

# Different

## **ING Direct Orange Everyday Research Findings**

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# Document control

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Client contact	George Exikanas
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## Document owner

Authors	Debora Deitel, Krispian Emert, Raymond van der Zalm
Contact details	Different, 02 9751 7444

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## Executive summary

ING Direct launched Orange Everyday (OE), a transactional account, late last year and went to market with a series of strong acquisition style marketing programs. A key driver for this product launch was to generate ‘sticky’ customers who would be more likely to take up other ING Direct offerings. While response rates and sign-up numbers were on target, customer engagement with the account did not meet expectations. Customers did not appear to be using the account as their primary transactional account and were not meeting the usage definitions established by ING Direct. ING Direct engaged Different to conduct an in-depth study of customer behaviour when interacting with OE. This was conducted through Contextual Inquiries, a qualitative research methodology, where 13 OE customers were observed. This document details the research findings to inform ING Direct on how customers interact with their OE accounts and what drives, goals and needs inform their choices and behaviours.

### Customers want a money management service, not an account

Customers don’t view OE as a standalone product; they view it as an entry portal into a larger world of savings and cost control. Generally, customers don’t open a transaction account in isolation, they open it as part of a system along with a savings account and credit cards to maximise interest and rewards earned. They expect OE to make it easy to add and manage other ING Direct offerings, as well as other providers’ offerings.

While ING has a wide range of products and the potential to enable customers to open a suite of products, it disappoints customers in this area. ING products and services do not work well together, and do not seem to have been designed to work together. The web experience for each is disparate and the customer cannot add, view, access or manage their existing multiple ING products from their new ‘hub’, in this case, the OE website. Customers are unaware of the organisational structures that separate ING from ING Direct and perceive themselves to be banking with the one, ‘ING’.

Customers also expect their transactional account to act as a service helping them to integrate with other providers’ offerings and products. They expect OE Customer Service representatives to be aware of other providers’ products and services and to help them optimise their money management set-up.

Customers want their transactional accounts to operate very much the way Facebook does, integrating with, and always aware of, other services and applications that are integral to peoples’ communication set-ups.

OE also fails to integrate well with other non ING products and services which customers consider core to their money management strategies. In this way, OE falls short in behaving like a service.

### Switching to Orange Everyday is a journey, not a decision

People view changing banks as a hassle; however, the perfect combination of life-stage change and rage at the bank for gouging them with fees breaks inertia and drives action. Because this drive is typically internally motivated, customers remain in a switching state for some time, commensurate with the extent of their life-stage change. This means they are also most likely to switch away from OE during their first six months of joining.

The switching process does not happen instantaneously, nor is it triggered by one single event, rather switching is a journey and the process is ongoing. This means that customers are not ‘captured’ at the point of sale or ‘at sign-on’. This is when evaluation of the service actually begins.

The reality is that after sign-on, customers are left on their own to sort through features and functions with little proactive support. The research highlighted that customers do not proactively research the product, but rather experience OE only as they use it. Therefore, customers often misunderstand core features of the offering and are unlikely to question their beliefs or ask for assistance until something goes wrong.

Customers are continuously checking to see if OE will fit with their own ‘money management system’. With little support from ING Direct their misunderstandings may lead them to believe OE won’t work for them and customers may go back to their old bank.

### Small glitches over time chip away at trust in ING Direct as a ‘full bank’

Because OE provides internet-only banking, it faces unique challenges in engendering trust that are not usually encountered by traditional bricks and mortar banks. Customers need to feel confident that they can use OE effectively and trust ING Direct as a ‘real bank’, despite its lack of traditional branches. When opening an account with a more traditional bank, the customer’s first impression of the bank is typically based on their experience at the branch. When opening an OE account, the customer’s first and lasting impressions are based primarily on their internet experience. Any shortcomings in the online experience are perceived as shortcoming of OE itself, rather than just ‘technical glitches’. The OE website and call centre are the only ‘faces’ of the bank and so they need to accurately reflect its brand attributes and value proposition.

Customers in this research perceived OE, and thus ING Direct, as being ‘friendly’ and ‘good value’ but not professional, helpful or reliable. OE’s communication style, content and tone failed to resonate with OE customers resulting in customers ignoring materials and often misunderstanding features and functions of the offerings. This lack of understanding may have resulted in customers perceiving ING Direct as less of a ‘full bank’ because they believed OE was missing desired features.

### Customers define their primary account as the account they use and access most often to move and monitor their money

While some customers were very quick to answer the question, “With whom do you bank?”, other customers were not so sure if they indeed had ‘one bank’. Most participants responded that it depended on which service we were inquiring about. When asked specifically about transactional banking, customers were able to answer the question definitively. Their ‘bank’ always referred to the account they accessed the most to check on balances, transfer money and withdraw spending cash. It was also the account into which they deposited their salary or ‘spending allowance’.

Although the transactional account is named ‘Orange Everyday’, customers assumed that was simply an account name and perceived themselves to be banking with ‘ING Direct’.



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# Introduction

## About this document

This document is a deliverable for the Define Phase of the ING Direct Orange Everyday project. It presents the research findings and analysis resulting from the contextual inquiries with ING Direct Orange Everyday customers.

This document contains:

- » A brief description of the research and modelling methods used.
- » An overview of the research participant breakdown.
- » Experience Flows.
- » Research findings, explained through in-depth findings, insights and recommendations.
- » Appendices containing the contextual inquiry recruitment brief and research plan.

## Background & objectives

Stakeholder workshops helped identify the following objectives for the ING Direct Orange Everyday project:

- » Discover why customers are not engaging with Orange Everyday.
- » Understand ING Direct Orange Everyday customers, including:
  - Their behaviours, drives, motivators and goals.
  - The experience they expect from Orange Everyday.
  - The proxies that constitute an account as the 'primary account'.
  - The barriers preventing increase customer engagement.



# Methodologies

## Contextual inquiries

'Contextual inquiry' is a qualitative field research method used to obtain a deep understanding of peoples' key tasks, behaviours, perceptions, and needs by observing them in their normal environment. It also helps to identify 'moments of truth' and experiences that can delight customers.

Different conducted contextual inquiries with customer participants in their homes or places of work. Details of the recruitment selection criteria as well as the research plan can be found in the appendix of this document.



## Affinity diagramming

After the contextual inquiries were completed, Different analysed the large amount of data collected using a method called affinity diagramming. Affinity diagramming helps to synthesize large amounts of data by finding relationships between ideas. The information is structured from the 'bottom up' into meaningful groups. Affinity diagrams are used to:

- » Draw out common themes from a large amount of information.
- » Discover previously unseen connections between various ideas or information.
- » Brainstorm root causes and solutions to a problem.

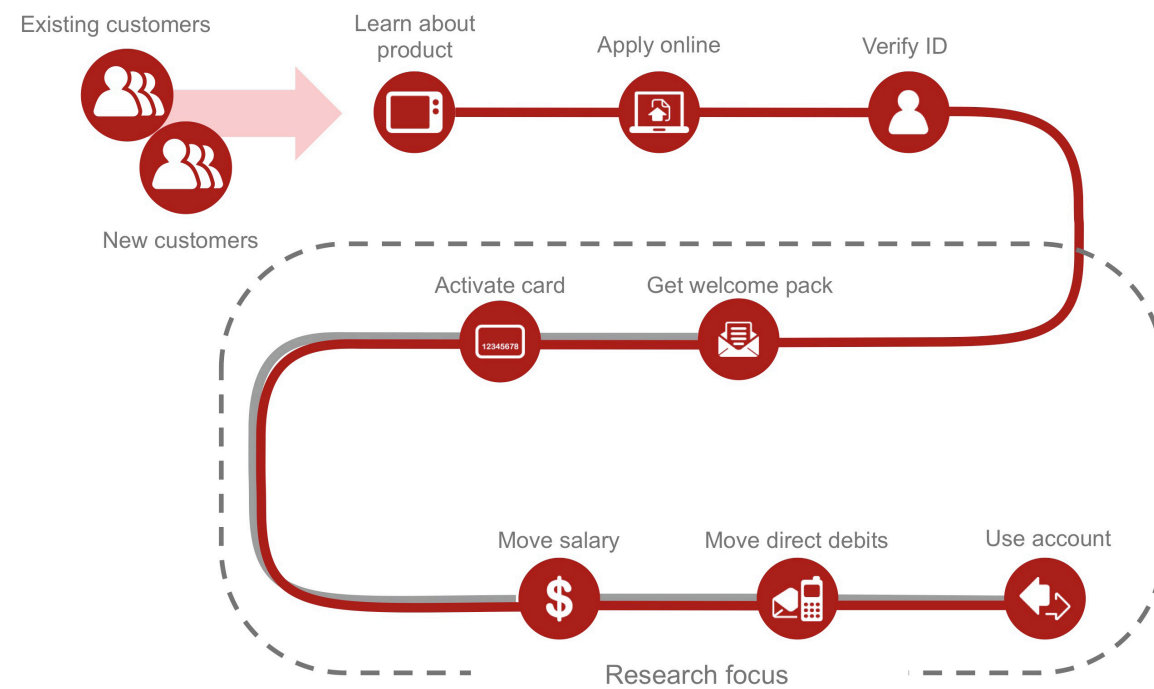
The outcomes of this process were used to create the key insights, findings, implications and opportunities contained in this document.



## About the research

### Research focus

For purposes of this research, contextual enquiries were conducted with customers at various points along the OE 'on-boarding' and account usage journey. The focus for this research was on the customer experience post activation.



### About the participants

Contextual inquiries were conducted with 13 participants.

The range of participants spanned across the entire process of opening an account with ING Direct Orange Everyday:

- » On-boarding - Brand new Orange Everyday customers.
- » Early Engagement – 3 weeks with Orange Everyday.
- » Later Engagement – 6 to 8 weeks with Orange Everyday.
- » Ideal customers – Over 4 months with Orange Everyday.

Demographic breakdown:

- » A 50/50 split of male and female customers reflecting the current Everyday Orange customers.
- » Customers were also broken down into the following age groups.
  - Under age 28
  - Under age 35
  - Between age 35-49
  - Over age 55
- » Customers had prior internet banking experience to opening an Orange Everyday account.

\* More detailed information and exact breakdown of participants can be found in the appendix.

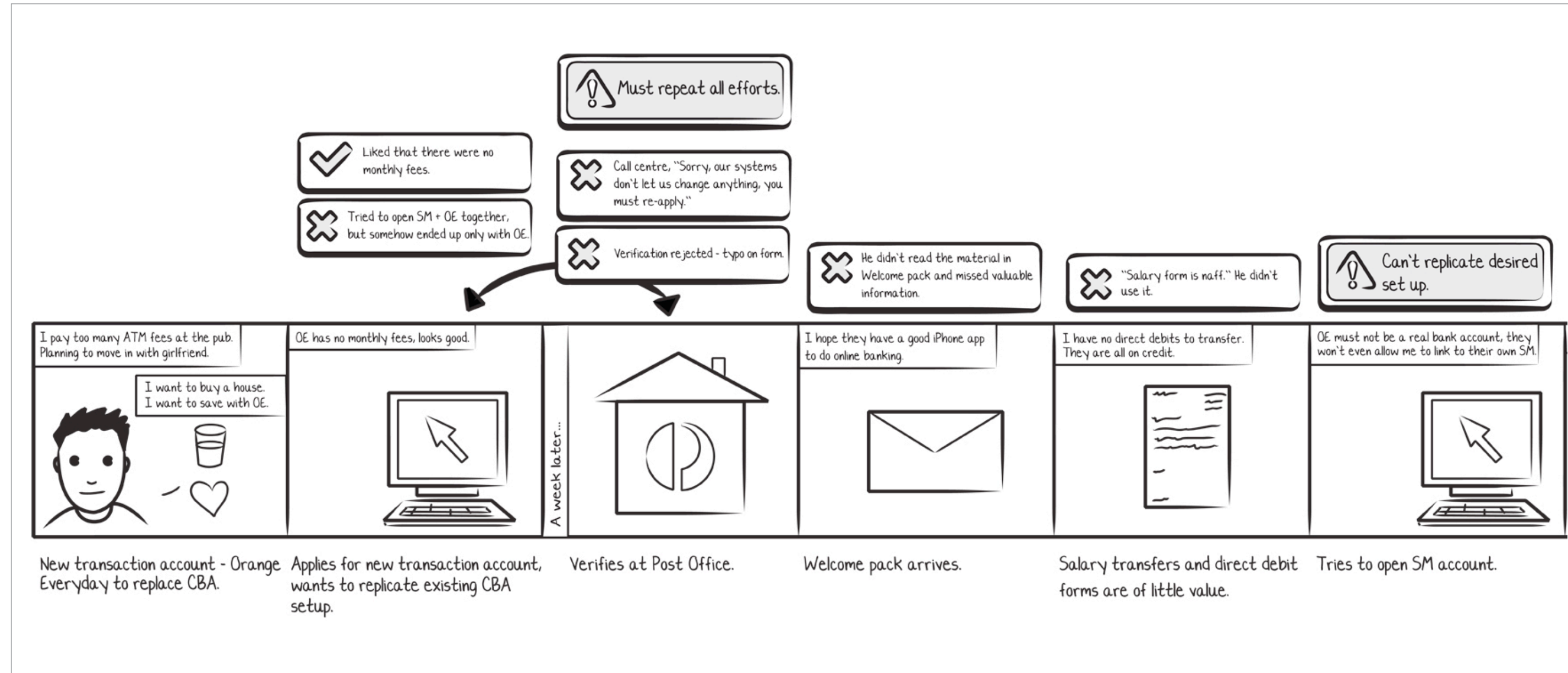


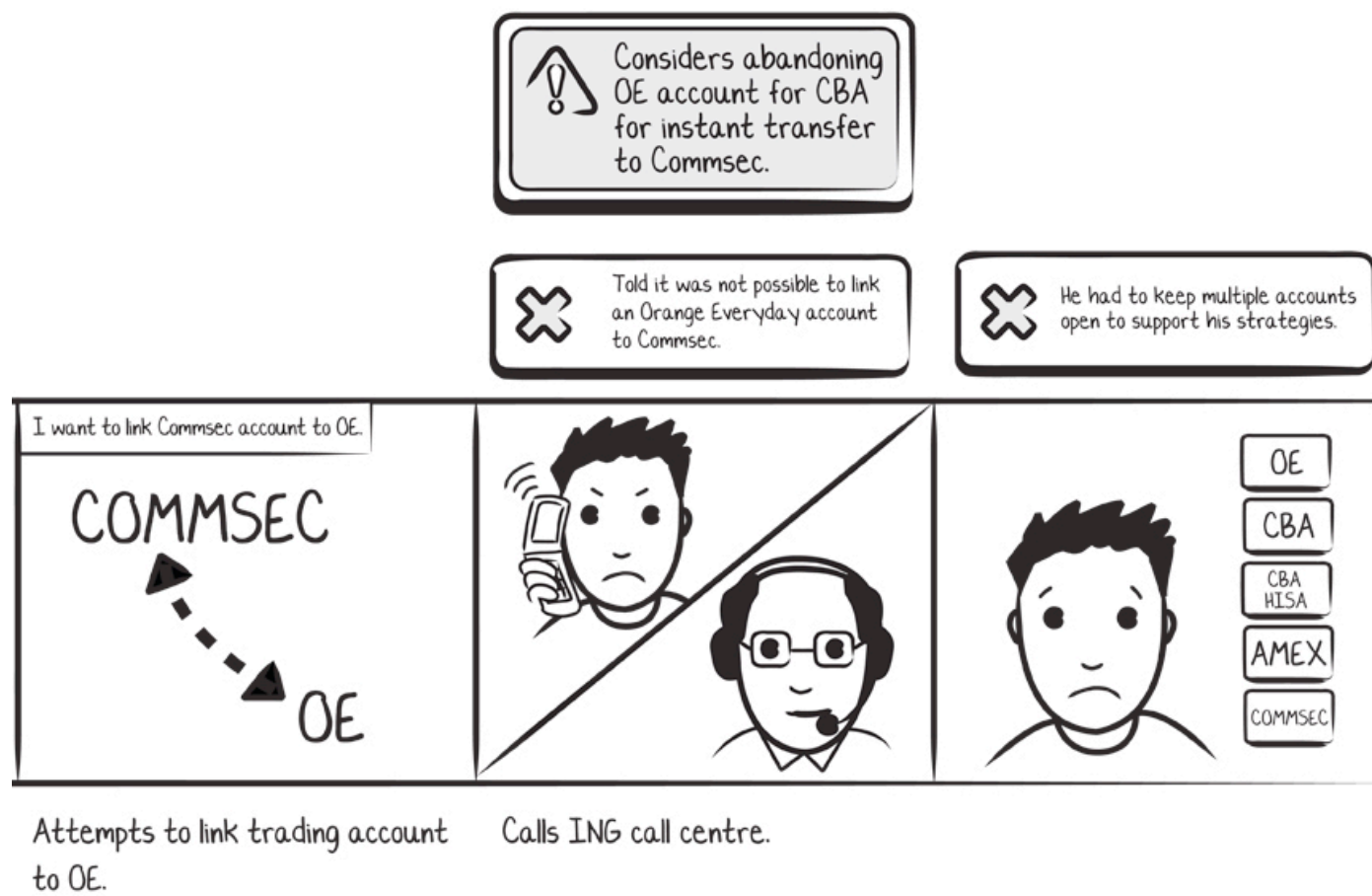
## Customer experience snapshots (Experience Flows)

Experience Flows are snapshots of three distinct customer experiences with OE. They show the context, flow and external factors that influenced the participant's OE on-boarding experience. These experience flows demonstrate how a participant's unique behaviours and needs define their interactions with OE, resulting in positive and negative moments of truth. These flows represent a 'slice of behaviour' and are not necessarily representative of the group.

## Experience snapshot 1: Moving on up

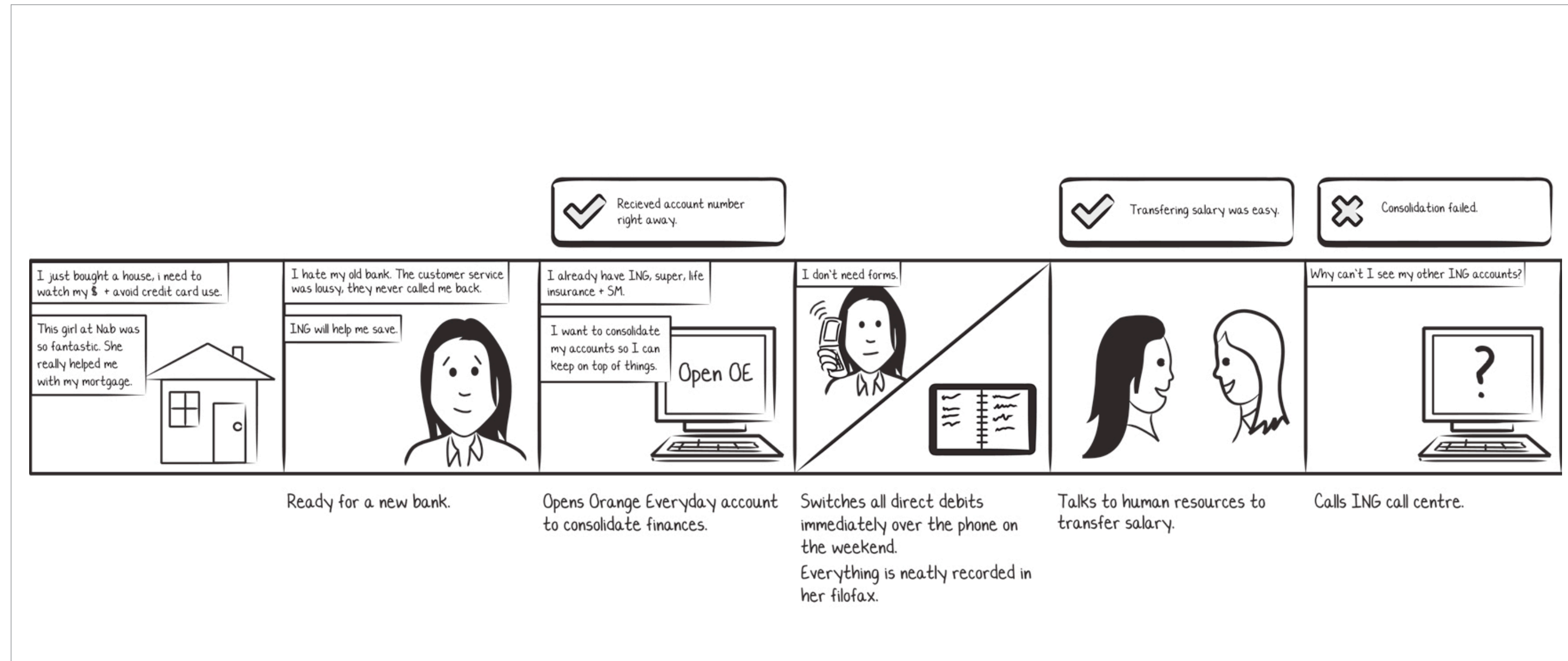
In this snapshot, the participant, nicknamed Laid-back Larrikin, attempts to open an Orange Everyday account in conjunction with a Savings Maximiser. While he's a fairly laid back character, he realises he's been paying too much in ATM fees and that he should probably start saving for a place of his own. This is a snapshot of his story....

