

## **Digital Transformation and Customer Satisfaction: Lessons from Standard Chartered Bank of Zimbabwe**

Sham Hokonya

*PhD in Management: Texila American University, Guyana*

### ***Abstract***

*The aim of this study was to unveil the relationship between digital transformation and customer satisfaction with Standard Chartered Bank Zimbabwe as the case study. The study employed qualitative research design, using semi structured interviews with customers, staff, and management of Standard Chartered Bank of Zimbabwe. To unearth the key themes and trends between digital transformation and customer satisfaction thematic analysis was applied. The findings clearly indicated that Standard Chartered Bank of Zimbabwe implemented well their digital transformation journey to the satisfaction of their customers and employees. The research found that simplified digital transformation that makes the transacting customers get convenience has far reaching implications such as customer loyalty, retention, lifetime value while transacting more. Employee engagement, retention and brand reputation are increased as employees move away from routine processes daily. The research concluded that for companies that need to increase their customer satisfaction digital transformation should be one of the key pillars to company's broad strategy and continuous improvement should be the order of the day. The study recommendations set the tone for other banks that would want to initiate digital transformation while contributing to the body of knowledge on digital transformation and customer satisfaction.*

**Keywords:** *Customer Satisfaction, Digital Transformation, Standard Chartered Bank.*

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### **Introduction**

The technological landscape has transformed over the years revolutionizing the way business is done across industries. Customer preferences have continued to evolve with the evolving technological changes motivating for dynamism in which people interact with various companies they deal with. Customers are now in the forefront of demanding services in real time compared to years ago where they would wait for several days to get a service. The demand by customers has put pressure on companies to invest in technologies that resonate with the customer needs, wants and desires. It is on this background that companies ought to comprehend the symbiotic relationship between digital transformation with customer satisfaction. This study narrows down to the

key imperatives implemented by Standard Chartered Bank in Zimbabwe in its digital transformation journey and how it capitalized to score very high customer satisfaction.

This study further delves into the key areas that of digital transformation and their impact on various stakeholders. Further analogy of this study details the competitive advantage that can be brought through implementation of digital transformation. Through analysis of digital transformation and customer satisfaction the research seeks to avail deep insights that other companies contemplating on embarking on digital transformation can use and reduce errors while upholding company going concern and sustainability. Through the lessons learnt from Standard Chartered Bank, these lessons can be used as a springboard by other organizations to leverage on their profitability, customer loyalty,

customer experience, and competitiveness. This analysis also chronicles the diverse merits that can be accrued by companies through implementation of digital transformation while driving unparalleled customer satisfaction. The outcome of this research becomes the foundation of which other organizations who want to follow the same path and customers who envisage to have exceptional customer experience and maintain their loyalty to their service providers. The importance of the digital transformation era implores companies to be deliberate in crafting digital transformation strategy for their companies emphasizing on simplifying customer journeys.

The digital transformation journey of Standard Chartered Bank Zimbabwe opens a window of opportunities for various companies in different sectors who would also want to follow the same route. The lessons picked from the implementation done by Standard Chartered bank can be used by other players and companies to transform their entities. Through digital transformation implemented by Standard Chartered bank value has been optimized to the employees, customers, shareholders, and the business community in the way operations are run. The digital transformation though at the initial stages were capital intensive but the merits that the bank has started to accrue are far for than the costs. The digital transformation fostered positive customer loyalty, customer satisfaction, shareholder value, customer acquisition, positive reputation, and brand equity. Employee engagement through training of using the newly implemented platforms improved employee engagement and motivated for high staff retention, conducive work environment and cross pollination of ideas across departments. The survival of companies going into the future hinges around their digital transformation strategy to enhancing customer satisfaction who then drive the going concern of the business. The case study of Standard Chartered Bank provides key lessons to other

organizations who have been losing competitiveness and customers satisfaction and subsequently business sustainability through transformational initiatives that keeps the organization relevant.

## **Literature Review**

Digital transformation has become the new blood life of companies as the customers have transformed significantly on the way they interact with various businesses [1]. Digital transformation is therefore being treated as a prerequisite for organizations to implement because of its transformative power on how customers and the business can easily interact. The literature review will delve more into the lessons learnt from Standard Chartered bank in Zimbabwe and the impact digital transformation has had on customer satisfaction on the bank's customers.

