PLENUM TECHNOLOGIES

The India Credit Card Customer Experience Index Rankings, 2022

TREND REPORT

How Indian Credit Card Issuers Earn Loyalty By Delivering Quality Experiences

Summary

The past 12 months have been a roller-coaster ride for consumers and brands. COVID-19 cases and deaths have declined, allowing consumers to return to a degree of normalcy in their social lives and brand interactions. Meanwhile, supply issues, staffing shortages, and rising costs hamper firms' efforts to return to that same pre-pandemic "normal." How well did India's credit card issuers manage their customers' experiences? This year, we reveal the scores and rankings of all five card brands. Results show that the quality of CX has improved significantly in the past year. CX professionals at card issuer firms can use this report to inform their ongoing improvement efforts.

The Majority Of India’s Credit Card Issuers Improved Their CX In 2022

Customer experience (CX) leaders grow revenue faster than CX laggards, cut costs, reduce risk, and can charge more for their products. The Customer Experience Index (CX Index™) methodology measures how well a brand’s customer experience strengthens customers’ loyalty (see Figure 1). In 2022, we surveyed more than 4,800 Indian adults, including more than 1,400 customers of five of the country’s largest and most important credit card issuers (see Figure 2). Since the last CX Index survey closed in 2021, consumers have lived through another year of the COVID-19 pandemic. When we compare our 2022 results with previous years, we see that card brands have made significant progress on improving the quality of their CX.

Figure 1

CX Index Measures CX Quality And Customer Loyalty

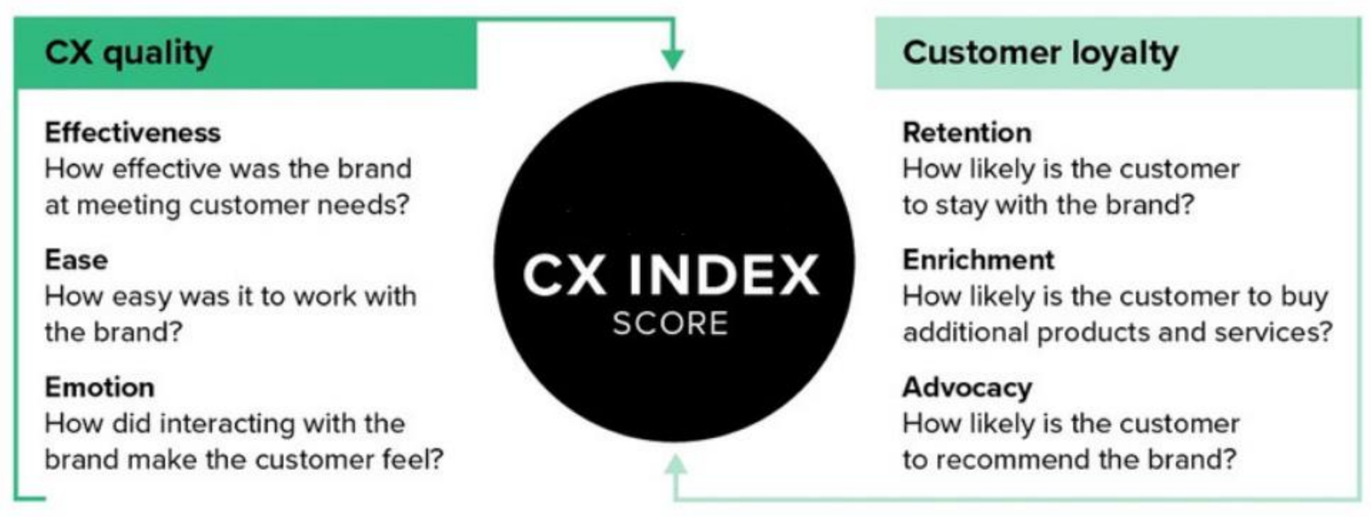

Figure 2

India CX Index, 2022: Rankings Of Credit Card Issuers

Credit card issuers

RANK 2022		RANK 2021	BRAND	PERFORMANCE 2022	PERFORMANCE 2021
1	▲	3	ICICI Bank	79.0*	75.0
2	▼	1	American Express	78.9	77.1
3	▲	4	Axis Bank	77.3*	73.8
4	▼	2	HDFC Bank	77.3	76.7
			Industry average	77.0*	73.7
5	▲	6	SBI Card	72.7*	68.4

Very poor (0-49) Poor (50-59) OK (60-69) Good (70-79) Excellent (80-100)

*Statistically significant difference over the previous year

ICICI Bank Gallops To The Front In A Photo Finish

This report surveyed the customers of five credit card brands in India to determine how they perceive their experiences and how CX drives loyalty. Overall, we found that:

- **ICICI Bank nudged ahead of the rest.** ICICI Bank moved up from third place to take the lead in 2022, displacing last year's leader American Express by a whisker. ICICI increased its score by 4 points and delivered an impressive 55 emotionally positive interactions for each negative one, compared with the industry average of 18.