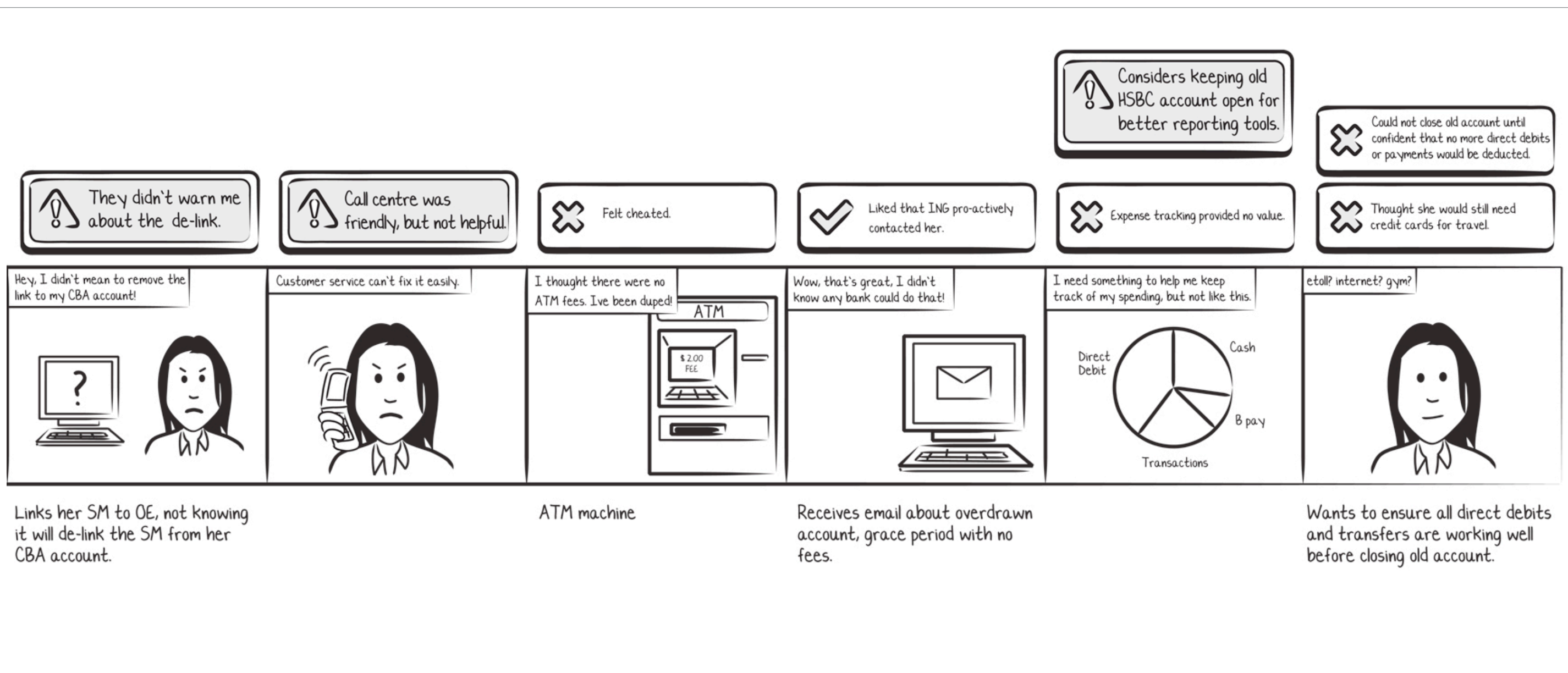




## Experience snapshot 2: A place of her own

In this snapshot, the participant, nicknamed Polished Professional, opens an Orange Everyday account after a series of disappointments with her old bank. She's just bought her first home and wants to be more cost conscious now that she has a mortgage. She wants to consolidate her accounts for better control and avoid overspending with credit cards. Orange Everyday seemed like the perfect account. This is a snapshot of her story....

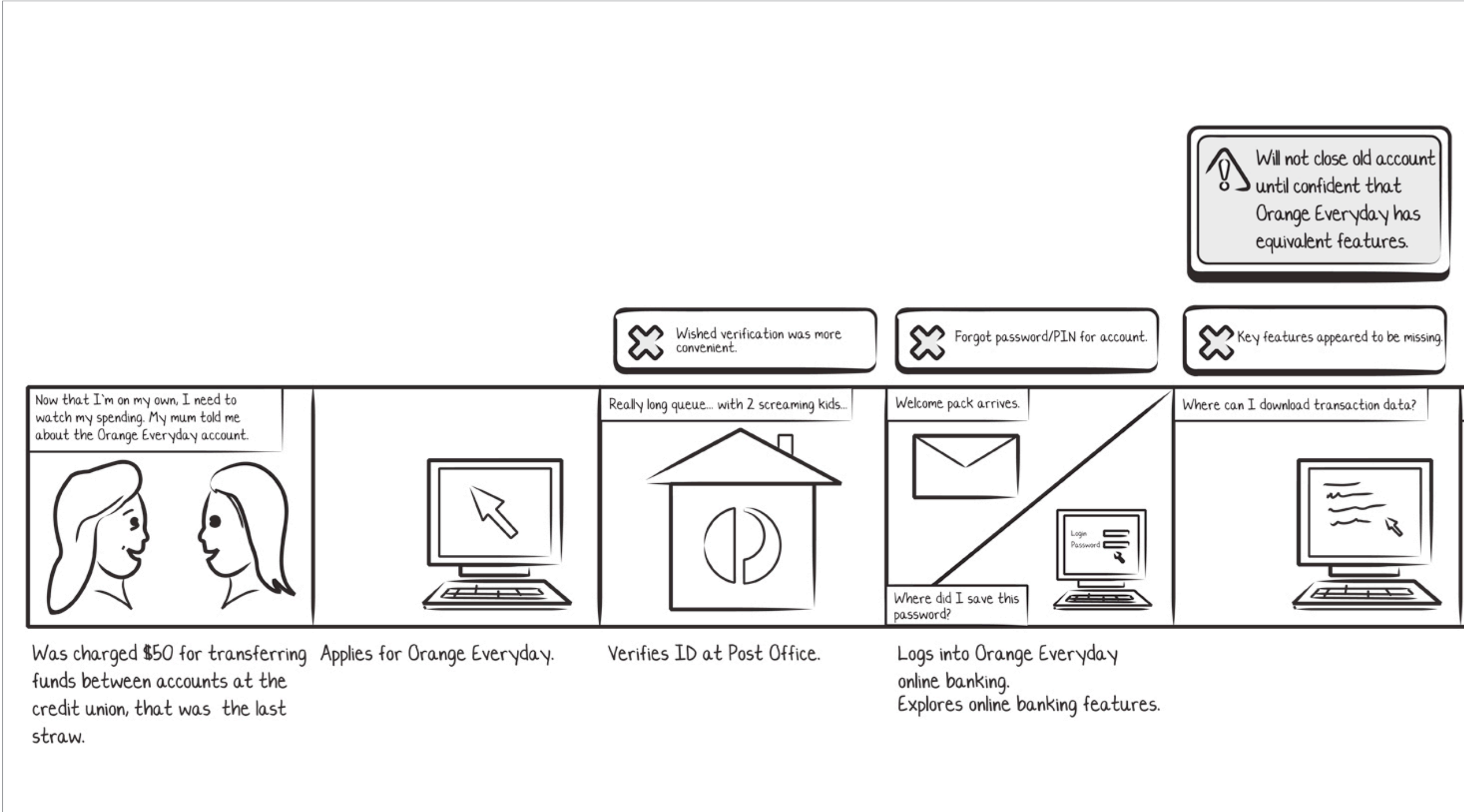




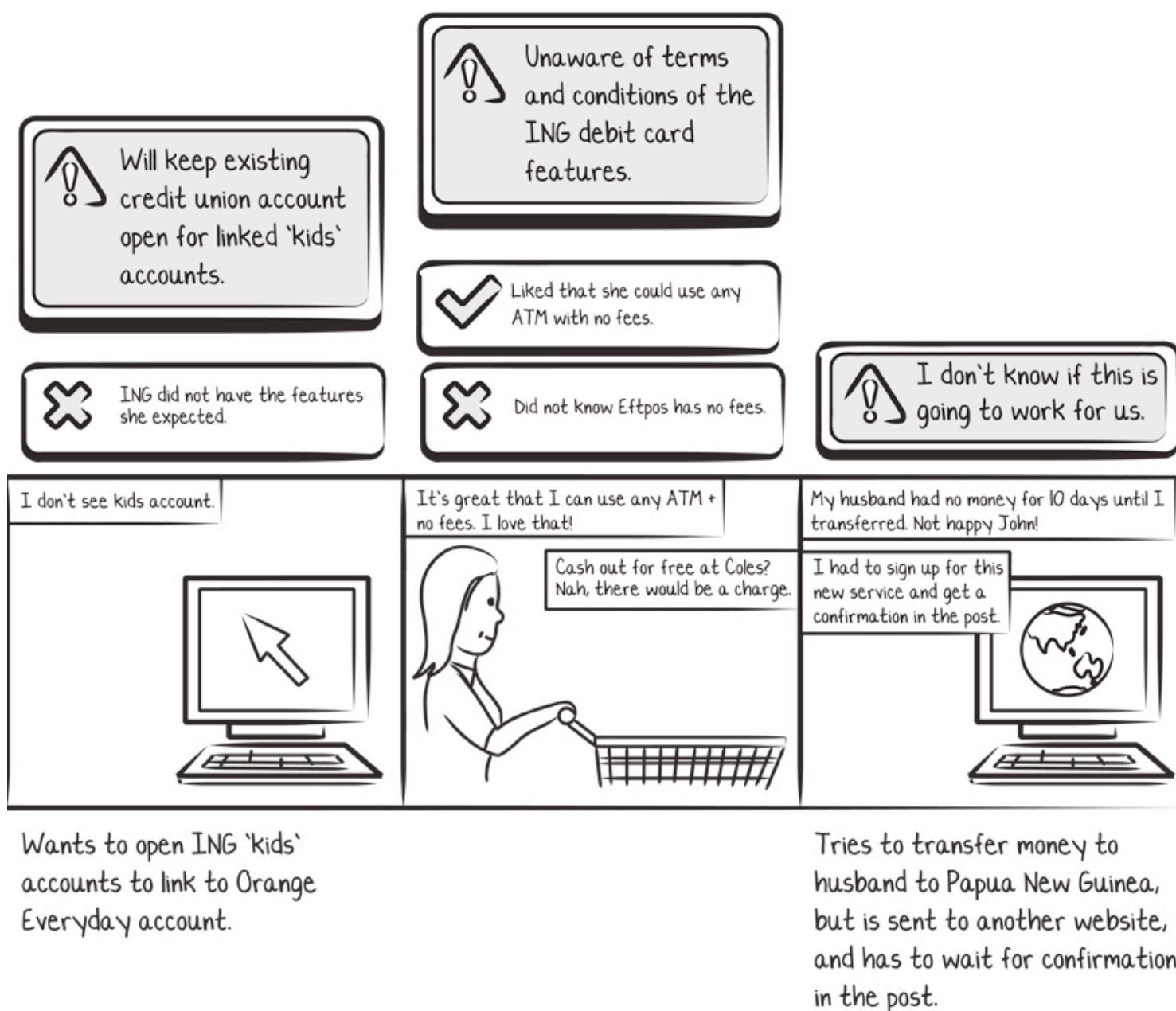


Experience snapshot 3: Managing on her own

In this snapshot, the participant, nicknamed, Overstretched Mum, opens a new Orange Everyday account as a first step in managing her families’ finances on her own. Her old credit union has become too much like a ‘big bank’ and charges too many fees. She wants an account that is flexible, fee free and fair, so she signs up for Orange Everyday. This is a snapshot of her story...







# The on-boarding experience: what works, what breaks and moments of truth.

Along the customer's journey, from application to closing old accounts, customers have positive and negative experiences depending on whether the product meets their needs.

	1. Application	2. Setting up the hub	3. Transacting	4. Closing old accounts
<b>What works</b>	<ul style="list-style-type: none"> <li>» PIN Selection</li> <li>» Customer reminder mails</li> <li>» Instant setup for existing customers</li> <li>» "No fees"</li> <li>» Value and fairness</li> <li>» ING = "Savings"</li> </ul>	<ul style="list-style-type: none"> <li>» Call centre is friendly &amp; "Aussie"</li> <li>» Pre-paid envelopes</li> <li>» DD forms in Welcome Pack</li> </ul>	<ul style="list-style-type: none"> <li>» Overdraft grace period</li> <li>» ATM refunds</li> <li>» Any ATM</li> <li>» Consolidation: when it works</li> <li>» Free card replacement</li> </ul>	
<b>What breaks</b>	<ul style="list-style-type: none"> <li>» Joint applications fail frequently</li> <li>» Call centres staff are not empowered</li> <li>» Technology workarounds</li> <li>» Error prevention</li> <li>» Post office verification</li> <li>» ID refused at post office</li> <li>» "Apply again" to resolve issues</li> <li>» Existing customers need to verify</li> <li>» Combining OE &amp; SM not possible</li> </ul>	<ul style="list-style-type: none"> <li>» Linking accounts</li> <li>» Viewing existing accounts</li> <li>» Error messages</li> <li>» Broken links and navigation</li> <li>» Timeouts</li> <li>» Sub-optimal direct debit transfer</li> <li>» No way of tracking direct debit switchovers</li> <li>» Lack of integration instructions (PayPal, trading...)</li> <li>» Salary transfer forms</li> <li>» Product knowledge/education</li> <li>» PIN/PW recall assistance</li> <li>» Call centre assistance</li> </ul>	<ul style="list-style-type: none"> <li>» SM links inadvertently severed</li> <li>» Call centre can't assist with linking</li> <li>» Children's accounts</li> <li>» Trading account linkage</li> <li>» International transfers</li> <li>» Awareness of ATM reimbursement</li> <li>» Awareness of EFTPOS cash-out benefits</li> <li>» Awareness of Visa debit card functions</li> <li>» Airline integration</li> <li>» Large cash withdrawals</li> <li>» Security confirmation via SMS</li> <li>» Timeouts</li> <li>» Instant transfers for trading</li> <li>» Transfers of 10k or more</li> </ul>	<ul style="list-style-type: none"> <li>» Customers don't close old accounts until they are confident OE will work properly within their system</li> <li>» Customers will keep old, unused accounts open if there is no cost to do so</li> </ul>
<b>Moments of truth / critical break points</b>	<ul style="list-style-type: none"> <li>» Joint application</li> <li>» Consolidation</li> </ul>	<ul style="list-style-type: none"> <li>» Customers, unable to recreate transactional hub, decide to retain old accounts OR switch back.</li> <li>» Lack of consolidation/integration of ING features frustrates users</li> <li>» Communication around core features doesn't resonate with customers and they ignore it</li> <li>» OE is perceived as 'not a proper account' due to linking issues</li> <li>» ING Direct doesn't leverage its true values. Grace periods for overdrawn funds, free replacement cards, free visa debits etc all delight customers</li> </ul>	<ul style="list-style-type: none"> <li>» Unable to open new SMs or link existing accounts, customers retain old accounts or abandon OE</li> <li>» Customers aren't aware of OE features and abandon out of ignorance</li> <li>» OE isn't perceived as a 'full bank' because it fails to offer a full suite of products.</li> <li>» ING is branchless and unable to facilitate customers' emergency cash needs</li> <li>» Minor frustrations and bad online experiences accumulate over time eroding trust and confidence in OE</li> </ul>	<ul style="list-style-type: none"> <li>» Rewards may encourage one-off behaviours, but they don't generate sticky customers</li> </ul>

## Insight 1: Customers want a money management service, not an account

Customers don't view OE as a standalone product; they view it as an entry portal into a larger world of savings and cost control. Generally, customers don't open a transaction account in isolation, they open it as part of a system along with a savings account and credit cards to maximise interest and rewards earned. They expect OE to make it easy to add and manage other ING Direct offerings, as well as other providers' offerings.

While ING has a wide range of products and the potential to enable customers to open a suite of products, it disappoints customers in this area. ING products and services do not work well together, and do not seem to have been designed to work together. The web experience for each is disparate and the customer cannot add, view, access or manage their existing multiple ING products from their new 'hub', in this case, the OE website. Customers are unaware of the organisational structures that separate ING from ING Direct and perceive themselves to be banking with the one, 'ING'.

Customers also expect their transactional account to act as a service helping them to integrate with other providers' offerings and products. They expect OE Customer Service representatives to be aware of other providers' products and services and to help them optimise their money management set-up. Customers want their transactional accounts to operate very much the way Facebook does, integrating with, and always aware of, other services and applications that are integral to peoples' communication set-ups. OE also fails to integrate well with other non ING products and services which customers consider core to their money management strategies. In this way, OE falls short in behaving like a service.

In this section we cover:

- » Fear, fee avoidance and the need for control drive banking behaviour
- » Customers open and maintain multiple products and accounts, even though they also desire consolidation
- » Customers use transactional accounts and credits cards as a symbiotic system to maximise interest and rewards
- » Customers value a 'hub' that gives them a sense of control
- » Customers expect their ING products to work better together than apart, but they don't
- » Orange Everyday doesn't provide or integrate with services that customers consider core
- » A complicated linking process is confusing and negatively impacts perception

## Fear, fee avoidance and the need for control drive banking behaviour

A customer's need for a money management service, rather than just an account, is driven by underlying emotions of fear, and therefore the need for control. While fear is a strong emotional driver it doesn't always result in customers implementing the most rational money management strategies.

### Fear drives customers to develop strategies to protect their money.

“You're only one pay cheque away from being homeless.”

Fear of getting into financial strife often drove customers' day to day behaviours. Sometimes this fear resulted in customers putting strategies in place to give them the perception of control.

Examples included:

- » A participant who put large purchases on his credit card and then immediately transferred money from this savings account to his credit card when he got home. He didn't wait for the credit card bill or for the interest free period as he was so afraid of getting into debt, or paying extra credit card fees.

“I always use credit card online, however unless I thought the vendor was unsafe, then I would prefer that the damage they could do would be limited to the money in my account and not my total credit limit on my credit cards.”

- » A participant who checked her balance daily to make sure that nothing strange had happened to her account and that she had enough money in there to cover expenses.
- » A participant who purposely didn't use direct debits. She feared they may result in the wrong amount of money being taken out of her account, or that she may not have had sufficient amount in her account when the bills came through. Despite being extremely busy she had memorised all her regular bill dates.

“I don't use direct debit. I'm afraid I may not have enough money in the account.”

Other examples of customers' strategies to avoid loss:

- » Keeping multiple accounts “just in case” one got hacked into or stolen.
- » Limiting cash withdrawals and the amount of cash they carried to avoid spending it, losing it or having it stolen.
- » Considering the use of a Visa Debit card as more secure way to transact online and overseas than using a standard credit card.

### Customers have behaviours that give them a sense of control over their money

Some participants had developed a set of behaviours that provided them a sense of control over their money, which they felt was vitally important. In some situations these behaviours were so unique that to an outsider they could seem irrational, however they clearly gave them the sense of control they desired.

For example, some customers preferred not to have any direct debits because it enabled them to review each bill before paying it.

“For anything that takes BPay, I'll use BPay. I prefer to pay manually and stay in control rather than use direct debits.”

Another example included a customer who would pay his bills late or after several 'shut off warnings'. For him, he wasn't doing this because he was in financial strife; he just liked paying in his own time as this gave him his sense of being control.

“I don't want to pay the bills just because they want me to. I'll do things when I want. I don't really care too much about late payments.”

### Some customers are highly motivated to avoid fees

The research highlighted that there were a group of customers that were highly motivated to avoid fees. This was particularly true for ATM fees.

“I don't understand people who pay fees. I've never paid an ATM fee in my life!”

Some customers withdrew large amounts of cash directly from the branch just to avoid ATM fees. Most customers withdrew \$200 at each ATM visit before banking with OE, so withdrawing \$200 to avoid OE ATM fees was not considered a problem.

“I go to the bank to take out large amounts of money so I won't have to go to an ATM.”

“Two to three hundred dollars is what we take out anyway.”

In general 'No ATM fee' features resonated extremely well with customers, and was a significant driver in their choosing OE as their transactional account.

### When customers don't fear fees and feel in control, they are likely to stay with their current bank

Customers were more likely to be happy with their current bank and be less likely to consider switching when they were:

1. Paying no fees.
2. Not motivated to avoid fees.
3. Not experiencing significant life events or changes (the impact of life events on switching bank is detailed further on page 29).
4. Feeling “in-control” of their finances.

Contrary to the previous point (customers that were motivated to avoid fees), these customers didn't mind paying fees if they were happy with their bank.

“I use them a lot ... I have everything together so it makes sense to stay with them.”

“I'm happy to pay for good service, just tell me upfront.”

“I don't mind paying fees if the service is there.”

## Opportunities for consideration

In order to better connect with customers, consider tapping into the core emotional drivers: fear, the need for control and fee avoidance. This will enable OE to develop programs and offerings that resonate with customers because they respond to a real need.

### » Help customers feel in-control

Provide relevant and innovative tools for customers to manage and control their spending, expenses and savings. Examples to consider may include:

- Easy and friendly contextual reminders that help customers feel in control of their bills and finances. These can be integrated into the customer's regular communications channels such as social networking, email, calendars, sms etc.
- Educational material on the website that empowers customers through knowledge.
- Communication messages that address issues of control. This messaging should inform the customer that ING Direct will help them become 'more in control their money'.
- Enable customers to set their savings account terms where a certain amount of money is automatically taken from savings each month to set a spending allowance.
- Enable customers to choose their own activity or goal and then give them a reward. For example, a customer may set a savings goal or a budget goal which ING Direct can reward them for.

### » Alleviate fear

Consider developing programs and offerings that address the customer's fear of losing or mismanaging their money such as:

- Encourage customers to implement systems that would help them keep track of their money. These systems include many of the OE provided features, such as automatic payments, direct debit, regular payments and EFTPOS cash out. Incentives and special offerings could be used to encourage this. For example, a program could be implemented that would guarantee that all direct debits would be honoured such as "No direct debit Refused".
- Develop 'matching' program where customers are always given the 'new customer promotion' or other bank's promotions are matched.
- Implement warning tools that alert the customers about specific occurrences on their account, such as impending due dates, large payments made, or limits about to be reached.
- Demonstrate flexibility when something goes wrong. This helps build loyalty. For example, when OE didn't charge for overdrafts, customers who were experiencing financial difficulty were especially appreciative.

