ISCTE Business School
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CASE STUDY ON CUSTOMER EXPERIENCE ENHANCEMENT AT ING, LUXEMBOURG

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Case Study submitted as partial requirement for the conferral of
Master in Marketing

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ABSTRACT

In today's world, consumers are daily impacted by technological changes, which is the reason their expectations are likewise shifting. The quality of the interaction and relationship between an organization and a customer will result and evaluate the customer experience.

Digitally empowered customers desire to experience and live through the brand; they want to feel special and valued. A great customer experience will result customers' trust and loyalty, which is often the main objective of an organization.

In the banking sector customers expect the exact same experience whether they contact their bank by mobile phone, by chat, or by one of the branches. With the latest financial crisis which started in 2007, customers have become more watchful and it became more difficult for banks to win over new clients.

To respond to this challenge, one of Internationale Nederlanden Groep's objective is to accelerate the pace of innovation, thus the bank had to adapt and set up new working methodologies. One of the major changes was to place customer experience at the centre of the strategy and hereby integrate the consumer in the development of new concepts, products, or services.

The case study analyses the changes that ING group carried out during the post-crisis period. As a practical example, we are going to see how customer experience, from this moment on named CX, is assessed at ING Luxembourg, and how the bank integrates multiple CX tools successfully and pragmatically.

Keywords: customer experience, corporate culture, customer's voice, net promoter score, customer satisfaction

RESUMO

No mundo de hoje, os consumidores são afetados diariamente pela mudança tecnológica, razão pela qual as suas expetativas também estão a mudar. A qualidade da interação e relacionamento entre uma organização e um cliente resultará e avaliará a experiência deste (cliente).

Os clientes com "poderes digitais" (ou conectados) querem experimentar e viver através da marca; eles pretendem sentir-se especiais/ diferentes e valorizados. Uma experiência notável / brilhante transmitirá aos clientes confiança, lealdade, transparência, tornando-se assim estes os principais objetivos de uma organização.

No setor bancário, os clientes esperam exatamente a mesma experiência, entrando em contacto com o seu banco, por telefone , telemóvel, internet, ou através das agências. Com a recente crise financeira que começou em 2007, os clientes ficaram mais vigilantes e tornou-se mais difícil para os bancos motivarem e recrutarem "novos clientes".

Para enfrentar este desafio, um dos objetivos do ING é acelerar o ritmo da inovação. O banco teve que adaptar e colocar em prática novas formas de trabalho. Uma das principais mudanças foi colocar a experiência do cliente no centro como estratégia e integrar o consumidor no desenvolvimento de novos conceitos, produtos ou serviços.

O estudo de " case study" (estudo de caso) analisa as mudanças que o grupo ING fez durante o período pós-crise. Com um exemplo prático, veremos como a experiência do cliente é avaliada na ING Luxembourg e como o banco integra várias ferramentas CX (experiência do cliente) com sucesso e de maneira pragmática (sensata/ prática).

Palavras-chave: experiência do cliente, cultura corporativa, voz do cliente, pontuação do promotor de rede, satisfação do cliente

ACKNOWLEDGEMENTS

These past 12 months had been a period of intense learning, not only on a professional level, but also on a personal. I would like to reflect on every single person who contributed to this project and helped me throughout this period.

Foremost, I would like to express my sincere gratitude to the employees of ING Luxembourg. During my internship at ING, I had the chance to work for an outstanding bank, within the best team I could wish for. Thank you for believing in me and giving me an opportunity to grow professionally and personally.

Furthermore, I would like to present my acknowledgements to the professors of ISCTE Business School. Without their enthusiasm, passion, and knowledge this wouldn't have been possible. Thank you, Professor Monica Ferreira, for your precious help.

Finally, I must express my very profound gratitude to my family for supporting me along this path. Their encouragement and love throughout my final years of study made this accomplishment possible.

I'm very grateful to every single person I have met and worked with during this journey.

Thank you.

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1.1. Presenting the issue

Internationale Nederlanden Groep (ING) is a Dutch originated global financial institution offering banking services throughout the world.

Just a few years after the financial crisis of 2007, numerous banks faced a difficult period and suffered severe consequences from the worst post-World War II crisis. One of the repercussions was the aroused distrust and suspicion towards financial institutions.

This led ING to create a new strategy in 2014 and change work methodology in 2015. Thus, ING became the first bank in the world to adopt **the agile way of working**, in which the management empowers its employees to work with more flexibility and less constraints. Furthermore, **customer experience** was embedded in the organization, as one of the main pillars of the bank's strategy.

In the banking sector, product offerings are very similar between the various players. What makes the difference is the way of servicing those products. The focal point at ING is listening to the customer's voice, to understand the clients' needs and integrate their voice in new product or services developments.