Authors [2] are of the view that through digital transformation a company can easily harvest a lot of data that it can analyze and use to tailor make products and services that appeal to their existing and targeted customers. Data has been classified as the new oil for business sustainability and going concern. Authors [3] are of the view that homogeneous product development and mass production of products and services are seizing to be customer centric hence the use of data driven insights motivates for segmentation of one. The case of Standard Chartered bank of Zimbabwe clearly details how during their digital transformation managed to use data driven insights to win their customers satisfaction. [4] alludes that banking was known to be done in a brick-and-mortar structure and the transformation of digital banking though it faced resistance in the initial stages became the marvel for many due to its convenience and simplicity. The case of Standard Chartered Bank is a clear demonstration of its quest to avail exceptional customer experience through digital transformation. Standard Chartered understood that they are not only delivering banking

services to its customers but rather experiences [5]. Digital transformation becomes the enabling power behind effortless customer experience on the backdrop of artificial intelligence and self-service tools [6]. Standard Chartered bank was the leading bank in availing online banking and subsequent closure of their several brick-and-mortar branches only to remain with three branches country wide. This resonated well with the values of pioneering and innovation coupled with their appetite to be the leading bank of all time. The drive for online banking became a favourite for their customers who were geographically spread as they now had capacity to initiate and complete their transactions from their homes bypassing the traffic jungles of cities and long winding banking queues [7].

Further studies have indicated that digital transformation encourages collaborations and improves communication [4]. The capability of installed digital platforms to increase collaboration and communication amongst departments and individuals internally fosters the innovation output to be significant. Digital transformation of internal processes eliminates roundabout communication, redundancy, slow time response, lost information, and silo mentality amongst teams [7]. Studies have further noted that digital transformation of internal processes increase creativity, productivity, and accountability yet optimizing the capacity of an organization to out compete its competitors further explains [7]. Standard Chartered bank Zimbabwe through its digital transformation improved their internal collaboration evidenced by the improved response time to various issues raised to their driving customer satisfaction to greater heights as compared to what competitors were doing. The collaboration and improved communication of internal staff further drove staff loyalty and engagement which significantly reduced staff attrition which was rampant at other institutions in the banking sector [8]. Authors argue that single sided

transformation does not bear intended results at the end of the day hence 360 degree and omni channel transformation both to internal and external stakeholders completes the transformation matrix with fluidity on all facets of the business [6].

Business [9] agility is one of the separators of business success and with digital transformation at the core any business will have the capacity to quickly respond to the ever-changing customer needs, wants and desires. A survey once done across industries noted that only 8% of businesses will survive using their existing business models and remain viable despite other industries embarking on digital transformation [10]. This statistic explains that 92% of companies saw the essence of digital transformation and noted the need to change and embrace digital transformation as its key for business survival. With digital transformation embedded in the culture of an organization, route to market on new products becomes faster and easier responding to the notion of current customers who are now demanding products and services as and when they like them [10]. Viability will be driven by how responsive a company is to its customers demands going into the future hence the essence of digital transformation in driving customer satisfaction.

Digital transformation has been widely viewed as an eliminator of human errors once correct input of data has been done [3] explains that the process of digital transformation eradicates repeat of manual input of data and optimizes information capturing while allowing employees to spend more time on value adding activities. As digital transformation has been at the height of pushing customer satisfaction in Standard Chartered Bank of Zimbabwe, there was need to get employee buy-in to drive the project successfully. With the employees knowing that some of the processes which were laborious, and manual were going to be eliminated there was widespread adoption as employees new they would for example leave

their workspaces on time compared to times they would go into the night doing manual data capturing after the full day of transacting [11]. Training became the bedrock on employee buy-in the digital transformation that Standard Chartered bank of Zimbabwe embarked on [12]. Lack of knowledge and equipping of staff motivates for resistance in such initiatives as employees become skeptical of the outcome and fear of failing to use the systems. Studies have emphasized the need to empower employees as they are the greatest asset of any organization and investing in them through training speaks to their need for growth [13].

Operational efficiency and effectiveness are aspects that most corporates yearn for. Digital transformation through integration to all company systems avails the smooth and flawless operations of the company with clarity and precision of roles and responsibilities amongst staff as alluded by [3]. Automation embedded in digital transformation ensures that manual processes are eliminated leading to reduction of overhead costs optimizing delivery process and speeding up products' symbiotic communication with intended stakeholders in real time as noted by [14]. Digital transformation enhances multiple products or services handling, launching and route to market simultaneously.

