

KPMG's Annual Banking Industry Customer Satisfaction Survey (BICSS) – 10th 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 29 locations across the country covering over 28,000 customers across segments. Customer selection in the wholesale banking segment was driven by a need to ensure inclusion of companies in each major business sector. Retail respondents were selected to reflect the 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, Executional Excellence, Value for Money and Customer Care.

Key Highlights

Since our last survey, Nigerian banks have had to navigate through a turbulent operating environment with major unnerving headwinds driven by deteriorating macroeconomic fundamentals and strong regulatory dynamics. Now more than ever, banks have to ensure full regulatory compliance while maintaining a delicate balance for survival and profitability and all of these is in an era where competition is rife and customer service expectations are becoming anything but ordinary.

Digital payments continue to grow but cash is still king

It's no longer news that consumers are increasingly completing their banking transactions and general purchases via mobile devices and platforms. Three-in-ten customers have adopted mobile and online banking, slightly up from two-in-ten customers in 2015. However, with the rise of digital adoption by businesses and individuals, our survey finds that about 70% of customers still fulfil regular payment transactions such as utilities (power, water etc.), cable TV, airtime recharge etc. using cash. Another evidence of the predominance of cash is the frequency of ATM usage - seven-in-ten customers use the ATM weekly far ahead of other channels including the branch.

Understanding customer preferences key to driving digital adoption

As banks look to reduce the cost-to-serve and improve customer experience by migrating customers to digital channels, feedback from customers reveal a significant gap between current usage and customer preferences. While 92% of customers still make cash deposits/ transfers and lodge their complaints in branches, over half of them have indicated a preference for other channels (internet, ATM, mobile and contact centre). Poor customer experiences, unmet expectations and inability to deliver truly end-to-end digital offerings are common reasons for shunning digital channels. If banks are able to deal with these challenges, they can transition customers fairly easily from brick and mortar branches to digital options.

Consistent customer experience key to winning the loyalty war

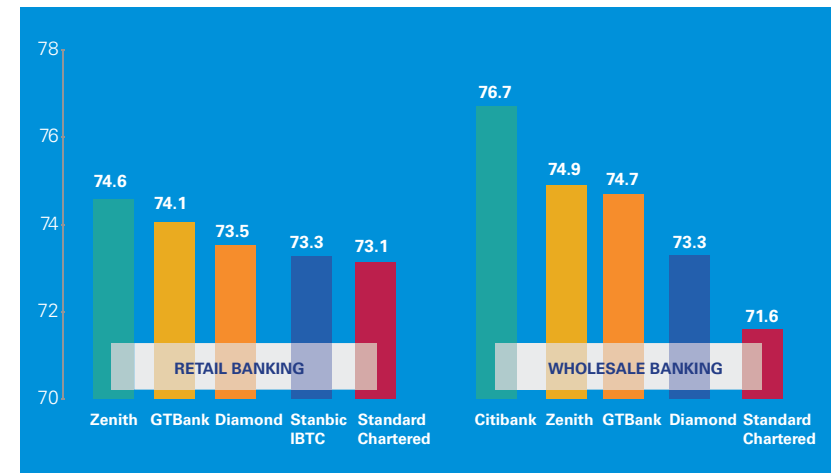
With the current challenging state of the economy, banks are facing pressures to cut cost with consequent impact on the service levels customers have become accustomed to in recent years. An inherent risk is declining loyalty, particularly for banks who have yet to truly differentiate themselves on the basis of excellent customer experience. Already, 9% of customers expressed willingness to switch their banks (up from 7% in 2015) for reasons ranging from poor handling of requests and complaints to increasing bank charges. With three-in-ten customers having more than one active bank account, the ease of switching primary banking relationships becomes easier when service delivery levels are impacted in one bank. Furthermore, we have seen that retail customers are less likely to recommend their banks to others this year (47% compared to 53% in 2015). Similarly, corporates are also less likely to recommend their banks (67% compared to 72% in 2015) as they demand more effective and timely complaint/ issue resolution as well as timeliness of transactions processing.

The views and opinions expressed herein are those of the survey respondents and do not necessarily represent the views and opinions of KPMG. The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Threshold for minimum respondents have been set for each broad customer segment to ensure the data is statistically robust. Thus, banks with number of respondents not meeting the minimum threshold – in each segment – have not been rated. This does not by any means suggest that their performances are not comparable to the rated banks

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 5 Customer-Focused Banks



Top 3 Reasons for Maintaining Banking Relationships



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