## Customers open and maintain multiple products and accounts, even though they also desire consolidation

Participants desired a ‘hub’—consolidation of their finances—for simplicity and control, yet maintained multiple banking products and wallets full of credit cards. The overarching reason for keeping these accounts was the participants’ fear of losing money or missing out on some key benefits. Customers also had many practical reasons for keeping multiple accounts open and these reasons varied depending on their personal circumstances and money management strategies.

“We were with the Credit Union but now we are with ING (sic). I want to have all my accounts with them if I could, then I’d be consolidated.”

Often participants opened new accounts to take advantage of incentives or honeymoon rates and left them open but idle when the incentive periods ran out. Participants also ended up with multiple accounts when they took out a mortgage with one institution but did their transactional banking with another.

Customers also believed that no one bank would provide them with the best deal on all services so they kept several accounts open in order to take advantage of the unique services and special deals offered by each. Some customer felt more secure with redundant accounts in case they lost access to their money in one bank.

ING Direct would like customers to close their ‘old bank’ account as an indication that they are using OE as their primary bank. However, in our research, participants opened new accounts easily and frequently, but rarely if ever, closed them when they no longer used them. The reasons for leaving accounts open varied, but the most common reason was that closing accounts was a ‘pain’ and there was no cost in keeping them open.

### Customers often open new accounts to take advantage of honeymoon rates and interest-free periods

#### Credit cards

Customers opened new credit card accounts for the honeymoon incentives such as longer interest free periods or lower interest rates. Although they kept the cards, they often didn’t use them after the honeymoon period was over.

For example one participant kept his new HSBC platinum card, which had a three year fee-free period, in his wallet right next to his ANZ Visa gold card and was planning to use it for the miles and extra purchase protection it offered. He said when the three year period was up he would ‘ditch it’ and continue using his ANZ Gold card.

#### Savings accounts

Customers were very rate-savvy and frequently opened new savings accounts to take advantage of honeymoon rates. Customers often jumped from savings account to savings account to maximise interest earned. Often, customers didn’t close their previous savings accounts, deliberately leaving them so that they could move their money back over in case the special rate was offered again.

“I keep a few accounts open and standing just in case a great interest rate opens up.”

One participant kept his Savings Maximiser open even though he had moves his money over to ANZ for a better rate. He kept his SM open so that if the rate changed, he could quickly move money over to maximise his return.

### Customers rarely close accounts unless there is a cost to keeping them open

Because customers opened transactional accounts as part of a system alongside a savings account, customers often accumulated dormant transactional accounts along with their dormant and empty savings accounts.

“I don’t close accounts anymore. Last time I went to the Commonwealth to close my account I waited for thirty minutes. Then they made me sit with a sales guy for another fifteen...”

### Customers opened accounts to have access to specific services they valued

Customers valued the ancillary services provided by credit cards such as: no currency conversion fee, travel insurance, or extra long interest-free periods. They would therefore have a range of credit cards to take advantage of the specific ancillary services provide by each.

One customer travelled frequently to the United States with his wife. For him, the travel insurance provided by his St. George Gold MasterCard was worth every penny, so he signed up for this card in addition to his regular suite of products. He used this card specifically for his United States travel expenses.

“I hate fees, but I gladly pay the \$85 a year on my St George Gold MasterCard because it’s a great deal, I get travel insurance worth up to \$400 - \$500 a year. I’ll never give that up.”

Several customers specifically opened new credit cards to take advantage of rewards points programs. These customers usually used their credit cards to pay for most of their expenses with the aim of maximising rewards points earned. Often they would open new cards when they were offered more attractive rewards.

“Orange Everyday is my bank, but I also signed up for a combined AMEX/Visa card with ANZ because it’s got a great frequent flyer program.”

One customer was able to use his own credit card for many of his work expenses, thereby maximising the amount of points earned. He kept on ‘the lookout’ for special credit card promotions that would enable him to earn even more points.

“I shopped around and finally found this great new Wizard card from Westpac. It offers the best points for purchases. My wife and I love to travel, so it’s worth the fees.”



### Customers end up with two transactional bank accounts when they choose a mortgage with a different institution

Mortgagees in this research overwhelmingly chose their mortgages based only on rates. However, this did not automatically mean that their banking was with their mortgage vendor. In these situations these customers would often end up with two transactional accounts. Their old transactional account and the new offset account linked to the mortgage offset.

“Even though I bank with ING Direct, my mortgage is with the NAB. I would have chosen ING for my mortgage but the rates weren’t as good.”

### Customers open separate accounts for tax minimisation

Some customers structured their accounts for tax minimisation. In one instance a participant opened separate redundant accounts only in his wife’s name to minimise their collective tax.

In another example the participant was offered salary packaging by her employer. The program entitled her to certain tax credits but she needed to submit her reporting via pre-approved financial institutions. She therefore needed to open an account with one of these providers (St George).

### Customers keep multiple accounts and cards for a sense of security

Several participants felt that if something should go wrong with one card or institution, or if they lost access to one bank, they would be better off if they had a ‘backup’.

Sometimes customers with joint accounts kept a second account on the side to ‘hide’ money, or keep money ‘safe’ in case something happened to their partners.

Another key theme was to have more than one credit card when they travelled, just in case one was misplaced or stolen.

“I’ll use OE Visa Debit for travel because I think it’s safer than my CBA credit card.”

### Customers often kept separate accounts purely for the sake of organisation

Sometimes customers opened and maintained seemingly redundant accounts for the sake of organisation, using separate accounts for a separate purpose. One customer kept two savings accounts and their associated transactional accounts for the two different overseas trips he was saving for.

Customers with small home businesses or hobbies, sometimes kept separate accounts for these purposes so they could track their incomings and outgoings more easily. For example a participant would kept a separate joint account with his partner just to track money spent on their art studio. Another participant described keeping multiple transaction accounts to help him track incomings and outgoings from different clients and jobs.

### Opportunities for consideration

- » Enable OE to be the online aggregator—the ‘one stop shop’—where customers have an overview not only of their positions with ING Direct, but of their other financial institutions as well.
- » Provide the ancillary benefits for which customers typically use credit cards, or develop a capability the enables customers to use credit cards for their extra services but not for debt.
- » Reassess the criteria that are used to determine whether a customer is using OE as their primary bank.
- » Understand that:
  - Some customers often open many accounts and ‘skim’ the relevant incentives. Therefore, an open account is not necessarily an indication that the customer has any intention of switching or that they will in fact use the account. Also, just because an account is opened does not mean the account is active because customers don’t close accounts.
  - OE exists within a large ecosystem of financial products and tools. Rather than view these as competition, understand that the reality is that customers do open and keep many accounts. It is integration, customer service and features that are the differentiators.
  - Customers move around a lot and internet banking has made this even easier. A customer today is not necessarily a customer for tomorrow.
  - Customers keep many accounts and often do not consider one institution their ‘bank’. Consider how ING Direct may best attract, serve and gain value from such customers given the realities identified in this research.

## Customers use transactional accounts, savings accounts and credits cards as a symbiotic system to maximise interest and rewards

As part of a deliberate strategy of interest and rewards maximisation, customers kept as much money as possible in their high interest savings accounts and paid for nearly everything with credit cards. In this way they maximised the interest earned in their savings accounts while taking advantage of credit card's interest free period. They also earned more rewards by placing almost all expenses on their cards. Part of this strategy is to use as little actual cash as possible.

Many customers signed up for OE with the distinct objective of enabling this strategy. OE enabled them to have almost direct access to their Savings Maximisers (SM). In this way, they could keep all their money in their SM and move small amounts over to OE only when they needed cash. These customers were seen to access their savings and transactional accounts often, checking balances and moving money from savings to transactional accounts, on an 'as-needed' basis. These customers would also use their monthly credit card statements to track and reconcile expenses at the end of the month and then move just enough money into their transactional accounts to pay their credit card bills.

### The following behaviours were observed to be part of this symbiotic system

#### » OE was opened specifically for access to SMs

Customers didn't open a transactional account in isolation; they opened it as part of a system usually along with a savings account. Customers opened OE for the very reason that it would enhance their interest and rewards maximisation system by making it easier to move money in and out of their existing or new ING Direct savings products.

#### » OE balances were kept low on purpose

Participants kept their OE balances purposely low because their money was earning interest in their savings accounts. Customers transferred only the barest minimum amount of cash into their transactional accounts, sometimes doing so on a daily basis. In this way, the OE account was acting as a proxy for using the savings account as their primary account.

#### » Direct debits are tied to credit cards, not to OE

Often, customers had few or minimal direct debits tied to their transactional account. All direct debits were tied to a credit card, enabling them to earn more credit card rewards while earning more interest on their money in the savings account.

#### » Customers often deposit salaries directly into savings accounts

Often customers deposited their salaries directly into their Savings Maximisers or other savings accounts, transferring money to OE only as needed. Often customer paid themselves a fixed amount to cover their cash needs and let the majority of their incomings sit in their high interest savings or mortgage offset accounts.

Some customers transferred their salary into OE in order to get the incentive and then moved their salary back to their SM in order to execute on their strategies.

### Singles and "under 30s" were more likely to take this strategy to the extreme

Younger customers appeared more likely to maximise the amount of money in their savings or trading products, often accessing their accounts several times a day from several mediums in order to move only the barest minimum of cash required for their expenses.

Some of the reasons for this included:

- » **Less critical financial obligations:** These customers were less likely to have critical and time sensitive expenses such as mortgages, school fees, insurance, loans etc., and therefore didn't need to leave large amounts of cash in transaction accounts to cover them.
- » **More expendable income:** These customers had more cash available to spend on lifestyle such as travel, entertainment and technology. These expenses easily lent themselves to credit card use. Also, more available cash meant more interest could be earned when using this system.
- » **No dependants:** With no dependents they had fewer unexpected expenses or emergencies that had to be planned and saved for.
- » **Higher levels of tech comfort:** This was a pervasive finding. Younger customers were very comfortable accessing their accounts and transacting from multiple devices. These customers transacted confidently and extremely quickly, often completing transactions including the login, within 20 seconds. For these customers, moving money or checking positions on the computer or iPhone was second nature; they just expected it to work as a matter of course, just as one would expect the light switch to turn on the light.

For example, one younger participant kept exactly \$102 in his transactional account to cover his normal withdrawal amount (\$100) plus fees. If he needed more cash, he accessed his CBA high interest account from his iPhone and transferred money into his transactional account, while he waited inline for the ATM.

### Mortgagees use a similar strategy to maximise interest offset on the mortgage

Mortgagees were highly focused on minimising the effect of interest rates on their finances. These customers used a variant of this system to ensure that the maximum amount of money could stay in their mortgage offset account for the longest possible time, in addition to accruing points for purchases.

These participants would use their credit card wherever possible, always paying off the balance at the end of the billing cycle and making the most of the 55 day interest free period.

“My strategy is to keep as little money in the transactional account as possible in order to make my hard-earned money work as hard as possible instead of just sitting there!”

## Opportunities for consideration

- » Reconsider the attributes or metrics currently used for defining an ‘optimal customer’ because average balance is not an accurate indicator. This is especially relevant for OE customers because they are very likely to have active savings accounts as well.
- » Support customers in their interest and savings maximisation strategies.

Enable clever integration of savings and transactional accounts in order to support the customer in their savings and interest maximisation strategies. For example:

- Enable monthly payments from savings accounts to Visa Debit so that customers can maximise the interest earned on their savings accounts.
- Enable money to be automatically taken from savings accounts and deposited into transactional accounts when needed or when accounts go below a specific level.
- Provide easy and helpful integration with credit cards supplied by other providers.
- Enable superior online banking across multiple devices.
- » Develop strategies to convince customers to keep money in non-interest bearing accounts.

If ING Direct wants customers to increase their average balances in non-interest bearing accounts, significant benefit will need to be provided because customers are rates savvy:

  - Provide interest free periods, reward programs and other benefits that credit cards offer, without the credit facility.
  - Add free services and other valued features to the transactional account based on balance levels or other factors.
  - Enable money to be automatically taken from savings accounts and deposited into transactional accounts when needed or when accounts go below specified levels.
  - Understand that:
    - Customers typically open transactional accounts as part of a system along with a savings account. This should influence how accounts are bundled and marketed.
    - Customers, who pay their credit cards off in entirety each month, see no value in using the Visa Debit card over a credit card.
    - Nearly every customer in our research used their transactional account as part of an interest maximisation system along with a credit card which they always paid monthly.
    - Average balance is not a good indicator of customer engagement or customer value because customers keep their transactional account balances low on purpose. Most OE customers are either existing savings customers or opened OE with the intention of opening a savings account.
    - It may be difficult to convince customers to keep more money in their transactional accounts if it is not in the customers’ best interests to do so.

# Customers value a ‘hub’ that gives them a sense of control

While customers held onto many products, they valued the ability to have a consolidated view of their finances — often described as a ‘hub’ – as they felt it would help them better manage their multiple products and services. Customers often felt that consolidating their accounts with a single provider would give them greater control and visibility of their money. They liked the idea of the simplicity and convenience this might offer. One of the strongest reasons customers had for opening their OE account was to consolidate their transactional and savings accounts, as well as other products, and “have everything in one place”.

“ING Direct should be like a Kia Carnival...I need to move everything; with the Kia Carnival I can do this all at once. One big car, with all the products in it. I don’t need two cars for the family.”

“If ING had a credit card, I’d definitely get one, because I want to consolidate accounts.”

“When I married I got a joint account with St George as my wife was already with St George so it was convenient.”

This was particularly important for people who felt they needed more control of their finances. One participant described her need to consolidate her accounts for better management now that she had a mortgage. She decided to go with ING Direct because she already had two savings accounts, her super, as well as her income protection with ING or ING Direct.

## Customers want to access everything from one location

When customers described the need for a consolidated view, or hub of their finances, they were talking about being able to access all their products and services (including other providers) from one location online.

“It’s so nice to have all my banking on one website.”

Having multiple products with different institutions meant that customers had to keep track of multiple billing cycles, and potentially fees, from different financial institutions. Multiple financial products also meant tracking and holding onto multiple statements, and that moving money from one account to another wouldn’t happen instantaneously. Often customers would be charged by banks to move money from an account with one institution to another.

“It’s such a pain to have all these different accounts. I hate having things everywhere, I want one bank, otherwise it’s a hassle. It’s hard to keep track of everything.”

## For mortgagees better rates trump offers of a consolidated view

Most mortgagees in the research chose mortgage product providers solely on rates. Consolidation of accounts didn’t factor as a consideration point when choosing a mortgage vendor.

## Opportunities for consideration

- » Make OE the number one destination for money management.
- » Enable customers to control and view all their financial products, not just ING Direct’s, from the one interface.
- » Enable clever and automated integration with other providers’ products such as trading accounts, term deposits and credit cards.
- »

## Customers expect their ING products to work better together than apart, but they don't

Customers don't view OE as a standalone product; they view it as an entry portal into the larger world of savings and cost control. They expect OE to make it easy to add and manage other ING products and services.

Customers have no concept of the business constructs that separate the various ING entities. When they open an OE account they see it as a portal to ING's entire suite of products.

“I would have everything with ING for the convenience.”

It was clear through the experience of customers that the products hadn't been designed to work together, and that linking them was a serious stumbling block.

### Customers expect all ING products to work together giving them a 'hub-like' experience

From the outset, customers expected to have all of ING's offering available to them in a single unified experience, but instead got a product driven, siloed and unnecessarily complex experience. They were expecting a single interface, giving them 'hub-like' access to their ING suite of products, but were disappointed when it became obvious that this was not the case.

“Why can't I see my Super? I know that I have my Super account with them.”

“Where is my Savings Accelerator?”

### Customers expect to be able to easily add products using the Orange Everyday interface

Customers also expected to be able to add new products from the OE interface, but were frustrated that they could not do this. For example a participant with a OE account was planning to buy life insurance and expected that once she signed up to ING she could easily do this from the website, but discovered later that she couldn't.

“You know, I wanted to open ING super and insurance and I couldn't find it. Maybe they are not the same company after all.”

To link the accounts customer needed to engage in a lengthy process of calls into the call centre to figure out exactly why their savings accounts or other accounts are not appearing on their interface.

With help from the call centre customers could resolve the Savings Maximiser viewing problem, however other ING accounts were not so easily integrated. These included: term deposits, super accounts, life insurance and other older savings products.

### Customers want to open a Savings Maximiser alongside Orange Everyday, but doing this is a stumbling block

The research highlighted that a lot of customers opened their OE accounts for the very purpose of quicker and better access to their Savings Maximisers. They believed that they could open both the SM and OE in 'one go' and were surprised when they end up with only OE.

This was identified as a very significant problem throughout the research and had a significant effect on their perception of ING Direct. As a result of this problem customers would then purposely leave old accounts open. One participant described fully intending to close her Westpac account after opening her OE account to access her Savings Maximiser more readily. When she discovered that they were not linked she resolved not to close the Westpac account.

### Opportunities for consideration

#### » One ING experience across channels:

Provide a singular unified ING or ING Direct experience that is consistent across all channels and addresses customer need rather than corporate structure.

#### » Bundled and integrated offerings:

Integrate ING Direct products to provide holistic service-based offerings rather than product based offerings:

- Reconsider siloed marketing programs that reflect ING's corporate structure rather than customer need.
- Design offerings so that they become more valuable when combined with other ING offerings.
- Drive all further product and interface development through a user centred design process, so that the front-ends do not needlessly reflect regulatory and IT limitations.
- Create a program of work that defines the integration points and channel specific experience for all current and future products.

#### » A unified online application and banking experience:

- Phase out siloed internet offerings and web experiences.
- Enable a single ING Direct application where products are bundled and customers 'tick or un-tick' desired service components.
- Enable ING Direct's savings account products to be easily opened in conjunction with OE.
- Improve the error messaging, by developing an error message strategy and having all error message instances proactively monitored and tracked to cause and position within the system.
- Proactively inform customers that they need to have money in their accounts in order to link to their SMs, or remove this limitation, or offer them a way to deposit.
- Understand that:
  - ING Direct's products and services are currently not well integrated within the web channel.
  - Customers expect all ING products to be all under one umbrella and assume they'll have an integrated experience, but they don't.



## Orange Everyday doesn't provide or integrate with services that customers consider core

Customers expect their transactional account to behave as a service, integrating with and optimising the other financial products in their setup. Customers also expect the system to be aware of other products and offerings and to work with them, even if ING Direct is not the provider of such services.

Customers hold on to many financial products and accounts because they feel they must and because no one bank provides them with everything they need at the rate they desire. They want their transactional account to help them integrate these services so that their banking setup is more unified and less complicated.

### There is no support for integration with online share trading platforms

Many customers held active accounts with online share-trading platforms and wanted to integrate these with OE so they could easily transfer money to trade with. They also wanted an account where earnings and dividends could be automatically deposited and tracked.

Some customers expected to find proactive information on trading accounts in the Welcome Pack or during the set-up process, however there was none.

The call centre was also unable to assist customers with their online trading integration issues. When participants spoke with service representatives over the phone, they were mostly told either that it wasn't possible, or that the representative couldn't help them with non-ING Direct products.

One customer was given incorrect information on how to transfer money, leaving her with a suboptimal set-up where she was using the 'pay anyone' function to transfer money to her E-trade account.

“The only way I could move money between my OE account and E-trade account was to use Pay Anyone and this took 2-3 working days to transfer and had a \$10k limit on transfers. That was so inconvenient!”

Several participants called their old bank for directions on how to link their trading platform (i.e. Commsec or ANZ e-trade) to OE. When they called their old banks they received more accurate information on how to link into their trading platforms.

“When I called into the call centre they said they couldn't link to my trading account. But when I called ANZ, they said I could still use BPAY to transfer money directly to E-trade from my new Orange Everyday account.”

This lack of integration support leads customers to believe that OE cannot be linked or integrated with trading platforms. In addition, when customers must call their old banks for integration advice, it not only presents an opportunity for the 'old bank' to recapture the customer, it erodes trust that ING Direct is a 'real bank' with real service.

### Credit cards are neither part of the offering nor supported with easy integration

Customers use credit cards as part of a sensible cash management solution, not for credit. Credit cards are often a critical component of the customers' financial system. Despite this, OE fails to proactively inform customers on how they can keep and manage their existing credit cards with OE.

“I'll keep my St George account open because that's where I have my credit card and I won't be closing that down.”

For some there is a belief that bank accounts related to their credit card needed to stay open in order to keep that credit card. This belief existed as they thought that this was the only way to pay their credit card.

Because they found no information on how to pay their credit cards with OE, participants called their old banks to understand how to keep or pay their credit cards.

### Travel and insurance services aren't supported by Visa Debit, but many customers don't know this

Participants used credit cards for the travel services such as purchase protection, travel insurance, hotel check-in and car rental. Visa Debit can't be used to replace these services but there was no proactive communication about this.

#### Visa Debit isn't as versatile as a credit card

Several participants were left in awkward situations where their Visa Debit cards were rejected. Other customers remained unsure regarding when or where they can use Visa Debit to replace credit cards, so they simply erred on the side of caution and didn't use them at all.

### Hotel check-in and car rental require credit cards to secure the bookings but customers aren't aware of this

Many participants had never used Visa Debit prior to signing on to OE, and were unfamiliar with its exact capabilities, benefits and limitations. One participant in this study used his OE card to book his hotel stay during a trip to New Zealand. His card was rejected during the check in process because Visa Debit cards can't be used to secure rooms at hotels. In this case, the participant didn't have another card on him and had to withdraw cash for his hotel security. He felt embarrassed and angry and this made him lose trust in the account.

“That was really embarrassing. I won't be using that card for hotels anymore.”

### Travel insurance is a valued service usually available through credit cards, but is not believed to be part of the OE offering

Participants preferred to put all their pre-booked travel expenses on credit card rather than Visa Debit, because of their card's travel insurance which covered all trips booked on the card. Participants valued this insurance for the medical, accidental, luggage or cancellation coverage their card's policies provided. Participants mostly believed that this insurance would not be available on Visa Debit.

