Catalyst

E-Mail interview with
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FSS
A Payment Systems Company

(FSS is an end-to-end payments systems company. FSSNeT, is the payments processing and managed services entity of the company, providing hosted payment transaction processing services to banks and institutions across retail channels.)

Q: FSS are pioneers in the e-payments space. What challenges did you encounter in convincing people to use it?

A: FSS was founded in the year 1991 when the payment industry was in its infancy in India. There was lower acceptance amongst customers and resistance towards electronic payment due to the lack of familiarity and understanding about the technology. Primary concerns hovered around security and complexity.

From the banks' standpoint, the payment infrastructure was not developed and there were no industry precedents, standards or mandates to fall back on. The branches were wide spread across the country, not connected and banks did not have an understanding about the seamless adoption and implementation of payments technology. The investment was also huge and banks were initially speculative about investing on a new area.

As the pioneer in the space, FSS invested a lot of time and resources in building understanding about e-payments both from banks' and customers' perspective. FSS constantly invested on innovations and infrastructure and worked closely with the banks and the payment industries to understand the space, learn about customer preferences and concerns, and identify challenges and opportunities. The focus has always been on making electronic payments easier, secure, robust and more acceptable.

Q: While designing the service, what steps did you take to ensure that technology meets the customer experience issues like ease of use and fear of payment transaction on the net, etc.?

A: Our deeper understanding about payment industries has helped us in enabling banks deliver superior customer experience. We have over 20 years of domain

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experience and a competent team of payment specialists who understand the payments industry from the perspective of banks as well as end customers. We identify the concerns of the end customers as well as challenges faced by the banks. Based on this understanding, all FSS products and services are designed to deliver usability, scalability, security, high availability and agility.

Our products and services are customised to suit banks' requirements and reflect the unique identity of bank's brand to ensure consistent and seamless experience across various touch points. To address the security concerns of customers, we prominently display logos of certifying authority and respective interchanges such as VISA, MasterCard, Rupay on the user interface for payment gateway transactions and on the ATMs.

Q: Marketers talk of touchpoints. How does it manifest in the e-payments business?

A: The touchpoints in e-payment are of three types: (1) customer touchpoints i.e. the devices through which customers access Internet such as smart phone, PCs and tablets, (2) Retailer touchpoints such as bill payments services, remittance services run from PC based devices

installed at retailers, kirana stores, etc., (3) Public utility touchpoints like Self service kiosks, ATMs, Cash dispensers, Bulk note acceptors and so on.

Q: How does FSS design to cater to a wide variety of end-users - some tech-savvy and many first time and reluctant users?

A: At FSS, we do not discriminate between a first time user and a repeat user. We focus on delivering the same enhanced experience to the first time and repeat users by designing applications that are easy to use, fast, available and secure. We always strive to get the application right in the first instant itself. The emphasis is to make the User Interface simple and the transaction flow linear and easy to understand.

Q: Can you give an example where you have made a change to enhance customer experience?

A: Fast Cash option on ATMs was first introduced by us on ATMs to cater to a customer who has limited time to withdraw cash, we have ensured reduced activity level and delivered cash with oversimplified steps. We also gave customers a certain value of cash withdrawal which his or her favourite transaction. e.g. Rs.5,000 cash withdrawal as a favourite transaction.

FSS has delivered many path breaking innovations that have redefined the industry. FSSNeT Mobile Banking suite is one amongst our successful deliverables which has delivered tremendous value to banks and financial institutions. It is the first ever mobile banking and payments suite that is fully compliant with RBI regulations for mobile banking and payments. Since 2008, we have made over 50 enhancements to the product - including enhancements on user interface or upgradation to adapt to new mobile platforms and operating systems.

Q: Do you provide a higher level of service to customers transacting higher value? If yes, how do you differentiate?

A: FSS pre-dominantly caters to retail payments solutions and services space through the Banks and Financial Institutions. Based on the specific requirement of banks and FIs, we provide customised solutions to cater to high value customers. A good example is that we have enabled e-payments in Telco closed user group environment (CUG), to help enhance supply chain efficiencies between a company, its distributors and a bank for high value purchases by distributors. In this case we have been able to crash the traditional payment cycles between 3-10 days involved to almost online payments through various channel options, connect through the Telcos' ERP systems for immediate release of supplies through online mechanism.

