

Banks need to up their game in customer relationships

By [Mornay Roberts-Lombard](#)

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In 2019, the BrandsEye Banking Sentiment Index indicated customer dissatisfaction with the ethics around banking practices and the service levels offered by these institutions.



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South Africans are also more willing to share their unhappiness about their lack of trust in banks and their discontent with customer service levels on social media platforms, or to speak publicly about it with friends, family, and colleagues. This is a concerning reality, especially when we consider that the retail banking sector in South Africa is experiencing prominent disruptions.

Banks have traditionally been perceived as the dominant providers of retail financial services; but they now face an increased threat from new mobile technology entrants, as well as the growing number of financial services intermediaries that provide customers with trusted financial offerings and more affordable financial options. These customers include both those who are not formally banked and those who make up the most profitable customer segments in South Africa.

So, what can banks do to strengthen customer trust?

Develop products with the customer, not for the customer

Trust can be developed if retail banks develop new products with their customers rather than for them. Customers also want bank fees to be more transparent, and seek greater engagement about charges when they use a bank's services.

If customers do not believe that their retail bank is customer-centric in developing its products or is transparent about its fee structure, they will be much less willing to regard it as a potential provider in the future, or to remain with the brand.

Retail banks should rethink their role as service providers

It is increasingly important for retail banks to reconsider the role that they play in the financial journeys of their customer base. They can do this by building a more durable partnership approach with their target market. By functioning more as their customers' trusted advisors for lifelong financial decision-making, retail banks will more successfully strengthen their relationships of trust with their customers.

To function as trusted advisors, retail banks could offer customers well-designed banking processes that make their banking journey more interesting, pleasing, and ultimately more convenient. Such an approach would enable people to interact more easily with their bank as their banking needs change. This could be achieved by offering mobile banking apps; WebRTC technology that makes customer interactions secure, including video chat VoIP calling, instant messaging, encrypted screen- and file-sharing, and virtual sessions with a chatbot if a call centre agent is not available; or service experiences in the bank that enable customers to engage with it securely and conveniently.

Focus on trust to build long-term relationships with customers

Trust remains one of the most important elements in building long-term relationships with customers. It reflects the consumer's belief that the business they engage with is responsible and trustworthy, and that it will operate ethically. When customers deal with a business, they want to feel that the relationship is trustworthy and honest, reliable, and fair to all parties. Therefore, a customer's decision to continue engaging with a provider is guided more and more by its ability to act with integrity and to offer high levels of service quality. Banks in South Africa are no exception.

ABOUT THE AUTHOR

Professor Mornay Roberts-Lombard is currently a full professor of marketing in the Department of Marketing Management and the programme manager for Masters and Doctoral studies in the Department. He specialises in relationship marketing and services marketing and has published numerous articles in refereed journals, delivered conference papers at both local and international conferences, published articles in industry journals and has been nominated for and won four academic paper awards at international conferences. He is on the editorial boards of international and South African journals, and has contributed to academic books over his academic career.

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