### Orange Everyday is not included in the airline billing systems like other 'real banks'

All Australian airlines now provide the option to pay for tickets with direct debit. Their websites enable customers to select their bank when paying and the pick list includes all the major banks except for ING Direct (OE). Customers wanted to pay for tickets via direct debit because this way they would avoid the credit card ticketing surcharge.

Airline sites are widely accessed by customers and most in this research had recently travelled or planned to travel in the near future. Customers felt integration with airline sites was important and would align ING Direct with the other major banks.

“If they don't have credit cards they should let you pay with direct debit.”

There is also no proactive communication to customers about why ING Direct is not included in the airline sites and when, if ever, they will be. When participants called into the call centre, customer service wasn't aware of this capability nor did they have any helpful information to provide to customers as to how they might avoid the credit card transactional fee by paying for tickets directly.



“When I called the call centre to ask them when they might have the airline direct debit included, the girl had no idea what I was talking about. She told me that I could use my Visa Debit, but that was totally not the point, because then I would get charged the fee by Qantas. I just said forget it.”

### The international transfer service provides for a disjointed and unreliable experience

‘International Transfer’ is not offered by ING Direct. Instead, OE uses another vendor to supply these services from within its transactional website. The service is sub optimal and the experience is negative because of bad design and lack of instant access.

### Customers only find out that ING Direct does not offer international transfer services after they need it

Customers only learned about this clunky process after they arrived at the web page. At this point, they already had a need to transfer money internationally and were therefore unprepared and frustrated.

### The partner site is perceived as ‘dodgy’ and ruins trusts with ING Direct

Customers were confused when they clicked on the “International Transfer” link. Although customers were warned that they were leaving the OE site, the web design and layout of the partner’s site is a variation of OE’s design. As a result, customers weren’t sure who they were doing business with, and whether the website was a valid one.

Because the international transfer site had some serious flaws, customers felt unsecure transacting there. Also, the design looked somewhat like ING, but clearly said it wasn’t, so customers doubted the site’s authenticity. This experience damaged trust because customers had been educated about phishing sites and feared this site may be some kind of “scam”.

### Customers must establish a separate account just for this transfer

Customers attempted to login with their existing OE passwords, but only after they failed were they made aware that they must open an entirely new account.

### Waiting three to five days for a confirmation via post is considered unacceptable

Waiting several days for a confirmation via post angered participants because they expected to be able to do this online and straight away, like they did at their ‘old bank’.

One customer tried to conduct this transfer during the long weekend and was told that this service wasn’t working until Monday. The customer wanted to book the transfer in immediately and expected a notice about when it would take place, typically during business hours. However, the entire site was made inaccessible because it was a holiday which is unusual for a banking website. This gave the customer a negative perception about the reliability and professionalism of OE. This negative experience convinced the participant to keep his old bank account open rather than open yet another account, with another provider, just for international money transfer.

### Customers want help managing their money, but what is provided isn’t helpful

Many participants dismissed OE’s expense tracking tool as irrelevant (see Figure 1). They felt the criteria (EFTPOS, Visa Debit, ING Direct transactions and so on) had no meaning or relevance to them and more directly reflected ING’s internal tracking interests.

Participants wanted to track and review their expenses by category such as movies, entertainment, retail, beverage... etc. This type of service is provided by many financial institutions and many participants were accustomed to getting this from their previous transactional account’s website.

“This is useless, why do I care whether I bought something on Visa Debit or EFTPOS?”

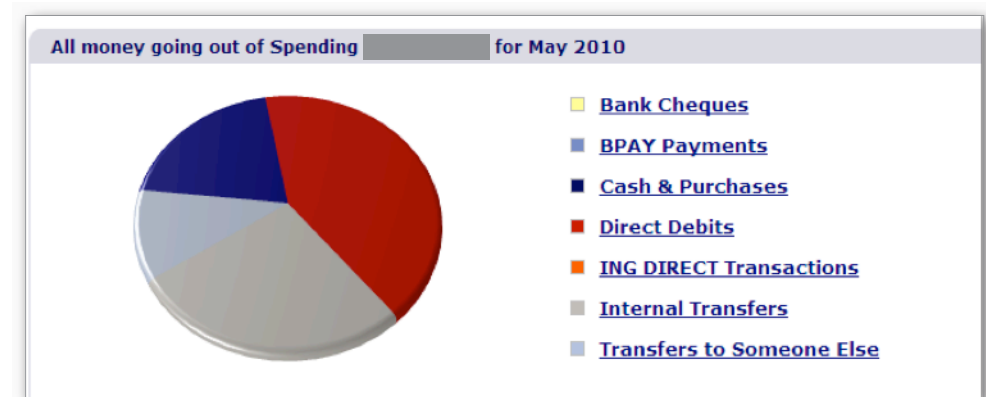


Figure 1 - Orange Everyday’s expense tracking tool

## Opportunities for consideration

Build OE's credibility as a service with clever and seamless integration with other financial services and products as well as knowledgeable and empowered Customer Service.

### » Customer Service:

- Provide aggregators or reviewer tools for products that ING Direct doesn't provide, thereby enabling customers to pick the best products for their circumstance (trading platforms, credit cards, loans etc...).
- Provide more proactive product information:
  - Proactively explain to the customer when Visa Debit can and cannot be used using straightforward communication.
  - Outline how a customer might go about booking a hotel or renting a car. This would reflect "a service type" approach toward a transactional account.

### » Integration:

- Redesign the expense tracking tool so that it provides real value or partner with another provider who can provide this.
- Ensure integration with airline systems.
- Develop a more integrated and professional international transfer method.
- Provide 'smart wizards' that enable customers to use credit cards, but not get into debt.
- Enable customers to continue to use their Visa Debit but have ancillary services attached to it so they don't require credit cards.

### » Understand that...

- Because ING Direct is in the unique position of not competing for the customer's credit card accounts there is an excellent opportunity to offer greater value to the customer in terms of credit card management services. These services can assist the customer with avoiding credit card debt and maximising features and rewards. In this way, OE would be acting as a service, not just a product.
- Customers need clear, proactive instructions from the moment they sign-on to OE on how to maintain another provider's credit card but still change their 'bank' to OE. Customers need help integrating their credit cards with the OE system. They need to understand how to pay them, track them, and set up automatic payments, all from OE.

## A complicated linking process is confusing and negatively impacts perception

Customers believe that linking to other ING accounts will be easy, but they are disappointed. They don't understand the linking terminology used and easily make mistakes when removing or changing "linked accounts".

Customer Service is also unable to adequately support customers with their linking issues and cannot correct mistakes, once customers make them.

Customers often receive conflicting and unclear system error messages when they try to link accounts and are often unable to resolve things through Customer Service.

### Incorrect error messaging leads customers to believe that a Savings Maximiser can't be opened along with Orange Everyday

When customers tried to open a SM account using OE as the "Linked Bank Account" on the application, they received error messaging that led them to believe that both accounts couldn't work together at all. The message that they received from the system informed them that "OE cannot be linked to your Savings Maximiser". This incorrect error messaging led customers to believe that ING Direct is not a real bank, as even ING Direct itself didn't consider the account to be a valid 'linked account' for the SM.

This messaging also led customers to believe that the two accounts could never be linked. Customers didn't understand it to be a system problem. Customers either abandoned the SM application or abandoned OE as their transactional account and linked their SM to their old bank account.

“I was confused about the internet error message that said I couldn't link ING accounts because the advertising materials state "instant access" to other accounts...”

“I was disappointed that I could link my SM and OE but I rationalised that it... this way I couldn't access my savings, so I'd save more...”

### Customers don't understand the "link" terminology and lose their desired linkages

Customers often wanted to view their SM alongside their OE account. To do so they used the "link" button not realising that this actually replaced their existing "linked bank account" with OE. When customers realised what had occurred they tried to undo it, but could not. They were further disappointed when Customer Service couldn't help them fix it.

In ING Direct's context, "linked account" is a regulatory term that refers to the single transactional account that must be linked to an internet based savings account. However, in the context of a customer viewing multiple accounts within a transactional account's web interface, "linked account" means something else. Customers didn't understand this difference and in particular, how it impacted their account setup and what they could or could not do.

### Linking Savings Accelerators and Savings Maximisers to Orange Everyday doesn't work

Some customers believed that OE could only be linked to one account. This resulted in customers creating chains of links, often moving money from one account to another just to move cash in or out of a Savings Accelerator.

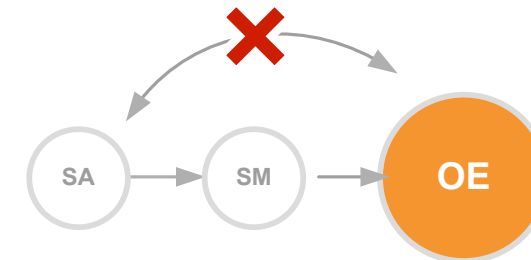


Figure 2 – Customers believe they must move money through a series of accounts to OE

Once customers experienced these complex linking problems they became afraid of changing anything, and in several cases were left with ineffectual complex setups. They would then attribute the complexity this introduced into their lives to ING Direct rather than to their lack of understanding of the system.

“I really wanted some sort of consolidation, but I was unable to link and unlink my various ING savings and transactions accounts and the web instructions (throws up arms) were so unclear...I just left it alone...”

### Design recommendations

- » Immediately correct linking problems:
  - Develop a common vocabulary around functions so that the word 'linking' is well understood and used consistently across all customer facing materials as well as in internal communications.
  - Fix technical glitches so that customers don't need to learn ING Direct's internal structure to understand how to work with their accounts.
  - Provide proactive account linking instructions and customer service.
  - Provide a linking wizard that automatically locates and optimally links all of the customers' ING accounts.
  - Enable better error messaging so customers understand what the problems are.
  - Help manage the process intuitively with extra assistance where required so that errors can be avoided in the first place.
- » Address the source of the linking issues:
  - Proactively address linking as an overarching issue, across all ING offerings (ING, ING Direct and OE), not on a product by product basis.
  - Develop a product interaction strategy so that all products have an integration roadmap that defines how they will integrate with the other ING products before they go to market.

## Insight 2: Switching to Orange Everyday is a journey, not a decision

People view changing banks as a hassle; however, the perfect combination of life-stage change and rage at the bank for gouging them with fees breaks inertia and drives action. Because this drive is typically internally motivated, customers remain in a switching state for some time, commensurate with the extent of their life-stage change. This means they are also most likely to switch away from OE during their first six months of joining.

The switching process does not happen instantaneously, nor is it triggered by one single event, rather switching is a journey and the process is ongoing. This means that customers are not ‘captured’ at the point of sale or ‘at sign-on’. This is when evaluation of the service actually begins.

The reality is that after sign-on, customers are left on their own to sort through features and functions with little proactive support. The research highlighted that customers do not proactively research the product, but rather experience OE only as they use it. Therefore, customers often misunderstand core features of the offering and are unlikely to question their beliefs or ask for assistance until something goes wrong.

Customers are continuously checking to see if OE will fit with their own ‘money management system’. With little support from ING Direct their misunderstandings may lead them to believe OE won’t work for them and customers may go back to their old bank.

In this section we cover:

- » A perfect combination of life-stage change and rage at unfair fees breaks inertia and drives customers to switch
- » Customers aren’t adequately supported through the switching journey
- » Customers find it difficult to reproduce their existing, familiar banking setup
- » Customers don’t understand key features but think they do
- » The call centre functions as product support, rather than the customer service expected
- » Customers appreciate and expect good customer service
- » Trust is built slowly over the service lifecycle

## A perfect combination of life-stage change and rage at unfair fees break inertia and drive customers to switch

In this research, ‘true switching’ always occurred in combination with a life-stage change. Life-stage changes made participants re-evaluate their financial position, which in some cases included making changes to the bank accounts they were using.

Most customers experienced burgeoning anger at unfair fees which culminated in a ‘tipping point’. Customers were especially sensitive when fees were charged as a result of something going wrong, for example losing a card or overdrawing. Customers were more likely to experience this tipping point during life-stage changes because it was then that they needed more support, or realised that their existing financial set up was no longer working for them.

True switchers were internally motivated and incentives did not work to drive the switching behaviour. Rather, the incentives served as ‘icing on the cake’, a reward for becoming a customer.

### Major life-changes break inertia and drive customers to act

Customers reconsider their banking choices when major life-changes take place. Some of the life stage changes observed in this research included:

- » Joining work force (recent graduate)
- » Moving in together
- » Newly married
- » New job
- » Major pay raise
- » Buying house/new mortgage
- » Paid off mortgage
- » Children grown
- » Separating

Some examples of real situations observed in the research included:

- » A female participant going through a life change when her husband started working overseas. She needed to streamline the finances and have fewer accounts in order to make things more manageable as she was also running the household on her own.
- » A participant who after recently paying off his mortgage decided to start a whole new financial strategy. He decided to set up an OE account when he saw an ad in Money Magazine.
- » A couple that had recently bought an apartment wanted to pool their finances together. This was so they could share the cost of the mortgage payments, utility bills and groceries etc.
- » A previously ‘easy come easy go’ sort of guy was now seriously considering buying a house with his girlfriend. He felt he needed to start thinking longer term and became more conscious of the fees he was paying.
- » Another participant considering moving out of the city with her boyfriend started to be more careful with her money and maximise her savings.

### Rage at unfair fees builds up over time and eventually reaches a ‘tipping point’ driving customers to action

Customers often described ‘putting up’ with fees and a building sense of anger over time.

“I begrudged that fee!”

“I have a niggling resentment towards ATM fees...”

Other participants described a rage at getting ‘gouged’ for fees and reaching a ‘boiling point’ where they felt they were driven to take action. They often described a history of paying fees that were wrong or unfair. When finally taking action they described the last fee as the ‘last straw’.

“We loved the Teachers’ Credit Union, but they’ve become more and more like the big banks over the years, slowly adding charges for everything... that’s why we switched.”

In some situations an external event was described as the tipping point that forced them to take action. For example, one customer was with her bank for twenty years. She described remaining with them for the convenience and consolidation they offered, however she was not happy with the level of fees she was paying. It was not until she lost her debit card, and was asked to pay a \$20 fee, that she finally took action and began looking for a better deal.

“The final straw was when I moved money from my old ANZ account to Qantas Credit Union; they charged me about \$200 in transfer fees!”

“As a student, I was supposed to get no monthly fees for transaction banking with Commonwealth. But out of nowhere they started charging me and then refused to reimburse me when I proved I was still a student. My boyfriend had the same experience with ANZ but they reimbursed him with no problems. This is why I really do not like the Commonwealth.”

### Charging fees when something goes wrong, damages perception of the bank

For several customers the charge for replacing a lost card was the final straw. For another customer it was the banks’ refusal or inability to correct a mistake. The research demonstrated that customers wanted extra service and support when something went wrong. Customers were less likely to point to a regular charge or passive charge as the ‘final straw’. The ‘final straw’ was typically an extra unusual charge or a charge for correcting a mistake.

“When they charged me the \$20 for replacing the card that was it... Forget it!”

When the bank supported a customer through a mistake and provided a bit of extra understanding, the customer noticed and appreciated it.

“I love that ING Direct doesn’t charge if you overdraw, they even have a grace period. St. George used to charge me \$15 plus interest each time! I’m a contractor and sometimes I don’t get paid when I expect to. That was the last straw for me.”

### Incentives don't drive people to truly switch their bank

Customers in the research never truly switched banks because of incentives offered as part of a bank account package. Customers that did switch for this reason were not doing it to make changes to their financial setup. They were doing it to 'skim' the incentives. They often did not have any motivation to complete the switching process. These customers often reverted to their old bank or held both accounts open.

One customer described reading about the OE incentive program in Money Magazine and quickly signed up for two accounts. He transferred some money from his Commonwealth bank account into each account and used both cards as required, just enough to pick up the rewards for both accounts. When asked why he needed three transactional accounts, both OE accounts as well as his active CBA account, he admitted that he just wanted the incentive.

“I wouldn't change banks just for the incentive...it would need to make sense long term.”

### For true switchers rewards are the icing on the cake, but not the incentive

Customers who were true switchers, on the other hand, signed up for OE during a life-stage change, and were internally motivated to modify and restructure their finances. External rewards were seen as 'icing on the cake', or the 'clincher' when comparing two very similar products, but not a factor in driving them to move their finances.

“I wouldn't change my account just for the rewards.”

All true switchers moved to OE because of its value proposition of: no fees, value, fairness, its great rates on savings products, or because they wanted a 'hub'.

“The only reason I signed up was for the no fees.”

“I wanted all my accounts in one place.”

“I already know ING because I have other product with them.”

“I just stopped being a student, so now I'm going to have to pay fees, that's why I changed to ING.”

Some of these customers were not even aware of the incentive scheme.

“Really? That's great. I guess I should use the debit feature to get the reward.”

“Nah, I don't care about incentives. No monthly fees and no ATM fees are the reason I signed up.”

### Rewards make customers happy with their decision

Rewards did however make customers feel good about their decision to switch to OE. They felt rewarded for being a customer and this drove a positive attitude towards ING especially during the initial stages of on-boarding.

### Opportunities for consideration

» Address life-stage change needs.

Engage the customer through proactive, empathetic and relevant life-stage specific communication that resonates with the customer's emotional state:

- Develop content, offerings and bundles around life-stage changes.
- Share this life-stage information and moments of truth with call centre staff to enable empathetic service decisions at critical times in the customers' experience.
- Target 'true switchers' more effectively by understanding their motivations and context.

» Address rage at unfair fees.

Enhance communication of ING Direct's value proposition: no fees, value, fairness, great rates and real choice:

- Communicate with strength about ING Direct's commitment to 'No Fees', for example, 'No Fees, never was, never will be'.
- Revisit go-to-market strategies so that they align with customers' needs and moments of truth.

» Revisit the incentive program to target real customers:

- Rewards should continue and be active for at least six months after on-boarding because it is during this critical timeframe, and not immediately upon sign-up, that customers become disenfranchised due to complications with switching that occur down the track.

- Enable existing customers to personalise their incentives (i.e. set their own savings goals, spending goals, etc.).

» Understand that:

- Incentives alone don't encourage true switching.
- Incentives can encourage sign-on and card activation.
- Rewards for loyalty can keep customers positive.
- Charging customers for fees at a time when they are already under strife can backfire and cause the bank to lose the customer.



## Customers aren't adequately supported through the switching journey

Customers felt that switching transactional accounts was a gradual process which they would do in their own time. Customers also didn't feel adequately supported during the switching process so they remained unsure as to whether the account would work for them.

When customers made the decision to switch banks, it usually coincided with a life-stage change period that could last up to six months. While this moment in time presents an opportunity for ING Direct to capture customers who are ready to switch banks it also presents a challenge. Customers who are still in switching mode are just as likely to switch away from OE if their needs aren't met.

Customers felt a lack of support during the sign-on process where they needed help remembering passwords, and avoiding errors in the application. Customers also resented having to go to the Post Office, feeling it was inconvenient and unprofessional. To them going to the Post Office made ING seem like less of a bank.

### Customers aren't 'lazy', they need help with the switching process

When customers decided to change banks, they had already committed to the changeover process because they were driven by internal motivators (life-stage change in combination with anger at their old bank). They were looking for help keeping track of their progress, assistance and automation. What they didn't want was more 'to do lists'.

### The customer's switching time frame is different than the banks

Although the bank wants customers to move quickly when they switch, customers were accustomed to having multiple accounts at the same time and felt no need to hurry. They wanted to setup the account in their own time to ensure they did this correctly.

Customers in the research felt that even after six months they were still 'switching' to their new OE account. While in this switching state they considered they were still evaluating the product and assessing it to determine if it was the right one for them. When OE failed to meet a critical need, customers became unsure as to whether the account would work for them and would start to consider other options.

Customers felt they had fully switched when all their accounts were linked and properly integrated.

“If you can't do international transfers properly I don't know if this bank is going to work for me.”

“I'll have to see...I'm waiting for my first statement.”

### There are many opportunities for things to go wrong during customers' on-boarding journeys

#### Application

##### The system does not help people avoid errors in the application

Several customers were rejected at the Post Office due to mistakes in their ID Verification Form. The errors included misspellings of customers' names or typos, which could have been prevented with better warning or error prevention messages.

In most cases, when the verification form had errors the only way to fix the application was to reapply again. Customers also had to verify again at the Post Office which they found highly annoying.

“I called the call centre but all they could tell me was I needed to apply all over again. Just for one wrong character!”

#### ID Verification

##### Most people find the Post Office experience annoying

Customers did not like having to go to the Post Office. For many, the Post Office experience contributed to the perception of lack of professionalism. Many customers also commented that the Post Office was inconveniently located and required too much time.

When one participant went to the Post Office, he described having to wait thirty minutes because someone was sending a large shipment. When he finally got to the desk, the clerk didn't know what to do with the ING application and had to call someone else. When they finally found someone to deal with the ID verification, she told him that his name was entered incorrectly, so he had to go back home and reapply and do this all over again.

#### Activation

##### Customers often forget their multiple login and PINs

Customers were given several customer numbers throughout the online application process, usually a customer number, an account number, password and or PIN. These numbers and passwords created significant anxiety because customers weren't sure they would remember everything. Because they were signing up for an internet-only bank, customers feared that if they lost or misplaced customer numbers or passwords/pins they may lose access to their accounts.

Customers often forgot their passwords, account numbers and PINs between sign-up and receipt of the welcome pack and wanted more help remembering them. Customers also forgot their username and were often confused about multiple account numbers they held for ING Direct products, not only OE. Many wished there was an easier way for them to remember and retrieve passwords.

Interestingly, many customers contacted the call centre for help with recalling passwords or account numbers and received assistance quickly and easily over the phone. Had customers been proactively informed that they could call into the call centre for help, they would have felt more confident with online banking.

“Should I use my Savings Maximiser password or Orange Everyday Account number....did I consolidate that? I don't remember.”