Q: To help the first time users, do you provide any mock sessions or any online hand-holding on your opening screen?

A: We ensure that the User Interface we design for the banks is very simple and easy to understand and use. A new service gets launched after several user acceptance tests and through various pilot launches, through limited users, say our company / bank's teams. When it comes to end customers, we communicate through banks websites, other communication materials and sometimes through online instructions like in the case of a internet payment gateway. We also educate and mandate customers and sometimes make it mandatory to follow security measures such as mandatory "PIN Change" during their first usage.

Q: Have you taken any initiatives to educate merchants and end-users about e-payment usage as well as motivating them to use? If yes, explain.

A: India's ingrained service culture make them especially attuned to excellent service. They are embracing newer channels and innovations fast. Today's merchants and end customers are much more knowledgeable and tech savvy. A typical merchant training is conducted via the bank's channel. We train the bank's operations team and they in turn train their merchants. Generally there is specific area in the bank's web portal where merchants can access and train online and we provide key input.

Q: With very high penetration of mobile phones, will it become the most popular mode of payment / e-transaction overtaking credit cards, etc.? If yes, what are the implications to merchants?

A: No doubt, mobile is rapidly gaining traction as a popular retail touch point. For merchants, it is yet another potential channel to deliver personalised and enhanced payment experience. The ubiquity and 24x7 access to mobile make it an instant channel for merchants to promote products and services to end customers. Having said that, I want to add that mobile commerce is still in its nascent stage. It will not replace other payment channels such as cards, POS or internet in the near future.

Q: In the last five years, has there been a great shift towards e-payment? Which verticals have adopted it fast? Reasons for this.

A: Online transactions such as ticketing, online shopping have witnessed greater penetration driven by ease of transaction, instant availability, wider choices and better price deals. Mobile is also fast picking up. The key drivers for these shifts are to do with banks wanting to issue more and more debit cards and moving their customers away from their costly bank banking channels.

Q: Since you operate in many countries, is there anything unique about India with respect to e-payment adoption?

A: Thanks to the fast evolving payments infrastructure and rapid adoption of technology, India is poised to emerge as one of the top 5 economies in the world for electronic payments and transactions, according to industry reports. Various retail payment channels such as ATMs, real time gross settlement (RTGS), electronic funds transfer (EFT), electronic clearance service (ECS) and debit/ credit cards are gaining traction and wider acceptance. Today, e-payment systems in India account for 41 per cent of the total volume and 90 percent of total value of transactions. Interbank mobile payment service (IMPS), Internet banking, Aadhar-enabled payment system (AEPS), and pre-paid are further expected to drive the cashless revolution.

"Custommerce Service Excellence Foundation" conducted a Workshop on "Customer Experience Management" covering the four modules, namely, Strategy, Research, Technology and Branding on 7th and 8th of March 2013 at The Oberoi, Bangalore. The faculty members are Directors of Custommerce, namely Ramesh Venkateswaran, C.K.Sharma, Ramanujam Sridhar and Shankaran Nair G. The participants were from a variety of companies like Titan, TVS Automobile Solution, National Stock Exchange, Kluber, Micromatic Machine Tools, Aditya Birla Money, ING Vysya Bank, Toyota, Bangalore Airport, AEGON Religare, Aircel, Tata Sky, Tata Teleservices, Tata Communications, ADP, Edelweiss Tokio Life Insurance, AEGIS Academy, State Bank of Mysore, ABT, Mysore Polymers, etc. A short summary of the talk by the faculty members is given below.