In this Case Study we are going to see how these changes within the strategy impacted ING bank of Luxembourg. We will thematise customer experience management; the way employees are collecting the voice of customer and how they proceed in their daily working tasks to ensure the best possible customer experience. The Case Study is designed to be used as a practical tool to raise awareness of subjects such as Customer Experience, Net Promoter Score, Corporate Marketing, Branding.

CHAPTER 2. THE BANKING SECTOR IN LUXEMBOURG

Luxembourg is the second largest investment fund centre in the world, right after the United States. The country has a fast growing and very competitive economy. At the end of 2017, the Luxembourgish Banking Industry comprised 139 credit institutions from 28 different countries with a total asset under management of more than EUR 4.1 trillion. Luxembourg's financial centre has a reputation as an international banking place since the early 60s and has ever since been among the top financial centres in the world. However, the global financial industry has been facing changes and Luxembourg had to suffer from the consequences. (PwC, 2018)

Despite the unfavourable global environment and challenging low interest rates, investment funds reached a historical new record: a total of EUR 3.860,317 billion of net assets were under management in investment funds in the Grand Duchy of Luxembourg at the end of February 2017. This represents an increase of 13.68% over the last 12 months. (The official portal of the Grand Duchy of Luxembourg, 2017)

The financial industry has been challenged with drastic changes: the impact of new technologies changes on customers behaviour. Digitisation is the main priority of Luxembourg and is said to be the 1st for technological readiness worldwide. (Global Competitiveness Report. The World Economic Forum, 2017)

20% of the banks in Luxembourg have already teamed up with FinTech and are already using implemented technological solutions, whereas 32% of the banks are currently working on designing digital solutions. Other 32% haven't collaborated with FinTech yet but are planning to do so in the future. Lastly there are 16% of the banks in Luxembourg that haven't expressed their intention to work with FinTech now or in the future. Customer driven innovations in terms of products or services, are key element when it comes to deliver excellent customer experience and rise above market expectations. Digital behaviours grew from 27% in 2012 to 46% in 2017. An increasing number of customers expect a digital experience from their financial service provider, whereas the human interaction channels tend to shrink. As maintained by PwC Global FinTech Survey, the most important areas to address customer retention for Banks are 'easy of use, intuitive product, design' '24/7 accessibility' and 'faster services'. (PwC, 2017)
Unfortunately, there are threats that the financial sector must face. Cyber-related incidents have increased over the past few years and it is no secret that cybersecurity is essential for banking

institutions, who hold confidential consumer data. Cyber threats represented 24% in 2017, whereas it increased up to 40% in 2018. (PWC, 2018)

Moreover, financial regulations (such as GDPR, MiFID II, P2D2) came into force in the beginning of 2018, which made it more challenging for financial institutions, due to the growing need of regulatory monitoring, compliance, and reporting. (PwC, 2018)

As for the competitive environment, ING Luxembourg is ranked as the 11th bank within the financial sector. In the category of **universal banks**[1], ING Luxembourg is the fourth bank on the Luxembourgian market in terms of volume of asset and amounts owed to customers. It is the 2nd international banks among the top 4 universal banks. ING Luxembourg S.A. is the fourth bank in Luxembourg with the highest deposits from customers. (Banking Insights 2017, KPMG)

An analysis of the tp 10 banks in terms of net profit after tax and net provisions is shown in the table below.							
	Net Income € million	**Rank**	**2016**	**Rank**	**2015**	**Rank**	**2014**
	Deutsche Bank Luxembourg	1	1,067	2	289	4	185
	Société Générale Bank & Trust	2	310	1	406	1	610
●	Banque et Caisse d'Epargne de l'Etat, Luxembourg	3	240	3	230	2	219
●	BGL BNP Parisbas	4	185	6	152	5	176
	Clearstream Banking S.A.	5	172	11	117	8	153
	Nordea Bank	6	159	7	148	14	78
	Intesa Sanpaolo Bank Luxembourg	7	122	4	164	7	163
	State Street Bank Luxembourg	8	114	9	131	3	196
●	Banque Internationale à Luxembourg	9	110	8	134	6	169
●	**ING Luxembourg**	**10**	**101**	**10**	**121**	**9**	**145**

● universal banks

Table 1 - Top 10 banks in Luxembourg

(source: KPMG, 2017)

[1] Financial institution offering both investment and commercial banking, a wider variety of banking solutions. (source: Businessdictionary)

CHAPTER 3. THE COMPANY

Figure 1 - ING Logo

(source: ING group, 2018)

3.1. ING group

It all started in the Netherlands in 1991, when ING was created from a merger between Nationale-Nederlanden and the NMB Postbank Group. Ever since its creation, ING is known for its orange lion logo and its customer-centric culture. Implemented in over 40 countries and working with 51.000 employees, ING serves 37.4 million of clients around the globe: 10.8 million are primary relationships. ING was elected *Best bank in the world* by Global Finance magazine in 2017. (ING group, 2017)

ING is a universal bank that provides services for different types of customers, divided in three business lines:

- *Retail Banking* provides products and services to individuals, small and medium-sized enterprises (SMEs).
- *Private Banking* is exclusively for customers who have investable assets worth EUR 1 million or more. ING Private Banking has an assets and wealth management expertise, whether it is regarding the diversification of the customers' portfolio, philanthropic projects, or inheritance.
- *Wholesale Banking* is ING's professional business line for midsize and large corporate, institutional (public sector) and financial institutions.

