

MicroSave India Focus Note 82

Lessons from CSMs: Customer Perspectives

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Introduction

This Note is the second of a 2-part series on obtaining feedback from agents and customers on their experiences of mobile banking. This Note focuses on feedback received from customers on the product offering, customer service, and the processes involved in m-banking, all important aspects of product acceptance and usage. The information in this Note was collected during several Customer and Channel Satisfaction Measurement and Management (CSM) exercises with Eko India Financial Services (Eko), a business correspondent network manager (BCNM) for State Bank of India (SBI) and ICICI Bank in Delhi and Bihar, over an 18-month period.¹

Asif Mohammad, 25, opened his account in Delhi in a mobile recharge shop. He deposited Rs.100 at the time of account opening. He called customer care and confirmed the deposit. When they confirmed, he felt that he could trust the channel. As a result, he deposited Rs.500 on the spot.



Trust

The importance of trust and customer relationships in building m-banking networks cannot be overstated. The CSMs conducted with Eko customers found that they have high levels of trust in Eko customer service points (CSPs) and the product. From opening an account to completing transactions and checking one's account balance, Eko customers reported that processes are easy and simple. This is the first step towards building trust in the product.

Customers particularly expressed high levels of trust in Eko CSPs. One customer stated, "Abhi to bahut accha lag raha hai, koi dikkat hota hai to main sharma medical mein jakar baat kar leta hoon aur unhe to hum pehle se hi jaante hain." (I really like this service so far, if I have

any problems I just tell Sharma Medical [the CSP], whom we already knew.) Agents are typically shopkeepers who have a long association with customers. In fact, many customers reported opening accounts based on the recommendation of the CSP. Such is the trust in the CSPs that some customers even leave cash with the CSPs when the transactions are delayed due to over-crowding at the CSP's shop or technical problems, expecting the CSP to complete the transaction in their absence. It is observed that customers even give their four digit secret pin to the CSPs to complete the transactions. While customers need to be sensitised about the potential risk in these last two examples, it certainly speaks about the level of trust between customers and CSPs.

Another aspect which instils high levels of faith in Eko is the association with a bank as well-known as SBI. One customer said, *Vaise to mujhe poora bharosa hai, aur phir SBI hai na!*" (I have full faith in this product, and in addition, it's with SBI!) The provision of instruction manuals and the transaction key booklet also make customers feel that their transactions are secure.



Sukhi Sharma, a vegetable vendor, had been a customer for one month at the time of the interview. He had already completed 76 transactions totalling about Rs.35,000 (about US\$778).

He deposits Rs.330 every day in his account. He also has a recurring deposit (RD) account of Rs4,250 per month. This month he is planning to pay this from his savings in his Eko account.

Convenience

Many customers reported that having access to an Eko account motivated them to save more often because of the ease and convenience of the product, as in the case of Mr. Sharma in the box above. One other customer remarked, "Main jitna bhi kamata tha pehle ghar le jaata tha aur poora kharach ho jata tha par abhi SBI-Eko mein bagal mein har din bachat kar deta hun kyunki yeh itna aasan hai". (Earlier I used to spend whatever I was earning, but now I can save a small amount next door, almost daily as it is so easy.) Eko's account is convenient for small deposits and withdrawals as most

¹ For more information about CSMs, see Briefing Notes # 110 "[Managing Channel Satisfaction in Agent Banking](#)" and # 111 "[Managing Customer Satisfaction in Agent Banking](#)".

CSPs are located close to customers' homes, and customers do not have to wait in queues or understand the drawn-out procedures of banks. Many other aspects of the product promote convenience for the customer, these include easy withdrawal, longer CSP hours and call-centre support.

The Remittance Product

Many of Eko's customers in urban areas are migrants. As a result, there has always been a strong demand for remittance services through Eko, a fact noted consistently in CSMs. Eko has since worked with its partner banks to create successful new products such as SBI direct-to-core (D2C) banking transfers (direct deposit into another SBI account not connected to Eko). This product has seen significant growth since its introduction in August 2010. A total of Rs.8.7 billion (US\$19.333 million) worth of remittances have been sent via the SBI DTC product in FY2011.²

During CSM exercises, customers said that the D2C product has led to greater convenience since they no longer must wait in a queue at bank branches. Many customers noted that bank staff themselves have guided customers towards Eko CSPs for remittances. This also helps to build trust with such a tacit endorsement from bank staff. Several CSPs also reported that many D2C customers have expressed interest in opening Eko savings accounts as a result of their experience with the Eko-SBI D2C product.

An issue which has arisen as a result of D2C service is the need to provide customers a receipt for transfers. Customers, especially those who transfer large amounts, desire some proof of the transaction, and some CSPs offer their own paper receipts. *MicroSave's* research does show, however, that while it may be needed in the beginning, 70% of m-banking customers tend to give up paper receipts in favour of SMS confirmations after six months.



Wallet-sized OkeKey Booklets

Eko provides its customers a signature booklet, the 'OkeKey Booklet' that contains codes to be entered in at the time of transaction, ensuring greater transaction

security. This booklet is an extra cost for Eko, and at the time of the first CSM, Eko was considering replacing the booklet with a scratch card.

However from the beginning, customers liked this booklet, saying that it helped them think of it as a passbook that banks use and made them feel their Eko account was a safe place. They saw the booklet as the only physical evidence that an account was opened with Eko. When customers were asked if they found using the signatures in the signature booklet difficult, most customers reported that initially it was difficult, but after a few transactions, they became used to it. Since they use their signature booklet only for withdrawals, they did not find its usage difficult overall. Due to this strong customer feedback from the CSMs, Eko decided to continue issuing the OkeKey Booklet. The two main changes customers requested were to change the booklet size to fit in their wallet and to make the font slightly bigger. As a result, Eko designed and rolled out pocket-sized signature booklets.

Conclusion

Often the findings and the suggestions given by CSPs are not necessarily startling or unknown to the BCNM, but the CSMs do facilitate the identification of the most urgent (and often simplest) issues to emerge above the daily and anecdotal "noise". Also most m-banking projects are on a high growth trajectory of acquiring as many customers as possible. CSMs play several important roles in this context:

- Remind the provider of issues in the on-going operations, post-acquisition;
- Help assess which of the issues to address (by prioritising them on the basis of customer and CSP feedback); and
- Provide guidance on how to address the issues.

For example, without the CSMs, Eko would never have known that it was important for customers to have the booklets fit in their wallets – an issue that was easy to address.

Eko's customers and CSPs appreciate the simple, easy-to-use product. Based on the CSM feedback, Eko has now taken significant, yet often simple, steps to augment customer satisfaction, such as the introduction of new services and an improved back-end MIS to improve transaction confirmation, amongst others. Customers and CSPs continue to want more in terms of a broader range of services and increased geographical outreach, and Eko is working hard to meet those needs.

For more details on CSMs for customers, please see Briefing Note # 111 "[Managing Customer Satisfaction in Agent Banking](#)".

² See [MicroSave India Focus Note #68 SBI Tatkal From Cash to Cash Cow](#)