“Wait a minute...let me check my iPhone, I have it in there somewhere.”

#### Moving direct debits

##### The direct debit forms in the welcome pack don't work for everyone

For some, the direct debit forms made the transfer process seem more difficult than it really was. Although the forms made it easy for some, the easiest way to move over direct debits was via phone and internet.

One participant was going to move over his direct debits, but when he saw the forms he changed his mind saying “oh, I'll just change them over on the weekend”. To him, the forms made the process seem more daunting.

Participants preferred the information about direct debits that was available on the OE website. Unlike the Welcome Pack, the website informed customers that they could contact billers over the phone, online or via their websites which were the preferred channels for many.

“I didn't know I could just call and have my direct debits transferred.”

### Customers need help keeping track of their direct debits

Customers couldn't usually recall the number of direct debits they had with their old bank. While there are ways to find this out, most customers were not aware of how to do this, or found it too much of a hassle.

“It's a pain!”

“I don't know how many direct debits I have.”

### Customers fear having a direct debit bounce

Customers often didn't know when each direct debit was scheduled to switch over from their old bank to OE. Even after customers put their change requests in, they weren't sure which billing cycle would be moved over to their new OE account. Often billers didn't proactively provide this information. In many cases it was this concern that drove customers to keep their old bank accounts open, or prevented them from fully switching.

One participant described keeping her HSBC account open because there were still a few bills going through such as her gym membership and e-toll, and she needed to be sure she wouldn't miss any.

### For some, switching direct debits is easy, although somewhat tedious

While some participants had significant concerns and were nervous about direct debits, those that were financially confident found this process very easy and stress-free, and were concerned more about features and integration. They were particularly focused on making sure their new account would work as a 'hub' before switching.

Some customers had all their direct debits on their credit cards, so the only accounts they needed to move was the credit card. Others were quite organised with a list of all their direct debits handy, just switching each account over on the phone.

“I did it on the weekend, I just called everyone, it was easy.”

“It's tedious, but straightforward.”

### Opportunities for consideration

- » Address all systemic, organisational and technical glitches described in this report that negatively impact the switching process.
- » Understand that customers aren't lazy; they just need more assistance and automation to make switching simpler and error free:
  - Use user-centred design (UCD) to streamline the online and offline switching processes into a seamless and easy customer experience.
  - Pay particular attention to the online experience as it is for some the only customer experience they have with ING Direct.
  - Offer electronic verification and reduce reliance on Post Office or other inconvenient methods of identity verification.
  - Ensure that signing on is error-free by assisting customers during this process through automation of the switching process and the use of 'smart wizards' to track a customer's progress through the switching activities.
  - Train call centre representatives to better assist customers through the switching journey.
  - Ensure that call centre staff are knowledgeable across a broad range of financial products and can assist with their integration with OE.
  - Provide stronger contextual support for integration by using innovative technology that detects the services customers are attempting to integrate and provides customised instructions or automation.
  - Enable customers to activate their accounts by calling the call centre. This would limit nervousness about recalling passwords. Also, this would enable customer service staff to “check in” with customers and help build a stronger relationship with them.
- » Understand that switching is a gradual process and customers aren't 'switched' when their salary is moved over:
  - Customers need support throughout the on-boarding journey that persists well past the first six months.
  - Small glitches slowly chip away at trust over time. Minimise all errors and service glitches.
  - Look for ways to personalise the customer service at every touch point along the switching and transacting journey.
  - Look for ways to delight customers along their journey, thereby preventing disillusionment and potential account abandonment.
  - Improve error control on both the application and online banking interfaces through the use of automation and in-context prompting.
  - Re-evaluate the way OE views the switching process and defines 'switched customers'.
  - Understand that the switching process is often more complicated than customers expect it to be.

## Customers find it difficult to reproduce their existing, familiar banking setup

The research highlighted that some customers are used to a certain setup for their internet banking. They described feeling anxious when they could not recreate this setup when switching. If problems occurred while trying to do so they questioned whether OE would be able support their needs.

Customers were observed using a wide variety of self made “systems” to manage their money. They expected to be able to continue using these systems when they moved over to OE. When customers couldn’t replicate their old setups, or locate a favourite feature, they assumed the account wasn’t working properly and therefore wouldn’t work for them. They did not take the time to learn how to use a new system.

For example, one customer always used the CSV files to download his transactions so he could load them into his tracking spreadsheet. When he activated his OE account he searched for the CSV file feature. Unable to locate it he felt that OE wouldn’t support his existing system and processes, thinking that maybe it wasn’t the bank account for him.

Often customers preferred their old banking system just because they were familiar with it, not because it was any better. They struggled to navigate the new OE interfaces and easily became frustrated; however they were very quick and skilled at using their old banking system. Sometimes, what they preferred about their old systems were features that could seem inconsequential. For example, one participant preferred her Qantas Credit Union interface because it used pictures and she like that.

### Opportunities for consideration

- » Understand that people need to ‘test drive’ transactional accounts - as they are just a small part of the ‘money management machine’.
- » Ensure that OE online banking, at a minimum, offers the capability customers already use on other major online banking platforms.
- » Analyse all significant banking environments to ensure that OE’s system supports similar behaviour and functionality. Deploy a UCD process to determine what these are.
- » Provide bank-specific switching tutorials.

# Customers don't understand key features but think they do

## Customers did not understand the core features of the OE account

Shortly after sign-on, customers were left on their own to figure out the OE product. Often customers began using the account without understanding it very well. They weren't aware of core features and believed them to be missing from the offering or they simply misunderstood them. Because there was little follow up, customers often retained these misconceptions about the product and believed that the product was lacking. Customers rarely believed that they didn't fully understand the offering.

“I thought there were no fees on this account, but I was charged when I used the ATM, I guess I didn't read the fine print...”

## Using the product overseas

One customer in this research didn't believe he could use his Visa Debit card overseas and was therefore going to hold on to his ANZ Visa card for his travel. In fact, not only did the Visa Debit card have a better international rate than his ANZ Visa, OE was running a promotion on international rates at that time. This customer was also unaware of the promotion.

## Depositing cheques

Customers did not know how they could deposit cheques. Most did not realise they could mail in the cheques. Some thought they would need to use an ATM. One customer used up all her 'forms' and wasn't sure how she would deposit her remaining cheques.

“I don't have any more envelopes. How else can I deposit cheques?”

## Making the most of incentives

Customers were not always aware of the incentives associated with the product. On the flip side, several customers were only aware of the rewards and not aware of any of the products features.

## Other features

Other features customers were not aware of included:

- » Overdraw facility: Customers thought they would be charged for overdrawing the account but in fact, compared to the market, they are given a very generous grace period.
- » Visa purchase protection: Customers didn't realise this applied to the Debit card.
- » Rebates: \$.50 rebate for the withdrawals of over \$200 when using EFTPOS.

## Customers do not fully understand the value of Visa Debit versus EFTPOS

### Using Visa Debit and EFTPOS

Several customers did not know that they could take money out via EFTPOS and not have to pay any fees. Others felt it was socially unacceptable to ask for cash out via EFTPOS from smaller shops and many felt it was wrong to do so even in larger shops like Coles.

“I have no problem using EFTPOS for cash but I don't want to use the OE card because I would get charged.”

“I wouldn't use EFTPOS there because they would give you 'a look'.”

Many customers were confused by the terminology 'Visa Debit' and 'EFTPOS' and weren't clear about the difference between them. In particular, customers were not aware of the value of using Visa Debit over EFTPOS, or when was the most appropriate time to use each service.

## Customers weren't clear on how to actually use the card

Customers also struggled with how to use the card. Some of the issues included:

- » Unsure if they needed to use their PIN or sign when using Visa Debit.
- » Not understanding which account to select when prompted by the in-store EFTPOS machines prior to entering their pin. Most customers would just press the "cheque" account button on the machine because they knew they weren't using a "credit card".
- » Not knowing when they were using Visa Debit and when they were using EFTPOS and whether it mattered while making purchases.

Customers described the need for more, and clearer, information on the card and how best to use it.

## People feel duped by the 'ATM fee reimbursement scheme'

Because the customers didn't read the fine print, they truly believed that they had been duped when they saw the ATM charges on their docket. They didn't realise that they were to be reimbursed for any charges by OE.

Customers need more upfront and in-context communication about how the ATM charges are actually reimbursed by OE after the fact.

## Customers maintain ineffectual linking structures because they know no other way to link their ING Direct accounts

Customers were often left with strange and unnecessarily complex linking structures because they received no proactive, or reactive, support about the best way for them to link to their ING Direct accounts. Customers assumed that their ineffectual setup was required because there was no assistance or advice on how to improve it.

“I'm now left with this strange set-up, where I must move money from my Savings Accelerator to my Savings Maximiser and then to Orange Everyday, I called the call centre, but they couldn't change the link.”

After customers activated their cards and moved over their salaries they felt there was no follow up from customer service staff to review and optimise the customer's setup and to check that OE was meeting their needs. It appeared to customers that once they were signed on and had moved over their salaries, it was the 'end of the line' for communication from OE.

### Opportunities for consideration

- » Provide ongoing product education and communication that is proactive, integrated and in-context.
- » Redevelop communications tone and language so that it resonates with customers as helpful information rather than marketing material, which they discard before reading.
  - Use 'plain speak' to communicate product features and instructions.
  - Develop quick guides or apps for reminders about product features.
  - Provide in-context product education, for example, if a customer has regular fortnightly payments on their statement but they are not using direct debit or scheduled payments, inform them about these features within their statement. "Did you know that you can use....".



## The call centre functions as product support, rather than the customer service expected

### The call centre is really just product support

Customers felt that call centre staff were not empowered, mandated or trained to answer questions about core banking products that need to tie into OE. This included questions about trading accounts, linking into other credit cards and using Visa Debit for PayPal.

Customers are often accustomed to getting service type responses from their old banks.

Customers were also accustomed to phoning their old bank for help with integration with other products and services. They were surprised that OE call centre staff were unable to provide this same kind of assistance.

One customer sent an email into the call centre for help with ID verification but received no response.

Customers phoned for help with the following but didn't get the assistance they felt they needed:

- » Lost applications
- » ID attached to the wrong account
- » Linking/Unlinking/Viewing
- » Credit card integration
- » ID verification
- » ID form corrections
- » Opening other ING products
- » International transfer
- » How to use Visa Debit

### Customers are told to redo their applications from scratch to fix problems

Some customers described being told to apply again when any application problems arose. For example, one participant described being asked to go through the application process just because of a single typo on his application form. Call centre staff apologised for their inability to do anything to help and blamed their systems.

“Yeah it was a bit of a pain going to Post Office and all that and I didn't even have the Savings Maximiser set up. I had to go and apply again.”

### Opportunities for consideration

#### » Call centre

Empower a more professional and proactive call centre/customer service experience. Friendly is good. Competent and trustworthy is better:

- Enable call centre representatives to address problems relating to integration with other financial tools not just OE capabilities.
- Assign customers service representatives directly to individual customers. Have them proactively contact customers for feedback on features that are missing or misunderstood.
- Address the root cause of calls into the call centre with meaningful tracking of reasons of call. Even if there are few calls about an issue, it is likely others are experiencing the problem and may abandon because of it. Addressing the top ten “reasons of call” may not always address core issues.

#### » Web and internet

Fix the internet banking interface and application so that it is 100% error proof.

## Customers appreciate and expect good customer service

### Good service was always recognised and appreciated

Customers appreciated good customer service and felt valued when their personal circumstances were recognised and accommodated.

“I’ve been with teacher’s credit union since 1978. They were the only ones to believe in me and gave me money to build my house from scratch in the bush.”

Although many OE customers said they would always choose a bank based on value and rates, and not service; observation proved otherwise. Customers often paid for good service or made financial choices based on receiving good service. In some cases customers forthrightly stated that they were happy to pay fees because they valued the service, convenience or consolidation provided by their bank.

“I don’t mind paying fees long as the bank provides good service.”

“I don’t mind paying fees because I use the bank a lot.”

“I like having everything in one place with St George, it’s convenient. No, I don’t mind the fees.”

When customers felt they had an effective hub, believed they were getting good service and were happy with their bank, they were less likely to care about account fees.

### Opportunities for consideration

- » Create a sense of belonging and drive word of mouth referrals through delightful customer service, special customer-only offerings and loyalty programs.
- » Provide personalised customer service at every touch point along the switching and transacting journey. This would delight customers and prevent disillusionment and potential account abandonment.

## Trust is built slowly over the service lifecycle

It takes time for customers to begin to trust OE. Customers start out with an embedded mistrust of financial institutions and a complete lack of loyalty to any. As with any change, people feel anxious. When customers cannot replicate their old setups they begin to doubt whether OE will work for them. High on-boarding promises can potentially set the customer up for disappointment as they realise things are not working exactly as they expected. The customer switching timeframe stretches over a longer timeframe than initially considered by ING Direct and it's over this timeframe that ING Direct must build and reinforce trust with the customer to ensure the customer truly 'sticks' with OE.

### Customers mistrust financial institutions

Customers have a historical mistrust of financial institutions that they bring to the table when signing up for OE. They hold on to this mistrust until it is disproven. Because of this lack of trust, customers often assume the worst when things go wrong, so proactive communication is essential. This mistrust requires ING Direct to go the extra mile with its OE customer service.

Generally, customers felt that banks only look after the bank's interests, not theirs.

“You can't trust the banks, you gotta keep on top of things yourself.”

“You have to take care of yourself when dealing with the bank, because no one else is looking after you.”

Customers don't believe the banks' promises of “No Fees”. Most customers believe that this is a marketing gimmick and that the offer of “No Fees” will be a temporary one.

“The banks try to gouge you at every possible opportunity.”

“I hate the big banks; they force you to do things, they try to sell you stuff. I don't need them to sell me stuff.”

“Banks are a commodity these days. All banks offer the same thing.”

### Customers feel no loyalty to financial organisations

Customers did not stay with any institution out of loyalty. In fact they were adamant that they felt no loyalty their banks even if they had been with their bank for years or since childhood.

When customers remained with their old bank it was due to convenience and/or rates and not any sense of loyalty.

“I'm not loyal to banks because they are not loyal to you. You may be with them for a long time, and they give special rates to new customers, but not to you.”

“Nothing comes out of loyalty.”

### Several customers said they trusted Orange Everyday even though they didn't trust other banks

Most customers believed that ING OE would try harder and would offer a better service because it was a new service and was smaller than the big banks. Customers very much wanted to believe that they had found a true banking alternative. This positive view of ING Direct helped keep customers with OE even when things didn't go exactly as the customer expected. However, small glitches did add up, eventually leading some customers to wonder if they had made the right choice for the long run.

Some participants trusted ING Direct to keep OE zero fees but felt the other big banks wouldn't maintain zero fees on their zero fee accounts.

### Customers sometimes had inflated positive views of ING Direct

Sometimes customers had overly positive views about ING Direct or OE. While this may have encouraged them to sign-up in the first place, it also resulted in greater disappointment or regret down the track.

One customer compared ING Direct to a motorbike 'sneaking in and out of traffic and helping him to get ahead quickly'. Some customers believed that ING Direct had the highest savings rates in Australia.

“I chose Orange Everyday because ING Direct offers the highest savings rates.”

### Customers are let down when on boarding promises are not met

Customers come onboard with very high expectations and are therefore very susceptible to disappointment. Because customers remain in a highly 'switchable' mode for six months or longer, this disappointment can potentially lead them to abandon OE.

### Opportunities for consideration

- » Avoid buyers regret by improving and increasing customer service, product education and communication especially during the customer's first six months with OE.
- » Avoid 'hype' in marketing materials. Focus on the real value proposition of OE.
- » Deliver on your promises.
- » Create meaningful loyalty programs for existing customers that generate trust and create a sense of belonging. This will drive word-of-mouth referrals as well as trust.

## Insight 3: Small glitches over time chip away at trust in ING Direct as a ‘full bank’

Because OE provides internet-only banking, it faces unique challenges in engendering trust that are not usually encountered by traditional bricks and mortar banks. Customers need to feel confident that they can use OE effectively and trust ING Direct as a ‘real bank’, despite its lack of traditional branches. When opening an account with a more traditional bank, the customer’s first impression of the bank is typically based on their experience at the branch. When opening an OE account, the customer’s first and lasting impressions are based primarily on their internet experience. Any shortcomings in the online experience are perceived as shortcoming of OE itself, rather than just ‘technical glitches’. The OE website and call centre are the only ‘faces’ of the bank and so they need to accurately reflect its brand attributes and value proposition.

Customers in this research perceived OE, and thus ING Direct, as being ‘friendly’ and ‘good value’ but not professional, helpful or reliable. OE’s communication style, content and tone failed to resonate with OE customers resulting in customers ignoring materials and often misunderstanding features and functions of the offerings. This lack of understanding may have resulted in customers perceiving ING Direct as less of a ‘full bank’ because they believed OE was missing desired features.

In this section we cover:

- » ING Direct is seen as friendly and good value but also unprofessional
- » Orange Everyday’s communication does not resonate with its customers and is often ignored
- » Clunky and obvious technical shortcomings let customers see internal problems and erode trust

# ING Direct is seen as friendly and good value but also unprofessional

Customers in this research perceived OE as being ‘friendly’ and ‘good value’ but not helpful or reliable. While all customers in their research knew that ING (the institution) was a bank, when comparing OE itself with transactional accounts at the major banks, they felt OE was less professional.

## Customers think the card is ‘ugly’ or ‘silly’ but don’t really care

Although many customers didn’t give the card much thought, some thought it was overly bright or ‘ugly’, but it didn’t bother them. Customers felt that the card wasn’t as professional looking as other banks, and believed the ING Direct was trying to be cool or unique.

“I thought the card was ugly, but it was bright and easy to find in my purse... It doesn’t really matter to me.”

“The card was kind of loud but, hey, it’s easy to find in my handbag.”

“It’s not classy, it you care about those things, but I don’t.”

## Customers feel that the online banking isn’t as professional as the other banks

Customers believed that ING Direct’s interface lacked professionalism. Many customers disliked the pervasiveness of the orange colour and felt it was difficult to look at. Most felt it wasn’t as good as other banks.

“You don’t want to look at that all day.”

“I mean, come on you want to be a real bank... this just doesn’t look like it.”

Depending on their previous banks, customers held different perceptions about OE’s online banking site. For example, customers from the Commonwealth, Qantas Credit Union and ANZ believed that their ‘old’ bank had the ‘best’ interface. Some of the features customers liked, which were not available on OE, included web 2.0 functionality, clever interactions, dynamic elements and smart ‘type ahead’ form fields.

Many customers felt that ING Direct didn’t spend as much money on their systems or ‘online banking’ as did the major banks. One customer said he knew that ING Direct spent much less money on their systems than other banks did because he knew the IT people in several banks including ING Direct. Some customers believed that OE purposely spent less money on their web presence in order to give the customers better deals on rates and fees. Some customers, however, felt that because they were getting a ‘good deal’ they should expect more of a ‘no frills’ experience.

“OE don’t have the same kind of investment in their technical structure like CBA, I mean CBA is a great interface.”

## Opportunities for consideration

- » Assess OE’s banking collateral against actual customers’ expectations and needs.
- » Ensure that ING Direct’s banking experience is competitive and includes all of the features, capabilities and professionalism that customers have grown to expect from their banks.

# Orange Everyday’s communication does not resonate with its customers and is often ignored

OE’s marketing materials, style and tone, were perceived as *‘trying to be cool’*, rather than *cool*, and were not valued by customers after they signed up. Customers were ambivalent about the communication materials and often didn’t read them or binned them before opening. Often, customers missed out on important information about product features and value and misunderstood the offering.

## Orange Everyday tries hard to appear fun and different, but this isn’t important to customers

Customers recognised that OE was trying to be cool but didn’t actually care whether their bank was cool or not. They chose OE as their bank because of its true value proposition; rates, fairness, value and real choice.

“If ING were a car it would be a bug. It’s a big overdesigned Volkswagen trying to look like fun...but overall, it still is a good quality, functional car.”

“I think ING tries too hard with its marketing to make banking seem like fun. It isn’t, its boring and you just have to deal with it.”

“A bank is just a bank. They’re all the same. They just look after your money.”

## The salary request form uses a ‘marketing tone’ instead of just stating the request

One customer was embarrassed to hand the salary transfer form to HR. He felt the form was worded as a promotion rather than a professional request. This made him feel like he was giving his HR team a piece of marketing collateral rather than instructions about where he wanted his money. He went out of his way to send an email to his HR person so that he wouldn’t have to use the form.

## Customers ignore the Welcome Pack

Customers were not aware of basic features of the account that were clearly listed in the Welcome Pack. Upon observation, it was evident that they didn’t read the Welcome Pack at all. Customers discarded this quickly and proceeded with the business of activating the account.

Some customers never remembered receiving the Welcome Pack, even when they were shown a sample of the pack.

“I never got that, I just got my cards.”

As mentioned earlier in this report, some of the OE features which customers weren’t aware of or misunderstood included:

- » Incentives
- » That Visa Debit was part of the offering
- » The features of Visa Debit
- » How and when to use Visa Debit
- » How to use the card with its new chip
- » EFTPOS cash out incentive scheme
- » Ability to take cash out via EFTPOS
- » ATM cash back
- » Any ATM, no fees
- » No charge for overdrawn accounts

Interestingly, all customers in this research were well aware of the ‘no account fees’.

## Orange Everyday fails to leverage its core brand values

Customers chose OE because of ING Direct’s reputation for no fees, real value and fairness, not because it is ‘cool’. While OE communicates its value, its style detracts from its core message. Overwhelmingly, true switchers signed up for OE for value, fairness, and no fees and because of ING Direct’s reputation as the place to save. Most customers expressed that their decision to sign up for OE was to some extent influenced by their desire to save and their expectation that ING Direct would help them be better savers.

“The most important thing that made me sign up for the Orange account was the headline rate for the savings account.”

“I’ve always perceived ING as a ‘savings institution’. That’s one of the reasons I opened the OE account.”