It led on drivers related to customer respect. Its focus on offering convenience to customers through relevant partnerships with retail brands and integrating with their loyalty programs seems to have paid off.

- **American Express paid a price for stagnation; SBI Card made the biggest splash.** American Express, which has topped our card ranking since inception of the CX Index in India, slipped to second place for the first time. Although American Express lagged this year's leader ICICI only slightly, its unchanged CX score cost it the pole position. Nonetheless, the brand led the pack on driver categories related to rates and fees and to customer service and delivered more interactions that were effective and easy than its peers. Axis Bank and HFDC Bank are in the middle of the pack with identical scores of 77.3. Despite coming in last, SBI Card boosted its score by 4.3 points; this was the largest jump in the group and moved it from mediocre to good CX. SBI Card facilitated this improvement by making its interactions easier and more effective.

- **Although card brands have made significant progress, they can't rest.** Three of the five card brands improved their CX scores by a statistically significant amount, boosting the overall industry score by more than 3 points. This was in stark contrast to last year, which saw the industry's CX performance stagnate. All five brands now offer good CX — a long way from 2016, when most of them offered mediocre experiences. Despite these positives, the credit card industry must do even more to improve its CX, as it faces competition from payment formats such as the Unified Payments Interface (UPI), which doubled between April 2021 and April 2022, and the buy now, pay later (BNPL) industry, which is expected to grow tenfold in the next four years. With non-traditional players snapping at its feet vying for the same customers, the industry must do more to improve its CX.

The Three E's Of CX Quality Differ Across Channels

In a repeat of 2021, credit card customers who had hybrid interactions — a mix of digital and physical — had the best experiences. Brands' focus on digital is paying off; although digital-only customers had the second-best experiences, this was a big improvement over brands' digital performance last year. Customers who only had physical interactions continued to have the worst experiences, although these scores also improved. When we examined how individual channels performed on the three E's of customer experience for credit card issuers, we found the following:

- **Effectiveness: Physical mail best meets customer needs.** Customers find it most effective to hear from their credit card company via the post. While this is great for customers, credit card issuers need to increase the effectiveness of digital channels such as chat, website, and apps, which can meet customers' needs at greater scale and lower cost. This will also allow card brands to lean into Indian customers' propensity to use cards more online than offline. The SMS channel was least effective for card customers.

- **Ease: Mobile apps were easiest to use.** Customers find it easiest to interact with their credit card brand via its mobile app. This is good news, because this is where financial firms, including card companies, have been placing their bets. But better digital CX is an ever-moving goalpost; as brands across industries push the digital envelope for faster, easier interactions, customers' expectations only rise. To keep up, card brands must continue to push the envelope on their digital channels. Credit card issuers' SMS interactions offered the least ease to customers.

- **Emotion: Social interactions evoked the most positive emotions.** In 2022, social media was the most emotionally positive channel for credit card customers. The flexibility and agility of the channel allows brands to scan for customer complaints in real time and engage meaningfully with customers. Unfortunately, card brands' websites evoked the least positive emotions from customers. This is a missed opportunity for card brands to use digital to emotionally engage with customers at scale.

The Keys To Achieving CX Leadership For India’s Credit Card Issuers

To tackle the onslaught of fintech players and alternative payment methods, the credit card industry must improve the quality of its customer experiences. To do this, issuers must understand why the industry performs the way it does. The overall perception of CX quality by card customers rests on a combination of 32 drivers in six broad categories: communication, credit cards and services, customer service, rates and fees, respects me as a customer, and websites and mobile apps (see Figure 3). What’s more, the three dimensions of CX quality — effectiveness, ease, and emotion — are not equally important. As it turns out, emotion is key to differentiation (see Figure 4). We found that:

- **Rates and fees are the most important driver category.** In 2022, drivers related to the clarity and competitiveness of the rates and fees that a credit card firm charges customers continue to have the most impact on its overall CX Index score. This focus on fees is no surprise, especially against the backdrop of the pandemic, when customers’ financial situations were constantly evolving. Despite the importance of this driver category, credit card brands performed the worst in it: Only 69% of customers reported a positive experience with rates and fees, highlighting the fact that brands have much to do in this critical area.

