



# Living up to customer expectations: a view from Banks CEOs



**T**oday's banking customers expect more than just good rates and secure services. They also expect a positive experience.

The good news is that most banks have made great progress towards becoming more 'customer-centric' over the past few years. In part, this is because many bank CEOs have taken a personal interest in getting closer to their customers. Indeed, according to KPMG's 2017 Global CEO Outlook, two-thirds of bank CEOs feel personally responsible for representing the best interests of their customers, and 65 percent say they can confidently articulate the customer value proposition.

At the same time, we have seen many of the large banks start to invest significant capital and resources into improving the customer focus of their organisations. They are testing out new technologies that promise to speed transactions and processes, taking steps to align their middle- and back-office processes around the customer and developing fintech strategies to improve the customer experience.

KPMG's Mitch Siegel - Financial Services Strategy and Transformation Leader in the US notes that CEOs of top banks recognise the urgency of providing good customer experiences. This is an important development especially in a world where customers compare their banking experience against their 'last best' service experience be it in a supermarket or car garage.



Locally and regionally, progress has certainly been made. Yet experience suggests there is still much to do before East African bank CEOs can consider themselves truly customer-centric. In Kenya, banks are moving to streamline their systems and processes and try out new technologies to improve their front and back end operations. Partnerships are also taking a pivotal role in providing digital and customer centric strategies that continue to deliver value to customers notes Sheel Gill, Head of Financial Services at KPMG East Africa.

Local and regional banks need to break down their internal siloes to achieve a holistic 'single view' of their customers. In part, this will require them to change processes through adopting newer technologies allowing them to share customer data across their chosen service segments. It will necessitate a cultural change that incentivises focus on experience rather than pushing products.

Simultaneously, most banks will need to redouble their efforts to improve their middle- and back-office processes to deliver the expected front-office customer experiences. This is often referred to as the Customer Experience (CX) - how customers interact with their banks - versus the User Experience (UX) - customers' first impression of the bank's products, services and channels. This will mean higher application of technologies, it will also require more flexibility and agility in the way processes are designed and managed, and greater alignment between the user interface and back-end technologies.

While this may seem like a world where technology has the upper hand, the reality is that traditional banks are building from a very solid foundation. Thanks to their long history and decades of customer relationships, traditional banks are able to draw on deep experience of managing customers across their financial journeys. Notwithstanding recent declines in customer trust banks have a strong legacy of delivering secure, smart and valuable services to their customers. Few customers worry that their bank will fail or their money is insecure.

Traditional banks are also kings of process and compliance. They may not yet possess the agility of pure play digital banks, but they certainly understand the need for rigour behind the processes and they know how to manage regulations. Needless to say, the products and services on offer will rapidly change. The KPMG report, *Me, my life, my wallet*, highlights customers are becoming increasingly tired of managing multiple service providers to fulfil their various financial requirements. As new customers emerge with different demographic characteristics, banks amongst other industries have to change, customers are increasingly looking for a 'one stop shop' of all products and services irrespective of the industry notes David Leahy, Head of Markets, KPMG East Africa.

While many organisations are clearly making great strides towards customer-centricity, KPMG's view of the market suggests that there is little time to waste. Many of the leading banks are expected to successfully transform into customer-centric delivery models by 2020. Armed with their strong heritage, deep experience and new technologies, early movers will be at a significant advantage to capture market share.

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