

Editorial

The Digital Revolution

Katharina Herrmann

The world has changed. And banks that do not recognize that as a fact will disappear. Google, comparison platforms, and smartphones have revolutionized the way our customers look for information, decide, and interact. It has empowered them and raised their expectations. Better live up to it!

It is no longer enough to keep on doing what banks have been doing for decades. It is no longer enough to translate offline offers into online ones.

Let`s look at the facts.

Ten years ago, banks` new business mainly depended on advertising campaigns and their actual offer. Direct mails were a successful tool to attract customers. Rates have been the most important criterion to open an account. Customer contacted banks by sending back a response voucher, by calling, or by going directly to the website or the branch.

Now 25% of banks` prospective customers are using Google and comparison engines and look for customer ratings before they contact the bank. This trend is rapidly increasing. Even if

people are looking for banks with Google, they will not only find a link to the homepages, but they will also see consumer ratings of platforms like dooyoo or alternative offers from comparison engines. Friends and family members are the most trusted source of information. Not followed by the information that banks provide, but followed by information provided by other people – who they do not even know – on online platforms. Banks are controlling less and less of the information people learn about. So what does that mean for us? How can we still influence consumer opinions positively?

The solution is quite simple but hard to achieve: outstanding quality of service. If your customers are not only content but truly happy with your service, they will recommend you positively and they will defend you. It is important to acknowledge that in our digital world, the definition of outstanding quality of service has also been changed. There are more Germans using online banking than branches already. By 2014, more people will contact banks via mobiles than their PCs at home or work. Especially younger people are always online and they expect services when they need it via the device they are currently using – and those will be of a great variety. It is



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not enough to scale down the website to make it fitting on a small screen, but you have to design starting from small screens! Going from “click” to “touch and swipe” is a trend banks better start dealing with!

All this might sound scary and costly. For direct banks like ING-DiBa, it is like a dream come true. We are already one of the biggest retail banks in Germany – serving 7.5 million customers. Our Net Promoter Score is the highest because our customers appreciate our 24/7 online service as well as the personal service of the call center. We achieved that by constantly investing in our service and dealing with consumer trends while ensuring to remain cost-conscious. Efficient processes and excellent service are not a contradiction but go along well. If you ensure that every process is as easy and fast as possible for the customer and your products are simple, then your banking processes will be simple and efficient as well.

Fewer and fewer people buy products they do not understand just because their bank advisor told them so. They are not willing to spend a lot of time on their finances. They are looking for easy, comfortable solutions. Ten simple, easy-

to-understand products that cover their basic financial needs are all they are looking for. Plus an easy-to-use website that is best in its class.

Let`s try to look at the future. Non-banks are entering banking businesses. Will there be a Facebook bank? I do not think so. At least Germans want to be sure that their data is as safe as their money.

Today, 75% of our clients use a minimum of one – on average even more than two – social media platforms. Right now, only 10% of social media users are expecting financial institutions to have a presence on Facebook. Financial business is low-interest. And in social media, only high-interest and entertaining businesses flourish. However, this expectation might change. If more and more users are using Facebook as their main platform, it might be smart to offer a web care service that answers their questions raised on Facebook.

Furthermore, social media is much more than Facebook. We have to explore those new and fascinating possibilities! Let`s ensure that you have the right people and resources on board to do so!