



Fresh Frontiers
1962-2022



KENYA BANKERS
ASSOCIATION

Banking Industry **Customer Satisfaction** **Survey 2022**

FEBRUARY 2023



‘Building customer experience
does not happen by accident.
It is by design’

CLARE MUSCUTT

About this Survey

The Banking Industry Customer Satisfaction Survey (BICSS) is conducted annually by the Kenya Bankers Association (KBA) in collaboration with the KBA Customer Service Working Group, whose membership is drawn from the banking sector. The publication seeks to contribute to the banking industry's efforts towards enhancing the quality of customer experience. Since its inception in 2018, the Survey has continued to inform industry strategies towards customer-centrism and ensuring access to financial services for all.

The 2022 BICSS coincides with the issuance of the 'KBA Gold Standard of Bank Services in Kenya' report in 2023. The report is based on bank customers' service feedback since the 2018 inaugural edition of the Survey. The handbook outlines minimum service standard expectations and provides a comprehensive overview of global best practice recommendations on customer service. It seeks to channel the banking public's feedback into clear action points towards embellishing customer service across banking service points besides informing responsive product design.

Initiated in 2018, the BICSS is part of efforts being spearheaded by Kenya Bankers Association (KBA) towards enhancing customer experience in the banking industry. Over the years, the survey has continued to inform industry strategies towards customer-centrism and ensuring access to financial services for all. This edition aims to build on these industrywide efforts by addressing emerging needs.

Celebrating 60 Years



In 2022, the Kenya Bankers Association (KBA) celebrated its 60th Anniversary — a Diamond Jubilee that presented a fabulous opportunity to take stock of challenges and opportunities in the economy. The commemoration reaffirmed the industry's collective commitment to continue creating innovative solutions towards enhancing the quality of products and services provided to the banking public.

Importantly, the celebration also offered an occasion to reflect on strategies that can be leveraged upon to sustain the banking industry's longstanding vibrant resilience as part of collective efforts towards deepening sustainable financial inclusion. In the spirit of the KBA 60th Anniversary, this Survey is geared towards sustaining the Kenyan banking industry's resilience— dating back to 1962— by informing initiatives designed to optimize the banking industry's contribution to the national socio-economic development agenda.

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Survey Highlights



Majority of respondents
(67.8 percent)
cited mobile banking as
their **most preferred**
banking channel in 2022



The 2022 **Banking**
Industry Customer
Satisfaction Survey
obtained

33,801
responses

compared to 29,791
responses received in
the 2021 Survey.



The **distribution** of
responses across the
47 counties
remains comparatively
similar, with slight
variations that suggest
increased participation
in the 2022 survey
compared to 2021.



Preference for **human-assisted customer service** increased to **16 percent** from 12 percent in 2021



The 2022 Survey showed a sustained multiple relationship with banks, with two or more bank account holders accounting for **48.2 percent**

Majority of respondents in the 2022 Survey were **aged between 26 and 35 years**, representing **35 percent** of the total survey responses.



In gender distribution, males accounted for **65 percent** of the total number respondents.

Foreword

This issue of the Banking Industry Customer Satisfaction Survey (BICSS) marks the fifth instalment of industrywide banking sector customer service evaluation; the first having been published in the year 2018. Fortuitously, the Survey was conducted in 2022, coinciding with the Kenya Bankers Association (KBA) 60th Anniversary celebrations. The two distinctions make the current report important— providing an opportunity to set a fresh pace for an enhanced quality of banking services.

In keeping with that expectation, this report is based on a refreshed questionnaire that covers new areas, informed by feedback obtained in its predecessors. The new areas of focus include the addition of the Net Promoter Score (NPS), an important metric that assesses the likelihood of referral. Widely used by organizations globally across sectors, the metric is considered effective in measuring overall customer satisfaction. The NPS is aimed at providing the industry and individual banks an additional evaluation tool that will inform strategies towards service excellence.

The past six decades of banking in Kenya have been marked with groundbreaking developments, well interspersed with challenges and lessons. At the forefront of the challenges and learnings was the COVID-19 disruption which will, without doubt, continue to have an enduring impact across sectors. Beyond the negative effects of the health crisis, it also served as a launchpad for new possibilities.

