

Customer Service Strategy

Overview

MicroSave's experience with its clients demonstrates that customer service can be one of the key differentiators for an institution, particularly in a competitive market. Since many financial products are relatively similar and intangible, customers will often judge by the services provided. They will seek out institutions that can meet their service requirements. It is clear that to stand out from the competition the institution must have more than a friendly, welcoming staff.

In fact, customer service depends on a wide range of variables, including:

- *Product/service range* - not only the core products and services offered, but also the additional services (such as customer rewards and incentives) as well as the delivery augmentations outlined below.
- *Delivery systems* - systems need to be efficient, effective, responsive and reliable, mass services are typified by limited contact time and a product orientation.
- *Delivery environment* - the location of branches and their opening hours, as well as their physical layout and design, and atmosphere – space, colour, lighting, temperature etc. – in the branches.
- *Technology* - often integral to a product – for example ATMs or card-based savings accounts.
- *Employees* – the staff's role in providing excellent customer care cannot be overstated.

There are always hundreds of steps that an FI can take to improve customer service, challenge being to identify which steps the FI should take. As part of the ongoing customer service improvement process, FIs can analyse the high impact, low cost steps available in order to identify the "quick wins". MicroSave's approach to customer service involves using a variety of market research tools to examine the perceptions and priorities of the clients and staff, as well as a comprehensive diagnostic and analysis tool built around the "8Ps" of marketing: Product, Price, Place, Promotion, People, Process, Physical evidence and Position. The diagnostic tool is administered to senior management and frontline staff over a period of two days during which they assess the frequency and impact of occurrence of a series of customer service related issues within the "8Ps" framework ... and analyse the optimal response to these.



Through this service we provide user-friendly tools to help financial service providers optimise their customer service by identifying and addressing front- and back-office issues that directly affect the customers' experience using the

institution's services and products. It is not training for frontline branch staff on customer service skills, but instead a focused approach on developing an overall customer service strategy for a financial service institution.

Benefits

There are five compelling reasons why excellent customer service must be a “prime directive” for any market-led FI:

- Good service keeps customers.
- Good service builds word-of-mouth business.
- Good service can help you overcome competitive disadvantages.
- Good service is easier than many parts of your business.
- Good service helps you work more efficiently.

Some of the “quick wins” identified and implemented by *MicroSave's* Action Research Partners include:

- Equity Bank in Kenya and Kenya Post Office Savings Bank have developed and implemented comprehensive **customer service strategies** identifying key drivers of customer satisfaction/“delight”, strategies for addressing these and systems for monitoring performance across the organisation.
- Teba Bank in South Africa, Equity Bank, Kenya Post Office Savings Bank, Tanzania Postal Bank, FINCA-Tanzania, Centenary Bank in Uganda, FINCA-Uganda and Uganda MicroFinance Limited have all **simplified procedures** to significantly speed up processing time as a result of process-mapping exercises.
- Teba Bank and Equity Bank have introduced **dedicated customer service/enquiry staff** to reduce the number of people queuing at the tellers' counters to make enquiries.
- On the basis of *MicroSave's* assessment report, Sonata in India made policy changes related to **product design and delivery processes** to enhance their customer service and to standardise policy for both the operational areas.
- Equity Bank has implemented large “**salary boards**” to allow clients to see at a glance if their salaries have been credited to their accounts - without queuing to ask the tellers.
- Customer service assessment by *MicroSave* led Equitas in India to develop a **new top-up loan** to respond to clients' demands.
- Uganda MicroFinance Limited has developed an **employee relationship management** programme.
- With increasing competition, the importance of integrating customer service has significantly enhanced in the recent years. *MicroSave* has helped organisations draft their institutional customer service strategy during the training sessions with KGFS, Sonata in India and with ASKI, TSKI, TSPI and OK Bank in the Philippines.
- *MicroSave* worked with Equity Bank to examine and optimise its **customer service across the nationwide agent network** it established to deliver its services through its electronic and mobile banking channel. *MicroSave* built agent assessment and customer satisfaction systems to allow the bank's head office team to assess and get deep insights into customer service on a regular basis. Within a year and a half its launch, the e/m-banking channel was already handling a third of the bank's transactions – a testimony to power of convenient customer service!



Develop a real competitive advantage, build customer loyalty and word-of-mouth marketing, reduce drop-outs and increase your sustainability through excelling in customer service!