

# Banking sector needs to strike balance between digital and traditional channels

The relentless drive towards digital banking is making banks 'invisible', leaving customers looking for more value, human engagement and diversity of transactional channels.



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Digital and online banking channels are no longer the key differentiators that they were a few years ago as trends indicate that all the major players in the industry are moving to a point of technological parity in so far as their transactional channels are concerned. Customers are placing far more emphasis on perceived value and the need for banks to retain a human touch. In order to compete successfully banks will need to continue innovating in the digital space, but also introduce equally innovative service delivery models within their more traditional channels such as branches, ATMs and contact centres, according to the [South Africa Customer Satisfaction Index for Banking](#).

After a tumultuous two years which saw significant jockeying for position, huge investments in the digitisation of customer touch-points and the entry of new disruptor digital banks, the key players in the banking sector need to consolidate their positions by reconnecting with their customers.

## Survey polling

Almost 15,000 customers from lower, middle and upper retail banking segments were polled for the survey on their overall level of satisfaction with South Africa's big six retail banks – Absa, African Bank, Capitec, FNB, Nedbank, and Standard Bank.

For the first time since the inception of the SA-csi for Banking, Nedbank has caught up to FNB, with the former managing to outscore FNB in perceived value specifically. African Bank, Capitec, FNB and Nedbank all hold leader positions. Each of these banks hold a particular, unique and strong position in the minds of customers. African Bank achieved a seven-point improvement from its 2018 score. This puts African Bank into a leadership position with the afore mentioned banks, albeit with a smaller, but growing client base. African Bank is making a statement that can hardly be ignored.

Absa, who is rebuilding its brand of trust and confidence, remained stable. This is a notable achievement as the bank was in the process of cutting its final ties to Barclays – a process that they successfully concluded without causing any significant disruptions to its customers. Standard Bank had a particularly tough time, struggling to keep up with the competition on customer satisfaction. Hopefully Standard Bank will start to experience an upward trend in their customer satisfaction metrics once significant changes in the organisation have been implemented.

It is pertinent to point out that while South Africa's banking sector is world-class in customer satisfaction, expectations remain extremely high and are likely to keep rising. Going forward, banks will need to better understand the nature of these expectations which includes striking a balance between digital convenience, value delivery and human intuition and engagement.

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