Agree [10] that digital transformation enables future growth as it sets the stage for future product and services provisions. Companies that are not embarking on digital transformation are predicted to be overtaken by events as what happened to big companies such as Kodak, and Blockbuster industries which failed to transform and have been rendered obsolete by the market forces. Through optimization of company processes through digital transformation simplifies the customer journeys and motivate the customers to donate their dollar votes to companies that simplifies that way of doing business [10]. Companies that have managed to fully embrace digital transformation have recorded significant

revenue and profitability margins such as Amazon, Disney, Apple, and Tesla.

Further research has alluded to the fact that customer satisfaction and customer experience have become the new currency in transforming and winning competitive battles in industries as noted by [6]. The notion that customer is the king remains valid as what the customers demand they are willing to pay for it and hence the ability of an organization to fulfil that need differentiates the viability of a business from its competitors [15]. Product dumping has since been overtaken by events and no longer driving sustainability in organizations as customers have since demanded personalized services [2]. Using data analytics some industries are now driving segmentation of one which fosters high customer satisfaction [16]. With Standard Chartered Bank of Zimbabwe customers wanted to autonomy of transacting from anywhere without visiting the banking hall, resetting their own card pins, activating their preferred bank card, deactivating lost cards, and downloading their banking statements from the comfort of their places. As the bank implemented those capabilities potential customers started churning from their other service providers moving to Standard Chartered Bank of Zimbabwe due to efficiency and easy of transacting enabled through digital transformation.

Despite digital transformation exposing customers to cyber security challenges Standard Chartered Bank of Zimbabwe through its robust digital platforms took time to educate its customers on the dangers they were likely to face, and the proposed mechanisms customers would use to protect themselves. Lines of communication and continuous product development were kept open to enable the bank to glean as much information as possible and fostering relevance of the products developed from time to time.

Despite of the cyber security concerns that customers feared in the initial stages of the digital transformation by Standard Chartered

Bank of Zimbabwe, it increased customer trust and advocacy due to the transparency availed through digital transformation [17]. When faced with challenges, customers would highlight their challenges on digital platforms which other customers would see, and Standard Chartered Bank of Zimbabwe made it possible to attend to various issues within stipulated timeframes to the delight of the bulk of their customers. From an internal perspective transparency made it possible for staff to be responsible and accountable driving the set key performance indicators as it would become visible as to where the bottlenecks are [16]. This also gave room for continuous process improvements to achieve more real time service availability and exceed customer expectations.

## **Research Methods**

The study employed the qualitative research design making use of the case study approach to understanding and analyzing the digital transformation initiatives executed by Standard Chartered Bank of Zimbabwe. Semi structured interviews were conducted with the bank's senior managers, staff, and customers. Company documents also added into the pool of sources of data that were used. Through a comprehensive literature review gaps in the current research were identified and research question was synthesized.

Data was collected both from primary and secondary sources, with primary sources used being interviews while secondary sources used included company and industry reports. Data analysis was then done employing both qualitative and quantitative techniques, quantitative method employing statistical techniques on survey data and qualitative analysis using thematic analysis of interview sheets [18].

The analysis from both qualitative and quantitative standpoint informed the interpretation of results drawing conclusions on the relationship between digital transformation and customer satisfaction in the banking industry in Zimbabwe [19]. The results were interpreted through telnetting on the existing literature review and the specified research question. The recommendations were passed with the motive to improve customer satisfaction of companies operating in the banking industry in Zimbabwe through the adoption and implementation of digital transformation initiatives.

The findings have a bearing on the banking industry in Zimbabwe and will avail a steppingstone for other banks that want to adopt digital transformation to enhance their customer satisfaction [20]. Lesson will be drawn from the roadmap that Standard Chartered bank of Zimbabwe walked and will be used as a yardstick for companies that will look forward to implementing digital transformation while enhancing customer satisfaction. The analysis contributes and adds to the body of knowledge on digital transformation and customer satisfaction given the stage at which most banks are still at in Zimbabwe. Using various platforms such as conferences, publications, industry forums, and seminars the results of the research will be made known to the various stakeholders.

## **Results and Data Analysis**

The below tables depict the results from the study on digital transformation and customer satisfaction, a case study of Standard Chartered Bank of Zimbabwe. Outcome on the interviews done to customers, employees and managers on the digital transformation initiatives and customer satisfaction that the bank embarked on.

