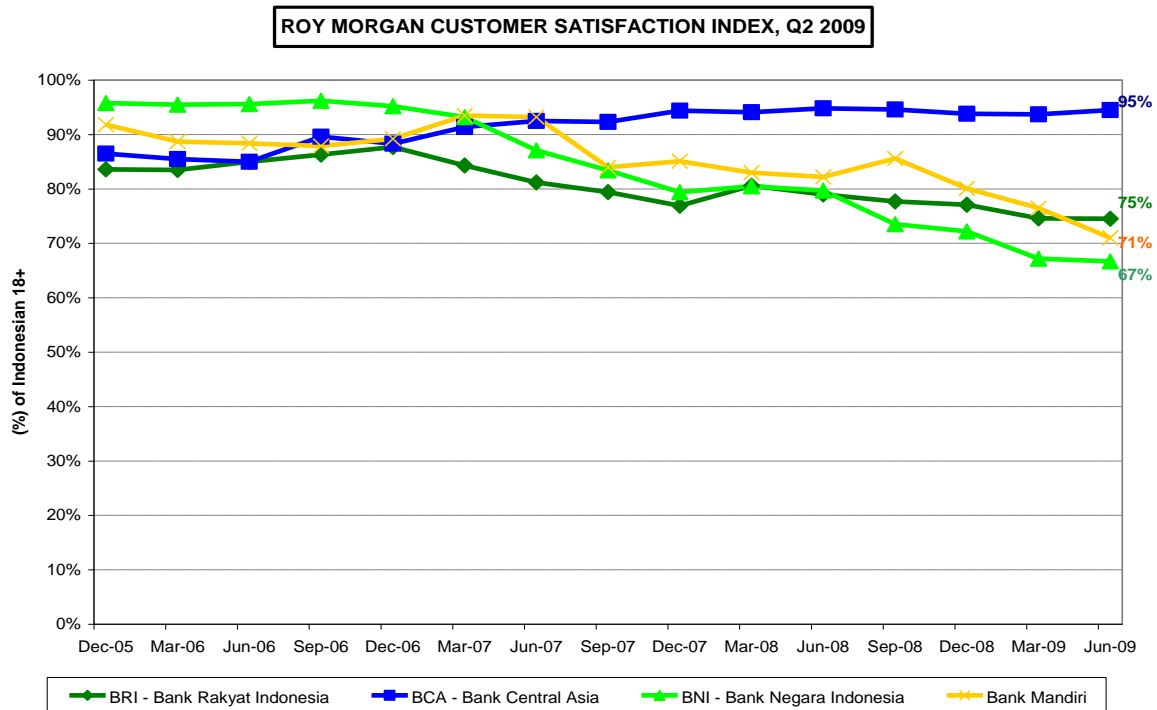


Customer satisfaction is still on the slide at most big banks.

In Jakarta, Kiev, Istanbul or Singapore, visiting a bank for the same reason can be very different experiences. I had reason to be in each of those cities these last few days. Statistically invalid, the research based on my own experience produced negative results. Singapore was the only exception. But I would not rush to condemn all the banks I visited, based on one ‘mystery shopper’. 15 of them would not improve the reliability of the conclusions either. In fact, satisfaction is much more than the experience at a branch.

That is what the Roy Morgan Customer Satisfaction Index records across Indonesia, every 90 days. For the April-June quarter of 2009, there was little good news to report. The rating is an integral part of Roy Morgan Single Source, the country’s largest syndicated survey, updated every quarter. Data is gathered by Roy Morgan Research from over 25,000 respondents each year in 16 provinces, 20 big cities, 20 small towns as well as rural. Some 7,000 are bank account-holders. The statistical reliability cannot be easily challenged.

Only BCA continues to improve its rating quarter after quarter, 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 reinforces BCA’s position as the unchallenged No1, with a widening gap across the country. In contrast, the other three big banks have been steadily heading downwards in recent times on this key indicator of performance. In the April-June quarter, BRI and BNI were able to arrest their decline but the rapid slide continues for Bank Mandiri. Today, one in four customers are dissatisfied with Bank Mandiri.



Opinions are sought from the customers of each bank who consider the bank their ‘Main Financial Institution’ or MFI. In other words, the rating reflects the view of customers who use a bank’s services, not casual visitors to a branch. There appears to be a visible co-relation with ‘Satisfaction’ and ‘MFI’ status. 90 per cent of BRI’s customers consider the bank its MFI, with no real change over the previous quarter. At 89 per cent, the picture remains steady for BCA with a growing number satisfied with the bank. BNI nudged up from 85 to 86 per cent in MFI status over the previous quarter, steady on satisfaction as well. But Bank Mandiri dipped from 78 to 77 per cent on MFI, while satisfaction continued to go down.

The focus of all customer knowledge acquired by most banks appears to be based on the visit to the branch. Issues like parking, security, even clean toilets are painstakingly measured by mystery shoppers who have no statistical reliability worth mentioning. They serve a purpose, limited by definition. In sharp contrast, thousands of actual account holders are more concerned with accuracy of bank statements, knowledgeable staff, reward and recognition for loyalty. The majority of each bank’s customers in major cities actually do not want to visit a branch if they can avoid it, 6 out of 10 people to be precise.

People with Rp 10 million and more in their bank accounts are more satisfied than people with less. The obvious conclusion? People with more money are receiving more and more attention, the people with less money are getting less and less as time goes by. That’s because the big boys in the big banks have probably concluded that the millions of their more humble customers are in awe of all the shiny glass and chrome, grateful to be accepted within the hallowed portals. The relative high levels of bank customers who are “satisfied” in Indonesia offer some evidence for that hypothesis. They may get away with that line of thinking in Kiev or in Jakarta today, but not in Singapore any longer. The focus on “affluents” alone cannot be good for either the industry or the individual bank. Juggling the two different sets of customers will remain a challenge, the old “80:20” rule equally true of the banking business. One group cannot really exist without the other in a large national bank.

The good news for Indonesia’s consumer banking industry is that the market is growing, after years of shrinkage. Now, the number of people with a banking relationship continues to grow each quarter. But these customers soon discover the truth and the endless search for “service” begins. When they are disgruntled enough to actually leave, they join the new bank in the hope of better service. Many then discover that there is very little difference in the standard of service, on key issues of competence like knowledge and accuracy.

The message for bank CEOs is clear and simple: the greater the level of bank automation, the greater the level of customer satisfaction. That is the quick fix, essential for today. The answer lies not in clean toilet bowls, it’s in better systems and better software. The more a customer can do with an ATM machine, the less he or she will visit a branch. The better the software, the higher the accuracy. When the focus shifts to these bare essentials, monitoring the changes will point the direction for continued and further improvement, tomorrow.

The writer can be contacted at Debnath.Guharoy@roymorgan.com