

MicroSave Briefing Note # 111

Managing Customer Satisfaction in Agent Banking

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Introduction

This Briefing Note is part of a two-part series on obtaining inputs from agents and customers on the mobile banking experience to improve field operations and overall strategy. The previous Note dealt with areas where an agent's input is invaluable; this note deals with customers' views.



Using *MicroSave's* experience, the following areas necessitate understanding the customer's perspective to improve m-banking solutions.

Product: Easy To Use and In Demand

As was described in the previous note, it is important to ensure that the m-banking service being offered meets the needs of customers and to understand their views on the existing product(s). For example, while the No Frills Account (NFA) in India tries to help the financially excluded clients to access formal financial services, low awareness levels and poor design have led to very low take-up. This example underscores the need for understanding the customers' perspective on the m-banking product on an on-going basis. The Customer and Channel Satisfaction Measurement and Management (CSM) with the customer should focus on:

- How useful do you find the product?
- Are the transaction limits adequate?
- Why did you sign up for the product?
- Does the product meet your expectations?
- Are there any other products you would like?

Process: Simplicity in Operating Procedures

It is essential that the procedures for using m-banking be simple and user friendly. Un-banked customers are already unfamiliar with formal banking, and m-banking adds another layer of complexity, as it is a technology that is also new to most of the target clientele. One of the major barriers to banking has been the procedures involved in accessing an account (mobile or not). Thus,

in order to learn how comfortable customers are with processes, the CSM should probe customers on issues such as:

- How easy or difficult is it to open accounts? Why?
- How easy or difficult is it to deposit and withdraw cash at the agent's location? Why?
- How easy or difficult is it to deposit and withdraw

Customer CSM Interview (January 2010)

Name: Sushil Sharma

Profession: Businessman

Place: Sheohar, Bihar, India

Sushil Sharma is an automotive parts dealer in Sheohar. He has opened three Eko SBI accounts for his family. He was fascinated by the idea of an SBI account on his mobile phone, as he was in need of such a convenient account to meet his business needs.

Uses of Eko SBI account

- Making payments to his suppliers who have Eko accounts. "*Yahan baithe baithe sabko paisa transfer kar sakte hain*" (I can send money to my suppliers without moving an inch.)
- Receiving payments from his customers in another town. This saves money and time for Sushil, who earlier had to travel long distances on his bike in order to make collections.
- Small savings for the household.

Problems faced:

(The White highlight indicates the problem was subsequently solved by Eko/SBI)

- **Process:** He wished that he was able to transfer money to all his merchants directly without any need to visit Eko's agents or customer service points (CSPs).
- **Product:** He wants enhanced limits on transaction amount limits. On some days, when he has to transfer large amounts, the limit poses a problem for him, so the only solution now is for him to open additional accounts in other family members' names.
- **Service:** As he uses a non-Airtel number, there was always delay in receiving confirmation message for transactions. He was neither able to check his balance, nor call customer care.
- **Service:** For higher withdrawals, he has to visit 2-3 CSPs, as a single CSP is not able to meet his needs due to their lack of liquidity. On the other hand, he also says that now there is competition between CSPs, with CSPs aggressively requesting him to visit their counter.

cash using mobile phone? Why?

Service: Care and Attention Provided By Agent¹

The agent is the primary interface between the ANM and the customers. His/her ability to sell the product influences customer acquisition, and his/her ability to explain critical features and procedures ensures usage. At the outset, s/he explains the product to customers and sometimes even physically shows them how to conduct transactions. Thus, the customer's experience is largely determined by the agent. Accordingly, the CSM must try to understand the following:

- Is the customer able to trust the agent?
- How easy or difficult is it to locate and approach the agent?
- Does s/he provide timely, professional and courteous service?
- Is the agent knowledgeable on all the m-banking services and products?

Tangibles: Appearance of Physical Facilities, Equipment, Forms, etc.

An important part of the customers' experience is ensuring that they are comfortable in the location in which they conduct the transaction and that they are provided clear and transparent documentation. This ensures that the customers come back for repeat transactions, which increases their comfort level with the channel. The CSM should ask questions related to:

- Does the counter at the agent's location have enough space (and privacy) for the customer to complete transactions?
- To what extent does the instruction manual help to clarify doubts?
- Does the customer receive a receipt for the transaction or receive an SMS confirming the transaction? Is this easy to understand?



Costs/Charges

The cost of the service will play a part in determining the extent to which customers will use it. In addition, there may be additional services that customers may want to pay for, such as cheque deposits or account

statements, or there may be existing services for which customers are not willing to pay. Thus, the CSM should probe around the following issues:

- Does the customer understand all the charges related to this product?
- Does the customer feel the charges are reasonable?
- How do customers find out about the revisions made to charges from time to time?

Marketing and Communication: Effectiveness of Promotional Efforts

Most marketing efforts in the mobile banking world rely more on face-to-face communication and other 'below the line' marketing efforts. Given that ANMs tend to be careful about resource allocation for marketing, they benefit from understanding how customers find out about their product and which of their marketing efforts have been most successful. In order to understand, the CSM must include questions such as:

- How did the customer find out about this product?
- How easily comprehensible/attractive did the customer find the communication about the product, its features and pricing?

But CSMs look so hard and expensive. Not necessarily!

MicroSave has been able to carry out CSMs for partners in a very simple and relatively inexpensive manner, requiring the following resources, on average:

- 4 staff
- 2 weeks for collecting and analysing the data
- 20 agents and 40 customers

See India Focus Notes [81](#) and [82](#) for examples of how the CSM was used in practice.

Conclusion

This Note discusses the design and implementation of a CSM exercise which seeks feedback from m-banking customers on important areas that influence take up and on-going use of services. These areas should include (but not be limited to) the product, cost/charges, marketing, process and service provided by the agent. While there are many ongoing m-banking pilots, few have shown capacity to be taken to scale. The CSM is a good way to understand the extent to which the product is satisfying customer concerns and make amendments accordingly. When conducted in conjunction with a channel or agent CSM,² which obtains feedback from agents, the resulting data can prove to be a powerful tool to enhance the value proposition of the m-banking product.

¹ This Briefing Note focuses on agent enabled m-banking as practiced in developing countries.

² Described in the previous [Briefing Note # 110](#)