

Industry Awards: Relative Values and Potential Dangers

At the very outset, I should set the record straight. I have nothing against industry awards for excellence. Quite the opposite, as recognition by peer groups inspires stakeholders to excel in their particular skillsets. But that is all they are good for, nothing more and nothing less. Having led award-winning ad agencies in Asia for many years, I say that with conviction borne out of experience.

Both the May and July issues of Infobank magazine, a local banking journal, brought the business of industry awards into sharp focus. Their coverage of the 'Award for Bank Service Excellence' has been extensive. Both issues featured no less a personality than Bank Mandiri President Agus Martowardojo picking up the gong. The basis of the award is a group of 'mystery shoppers' organised by MRI who visited some of the branches of all the major banks in the cities of Jakarta, Palembang and Yogyakarta. The three combined are home to less than 10 per cent of the population, not just people but bank customers as well. A whole host of facets ranging from courteous staff to telebanking, security guards to clean toilets were checked off their list. Bank Mandiri emerged the clear winner, no small achievement in the face of so many competitors. But equating the award to a measurement of customer satisfaction would be a grave error in judgment.

Barely eight pages later, an article based on four years of data garnered from over 25,000 respondents each year, with more than 6,000 bank account-holders each year, tells a different story altogether. Based on the Roy Morgan Customer Satisfaction index, a sobering picture emerges. Of the Big 4, only BCA has been steadily improving its rating year after year, with thousands of their customers surveyed across the country giving them the thumbs up. At all times, over 90 per cent of their actual customers have been 'fairly satisfied' or 'very satisfied' with the bank. That makes BCA the unchallenged No1, by a widening gap across the country. In contrast, the other three big banks have been steadily heading downwards on this key indicator of performance. That includes Bank Mandiri. Even in Jakarta, it ranks a distant second to BCA as judged by thousands of their own customers year after year. The obvious question that looms is whether the opinion of thousands of real-life customers are less important than the responses gathered by a handful of surveyors.

To the credit of Infobank, the juxtapositioning of the two articles indicates their eagerness to get the truth out, even though they may appear to contradict each other. In reality, there are no contradictions. The measurements on which the two commentaries are based will clearly be seen as fundamentally different in purpose, scope, size and geography. It is entirely up to the readers in general, and bankers in particular, to give each study the credit each is due. Their relative merits need to be put in perspective. They are a grim reminder of that old adage, "all that glitters is not gold". In this particular context, the fact that two out of three bank customers would rather not visit a branch at all if they could avoid it tells you volumes about their preferences. The gray cloud that hangs over the country's bank branches goes several shades darker with two more indictments from the customer at large. Half the customers who left their main bank in the last 12 months did so because of 'poor service'. Three out of four customers who are intending to leave their main bank in the next 12 months will do so because they 'expect better service'.

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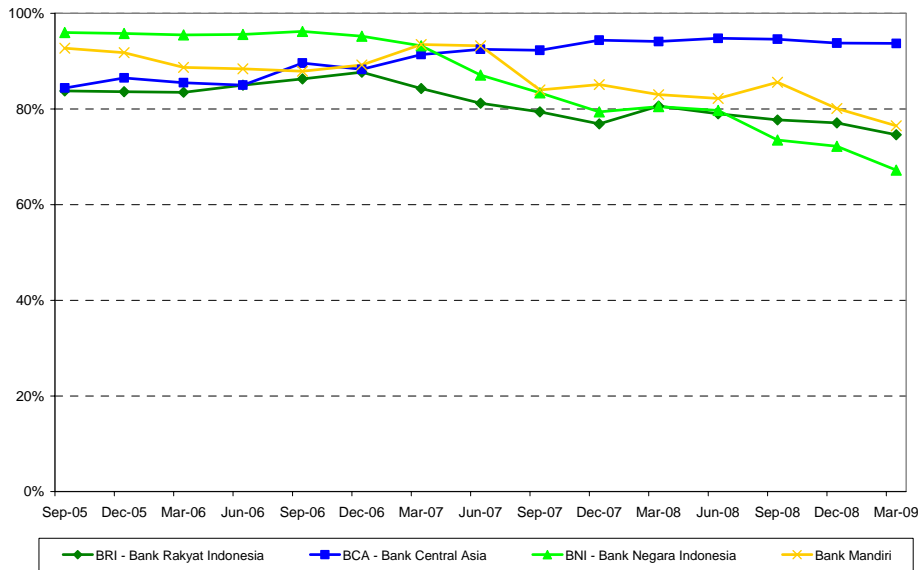
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Roy Morgan Bank Customer Satisfaction Index



Service is at the core of customer satisfaction. The urge to shoot the messenger is instinctive. Calling this writer offensive, arrogant or party-pooper is misguided energy, misplaced attention. But to anybody who is genuinely interested in making real changes for the better, the message is simple. The analytics are all available, not just for a handful of cities but the country as a whole. The factors that make up that all-encompassing term 'service' can easily be deciphered: by bank, by city, by urban, by rural. Those factors have little to do with security guards and clean toilets.

These conclusions are based on Roy Morgan Single Source, a syndicated survey with over 25,000 Indonesians 14 years and older interviewed each year. That national database is updated every quarter, capable of acting as a tracker of sharply defined corrective actions that need to be taken to bring about positive change. Almost 90 per cent of the population is covered, from the cities, towns and villages of Indonesia. That is just one of the many reasons why the survey is used by more marketers and media agencies than any other.

To return to the value of industry awards, I will reiterate that they serve a much bigger purpose than the self-congratulatory tone they are often belittled for. After all, even dinner parties have a purpose. Whether it is for excellence in internet banking, copy-writing, cinematography or salesmanship, each award inspires winners and losers alike to do better at their jobs, the next time. But that purpose should not overwhelm the other more important role we all play as fellow professionals. If we need reminding, that purpose is to serve our customers, our shareholders, our industries, our communities, as best we can. With honesty, integrity and respect.

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