

MicroSave Briefing Note # 110

Managing Channel Satisfaction in Agent Banking

Minakshi Ramji, Ritesh Dhawan and Sachin Bansal

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Introduction

M-banking is at a nascent, yet still promising, stage. On-going pilots demonstrate that while clients are quick to open accounts, most of these accounts tend to remain largely inactive. Further, many agent network managers (ANMs) report the difficulty of selecting, training and retaining a cadre of agents who provide the front-end for m-banking customers. ANMs seeking to increase the volume of business for their companies need regular feedback from the frontline regarding the preferences and satisfaction of their clients and their channels. This is because of the critical role that these two stakeholders play in the uptake of services and products.

ANMs should conduct this type of market scanning on a continuous basis as a core business process, but particularly while refining a prototype, expanding to a new area or targeting a new clientele. Since m-banking is still new globally, it would be worthwhile to undertake such an exercise with a small client and agent sample on a regular basis, e.g. quarterly for start-up, or monthly for larger agent networks.

In order to assess client and agent feedback on areas such as product, marketing, processes, agent and customer service, *MicroSave* devised a tool called the Customer and Channel Satisfaction Measurement and Management (CSM).¹ It makes use of tailored market research, ServQual and qualitative participatory research appraisal (PRA) tools.² These techniques make use of a qualitative and conversational approach rather than a quantitative approach. The qualitative approach allows us to attain rich and detailed information on client and agent attitudes and preferences. In the context of a CSM, a quantitative approach would be able to provide numbers, but would be unable to explain the numbers and the human financial behaviour underlying them satisfactorily. This Briefing Note focuses on the Channel Satisfaction Measurement and Management, particularly examining the areas where an agent's perspective is critical. The next Note in this series talks about the issues of importance from the client's viewpoint.

Rationale for CSM with Agents

Many ANMs have had trouble with building and maintaining an effective agent network. Essentially, agents are often a forgotten customer when it comes to m-banking. Agents have opportunity costs of running their existing business or taking on the m-banking business. If the ANM does not provide these agents with adequate support and present a real business opportunity, then they will either quickly move onto other business opportunities or simply lose interest.

CSM: A Three-Step Process

- **First Step:** The service provider must clarify the goals of the CSM, including the reason for the CSM and how the information will be used.
- **Second Step:** Design CSM discussion guide for the agent and client.
- **Third Step:** The service provider can use the results to make "quick win" adjustments and also strategise about more significant areas of improvement.

Thus, CSMs are essential to understand and retain agents. A CSM exercise with agents can also help the ANM understand client take-up and problems since they interact with customers on a daily basis. Furthermore, CSMs are essential to complement any existing agent support systems including call centres, ANM staff visits and others. Call centre agent support systems in particular, whether reactive (in response to call first by agents) or proactive (calling agents regularly) are inadequate to gain a detailed and nuanced understanding of agents' and customers' perceptions. A CSM provides invaluable qualitative information on both channel health and customer satisfaction to the ANM management.

The central idea of CSM is to understand the ground reality within which the product has been rolled out, and help ANMs modify their business strategy, as needed. As one report puts it, "Measuring satisfaction is one thing; managing satisfaction is another - and this should be the aim."³ Prior to a CSM exercise, the ANM must consider the rationale for the exercise, ensuring a focused exercise yielding results that will be of greater use to the ANM. Using *MicroSave*'s experience, below we highlight some areas where understanding agents' perspective is critical. Consequently, these areas must be included while designing any CSM tool.

Product: Attractiveness of Key Product Features

Since the agent sells the product to the client and is the primary interface between the client and the product, it is important to understand his perspective on the product and delivery method. The CSM with agents broadly touches upon the following:

- How would he characterise demand for the product?
- What challenges does he face in selling the product?
- What features do clients like/dislike?
- How appropriate are the charges?