Ramesh Venkateswaran:
Ramesh introduced the topic of Customer Experience Management (CEM) by high-lighting that when a sale or service delivery takes place it is between two people, though machines and technology may facilitate the process. He emphasised that CEM should cover the entire gamut of pre-sale, during-sale and post-sale. The word 'sale' includes 'service' / 'consumption' in the case of service products like

Ramesh Venkateswaran

Ramanujam Sridhar

banking, telecom, hotels, airlines, etc. Each of these stages offer companies scope to differentiate their product / service delivery and build competitive advantage. He set the context by identifying the four components of purchase when a customer buys a product or service, namely, (1) Core product / service, (2) Augmented product / service (e.g. additional services like registration for cars), (3) Service environment (they influence the perceptions about the product) and (4) Service experience during the transaction. He quoted from various studies to get across the points along with lot of real life examples. To highlight the importance of CEM, he reiterated "Product quality is necessary but not a sufficient condition for success; if there is no product quality, failure is guaranteed; success is not guaranteed unless the customer experience is good." He gave the example of companies like Apple which wish to have a greater control of the delivery chain to enhance the

customer experience. He explained the problems arising from the four gaps, namely, (a) gaps in understanding customer expectations, (b) gaps in setting service standards, (c) gaps in service delivery and (d) gaps in communicating internally and externally (Gaps Model postulated by Dr. Parasuraman).

C.K.Sharma:
CK covered issues relating to benchmarking and measuring customer experience like what needs to be measured, how it needs to be measured, how it can be measured and the pitfalls while undertaking this exercise. Customers' brand experience is a critical input to satisfaction and loyalty. The

C.K. Sharma

Shankaran Nair G.

customer, experiences the brand through multiple channels and at different stages of the buying process, and hence care needs to be taken while undertaking a measurement exercise. He also touched up on researchers dilemmas like customer's brand or broader market, continuous or event based, sample size, third party or in-house, etc. CK made an in-depth presentation on CINDEX, an independent study by Custommerce to benchmark Customer Experience across eight verticals, namely, airlines, bank cards, lifestyle retail, two-wheelers, GSM mobile Handsets, GSM prepaid mobile Services, GSM postpaid mobile services and savings bank accounts. He explained that the index was based on five parameters, namely, Satisfaction, Loyalty, Advocacy, Value for Money and Expectation. The various ways the results can be interpreted using CINDEX, DS - Delight Score, TQ - Top Quartile and BQ - Bottom Quartile. He also explained how CINDEX can be used by different levels of the management by using demographic variables like age, size of town, zones, etc. He took a live example of a vertical and explained the various scores and how companies can use them. It is also useful to benchmark across verticals as customers are doing this all the time by demanding the level of service offered in one industry, say hospitality and expecting it in another industry like Telecom or banking.

Ramanujam Sridhar:
Sridhar talked about branding issues and opportunities for companies to enhance the value of the brand by delivering a great customer experience. He explained about the tangible and

Sharma conducting the workshop

can work to a great advantage to the company. Large companies do not have a choice but to monitor this space.

Shankaran Nair G.: Shankaran covered the Technology Module wherein he talked about issues relating to technology selection and deployment. Should decision in the selection process be 'technology-led' or 'use-led'? He emphasised the need to be 'use-led' as this leads to greater chance of success of the project. To illustrate the point he gave the example of the attempt to erect a "virtual fence' by U.S. Homeland Security and how it failed after spending billions of dollars, though assured by many U.S. Presidents. He explained the Gartner's HYPE Cycle of Technology Adoption and used the example of Contact Centre industry to explain it. He explained the five stages, namely, (1) Technology Trigger, (2) Peak of Inflated Expectations, (3) Trough of Disillusionment, (4) Slope of Enlightenment and (5) Plateau of Productivity. The problems in different stages were also discussed.

intangible attributes of the brand and the opportunities it throws up, since lot of decisions are emotional decisions though they may look rational choices. He gave various definitions of 'branding'. Since branding is about knowing customer expectations and exceeding them, it requires that companies try and understand what those customer expectations are. He also explained the concept of "the lifetime value of the customer" and illustrated it with examples. He emphasised the need to manage the image of the brand as portrayed in the media. This has become all the more important since today's customer has the power of broadcasting using the social media which has a very wide reach. This requires that the companies constantly monitor the social media buzz to understand customer woes and address them. If done well, it

A view of the participants

A group photo of the participants