In the realm of customer service, the potential of technology was reawakened at the onset of the pandemic in 2020. The role of innovation in preventing the COVID-19 health crisis from degenerating into a financial crisis in 2020 and succeeding years cannot be gainsaid. Customers continued to access banking services without having to visit banking halls in light of restricted movement meant to contain the spread of disease.

I would like to commend the banking industry for the sustained foresighted innovation. Although COVID-19 was an unanticipated risk, banks' customer service teams demonstrated responsive leadership. On behalf of the banking industry, I take this opportunity to extend gratitude to the customer service teams for creatively leveraging on technology to forestall service disruption and at the same time maintaining service standards.

However, some challenges persist, especially in the area of facilitating satisfactory experience for Persons with Disability. Based on this report's findings, there is a need to redouble efforts towards ensuring independent access to banking services for this important segment of the banking public. I am pleased to note that out of 93 percent of customers with special needs were able to access banking services. However, 13 percent of the customers surveyed reported having difficulties accessing financial services independently.

In response to this challenge, it is gratifying to note that over 30 banks are in the course of implementing a harmonized banking industry accessibility roadmap that seeks to address accessibility challenges. It is the ambition of KBA to continue supporting member banks to fully implement the measures by the close of the year 2024.

Customer service is among the most challenging aspects of banking. This distinction owes to the fact that the banking public's needs and expectations keep evolving. It is, therefore, incumbent upon the banking industry to keep abreast with these dynamics as part of efforts to deepen financial inclusion.

I have no doubt that this report is an important ingredient to the attainment of the banking industry's Strategic Plan, whose aim is to facilitate access to affordable financial services through responsive innovation.

Dr. Habil Olaka, EBS
Chief Executive Officer

01

Sampling Methodology

This is an annual survey conducted online using SurveyMonkey® survey tool. Its main aim is to evaluate the quality of customer service offered by the banking industry in Kenya by obtaining feedback from the banking public on various aspects of customer experience. The survey is based on a simple random sampling technique owing to the approach's strengths:

- i. It reduces the possibility of systemic errors and minimizes sampling biases.
- ii. The approach produces a representative sample, ensuring generalizability of inferences drawn therein to population of bank customers.

Using a questionnaire developed by the Kenya Bankers Association Customer Service Working Group, both quantitative and qualitative information was collected. In 2022, a total of 33,801 responses were received, compared to 29,791 responses in the 2021 survey. Out of the sample, 13.8 percent representing 4,677 persons, are those with special needs (i.e., braille, ramp, screen reader, voiced aid).



33,801
RESPONSES
IN 2022

02

Demographic Distribution

A) GEOGRAPHICAL LOCATION

Access to banking services remains geographically concentrated. In 2022, those accessing most of their banking services in Nairobi stood at 45 percent compared to 50.7 percent in the 2021 Survey while those accessing them from Mombasa stood at 6.4 percent, and those accessing banking services in Kiambu and Nakuru stood at 5.7 percent and 4.1 percent respectively (Figure 1). These trends mirror the distribution of financial touch points, especially the branch network of the banking sector¹. That said, the distribution of the responses across the 47 counties remains comparatively similar to the trends observed in the 2021 Survey, however, slight variations in the number of responses exist, suggesting that there has been increased participation by the banking public in the survey across the counties.

B) AGE

Most of the bank customers surveyed were aged between 26 – 35 years, which accounted for 37.3 percent survey responses, 24.8 percent were aged between 36 – 45 years, 14.6 percent were 18-25 years, while those aged 46-55 accounted for 13.8 percent while those aged 55-65 years accounted for 6.15 percent of the responses. Under 18 and those above 65 years accounted for 0.7 percent and 2.5 percent respectively. While there are slight variations in the distribution of responses by age in the 2022 Survey, it mirrors the trends observed in 2021.