¹ See *MicroSave*'s [IFN 38: Listening to Agents of M-Banking in India](#)

² See *MicroSave*'s [Market Research toolkit](#)

³ [Thijs & Staes \(2008\). "Customer Satisfaction Management" European Institute of Public Administration.](#)

Commissions: Adequacy and Appropriateness

For obvious reasons, commissions are the primary driver for agents to conduct business. Thus, the agent's view on the following should be explored:

- Does he understand commission calculations?
- Does the agent consider the commission to be appropriate and enough to motivate him?
- Does he receive commissions in a timely manner?
- Does the agent have access to information regarding the current status of his commissions?

Process: Maximising Efficiency and Minimising Risk

Often, agents have the responsibility of explaining not only the product, but also the process, to the clients. At the outset of product rollout, agents sometimes actually conduct the transactions on behalf of customers. Furthermore, feedback on cash management, an important function, needs to be gathered. Thus, the agent's feedback is critical on the following:

- How easy or difficult is account opening?
- What is the time taken to process account opening?
- How does the agent maintain operational records?
- Has he had to deny service due to lack of cash?

Training: Effectiveness and Relevance

Agents undergo training to be able to offer the m-banking product adequately. Understanding training needs is critical and the CSM must touch upon:

- How comprehensive was the product training?
- Agent suggestions to make the training more relevant and effective.
- Are there any specific areas not touched upon which you would like to be trained on?

Operational Support: Care and Attention

Agents, especially new ones, need intense operational support from the ANM. This could be related to hand-holding for new agents, helping agents handle client grievances or providing technological support. A CSM can help the ANM understand the levels and kind of support required and agents' assessment of the support currently provided by asking questions on:

- How adequate is the agent care or support available via phone, face-to-face and otherwise?
- Does the ANM support all or most of the agent's queries?
- Do ANM staff members visit agents regularly?

Marketing: Campaign and Material Effectiveness

Marketing efforts in m-banking need to be focused to ensure effectiveness and to increase customer acquisitions. The CSM must ask agents about the extent to which marketing is achieving its goal such as:

- How do the clients find out about this product?
- How helpful do you find promotional events?
- How are marketing materials such as posters, banners displayed? How does the customer react?



Pawan Gupta is an agent for an ANM in Bihar, India. He believes that at this initial stage of his agent business, marketing of the product is the most important investment. He has even taken the initiative to print posters and create small boards to market the savings bank account by spending about Rs.1,000 of his own money. He believes that due to these efforts at least five new people inquired about the product, but most potential customers still lack knowledge of the product, preventing them from signing up. He wishes there was better marketing support from the ANM and bank, especially explaining the relationship between the bank and the ANM.

- What kind of 'below the line' or face-to-face marketing efforts are undertaken? To what extent have they helped in customer acquisition, etc.?

Communication: Timeliness and Accuracy

Clear and transparent communication between the agent and the ANM assists in building the agent's confidence in the product and the organisation. Agents should be able to communicate their issues and concerns to the management easily, while simultaneously receiving information from the organisation. The agent's views should be gathered on the following topics:

- How do agents and the ANM communicate?
- Is communication timely, accurate and understandable?

Ability to Service Clients

It is also important to understand the kind of service the agent is able to provide. This can answer two dimensions. Firstly, it is useful as a self-assessment. Secondly, it helps the ANM understand the volume and level of service s/he can provide the client given the product features. This section can cover questions on:

- About how many new accounts are there weekly?
- What is the average volume of withdrawals/deposits that the agent services on a daily basis?
- Do you face any problems in servicing requests?

Conclusion

CSM is a qualitative tool to collect information from two of the most important stakeholders in m-banking—agents and clients. Without adequate support, agents will quickly become disinterested. A CSM exercise is a great tool to understand the agent's perspectives on products and client take-up and thus, optimise the on-the-ground reality. This Note covered the major areas where an agent's input would be valuable to ANMs, the next Note deals with collecting information from the customers. See *MicroSave India Focus Notes 81* and *82* for examples of how the CSM was used in practice.