While customers appreciated that OE was trying to be cool and friendly; ‘coolness’ was not a factor in the customers’ consideration of OE as their bank.



## Opportunities for consideration

### » Overall communications

Establish a recognisable, definitive service brand and communications roadmap that leverages ING Direct's core values at every touch point in the customer's journey:

- Create a service experience that resonates with customers by designing for customers. Utilise a user-centred design approach to develop the correct tone, language and message for service-type communications.
- Communication messages should focus first and foremost on what OE customers really value: 'no fees', 'value', 'fairness' and 'great rates'.
- Avoid communicating to signed-up customers with the same voice used for acquisition.
- Instead of 'pushing products', address customers needs through relevant service offerings.

### » The Welcome Pack

- The design and format of the Welcome Pack should reflect the way customers use it: for reference rather than 'welcome'.
- Customers open and set up OE without necessarily reading the Welcome Pack therefore a different format might be more appropriate. A manual is usually accessed when something goes wrong, or when a specific feature is required.

# Clunky and obvious technical shortcomings let customers see internal problems and erode trust

It's not one major technical drawback that convinces customers that OE will not work for them. Rather, it's a series of small glitches over time that erodes trust in ING as a 'full bank' that will be able to meet all their needs. Because this lack of trust is built up over time, it can become an 'emotional truth' that cannot be disproven by simply changing one feature or fixing one error.

## Setting up a unified view of ING Direct accounts is difficult and sometimes impossible

OE's inability to combine ING Direct accounts into a unified view is perceived as a major shortcoming. Customers were accustomed to viewing all their positions with one bank in a singular interface. With OE however customers had to place many phone calls into the call centre just to view one account alongside OE.

## Online banking had many problems

### Website menus for the marketing site have been placed on top of the transaction section

Customers became lost trying to find features and functions and often strayed into marketing material when trying to transact. This confused customers because they could not easily figure out how to return to their transacting interface. For example, one customer was trying to find his Savings Maximiser statement and started to click around. When he clicked a link labelled "Savings Maximiser" he ended up on the webpage to "Apply for a Savings Maximiser". This made the customer think that the website was badly designed.

### The online banking interface is missing support for non active use cases

When customer first clicked into the banking interface many of the account features weren't activated and the menus were blank. To customers, this looked like the website was broken. When customers access the website for the first time, they are looking at it to see how it works and if it has all the features they are accustomed to. However, when customers clicked through the interface for the first time, many of the transactional components of the site were inactive or simply missing. Customers assumed that these features were missing not that they were just 'hidden', and this further led them to believe that OE would not be able to support their day to day transactional needs.

### The online banking interface had functional errors

When exploring the OE website for the first time a customer clicked a welcome message link within the messages section. When he wanted to go back to the inbox, there was no back button so he had to navigate again from the left-hand navigation.

When reading help content on the OE website, a customer clicked a link for "more info" and nothing happened.

Customers also believed that their OE online banking timed out too frequently and caused them to lose their place in the middle of transacting.

### Customers were unaccustomed to the SMS security feature and didn't like it

Customers banked online for convenience. Many were not accustomed to using SMS to verify BPAY and did not appreciate the extra security. Customers felt it was inconvenient to locate their phone every time they banked. They also viewed this as an extra step.

“...my kids are running around....the system times out before I find my phone.”

“I don't want to come armed with my wallet and phone just to bank online.”

“I don't want to have to carry my phone with me at all times.”

Other technical shortcomings highlighted by customers

- » Applications couldn't be edited once they were filled out online.
- » ID had been attached to the wrong application and customer service could not move it. Instead they asked the applicant to begin a new application.
- » Customers are unable to link or unlink accounts easily.
- » International transfer is not well supported.
- » Customers see empty navigational menu items upon initial login.
- » The Post Office process introduces an unprofessional and unpredictable environment into the service journey.

## Call centre staff apologise for technical glitches, but cannot resolve them

Often, when customers called into the call centre to request changes to an OE application, the call centre would apologise but comment that they were unable to modify the system. Several customers had to completely redo their application, including the ID verification at the post office simply because the call centre was unable to modify a typo. Technology short comings, coupled by a call centre that is not empowered to make changes to the system, make OE seems unreliable and the customer feel unsupported.

## Opportunities for consideration

- » Revisit the online banking experience from a users' perspective. Design the holistic experience, in the context of the customer's journey and everyday banking needs.
- » Resolve technical, organisational and process issues that impact reliability and trust in the offerings (see earlier design considerations on page 32).
- » Create a more professional call centre/customer service experience. Empower customer service representatives to address problems (see earlier design considerations on page 36).
- » Understand that small glitches that may impact trust must especially be minimised during the 'on boarding' period.
- » Reconsider the use of the Post Office for ID verification. Investigate straight-through-processing through the utilisation of online verification capabilities.

## Insight 4: Customers defined their primary account as the account they used and accessed most often to move and monitor their money

While some customers were very quick to answer the question, “With whom do you bank?”, other customers were not so sure if they indeed had ‘one bank’. Most participants responded that it depended on which service we were inquiring about. When asked specifically about transactional banking, customers were able to answer the question definitively. Their ‘bank’ always referred to the account they accessed the most to check on balances, transfer money and withdraw spending cash. It was also the account into which they deposited their salary or ‘spending allowance’.

Although the transactional account is named ‘Orange Everyday’, customers assumed that was simply an account name and perceived themselves to be banking with ‘ING Direct’.

### Criteria that determined the customer’s primary account

When customers referred to an account as their ‘primary account’ they usually interacted with it in a specific way. Typically, it was the account that they:

- » Accessed the most and from multiple mediums to check their positions and or balances.
- » Considered the most efficient tool for moving money around in support of their strategies.
- » Regarded as the customer’s hub and integrated or linked to all their other tools or products.
- » Accessed most for cash and ATM withdrawals.
- » Attached to the customer’s mortgage.
- » Salary or ‘spending allowance’ regularly deposited into this account (consistent amount at a consistent time).
- » Trusted the most.

When participants were asked the question, “With whom do you bank?” they responded with some of the following remarks:

“My bank? It’s ING.”

“You mean my debit account? Oh it’s Orange, ING, whatever...”

“My transaction account? It’s ING. Only my mortgage is with NAB.”

“We’re with CBA, we’ve had our mortgage with them for twenty years.”

“I was with St George for twenty years but now I’m with ING Orange.”

“We were with the Credit Union but now we are with ING. I’d like to have all my accounts with them if I could, then I’d be consolidated.”

“I have all my accounts with ANZ. I just opened OE for access to my SM, ING is for my savings account.”

## Appendix 1 – Contextual inquiry recruitment brief

### ING Direct Orange Everyday Contextual Inquiries Recruitment Brief

# ING Direct Orange Everyday Contextual Inquiries Recruitment Brief

This document specifies the participant demographics for one-on-one contextual research conducted by Different on behalf of ING Direct.

The intended audience of this document is the recruitment team and the project teams at ING Direct and Different. The information contained here should be a suitable basis from which to recruit the necessary participants.

## Contact

Carolyn Pugsley, Senior Project Manager, Different  
Level 4, 52-58 William Street, East Sydney, NSW 2011 Australia  
(02) 9571 7444 / carolyn.pugsley@different.com.au / www.different.com.au

Debora Deitel, Senior Experience Architect, Different  
Level 4, 52-58 William Street, East Sydney, NSW 2011 Australia  
(02) 9571 7444 / debora.deitel@different.com.au / www.different.com.au

## Objectives (for the recruiter only)

- » To understand a customer’s experience with ING Direct’s Orange Everyday product
- » To gain insights into customer needs and behaviour around transactional accounts in general
- » To understand the factors and influences that lead to the decision to use ING Direct’s Orange Everyday as a customer’s main transactional account

## Recruitment

### Recruitment agency

An external recruitment agency will assist with the recruitment of participants as described below.

They will:

- » Screen and select candidates based on the criteria in this document
- » Provide a recruitment sheet with names and contact details (phone number, email address and the participant’s residential address or work address)
- » Allocate time slots with each of the participants and update Different’s project manager with the bookings (Different and the recruitment agency will work closely to manage a workable research schedule)
- » Confirm participation via letter or email, including the pre-interview pack (to be supplied by Different)
- » Reconfirm participation via telephone one day prior to their session
- » If any participants are unable to make their session the recruitment agency will re-allocate the slot with an alternative participant and any changes to sessions will be communicated immediately to Different so that any changes can be adopted

### ING Direct

- » ING Direct will provide a list of suitable customers based on the criteria in this brief
- » Research Sessions – Format and Duration
- » One-on-one interview sessions
- » A facilitator and a note taker from Different will attend the interviews
- » Approximately 1.5 to 2 hours in duration
- » Ideally there will be 2 sessions per day
- » Refer to ‘Proposed Schedule’ for more information

## Proposed schedule

### Dates

- » Recruitment: Monday 10th May – Friday 14th May 2010 (TBC)
- » One-on-one sessions: Monday 17th May – Thursday 27th May 2010

### Session times

- » To be determined by participant availability
- » No more than two (2) sessions per day between 8am and 8.00pm, with priority given to daytime sessions.
- » At least 1.5 hours scheduled between sessions to accommodate for travel time.

Proposed schedule

Day	Date	No. of participants	Segment/type
1	Monday 17 May	2	Any
2	Tuesday 18 May	1	Any
3	Wednesday 19 May	2	Any
4	Monday 24 May	2	Any
5	Tuesday 25 May	2	Any
6	Wednesday 26 May	2	Any
7	Thursday 27 May	2	Any
Total		13	

Participant summary

We require 13 participants from the following groups:

- » Group A – “On-boarding” – Brand new Orange Everyday customers (3 participants)
- » Group B – “Early Engagement” – 3 weeks with Orange Everyday (4 participants)
- » Group C – “Later Engagement” – 6 to 8 weeks with Orange Everyday (4 participants)
- » Group D – “Ideal customers” – Over 4 months with Orange Everyday (2 participants)

Demographics

Criteria for participant selection:

- » Existing, new or recent ING Direct customers (# of months/ yrs with ING Direct)
- » Which products they have with ING Direct
- » Number of weeks since cards were sent
- » Levels of transactions with Orange Everyday:
  - BPay (#)
  - Visa transactions (#)
  - Levels of Internet usage
  - Salary amount deposited
  - Direct Debits

Requirements across all participants

Inclusions

- » Location: All sessions must be located within the Sydney metropolitan region
- » Gender: the split of male and female participants should reflect that of current Everyday Orange customers (ING Direct to provide m/f ratio)
- » Age: the ages of participants are specified in the “participant details” section below. Those not specified should be chosen to reflect the breakdown of current Orange Everyday customers.

These include:

- at least 1 participant aged under 28
- at least 2 participants aged under 35
- at least 2 participant aged over 35
- at least 1 participant aged 35 – 49
- at least 1 participant aged over 55
- » The participants must be web savvy and have used internet banking prior to opening an Orange Everyday account.

Exclusions

- » Anyone for whom the Orange Everyday sign up bonuses were the primary motivation for opening the account
- » Anyone who has a full service financial adviser, planner or professional or private banker who:
  - Recommends financial products
  - Completes applications for, and
  - Services financial products for them
- » Anyone whose occupation is in the banking, finance, accounting or insurance industry.
- » Anyone who has been an employee of ING Direct in the last five years
- » Family, close friends and “known customers” of ING Direct
- » PR, Marketing, Market Research, or Advertising
- » Anyone who is strongly opinionated against the banking industry



Participant details

We will require a total of **13 individual participants** for this research.

<b>Group A – “On-boarding” – Brand new Orange Everyday customers (3 participants)</b>
<b>ING customer breakdown</b>
Participant 1: Existing ING Direct customer (3+ years), with a mortgage, 35 to 49 years
Participant 2: Existing ING Direct customer (0-2 years), with any products except a mortgage, under 28 years
Participant 3: New ING Direct customer, with pre-existing transaction account with another institution. Over 55 years
<b>Participant details</b>
<p>All three participants must be new sign-ups to Orange Everyday who have completed ID verification but not yet received their ‘welcome pack’. They will need to have ‘opted in’ to take part in user research, probably as part of the sign-up process, so that we can observe their experience when first receiving the pack.</p> <p>» ING Direct should be able to withhold the ‘welcome pack’ from the participant until their one-on-one session</p> <p>» The participants must be web savvy and have used internet banking prior to Orange Everyday</p> <p>Screening questions:</p> <ul style="list-style-type: none"><li>• How comfortable are you with online banking?</li><li>• How many years have you been using online banking?</li><li>• How would you describe your skill at using the web on a scale of 1 – 5?</li></ul> <p>(1 = I hate using computers and don’t understand how this clicking thing works; 5= I use the web all the time for email, news, banking and information and of course, some shopping.)</p> <p>» The participants must have an existing transactional account (other than Orange Everyday) from which they are intending to switch to Orange.</p> <p>» All of the participants in this group must NOT indicate that they “only signed up for the Orange Everyday Account for rewards and have no intention of using it as an account.”</p> <p>Screening questions:</p> <ul style="list-style-type: none"><li>• What was your main reason for signing up for an Orange Everyday Account?</li><li>• How do you intend to use this account?</li></ul>

<b>Group B – “Early Engagement” 3 weeks with Orange Everyday (4 participants)</b>
<b>ING customer breakdown</b>
<p>» Participant 1: New ING Direct customer (No other ING Direct products), more than \$1000 average balance, greater than 4 transactions per month, under 35 years old.</p> <p>» Participant 2: Existing ING Direct customer (2+ years), more than \$500 average balance, greater than 4 transactions per month, over 35 years old</p> <p>» Participant 3: New ING Direct customer (No other ING Direct products), less than \$50 average balance, less than 2 transactions per month, age dependant on customer base</p> <p>» Participant 4: Existing ING Direct customer (2+ years), less than \$150 average balance, less than 2 transactions per month, age dependant on customer base</p>
<b>Participant details</b>
<p>The participants must be Orange Everyday customers for whom it has been 3 weeks since they received their ‘welcome pack’. As there will be a time lag between recruitment and the one-on-one session, participants will need to be recruited 1-2 weeks after receiving their pack.</p> <p>» The ages of the participants not specified should be chosen to reflect the age breakdown of existing Orange Everyday customers (ING Direct to provide age breakdowns of existing Orange Everyday customers)</p> <p>» The participants must be web savvy and have used internet banking prior to Orange Everyday.</p> <p>Screening questions:</p> <ul style="list-style-type: none"><li>• How comfortable are you with online banking?</li><li>• How many years have you been using online banking?</li><li>• How would you describe your skill at using the web on a scale of 1 – 5?</li></ul> <p>(1 = I hate using computers and don’t understand how this clicking thing works; 5= I use the web all the time for email, news, banking and information and of course, some shopping.)</p> <p>» The participants must have had or continue to have another transactional account</p> <p>» 3 out of the 4 participants in this group must NOT indicate that they “only signed up for the Orange Everyday Account for rewards and have no intention of using it as an account.”</p> <p>Screening questions:</p> <ul style="list-style-type: none"><li>• What was your main reason for signing up for an Orange Everyday Account?</li><li>• How do you intend to use this account?</li></ul>

<b>Group C – “Later Engagement” 6 - 8 weeks with Orange Everyday (4 participants)</b>
<b>ING customer breakdown</b>
» Participant 1: New ING Direct customer (No other ING Direct products), more than \$1000 average balance, greater than 20 transactions per month, salary deposited, one or more direct debits setup, under 35 years old
» Participant 2: Existing ING Direct customer (2+ years), more than \$500 average balance, greater than 20 transactions per month, one or more direct debits setup, over 35 years old
» Participant 3: New ING Direct customer (No other ING Direct products), less than \$50 average balance, less than 8 transactions per month, no salary deposited, no direct debits setup, age dependant on customer base
» Participant 4: Existing ING Direct customer (2+ years), less than \$150 average balance, less than 8 transactions per month, no salary deposited, no direct debits setup, age dependant on customer base
<b>Participant details</b>
The participants must be Orange Everyday customers for whom it has been 6-8 weeks since they received their ‘welcome pack’. As there will be a time lag between recruitment and the one-on-one session, participants will need to be recruited 5-6 weeks after receiving their pack.
» The ages of the participants not specified should be chosen to reflect the age breakdown of existing Orange Everyday customers
» The participants must be web savvy, and have used internet banking prior to Orange Everyday.
Screening questions: <ul style="list-style-type: none"><li>How comfortable are you with online banking?</li><li>How many years have you been using online banking?</li><li>How would you describe your skill at using the web on a scale of 1 – 5?</li></ul> (1 = I hate using computers and don’t understand how this clicking thing works; 5= I use the web all the time for email, news, banking and information and of course, some shopping.)
» The participants must have had or continue to have another transactional account
» 3 out of the 4 participants in this group must NOT indicate that they “only signed up for the Orange Everyday Account for rewards and have no intention of using it as an account.”
Screening questions: <ul style="list-style-type: none"><li>What was your main reason for signing up for an Orange Everyday Account?</li><li>How do you intend to use this account?</li></ul>

<b>Group D – “Ideal customers” Over 4 months with Orange Everyday (2 participants) *</b>
<b>ING customer breakdown</b>
» Participant 1: Existing ING Direct customer (4+ years), more than three products, no mortgage, more than \$2000 average balance, more than 25 transactions per month, more than 2 direct debits setup, salary deposited
» Participant 2: New ING Direct customer (No other ING Direct products), less than \$1000 average balance, more than 25 transactions per month, including BPay and visa debit card usage
<b>Participant details</b>
The participants must be Orange Everyday customers for whom it has been over 4 months since they received their ‘welcome pack’.
» The ages of the participants not specified should be chosen to reflect the age breakdown of existing Orange Everyday customers
» The participants must be web savvy, and have used internet banking prior to Orange Everyday
Screening questions: <ul style="list-style-type: none"><li>How comfortable are you with online banking?</li><li>How many years have you been using online banking?</li><li>How would you describe your skill at using the web on a scale of 1 – 5?</li></ul> (1 = I hate using computers and don’t understand how this clicking thing works; 5= I use the web all the time for email, news, banking and information and of course, some shopping.)

\* This reflects the original recruitment brief. Changes were made to the participants breakdown during the research to better represent customers in the later stages of on-boarding. Actual participant breakdown:

- » Group A: 2
- » Group B: 3
- » Group C: 3
- » Group D: 3

## Session details for participants

- » Purpose: Different is a user-centred design company that has been contracted by ING Direct to conduct research to understand the day to day banking experience of some of its customers . The purpose of the session is to gain an understanding of your banking experience and your day to day money needs, thoughts and feelings.
- » Type: Informal, one on one session, at the place where you do your bill paying, reconciliations and personal online banking. A note taker may also be present. This can be in your home or place of work.
- » Content: Prior to the session participants will be given a ‘pack’ that contains a questionnaire and some tasks to complete. These will be used during the session to prompt discussion of how participants manage and organise their day to day money flow and banking.

Participants will be asked to pre-print their most recent transaction lists from their online banking (This could be Orange Everyday, another bank or both). They will be asked to talk through their statement, and discuss their banking and spending habits. They will not need to handover the statement or elaborate on particular purchases. Some participants may also be asked to bring an unpaid bill that needs to be paid. Participants will be asked to log into their new Orange Everyday account online.

Interviewers will neither observe nor record; any passwords.

Participants must be prepared to talk through and share their usage and experience.

- » Duration: Average session duration will be 1.5 to 2 hours
- » Recording: The session will be recorded with your consent. We will be taking notes, and use an audio recorder. We may ask to take photos during the session, with your consent. These will only be used for the purpose of the project and will not be used for any other purpose.
- » Confidentiality:
  - The facilitator will ask you to read and sign a Research Participation Form at the start of the session, to protect both your privacy and the confidentiality of the research.
  - Any recordings or photos will not be used for any marketing purposes or distributed to anyone outside of the project team.
  - Different has signed a confidentiality agreement with our client, which means we cannot release any of your personal or financial information.
  - Where appropriate, and with your consent, the researcher may ask you to demonstrate how you go about doing various tasks, which may require the use of your computer or other tools you use to manage your money.
  - The facilitator will not ask you for online login details and does not need to view your private screens/ information if you prefer. What is important to the facilitator is to observe the process and steps you take and understand how you typically interact with the banking and billing systems you use in your day to day life.
- » Other instructions:
  - If you wear reading glasses, please have them ready for use.
  - Please ensure that you make arrangements such that you are unlikely to be disturbed during the interview.

## Pre-interview ‘pack’ and tasks

Prior to the one-on-one session participants will be given a ‘pack’ that contains a short questionnaire and some other tasks that need to be completed prior to the session. The purpose of the questionnaire will be to collect some initial information to make the most of the session.

## Incentive

Recommended incentive payments for participants: \$150

## To minimise dropouts

- » All participants must be confirmed by the recruiter by phone 24 hours prior to the session
- » During the recruitment process, any candidates that are not selected but who do meet the criteria as closely as possible, should be noted or kept on a shortlist in case a selected candidate drops out at the last minute

## Appendix 2 – Research Plan

### ING Direct Orange Everyday User Research Plan

This section outlines the discussion guide used by Different for the contextual inquiries. This guide is used as a ‘focus’ to guide an organic conversation with the participant. It is presented as a mind map for ease of use.

## Arrival & Introduction (10 minutes)

### 1. Arrival and setup

- Thanks for coming in today. Introductions.
- Presentation of equipment
- For the purpose of the session, we ask that you turn your mobile phone off or to silent

### 2. Why we do this

- Let me start by telling you a bit about this project and what we are trying to do.
- We work for Different, which is a company that designs customer service experiences that help people to meet their goals and are easy to use for people. We have been engaged by ING Direct to look at how people use everyday transactional products.
- We gather information through a contextual inquiry, by observing how people go about their tasks and activities to understand how and what they do, why, what their needs and wants are related to banking. To get the information we need, we simply watch what you are doing and talk with you about it as you do it. Let me know if you have any questions.
- For this project, we're looking at everyday transaction banking, so we're talking to people who use transaction accounts to understand the requirements and the behaviours that need to be supported. This will help us to design a service that works better and is easier to use for you and people like you.