Figure 1 Geographical distribution of the 2022 KBA customer satisfaction survey responses

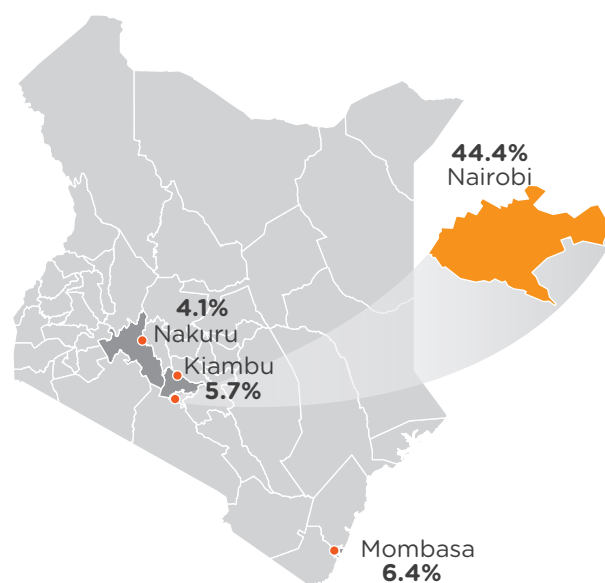
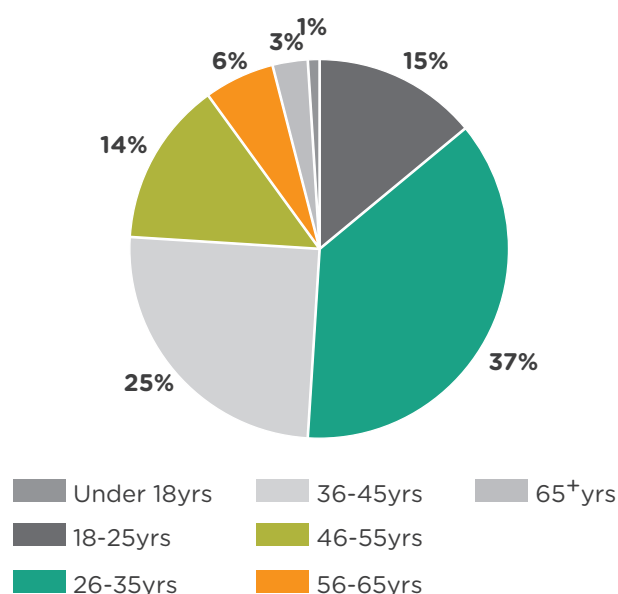


Figure 2 Age distribution of the survey responses

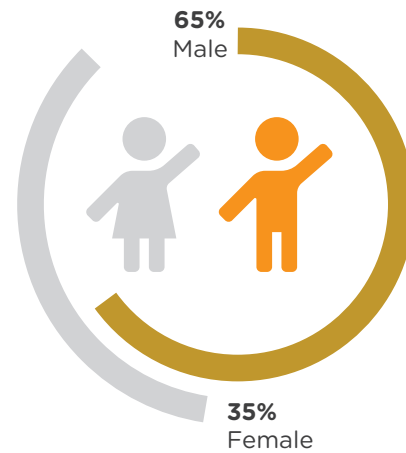


² CBK Annual Bank Supervision Report 2021

C) GENDER

In terms of the distribution by gender, males accounted for 65.2 percent while females accounted for 35 percent of the responses, a trend that compares with the 2021 survey, where 65.6 percent of the respondents were male, and 34.4 percent were female.