**Table 1.** Summary of Results on Digital Transformation and Customer Satisfaction

	<b>Digital Transformation activity</b>	<b>Outcome on Customer Satisfaction</b>
1	Web Online Banking	Satisfied
2	USSD generated transactions on *200#	Positive
3	Online activation and deactivation of banking cards	Satisfied
4	Two-way communication platform online	Positive

Table 1 therefore gives a snapshot into the implications of digital transformation and customer satisfaction, and it is clear from the study that all the initiatives the bank embarked on have had a positive impact to customer satisfaction. The web online platform for customers who use smart phones, laptops, and tablets, the USSD platform for customers who use feature phones, the customer capability to activate and deactivate their banking cards, and the enabling of the two-way communication channel where customers and the bank converged changed positively the satisfaction level of customers in the positive direction. It is therefore clear from the tabulated outcome that digital transformation initiatives can steer the organization's key performance indicators. Once customers are happy, they are willing to spend more with the institution increasing the revenues generated by the entity and subsequently increasing profitability. Customer retention and customer lifetime value becomes glued to the satisfaction derived by customers

motivating for the lower costs of maintaining the customers as compared to recruiting new customers. With customer retention and lifetime value come business going concern and sustainability.

However, there is need to also consider that digital transformation is not an automatic panacea for customer satisfaction. Depending on the processes that have been optimized and how it has been made easy for the customers some digital transformations have created more challenges than good to companies. Some companies think digital transformation is how sophisticated the technology is and yet customers are not worried about the rocket science and robotics on the services but how simple it becomes for their interaction with the organization.

The table 2 details the satisfaction level of employees and management on the digital transformation journey Standard Chartered Bank of Zimbabwe embarked on.

**Table 2.** Employees and Management Outcome

	<b>Digital Transformation activity</b>	<b>Outcome on employee satisfaction</b>
1	Online Banking	Negative
2	Staff engagement	Positive
3	Employee satisfaction	Positive
4	Staff turnaround time to customer issues	Positive

Table 2 tabulates how employees and management view the impact of digital transformation initiatives on customer

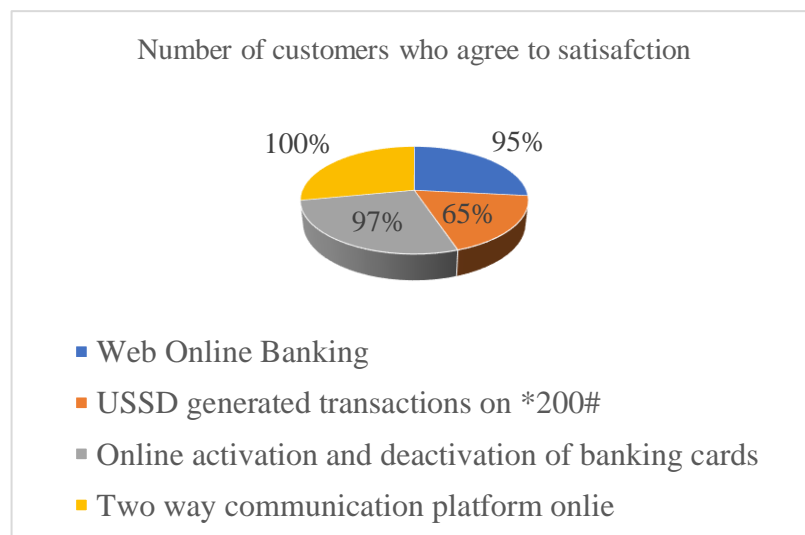
satisfaction employed by Standard Chartered Bank of Zimbabwe. Employees feel that online banking has a negative implication on their jobs

as customers will no longer be frequenting the branches and this makes them redundant. Overall, on staff engagement, employee satisfaction and staff turnaround time in resolving customer issues employees and management concur that digital transformation has brought a positive impact to employee satisfaction. From that analogy it then translates that employee retention, brand association and employee word of mouth becomes high impacting positively on the reputation of the organization. Despite all the other measures being positive, there is further need to active engage staff to educate them on how the digital transformation would be of essence to them and assure them that jobs maybe redeployed within the organization to areas like online chatbots management and product development widening scope of employees.

From picking the customer sentiments the pie chart below explicitly shows the level of customer satisfaction to the digital transformation initiatives implemented. The pie chart clearly shows that customers welcomed the

initiative of two-way communication with 100% of customers interviewed expressing satisfaction on that aspect. This explains how feedback channels essential to the customers. Online activation and deactivation of banking cards also scored a satisfaction rate of 97% as customers now have autonomy to chose and activate the card of their choice and deactivate if they suspect any insecurities around their bank cards. Web online banking commanded 95% satisfaction as customers indicated efficiency and effectiveness in the systems. This was also coupled by the convenience created were customers no longer needed to visit the bank for doing transactions but would transact from anywhere and anytime.

