

In a digital age, the human touch prevails

The use of digital banking channels may be on the rise, but face-to-face interaction still plays a key role in customer satisfaction **BY SCOTT MARSH**

SINGAPORE—For student Ryan Tan, on-line transactions are the way to go, at least as far as his banking needs are concerned. The 19-year-old cited the expediency of online banking options as one of the key reasons for his preference for digital banking platforms.

“Online channels are extremely efficient and convenient, especially if I have simple banking transactions.”

It used to be that banking, from a consumer’s perspective, meant queuing up at a branch. Internet and mobile banking have, however, placed many key banking transactions at consumers’ fingertips.

The recently released Customer Satisfaction Index of Singapore (CSISG) 2015 full-year results (which also incorporated the results for the Finance & Insurance and Healthcare sectors for the fourth quarter of 2015) revealed that the use of Internet banking had increased, from 52 per cent of respondents surveyed in 2014 to 69 per cent in 2015. Results also showed that branch interactions are on the decline, from 42 per cent of respondents surveyed in 2014 to 35 per cent in 2015.

The CSISG survey is conducted by the Institute of Service Excellence at the Singapore Management University (ISES).

Speaking at the CSISG results announcement, Ms Norma Sit, chief



The speakers at the ISES Industry Forum (from left): Forum moderator Marcus Lee, academic director at ISES; Dr Jeremy Lim, partner & head of Asia Pacific Region, Health & Life Sciences, Oliver Wyman; Dr Agnes Koong, clinic director, SingHealth Polyclinics - Marine Parade; Ms Norma Sit, CEO, Numoni Group. PHOTO: ONG ZE TENG



executive officer of fintech (financial technology) startup Numoni Group, said: “Who wants to line up at a bank? Nobody. But if they have to, they want it to be quick, fast, over, done. Customers want things done fast, so if they can do it over a mobile device, they will.”

While this may seem to suggest that digital banking touchpoints are critical to customer satisfaction, the survey findings revealed that banks and financial institutions are facing a much more complex customer-satisfaction landscape today.

A QUESTION OF HYGIENE

The CSISG 2015 results showed a dichotomy in the use and effect of Internet banking. While Internet banking was being used by an increasing number of respondents, it had a limited impact on customer satisfaction — scores for the branch and personal banker touchpoints had a bigger impact on customer satisfaction ratings.

One possible reason for this, according to Dr Marcus Lee, academic director at ISES, was related to hygiene factors.

These are factors that may not necessarily give positive satisfaction

or lead to higher motivation. The absence of these factors, however, leads to dissatisfaction. One way of looking at this is that customers simply expect such factors or touchpoints to work as advertised.

Speaking at an industry forum at the CSISG results announcement, Dr Lee said: “Internet banking just needs to work. There is no need, no opportunity to delight me. If you do well for Internet banking, perhaps the best that you can hope for is that people are not upset. For branches and personal banker touchpoints, if you make a mistake, people can get really upset. But if you do well, people are really happy. And that’s why it moves satisfaction.”

ONE SIZE DOES NOT FIT ALL

Banks and insurance firms have had to adopt a multi-pronged approach to customer satisfaction. While these organisations acknowledge that the use of digital touchpoints is on the rise, they also recognise that there’s still a place and a need for the human touch.

Said Mr Allen Ng, deputy CEO of Maybank Singapore: “We recognise

that customer attitudes and behaviours are evolving and for the younger segment of customers, a quintessential part of their lifestyle is digital. At the same time, we see the role of the branch changing with the availability of online banking services. It is fast moving away from a place where banking transactions are done to a place where we bring the human touch to provide expertise and solve issues customers may be facing.”

This rings true for 66-year-old homemaker Toh Lian Choo, who performs most of her transactions at ATMs. While she seldom visits bank branches, she appreciates the difference that face-to-face interactions can make.

She said: “I once had several ATM cards and didn’t know which ones were the old ones and which ones link to which account. I went to the bank branch and the staff helped me sort out everything quickly.

“They were very patient and helpful and even gave me a new card. They could also answer all my questions and check my accounts and balances on the spot.”

Mr Jeremy Soo, head of DBS Bank’s



If you do well for Internet banking, perhaps the best that you can hope for is that people are not upset. For branches and personal banker touchpoints, if you make a mistake, people can get really upset. But if you do well, people are really happy. And that’s why it moves satisfaction.

Dr Marcus Lee
ACADEMIC
DIRECTOR AT ISES

Consumer Banking Group Singapore, pointed out that banking regulations also mean that certain transactions require face-to-face interaction. “For example, at this point of time, there is no digital substitution unless one is an accredited investor,” he said.

At Great Eastern Life, considerable resources have been put into developing and updating digital channels such as its iDream app that enables customers to map out their life goals. At the same time, the company has not overlooked the role that people play.

Said Dr Khoo Kah Siang, CEO (Singapore), Great Eastern Life: “Insurance is a people business built on relationship and trust. Our distribution representatives have a key role to play in providing professional and trusted advice. We will continue to invest in them through training to build up competencies as well as equipping them with the necessary digital tools to better serve the evolving insurance needs of our customers.”

This report is a collaborative project between TODAY and the Institute of Service Excellence at Singapore Management University.