Figure 3 Gender distribution of the survey responses

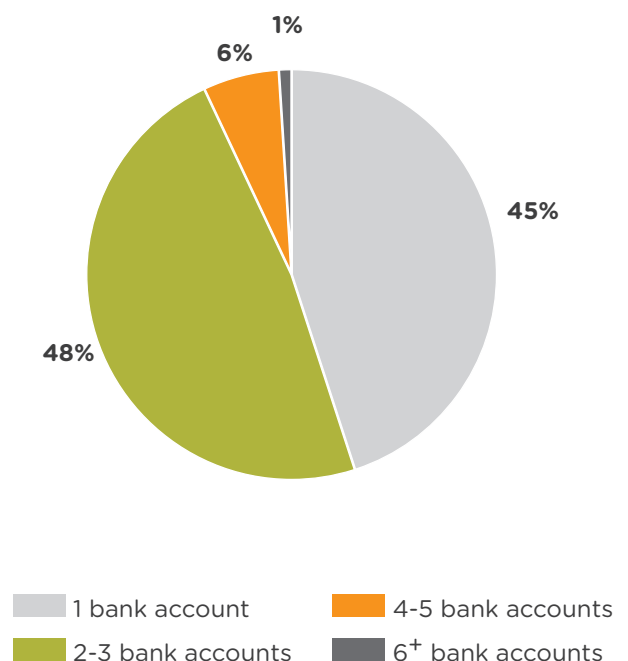


03

Multi-banking Trends

Multiple bank relationships, herein referred to as the maintenance of more than one bank account in different banks is becoming a predominant feature. In 2022, one-bank account holders stood at 45.3 percent which is in line with the findings of the [2021 FinAccess survey](#) which revealed that 44.1 percent of Kenyans use banking services. The ownership of two or more accounts stood at 48.2 percent which is a reduction from the 62 percent in 2021. Those holding between four and five accounts accounted for 5.8%, while only 0.7 percent of the respondents held more than six bank accounts. The multiple bank relationships are not unique though to the Kenyan context but is a consistent feature across the globe where it is observed that customers deal with more than one bank.

Figure 4 Trends in multi-bank account ownership



04

Overall Customer Experience

In the 2022 Survey, respondents were asked to rank which bank offers the best overall customer experience and the feedback is as tabulated below.

Top Overall



Tier 01



Tier 02



Tier 03



Based on customer experience ranking, respondents were asked to rank on a scale of 1 to 5 their overall experience with the main bank, and the respondents' views are resoundingly positive. For instance, ninety-six (96.5) percent of the respondents rated their customer experience with their banks above three (3). For instance, 50.70 percent of the respondents rated their customer experience with their main banks at five (5), being the highest rating. In addition, 35.4 percent rated it at four (4) and 10.4 percent rated their customer experience at three (3).

Figure 5 Customers' rating of their bank's customer experience

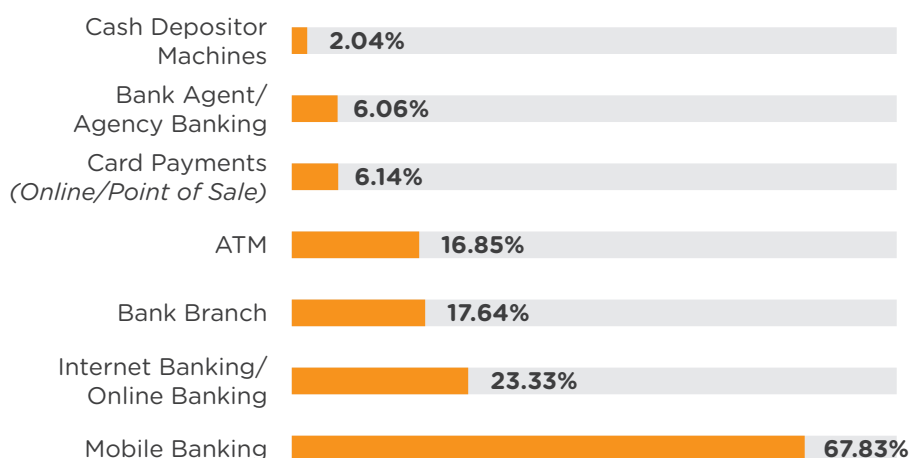


05

Customer Banking Channel Preference

Channels leveraging on technology are emerging to be the most preferred banking channels with mobile banking emerging top. In 2022, 67.8 percent of the Survey respondents preferred mobile banking, a trend that gained traction with onset of COVID-19 and continues to stay elevated which is consistent with the [2021 FinAccess survey](#) findings that found mobile banking usage also increased between 2019 and 2021. Preference for Internet or online banking is also on the rise with 23.3 percent of the respondents expressing preference for it. Moreover, the preference for branch banking came in third at 17.6 percent and ATMs fourth at 16.9 percent while both agency banking and card payments or touchpoints came in fifth at 6.1 percent . only 2.1 percent of the respondents expressed preference for cash depositor machines. Compared to 2021, preference for digital channels has accelerated; for instance, in the 2021 Survey, 58.7 percent of the respondents preferred mobile banking, and 20.3 percent expressed preference for internet or online banking.