The only area where customers did not score positively is on the USSD generated transactions scoring 65% and the major teething issue emanates from the timeouts experienced on the platform where transaction may disconnect before transaction completes and customer must start again.



**Figure 1.** Customer Evaluation on Digital Platforms Initiatives

## Discussion

From the tables and pie chart tabulated above insights of the way Standard Chartered bank is operating and performing can be leant. From table 1 it can be noted that the initiatives that Standard Chartered bank embarked on which

are web online banking, USSD generated transactions, online activation and deactivation of banking cards and online two-way communication has a positive impact on customer satisfaction. With these initiatives and the impact, they have shown so far it is clear

that Standard Chartered bank is increasing its competitiveness in the market leading the way on digital transformation.

Table 2 shows that employees sentiments signify that the initiatives the bank has taken will transform the way the bank operates and impact the market positively. On initiatives such as staff engagement, employee satisfaction, staff turnaround time, it has been proven that there is a positive impact to employees. Online banking though accepted with reservations employees were skeptical as to what will happen to their jobs once customers fully adopt to online banking models. Owing to the positive impact that the other initiatives have on employees there is no doubt that this workforce is well engaged and satisfied which make them willing to extend an exceptional service to the customers. This has a positive impact on the brand positioning of the company together with employee and customer retention. Both employees and customers are churning from other competitors in the market to Standard Chartered bank.

Figure 1 without doubt shows the impact that Standard Chartered bank has had on its customers through its digital transformation initiatives with all parameters above 50%. Further optimisations on the USSD platforms will completely change the trajectory of banking to the generality of customers who use feature phones. In solidifying the impact that digital transformation has on customers and employees, it is imperative to then benchmark with the other industry players as this will reveal the strength and weaknesses that the bank has and allow for new initiatives to be put in place.

Further research can be explored to unearth other imperatives and initiatives that Standard Chartered bank can work on to consolidate their lead on digital transformation.

## **Conclusion**

The research concludes after noting that there is a positive relationship between digital

transformation and customer satisfaction both on customers and employees emanating from the initiatives that Standard Chartered Bank of Zimbabwe carried out in automating their operations. The net effect on customers has been found to be driving customer spending, company revenue generation, lower cost of maintaining retained customers, high customer lifetime value and maintaining going concern and sustainability. On the employee front the net effect has been found to be well engaged staff, low staff turnover, highly motivated staff owing to optimized processes. The autonomy that Standard Chartered Bank gave to its customers prides its brand as a leading innovator in the market in simplifying solutions for customers. The initiatives have been evaluated and their impact positively drove the growth trajectory witnessed by the bank after the digital transformation and the sentiments shared by customers.

## **Future Research**

Further research is recommended to understand the financial implications of the digital transformation that Standard Chartered embarked on and its return of investment despite the satisfaction that it has positively impacted on customers. The going concern of the business is measured from financial metrics mainly profitability, return on investment, share price fluctuations hence further studies need to extensively investigate these areas. On the other hand, there is need to look closely into customer metrics such as customer profitability, willingness to recommend and net promoter score as key metrics that determine satisfaction. Further research can also be looked from a comparison point of view where comparison with other banks is done to measure which bank implemented digital transformation in a much better way and the outcomes. Comparison will also be done on the outcome to metrics such as market share and competitiveness of the banks after digital transformation.



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## Conflict of Interest

In the quest to avoid conflict of interest the author explicitly defined the research subject. The subject under study focused on digital transformation and customer satisfaction with major emphasis on initiatives being carried out and their influence on customer satisfaction and employee engagement.

The literature review that the author conducted was independent with information being collated from sources such as journals, industry reports, books, and company publications. The study was never influenced by Standard Chartered bank or any of its stakeholders' creating independence on the outcomes. The author employed various methods of data collection such as interviews and surveys to ensure reliability and validity of the findings.

In gleaning insights, the author engaged with various respondents such as customers, employees, and managers of the bank without taking sides. Through avoidance of being very close to any grouping during the research the author avoided conflict of interest. This assisted greatly in promoting accountability and transparency in a bid to avail a fresh perspective to the concept of digital transformation and customer satisfaction.

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