2.2. ING's strategy

ING's strategy is built around **empowerment** and **customer experience**. The bank promises to make banking clear and easy, available anywhere, anytime, and constant in the search of getting better. ING aims to empower its employees with providing them with the highest level of ethical and moral values. The bank's purpose is 'to empower people to stay a step ahead in life and in business.' (ING group, 2018)

The bank has a one-page strategy that sums up its corporate goals and purposes, along with the necessary enablers to achieve its strategic priorities. With the aim to create a superior customer experience, ING is focusing on four strategic priorities. The bank invests in advanced data capabilities that extract and understand customers fast-changing needs. This allows it to innovate faster and think beyond the traditional banking, with advanced services and unique business models.

ING's objective is to increase the number of Retail customers and product number per client, growing the share of Wholesale Banking clients. The focus is to earn continuously primary relationship with a growing customer base and become the preferred bank of many. To do so, the Dutch bank works on its operational excellence and service quality. ING's challenge is to simplify and standardise products and processes, along with their customers, thus enhance the company's performance.

3.3. The Orange Culture

Employees are considered as ambassadors of the brand, which is the reason internal branding is a central issue at ING. The Orange Code was developed in 2014 and is the manifesto for how employees can achieve their purpose, become the best version of themselves and know what to expect from each other.

The code contains two parts: **ING's Values**, the non-negotiable promises of honesty, prudence, and responsibility; qualities shared by every ING colleague. **ING Behaviours** describe the way that ING colleagues should conduct themselves; by taking it on and making it happen, helping others to be successful, by always being a step ahead.

3.4. The Agile Way of Working

ING worked according to classical structures and hierarchies until 2015. In an age of fast-changing trends in fine techs and with inspiration from digital innovators (such as Spotify or Google), ING Netherlands is the first bank to adopt the agile way of working.

Agile working is ING’s mindset; it changes the way the bank manages and organises change. ‘*You don’t act agile, you ARE agile*’ is what the bank preaches. (Agile Way Of Working at ING Nederland, 2017)

By working in *squads* (self-managing, small autonomous teams) with end-to-end responsibilities and charged with a specific customer need, this new way of working creates an involved workforce, where squads tackle different disciplines such as Customer Journey Experts, Data Analysts, IT developers and User experience Designers. Every squad has one Product owner who oversees the squad's work and takes responsibility for the output. Squads have a limited life time as they work on specific projects, before being disassembled.

These squads are part of *tribes,* a group of multiple squads working on the same domain (f.ex. private baking or mortgage services). Tribes are led by ‘tribe leaders’, responsible to guide the squads in the right direction by establishing priorities, allocating budgets and coordinating with other tribes.

On a horizontal level there are *chapters* regrouping members of a given discipline (f.ex. Data Analytics) with a chapter leader who is responsible for coaching and performance management for the same domain of expertise. Agile coaches secure the squads' culture, skills, and working ways, to ensure they operate as a high-performing problem-solving oriented team.

This new method of work is assuring a greater organizational responsiveness by aiming the optimisation of the staff members performances’ and empowering them to stay a step ahead in life and in business. In 2014 retail customers at ING made 40% of all interaction with the bank through mobile applications, whereas today the figure is closer to 60%. (Harvard Business Review, 2018)

CHAPTER 4. ING LUXEMBOURG

4.1. Introduction

ING Luxembourg is part of ING group’s market leaders (Benelux: Netherlands, Belgium and Luxembourg) and was founded in 2003 through a merger of Crédit Européen S.A. and ING Bank S.A.. In the Benelux ING’s strategy is to grow on different types of segments and to invest in digitalisation, in order to deliver best-in-class customer experience. (ING Groep N.V, 2017).

4.2. New ways of working

ING Luxembourg changed its structure in the beginning of the year 2017: the internal organization structure was revised with the arrival of a new CEO. The former Marketing department split up into three teams: Digital, Campaigns & Customer Intelligence, and Corporate Services.

