail customers, 3,500 SMEs and 400 corporate/ commercial organisations.

Customer selection across the business segments i.e. corporate/commercial and SME was driven by a need to ensure inclusion of companies in each major business sector. Retail respondents were selected to reflect the major demographic and income groups through a random sampling approach that ensured representation across the various locations in Nigeria. The Customer Satisfaction Index (CSI) is composed of five key factors - Convenience, Product/Service Offering, Transaction Methods and Systems, Pricing and Customer Care.

Key Highlights

This year, there was an improvement in the CSI across the three major customer segments which reflects the banks' continued investments towards enhancing service quality and creating better customer experiences. Notably, the gap between the top and lowest ranked banks in the retail segment – at 7 percentage points – has never been closer. For the corporates and SMEs, the turnaround time for processing transactions was the most important service measure; while limited knowledge and understanding of customers' businesses is the area requiring the most improvement from banks.

For the second year in a row, excellent customer service trumped financial stability as the primary reason for maintaining banking relationships for retail and corporate customers. More than half of the customers that will switch banks will do so because of service quality issues. Clearly, the quality of customer experience will continue to be the key competitive battleground for Nigerian banks.

Convenience is key to customer satisfaction

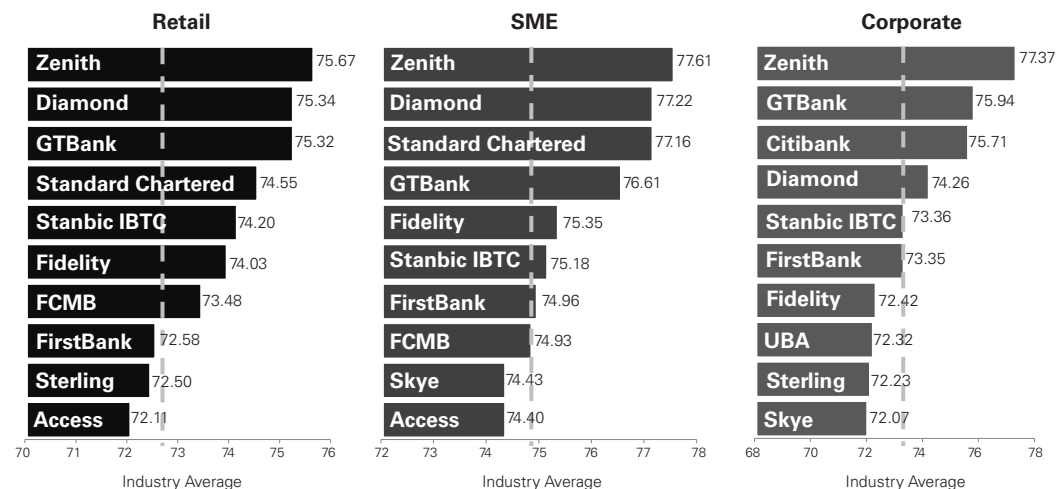
As banking services become ubiquitous and customers more sophisticated, convenience either via branches or ATMs will remain at the heart of customer interactions. In the last year, the proportion of retail customers using the ATM increased from 84% to 91%, while branch usage at 96% remained largely the same. Six-in-ten customers visit the ATM weekly compared to three-in-ten for the branch. Similarly, there has also been a further rise in adoption of other channels – POS (15% to 27%), internet banking (13% to 18%), mobile banking (10% to 14%) and mobile payments (6% to 8%). We believe there is great potential for the usage of alternate channels with better education of the customer population and resolution of the current infrastructural challenges.

Convenience was also the major theme for Nigerians in the Diaspora who maintain local banking relationships. Majority of the respondents selected the ease of use of the internet banking platform as the most important factor in their banking relationships, followed by the quality of customer service. For banks looking to target non-resident Nigerians, effort should be made in simplifying the account opening process and improving complaints resolution as these were the most common hassles for Nigerians living abroad.

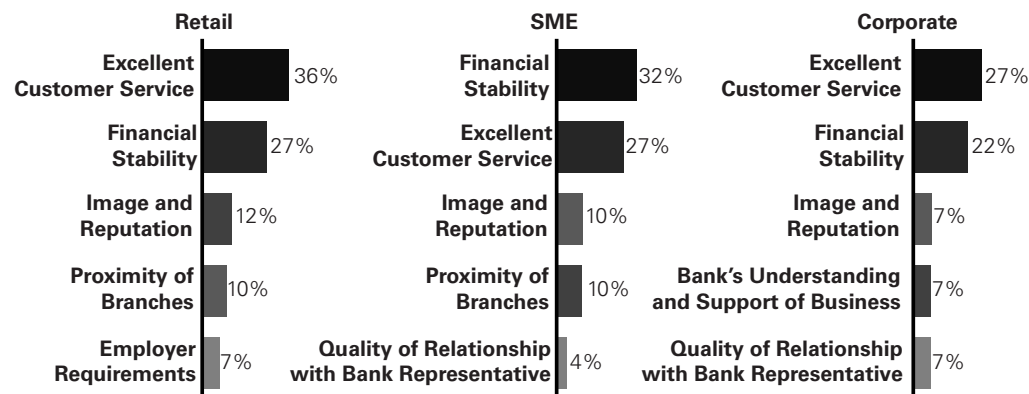
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The annual Banking Industry Customer Satisfaction Survey (BICSS) is a publication of the Management Consulting practice of KPMG Advisory Services. The Management Consulting practice provides strategy, business transformation, technology, project management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

Top 10 Most Customer-Focused Banks



Top Reasons for Maintaining Banking Relationships



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