Figure 6 Customers' preferences of banking channels



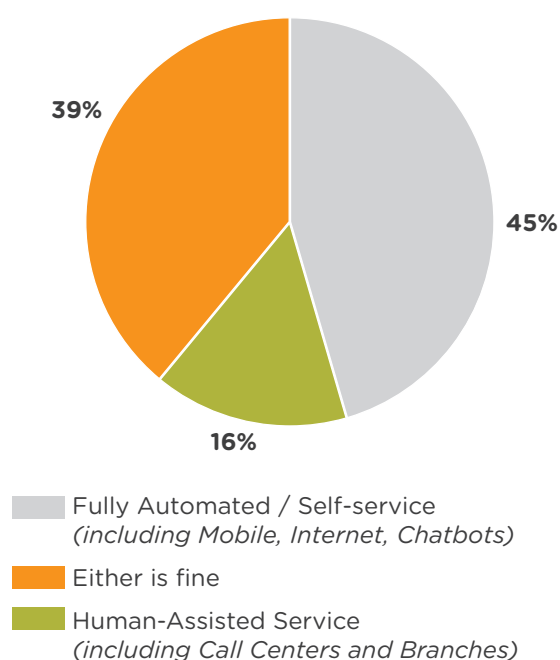
67.83%
of respondents
cited **Mobile Banking** as their
topmost preferred
banking channel

06

Preferred Mode of Interaction When Accessing Banking Services

There has been a steady growth in the last four years of bank customers preferring fully automated or self-service modes (including Mobile, Internet and Chatbots), when accessing banking services. In 2022, 45.6 percent preferred this mode of interaction, compared to 46.7 percent in 2021 and 43 percent in 2020. Some 15.5 percent of the respondents preferred human-assisted service (including Call Centers and Branches), compared to 12.8 percent in 2021 and 16 percent in 2020, denoting a reversal of the downward trajectory. Those who are indifferent to the use of either slightly declined to 38.9 percent in 2022 compared to 40.5 percent in 2021 and 40 percent in 2020.

Figure 7 Preferred Mode of Interaction When Accessing Banking Services



07

Promoting Access to Banking services for Persons with Special Needs

Banking services must be adaptable to the needs of all, and customers with special needs should be able to access the same financial services as customers without special needs.

From the 2022 survey, 13.8 percent of the respondents needed special accommodation (e.g., braille, ramp, screen reader, voiced aid) to access banking services. Out of the respondents' 93.5 percent were able to use the banking services (e.g. Mobile banking and online banking) independently, a significant improvement from the 2020 and 2021 level where 78 percent and 81 percent, respectively, could access services independently. However, 6.5 percent of customers with special needs reported requiring support in accessing banking services. This highlights the need for the banking industry to enhance efforts

towards ensuring independent access to banking services for customers with special needs.

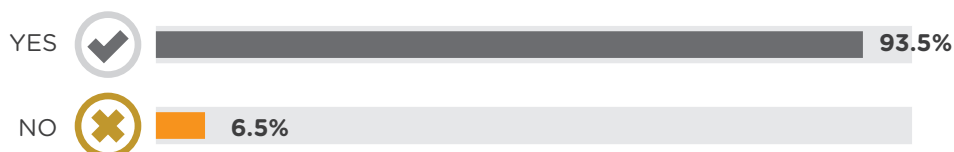
That said, majority (70.1 percent) of customers do not intend to switch to another bank that provides them with accessible services independently compared to 29.9 percent that do. These findings are inspiring and demonstrate the commitment of the banking industry to improve the financial services and ensure inclusion of all customers regardless their conditions, which aligns with the industry's commitment to making banking work for everyone as envisioned in the report on "[A Roadmap for Digital Accessibility and Financial Inclusion of People with Disabilities.](#)"