### 3. The session

- This session will take approximately 2 hrs
- For the structure of the session, we will break it down into 5 parts:
- Part 1 – I'll ask you a few questions about how you manage your finances and how Orange Everyday fits into this
- Part 2 – We'll go through the Welcome pack
- Part 3 – We'll talk through one of your bank statements
- Part 4 – I'll ask you to make a bill payment through an online banking website
- Part 5 – I'll ask you some general questions about ING Direct
- If you need a break at anytime, please ask.

### 4. We would like to record audio of this session

- The purpose of recording is for accurate recollection and analysis of the session.
- Please note that anything you tell us during this session is of course completely confidential.
- Say exactly what you think – we're interested in your real opinion and behaviours as they will help us to design the best possible service to support the activities of real customers.
- If you need a break at any time, please ask.

### 5. Research Participation Form

I will ask you to read and sign a Research Participation Form before we begin the session, to protect both your privacy and confidentiality of the research.

We will not be collecting sensitive or confidential information about you or your organisation.

Are you OK with this? Can you sign the Participation Form?

### 6. Session ready to commence

Thank you for signing the form

Do you have any questions before we get started?

Ask notetaker to start recording.

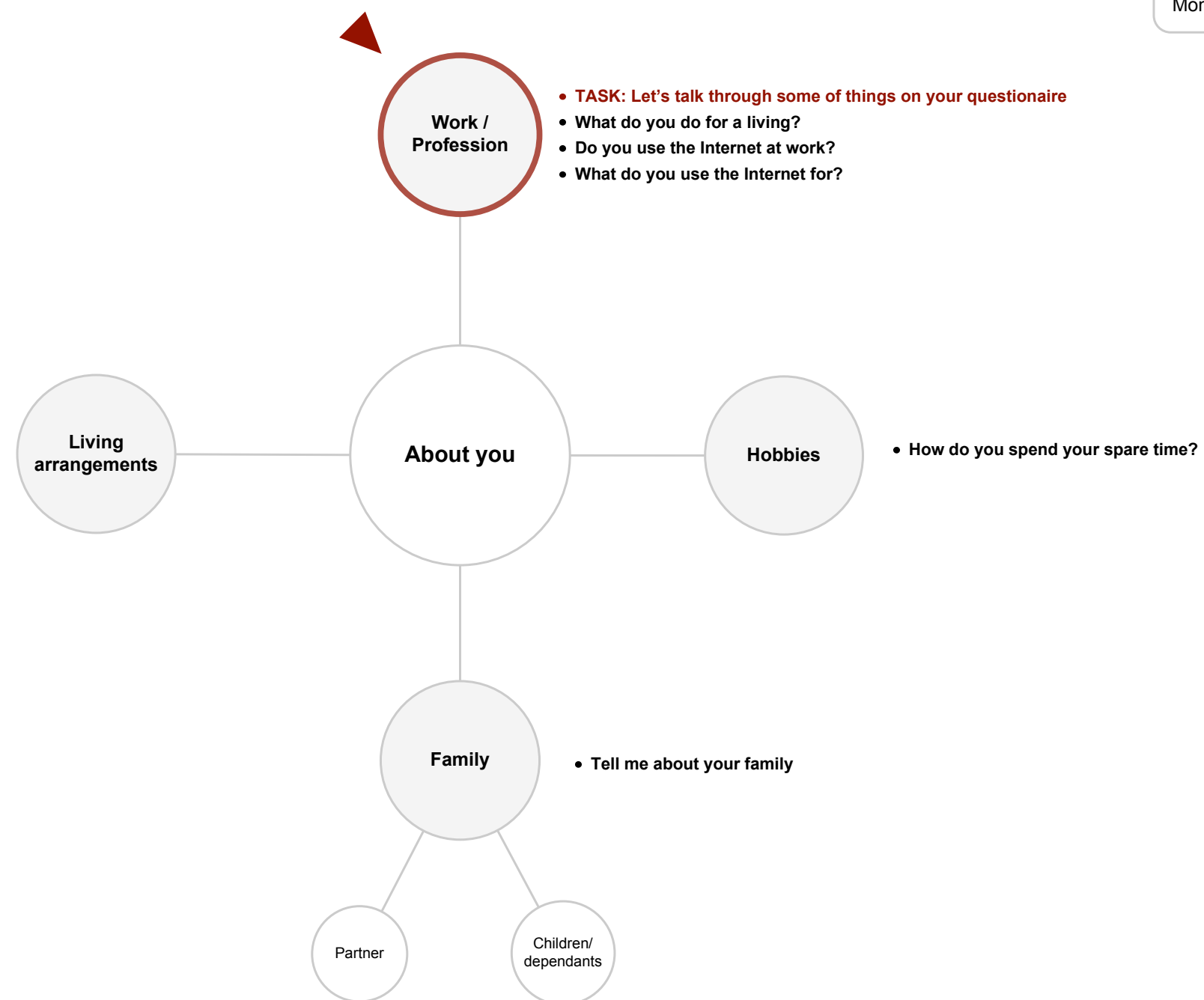
#### Group A

- Intro (10 mins)
- About you (5 mins)
- Your finances (15 mins)
- Selecting Orange Everyday (5 mins)
- Welcome pack (45 mins)
- Transaction behaviour (15 mins)
- Service interactions (10 mins)
- Feelings about ING (10 mins)
- Session close & debrief (5 mins)

#### Group B,C,D

- Intro (10 mins)
- About you (5 mins)
- Your finances (15 mins)
- Selecting Orange Everyday (5 mins)
- Switching process (25 mins)
- Transaction behaviour (30 mins)
- Service interactions (15 mins)
- Feelings about ING (10 mins)
- Session close & debrief (5 mins)

## About you (5 minutes)



### Tasks

Review questionnaire

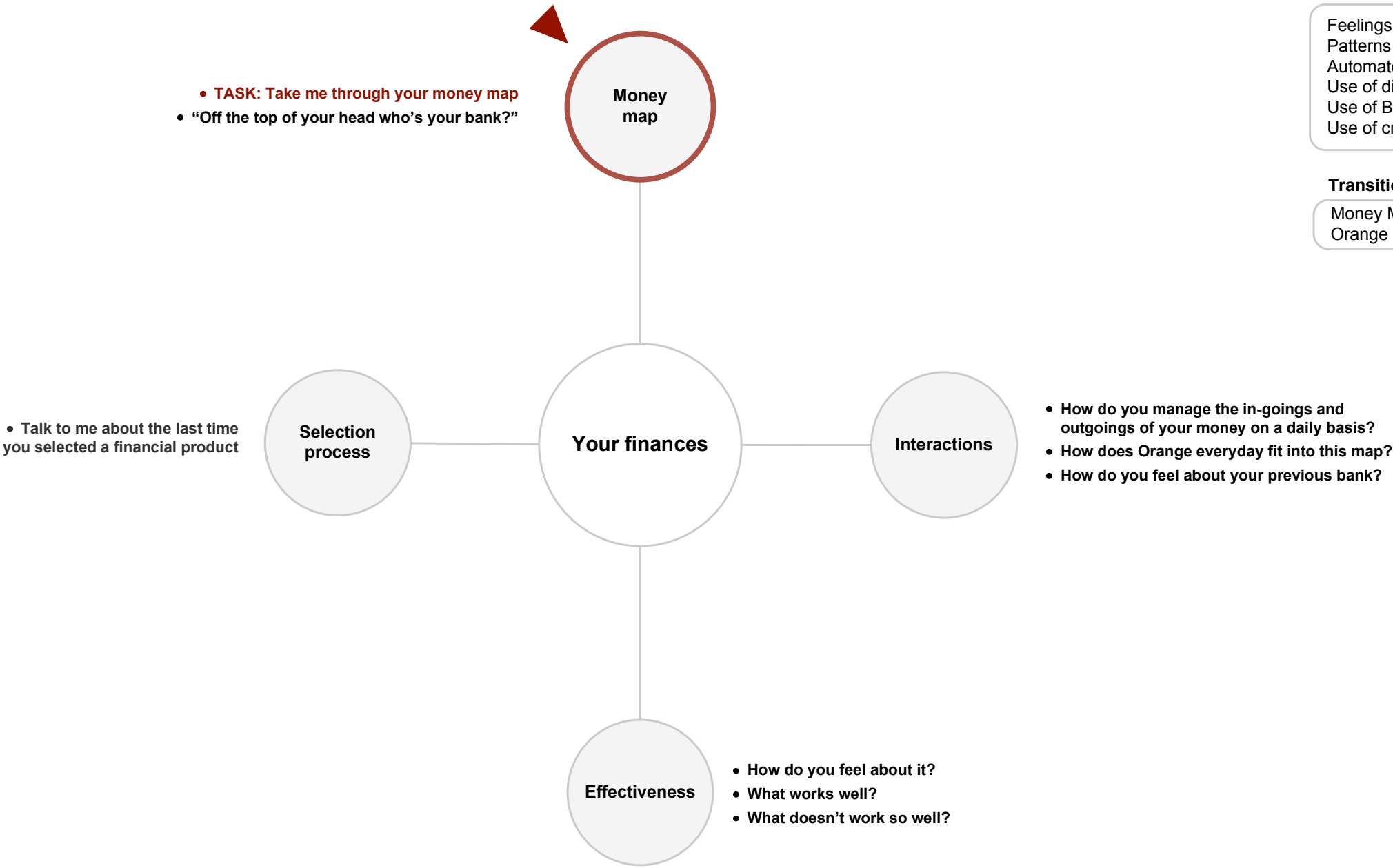
### Transition to

Money Map 1 → Your finances



# Your finances (15 mins)

Hypothesis: Orange Everyday is being used a secondary account



Tasks

Tal through money map

You want to elicit

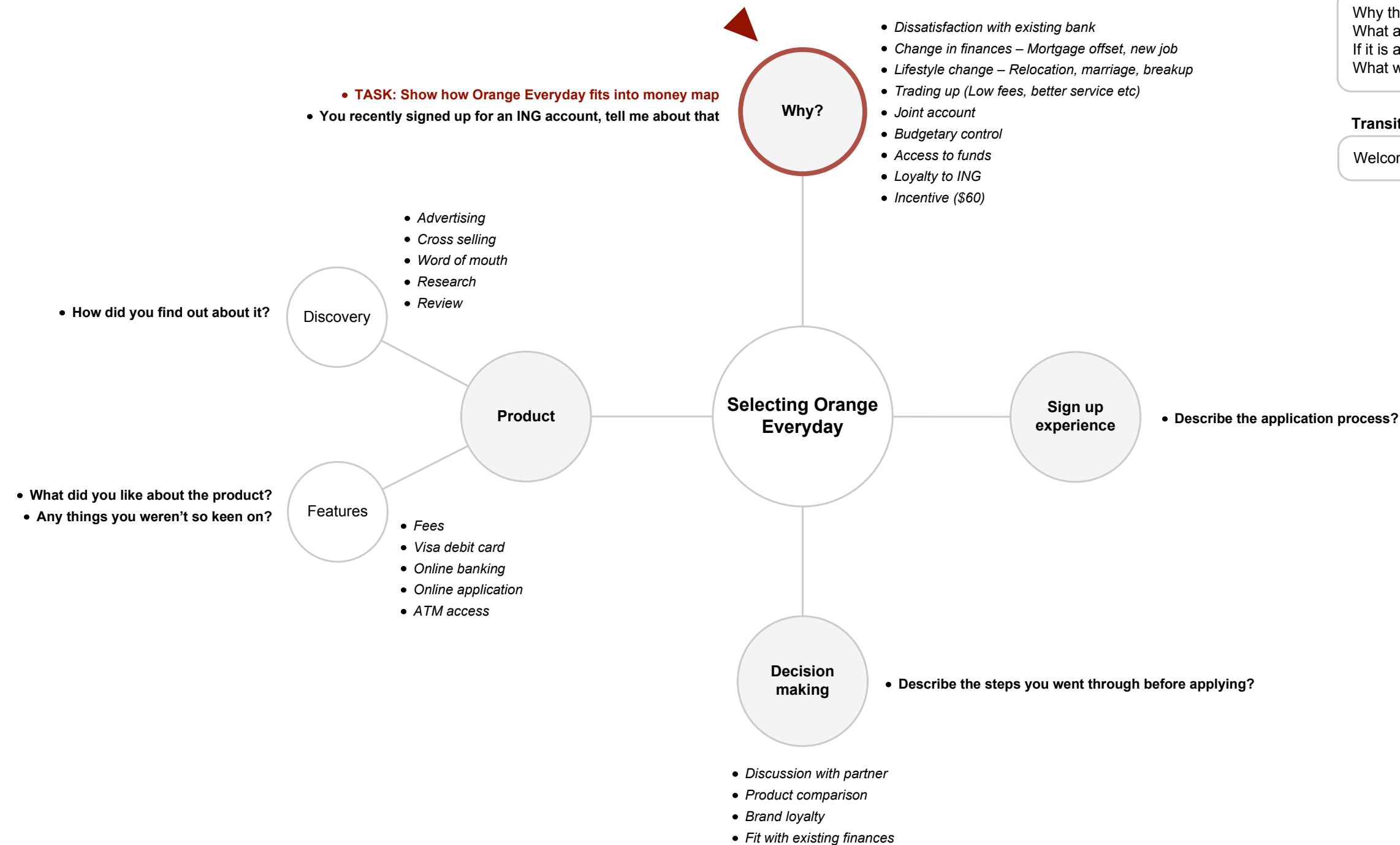
- Feelings about existing banks
- Patterns of use
- Automated payments
- Use of direct debits
- Use of Bpay
- Use of credit cards

Transition to

Money Map 2 → Selecting Orange Everyday

# Selecting Orange Everyday (5 minutes)

Hypothesis: People sign up to Orange Everyday with no intention of using it as their main transaction account



## Tasks

Show money map

## You want to elicit

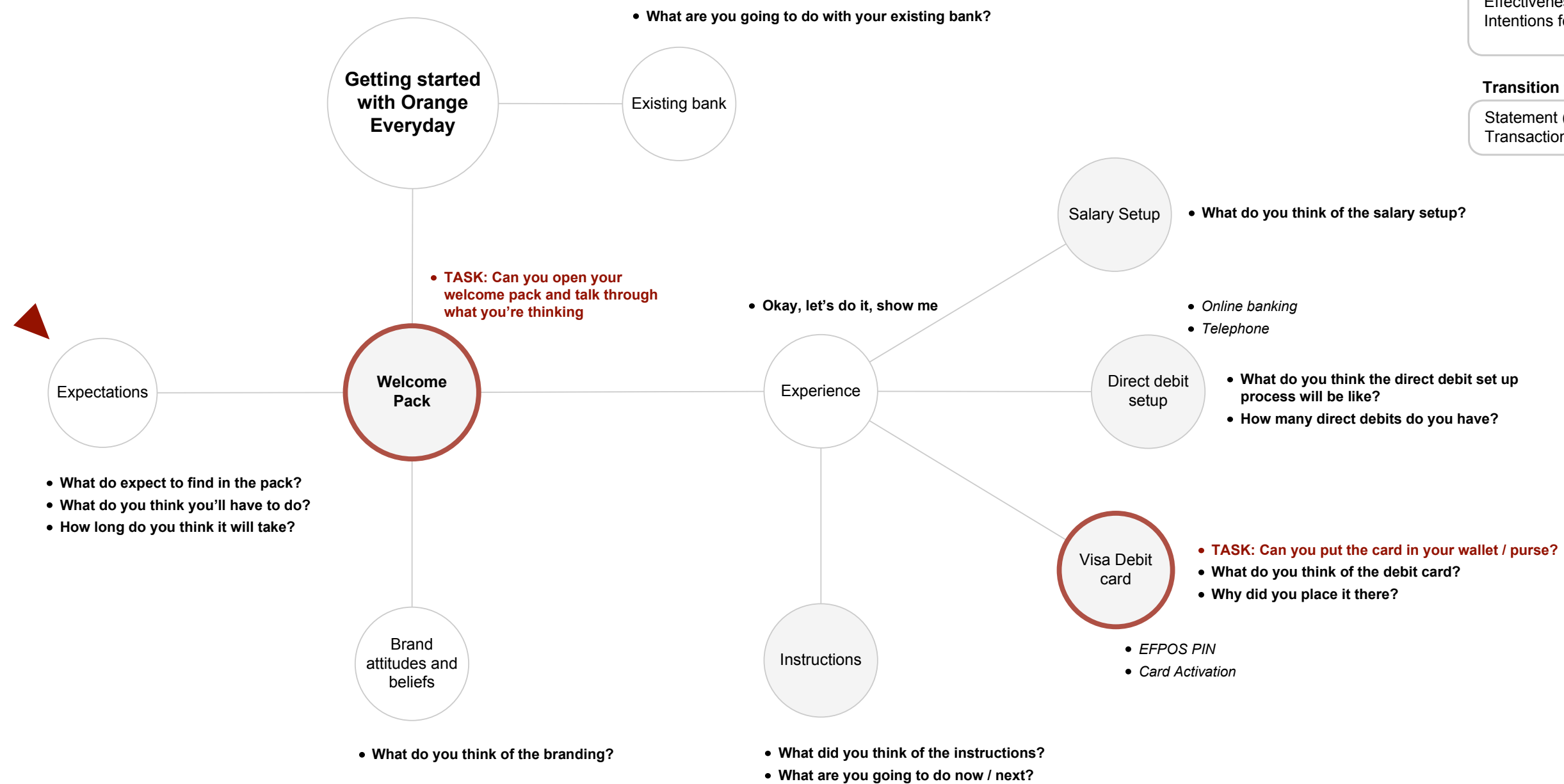
Why they signed up  
What are their intentions  
If it is a secondary account, then why?  
What were their expectations

## Transition to

Welcome Pack or Switching process

# Welcome pack - Group A only (45 minutes)

Hypothesis: The switching process is an obstacle to using the Orange Everyday account as a main account



## Tasks

Welcome pack  
Place card in wallet / purse

## You want to elicit

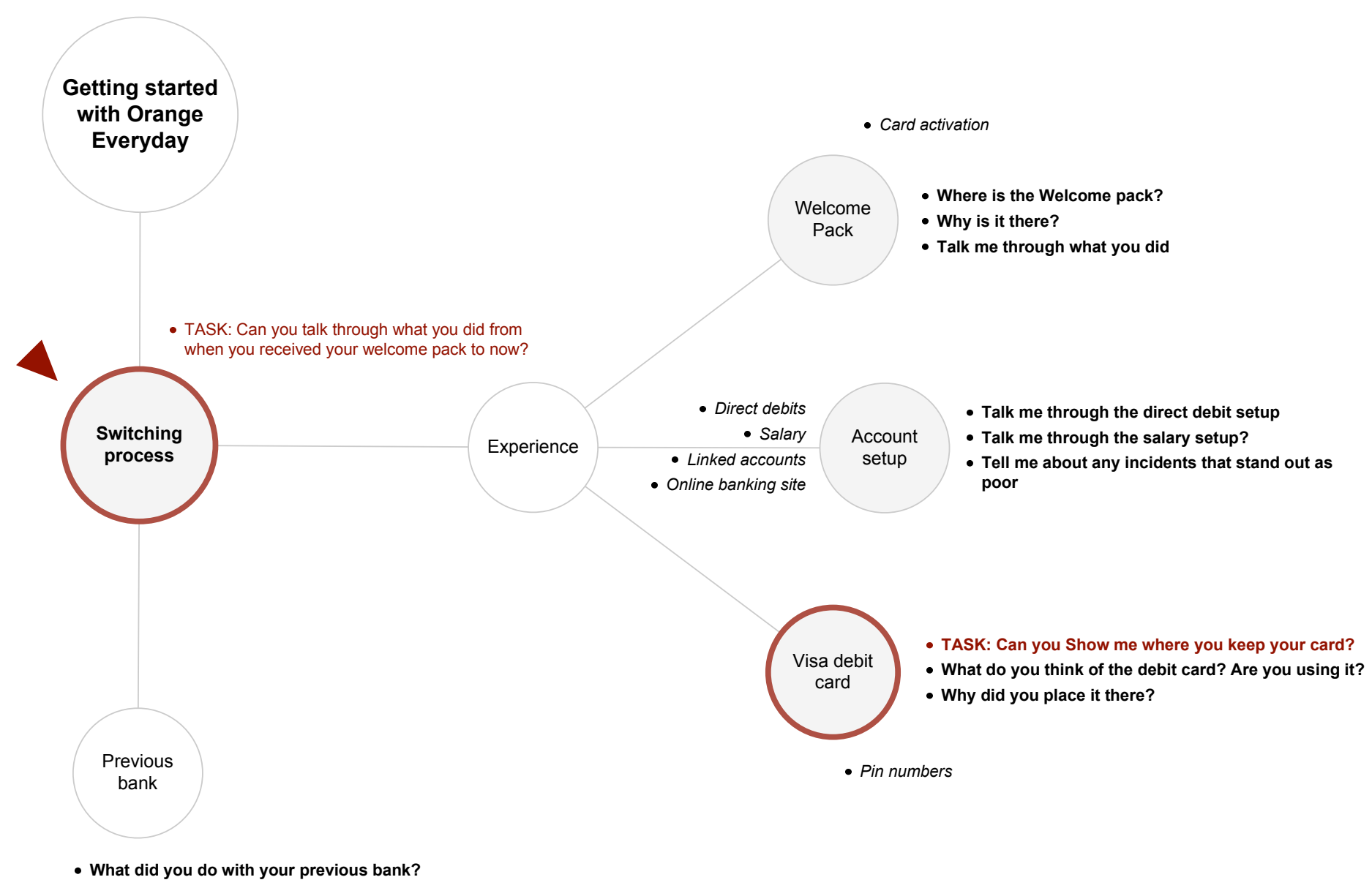
Feelings about welcome pack  
Effectiveness of welcome pack  
Intentions for the account