- **Communication is the least important driver category.** Seventy-five percent of credit card customers had good experiences with their brand’s overall communication — which includes communicating across channels and formats in easy-to-understand language. Sadly, given its relatively strong performance, this is the least influential experience driver category in 2022. But credit card brands will do well not to ignore it; simple, jargon-free communication is a vital part of the value proposition of the fintech players that they’re up against.

- **Happiness does partially drive loyalty.** Contrary to conventional wisdom, making customers happy is not the only emotion that makes them loyal. What other emotions lead to card customer loyalty? The top five are making customers feel happy, respected, confident, grateful, and hopeful. Among customers of India’s credit card industry who felt confident, 84% plan to spend more with the brand and 89% will advocate for it.

- **Disappointing customers will drive them away.** Making credit card customers feel disappointed, annoyed, neglected, angry, and frustrated are the five emotions that most harm their loyalty. Customers are typically disappointed when brands are unable to fulfil their promises or meet customers' expectations. Of customers who feel disappointed, just 50% plan to spend more with the brand and only 45% will advocate for it.

Figure 3

The Six Driver Categories Of The Quality Of Indian Credit Card Issuers' Customer Experience

	CX quality driver categories ranked by impact on loyalty and revenue for credit card issuers in India	Percentage of customers who indicated that credit card issuers performed well in the category
1	Rates and fees	69%
2	Respects me as a customer	75%
3	Website and mobile app	82%
4	Customer service	77%
5	Credit cards and services	77%
6	Communication	75%

Base: 1,479 Indian online consumers (18+) who interacted with a specific credit card issuer within the past 12 months

Figure 4

Positive And Negative Emotions That Drive Credit Card Issuers' Customer Experience

Positive emotions	Negative emotions
Happy	Disappointed
Respected	Annoyed
Confident	Neglected
Grateful	Angry
Hopeful	Frustrated

To Raise Your Brand's CX Index Score, Improve Its CX — Here's How

Too many companies are metrics-obsessed when they should be customer-obsessed. One of the most common questions received from companies after they see their CX Index score is "How can I make it go up?" when they should be asking "How can we improve our customer experience?" If they improve their experience, their scores will rise. Although data alone can't tell CX leaders what and how to improve, there are many ways they can use data to identify opportunities. This report recommends:

- **Diving deep into CX Index data to see which drivers are most important for your brand.** CX Index uses survey responses from customers to determine which drivers have the greatest impact on loyalty for every brand included. By focusing on the drivers that most influence your customers' loyalty, you can prioritize your efforts. The top drivers for credit card issuers are resolving problems and issues quickly, explaining reasons for rate or fee changes, keeping customers' personal and financial information secure, and offering the types of credit cards that work best for customers. Nevertheless, there is more to the story.

- **Going beyond CX Index data.** Just as a thermometer can tell you if you're running a fever but won't diagnose your illness or prescribe medication, the CX Index can act as a barometer for how successful your customer experience is at driving loyalty but won't tell you your specific issues or how to solve them. Use other forms of data like voice-of-the-customer feedback and operational metrics to identify pain points and other problem areas. Then employ qualitative research tools such as interviews, ethnographies, and journey mapping to understand those problems. Prototype and iterate solutions to these issues to improve. More information on these processes can be found in the report How To Design Great Experiences.

- **Learning how others have improved.** For several years, CX professionals at the most improved companies have been interviewed about how they've raised their CX Index scores. In the past years, companies have improved their CX by using the pandemic to accelerate their transformations (2021), making CX an explicit part of their enterprise-level strategy (2020), and going back to basics by doubling down on their fundamentals and working with their call centres to learn about customers' most pressing needs (2019).

Supplemental Material

Research Methodologies

For the Customer Experience Benchmark Survey, India Consumers, 2022, an online survey was fielded from March to May 2022 of 4,862 Asia Pacific individuals aged 18 and older in metropolitan India (cities of Ahmedabad, Bangalore, Chennai, Hyderabad, Jaipur, Kolkata, Mumbai, New Delhi, and Pune). For results based on a randomly chosen sample of this size (N = 4,862), there is 95% confidence that the results have a statistical precision of plus or minus 1.41% of what they would be if the entire population of metropolitan India online individuals ages 18 and older had been surveyed. The final data set was stacked by brand (21 India brands) and weighted by age and gender to represent 7,703 weighted respondents answering for all brands. The data was also weighted by income level in the cities of Ahmedabad, Bengaluru, Chennai, Hyderabad, Jaipur, Kolkata, Mumbai, New Delhi, and Pune.

Bases: For each industry in 2022, the number of India online adults (18+) who interacted with a specific brand within the past 12 months is as follows: auto manufacturers: 3,476; banks: 2,748; and credit card issuers: 1,479.