Figure 8 Access to bank services for Persons with Special Needs

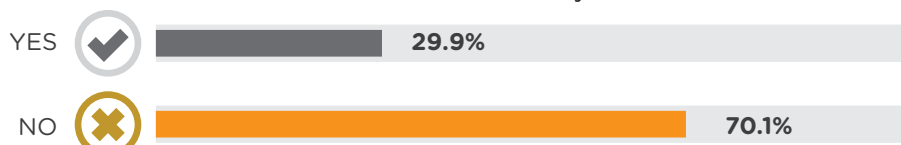
Need Special Accommodation to Access Banking Services
(e.g. braille, ramp, screen, reader, voiced aid)



Able to Use the Banking Services Independently
(e.g. mobile banking and online banking independently)



Intent to Switch to Another Bank that Provides you with Accessible Services Independently

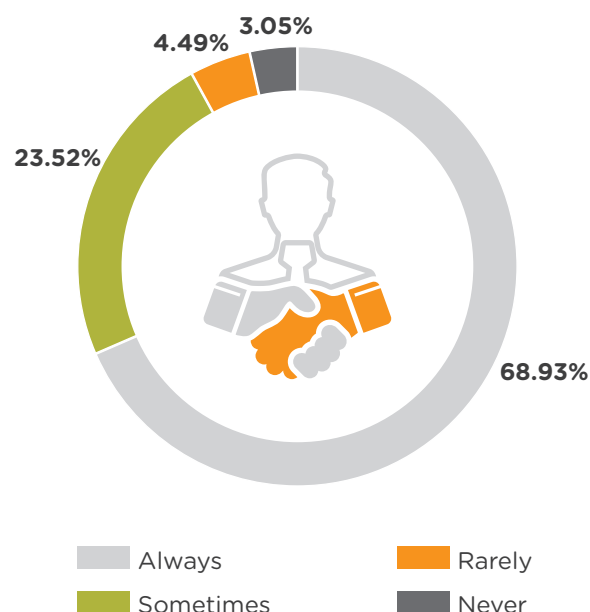


08

Customer Complaint Resolution

Most of the respondents, at 68.9 percent indicated that their banks were always able to respond to complaints within two days of the complaint being raised. This is against 74 percent recorded during the 2021 Banking Industry Customer Satisfaction Survey (BICSS). Some 23.5 percent of the respondents in 2022, compared to 20 percent in 2021, indicated that their banks respond to complaints within two days, sometimes, denoting the need for clear Service Level Agreements (SLAs) and strict adherence to the same, among banks that fall in this category.

Figure 9 Customer complaint resolution by banks



09

Industry Net Promoter Score

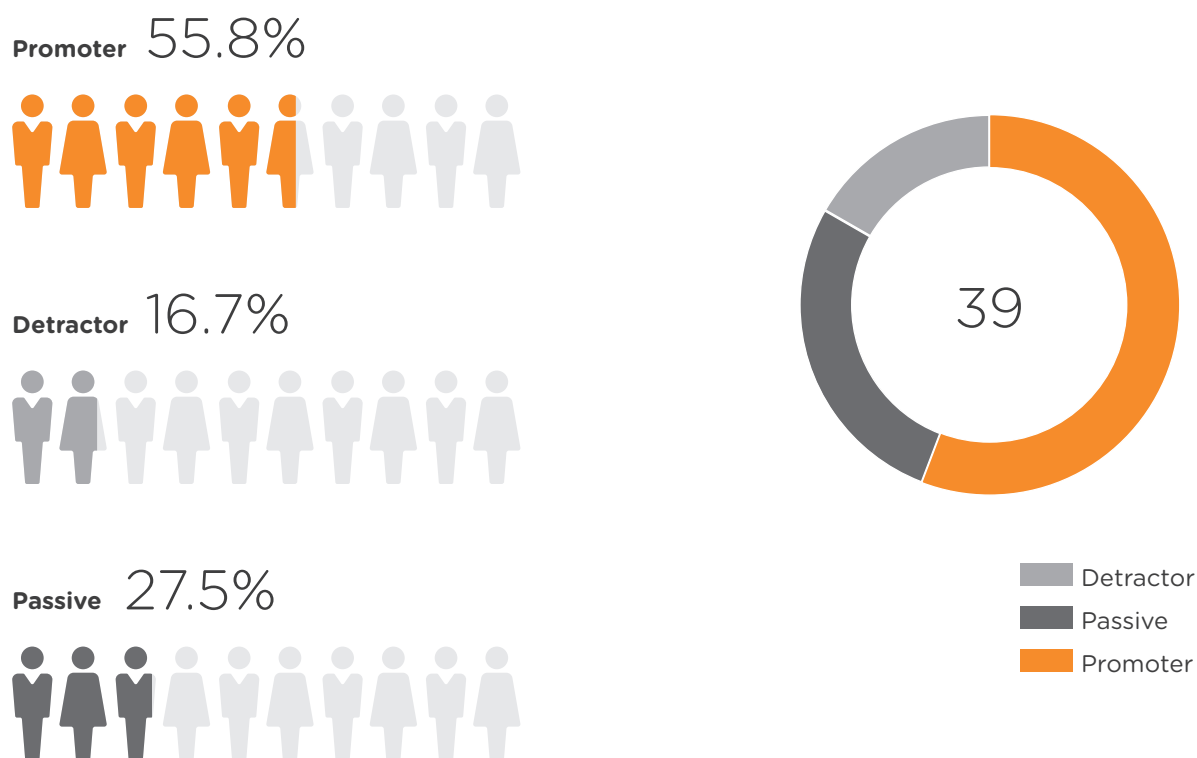
In an increasingly competitive banking climate, customer loyalty is more important than ever. As banks continue to face increased competition among each other and from emerging FinTechs, the need for customer retention and acquisition, that is the ability of its customers to recommend it to their close associates has become so important. In the 2022 survey, unlike in the previous editions of the BICSS, respondents were asked the question “On a scale of 0-10, with 10 being the highest, what’s the likelihood that you would recommend us (our bank) to a friend or colleague?” The response to this question is used to compute the Net Promoter Score® (NPS)^{2,3}, a crucial metric of assessing how likely it is for customers to refer others to a given brand or even products and services.