## Transition to

Statement (Not OE) →  
Transaction behaviour

# Switching process - Group B, C, D only (25 mins)

Hypotheses: The switching process is an obstacle to using the Orange Everyday account as a main account



Tasks

Welcome pack as memory jogger  
Show where card is kept

You want to elicit

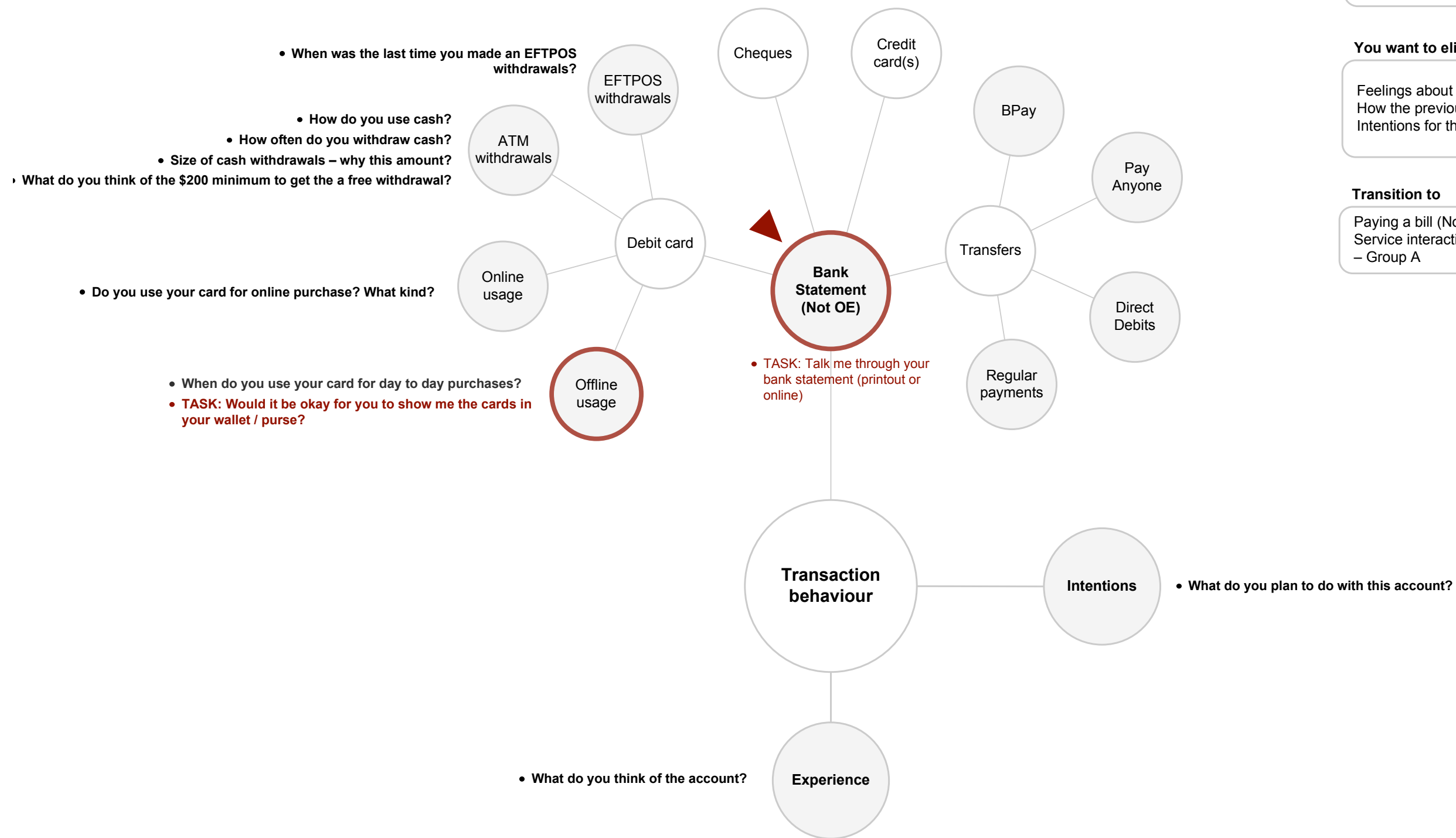
Feelings about account setup  
Effectiveness of welcome pack  
Intentions for the account

Transition to

Statement (OE) → Transaction  
behaviour

# Transaction behaviour - Previous account - Group A (20 Mins)

Hypotheses: Existing transactional account behaviour is an obstacle to using the Orange Everyday account as a main account



## Tasks

Talk through printout of bank statement or online statement  
Show the cards in your wallet / purse

## You want to elicit

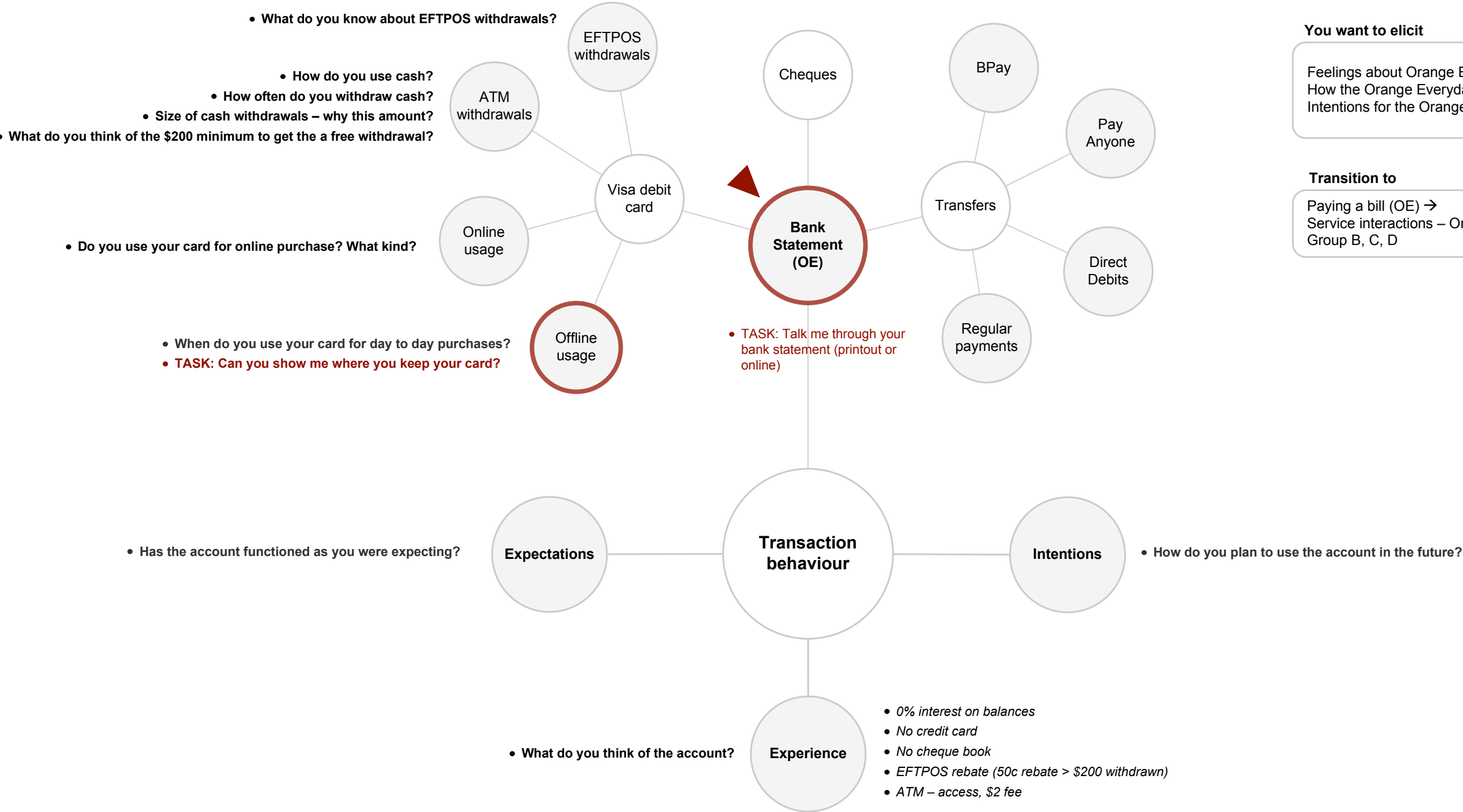
Feelings about their previous account  
How the previous account was used  
Intentions for the previous account

## Transition to

Paying a bill (Not OE) →  
Service interactions – Previous account – Group A

# Transaction behaviour - Orange Everyday - Group B, C, D (30 mins)

Hypotheses: Existing transactional account behaviour is an obstacle to using the Orange Everyday account as a main account



### Tasks

Talk through printout of bank statement or online statement  
Show me where you keep your OE Card

### You want to elicit

Feelings about Orange Everyday account  
How the Orange Everyday account is used  
Intentions for the Orange everyday account

### Transition to

Paying a bill (OE) →  
Service interactions – Orange Everyday – Group B, C, D



# Service interactions - Previous account - Group A (10 mins)

Hypotheses: Existing transactional account behaviour is an obstacle to using the Orange Everyday account as a main account

Tasks

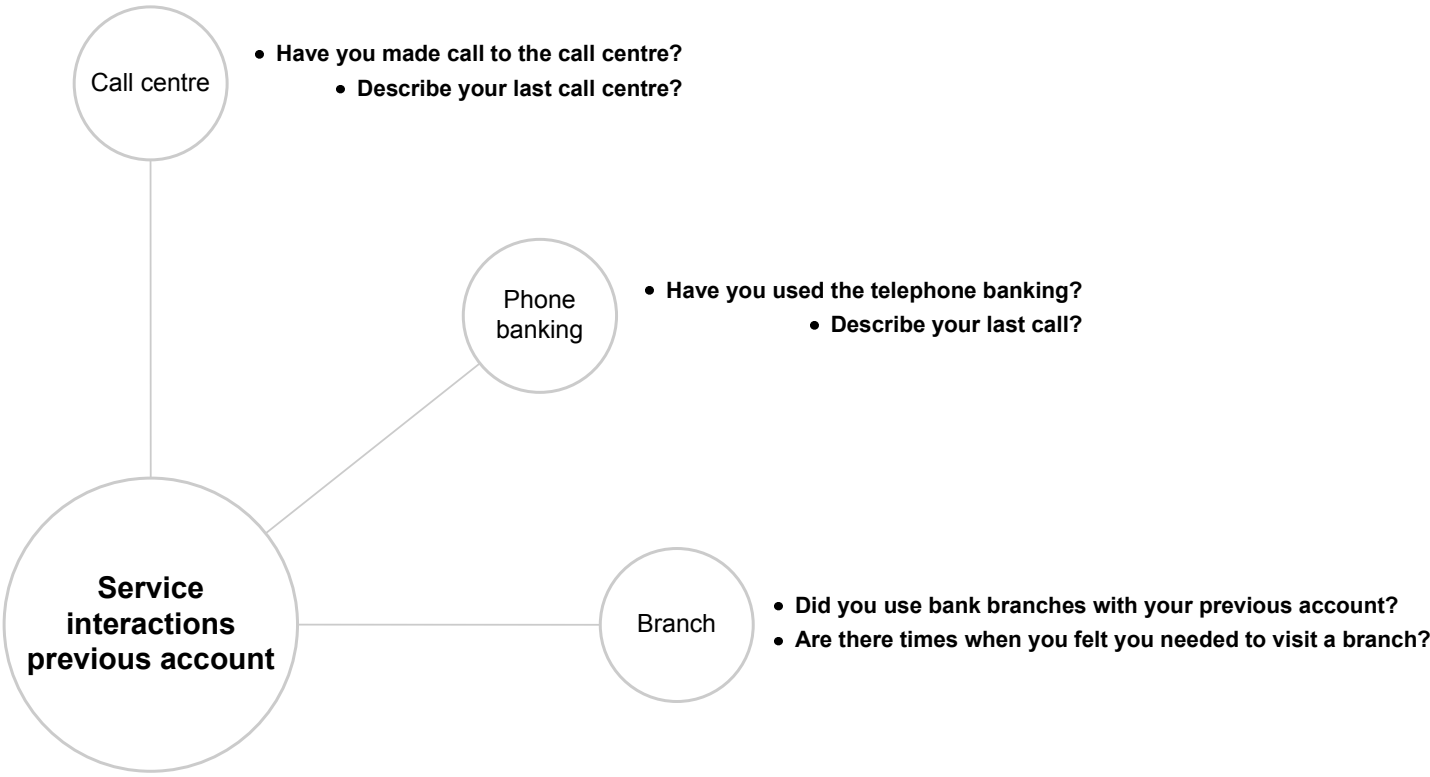
None

You want to elicit

Feelings about the previous bank's website  
Feelings about the call centre  
Feelings about phone banking  
Feelings about branches

Transition to

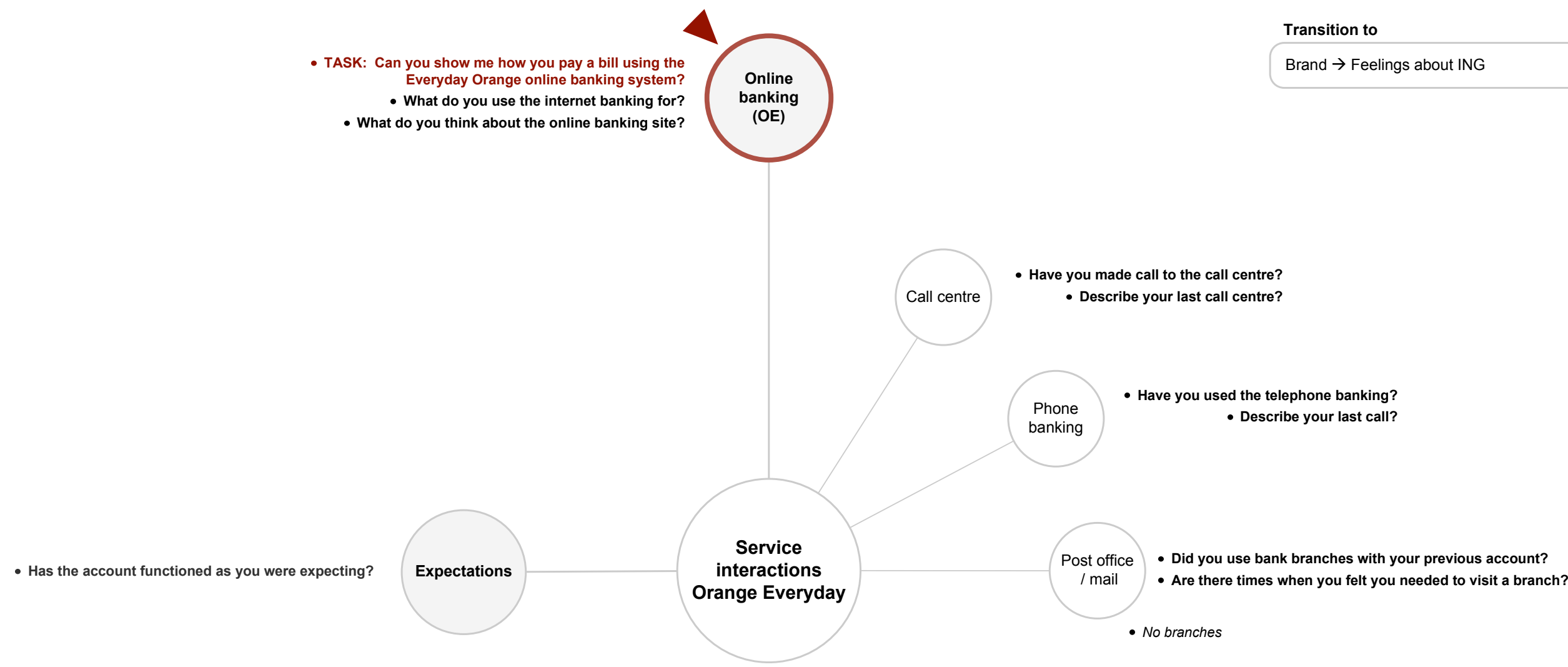
Brand → Feelings about ING



Intro
Questionnaire
Map 1
Map 2
Welcome Pack
Switching
Statement (Not OE)
Statement (OE)
Service int'

# Service interactions - Orange Everyday - Group B, C, D (20 mins)

Hypotheses: Existing transactional account behaviour is an obstacle to using the Orange Everyday account as a main account



### Tasks

Pay a bill using Orange everyday website

### You want to elicit

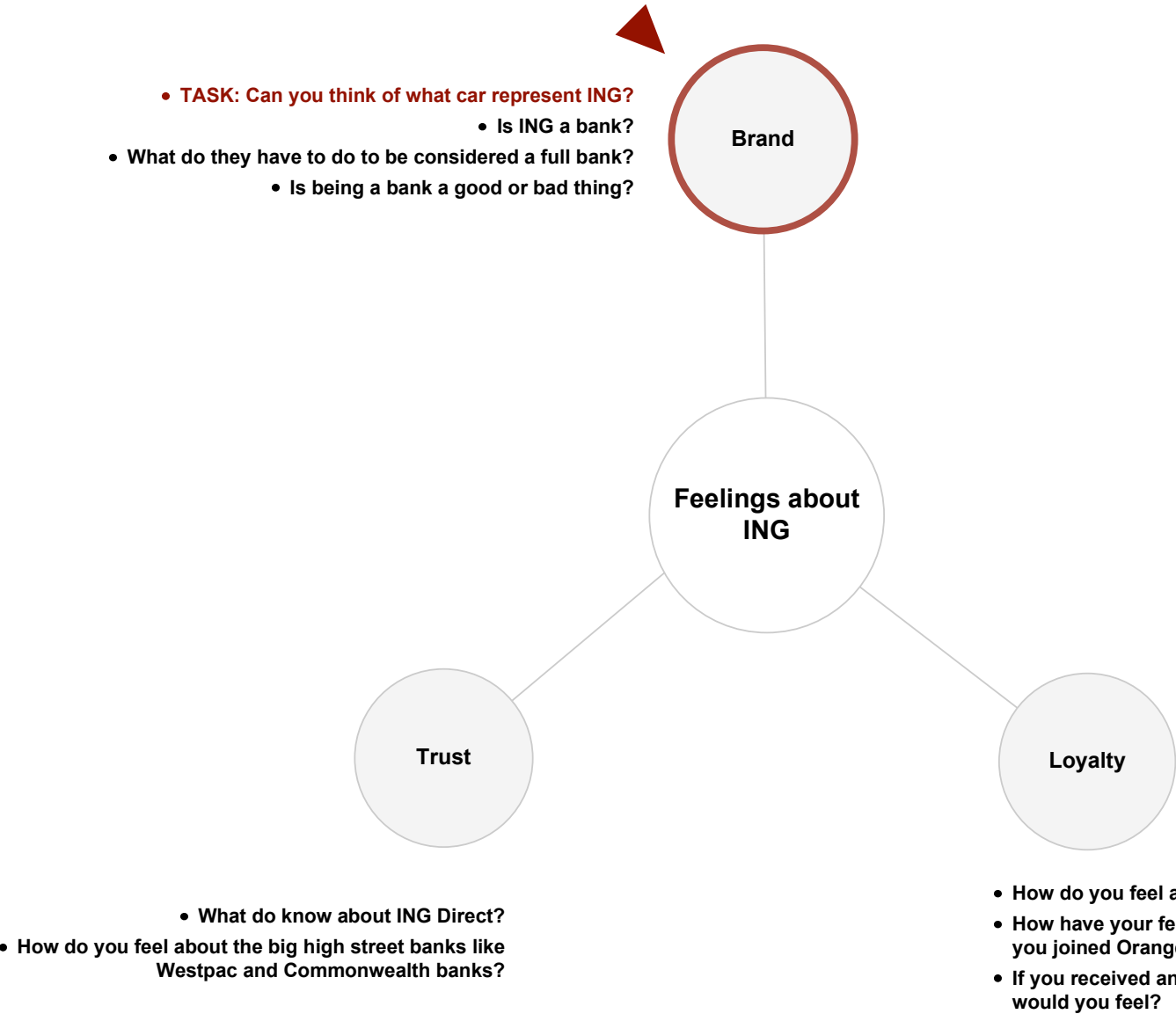
Feelings about the Orange Everyday website  
Feelings about the call centre  
Feelings about phone banking  
Feelings about using the post office

### Transition to

Brand → Feelings about ING

# Feelings about ING (10 minutes)

Hypotheses: Brand attitudes and beliefs are an obstacle to using the Orange Everyday account as a main account



Tasks

What car represents ING

You want to elicit

Feelings about the ING brand  
Attitudes towards the brand  
Beliefs about the brand  
Loyalty towards the brand

Transition to

Session closing & Debrief

Intro
Questionnaire
Map 1
Map 2
Welcome Pack
Switching
Statement (Not OE)
Statement (OE)
Service int'
Pay Bill (OE)
Brand

# Session Closing & Debrief (5 minutes)

## Session Wrap Up

Looks like we've come to the end of our session today, just a few final questions to recap:  
What words would you use to describe Orange Everyday?  
How would you describe them to a friend?  
How do you feel about Orange Everyday compared to your other bank?

## Goodbye

- Close session
- Thank participant for their time
- Don't forget anything

- Internal debrief** - As soon as possible once you said goodbye.  
(facilitator & notetaker)
- What did you find to be most surprising about this observation?
  - What didn't work so well or what should be changed?
  - What worked well?
  - What did you learn about the problems and "fixes" that you didn't know before?  
And that you did?
  - What did you see or hear that was pretty much what you expected (or like other areas you have seen if this is not the first visit)?
  - New topics or questions to explore in future interviews?

Brand	Service int'	Pay Bill (Not OE)	Statement (OE)	Statement (Not OE)	Switching	Welcome Pack	Map 2	Map 1	Questionnaire	Intro
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