² Since its 2003 debut, NPS has been used by companies of all sizes in a variety of industries, and its effectiveness comes from its ability to measure the overall satisfaction of a customer base.

³ The NPS score is calculated in the following ways. First, the responses are divided into three categories namely promoter, passive, and detractors. Second, obtain a count of the number of promoters and detractors in the total number of responses. Third, obtain the proportion of promoters and detractors to the total responses and subtract the percentage of detractors from the percentage of promoters. The resulting number, whether positive or negative, is your NPS score. Notably, the passives are left out of the NPS calculation because they are unlikely to recommend or not recommend.

Based on the responses obtained, 55.8 percent of the respondents are promoters⁴, 27.5 percent of the respondents are passive⁵ while 16.7% are detractors⁶. Given these trends, the industry's standing especially from a promoter's standpoint is impressive as research shows that the lifetime value of a promoter is 2.5 times higher than that of a detractor, while detractors are 2.3 times more likely to switch to another financial organization compared to a promoter. More importantly, research has shown that a higher net promoter score (NPS) correlates positively with revenue. For instance, according to a study published by the London School of Economics entitled "Advocacy Drives Growth", an average NPS increase of 7 percent correlates on average with a 1 percent growth in revenue.

Figure 10 Net promoter score of the banking industry



⁴ Promoters are respondents who answer with a 9 or 10 and are the most loyal of customers whose enthusiasm for the bank translates into actual recommendations to family and friends.

⁵ Passives are respondents who answer with a 7 or 8, and are largely indifferent, and therefore are disinclined to share either negative or positive reviews with others.

⁶ Detractors are those respondents who answer the question with a 6 or lower; these respondents are unsatisfied customers who could actively harm the bank's brand by making their complaints public.

Acknowledgements

The Kenya Bankers Association wishes to express its sincere gratitude to the KBA Customer Service Working Group for playing an important role in conceptualizing the research upon which this Survey is based. We extend gratitude to the KBA member banks for sharing the survey across platforms. We gratefully acknowledge the thousands of bank customers across the country who continue to provide feedback since the Survey's inception in 2018. Data review, analysis and compilation of the report was led by Palm Consulting Services, supported by Josea Kiplangat, supported by Christine Onyango, and Hesborn Nyakundi-Nyagaka from the KBA Secretariat. It has been designed by Sabinga Brand Design Ltd.



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