The digital team is managing ING’s online presence, whether it is on the official website, the ING online banking platform, social media, or on other websites. The Campaigns & Customer Intelligence is optimizing and evaluating marketing campaigns, customer insights and customer experience. The Corporate Services tasks are to conduct follow-ups of the executive committee, events and sponsoring. The three teams collaborate on several projects in their daily working tasks.

Furthermore, the head office changed to a more central and accessible location, introducing new facilities (open space, meeting rooms, isolated working rooms etc.). According to Cyrielle Piezanowski, Head of Campaigns & Customer Intelligence at ING Luxembourg, the new building was part of ING’s brand visibility enhancement. The Campaigns & Customer Intelligence team works around the clock to understand customers’ needs and identify the right product for the right customer target, sending out the right message to the right target in a personalized, yet automated way. (Cyrielle Piezanowski, Head of Campaigns & Customer Intelligence, ING Luxembourg, 2017)

CHAPTER 5. CUSTOMER EXPERIENCE MANAGEMENT

In this section we are going to analyse how customer experience management is conducted at the Luxembourgish entity of ING. At ING Luxembourg two types of phases are distinguished when it comes to customer interaction: 'the **run** phase' and 'the **change'** phase. The RUN phase consists in **analysing** the customer satisfaction throughout different communication channels, gathering the information, and elaborating action plans to tackle clients' irritators. The CHANGE phase is the next step to follow, where the focus is set on **co-creation** with customers.

The analysis part is an on-going phase that will collect and evaluate customers' feedbacks. At ING Luxembourg two types of analysis are set up; requested ones, which are customers surveys conducted by ING, and the non-requested feedbacks collected via all existing channel, such as branches, online banking service, employees, Net Promoter Score surveys, and the ING Contact Centre.

CHAPTER 6. THE RUN PHASE

6.1. Analysis

In terms of analytical tools, there are different ways for ING Luxembourg to collect the customer's voice. The bank conducts quantitative (requested surveys) and qualitative research (including focus groups) to gain the customer's feedback. **The voice of customer** must be heard, understood, and taken into consideration for the creation and design of future products or services.

Moreover, at the end of every customer journey, from any possible channel, a '**close the loop**' process must be followed. This means that the person who expresses a feedback of any type gets a report on the outcome or is just thanked for his review. By hearing and understanding the customer's point of view, he feels respected and valued by his bank.

6.1.1. Customer Satisfaction Surveys

ING group is known worldwide for its “ING International Survey”, one of the biggest surveys in Europe, which has the objective to understand how retail consumers of ING around the globe spend, save, invest, and feel about money. It is the only consumer-oriented survey conducted by a bank across different European countries, USA and Australia. The survey allows the bank to better catch upcoming trends and understand consumer needs evolutions. (ING eZonomics, 2017)

At ING Luxembourg one customer experience analyst oversees **Customer Satisfaction Surveys** for the three business lines. The focus is to measure the customer metric **Net Promoter Score**. The Net Promoter Score surveys were introduced in 2012 at ING Luxembourg. Throughout an online survey, ING assesses the extent to which clients are willing to recommend ING to their family, friends, or business relationships. To calculate a company’s Net Promoter Score, the percentage of detractors must be subtracted from the percentage of promoters. The score can range from -100 (extremely negative) up to 100 (very positive). (Statmetrix, 2018).

Other metrics such as Customer Satisfaction (CSAT) and Customer Effort Score (CES) can also be obtained throughout the study.

There are two types of Net Promoter Score studies: relational or transactional. The relational is measuring the recommendation probability regarding the relationship the customer has with ING. If the costumer is satisfied about its relationship with the bank, the probability he is recommending ING to his entourage is bigger. The transactional studies are thematising how likely customers are willing to recommend ING after having used a specific transaction, for example after the use of ING online banking services.

According to Dorian Couffignal, Customer Experience Analyst at ING Luxembourg, the only way to develop the right features and tools for the bank’s products or services is to listen to the customers. Furthermore, utility is key word when it comes to new product development at ING. (Dorian Couffignal, Customer Experience Analyst, ING Luxembourg, 2017)

Following this perspective, an advanced analysis including recommendations and conclusions is carried out by the customer experience analysts after obtaining the results of the survey. The objective is to find out the strengths of the bank, to keep the positive impacts maintained, and to get a better understanding of the weaknesses the bank must improve. Once the conclusions are drawn, a meeting is held with the managers of the bore upon business line to discuss the action plans to define for the future.

In terms of performance, the Net Promoter Score (NPS) of Retail Banking reached a score of +38 in 2017, a 5-point increase compared to the previous year. A total of 56% of promoters were measured, 26% of passives and 18% of detractors. Around half of Promoters indicated the ‘staff’ as a reason to recommend ING Luxembourg, followed by the quality of services and operations, and Internet banking solutions. Being aligned with customers’ expectations in terms of timeframes is an adjustment that will have a positive impact on the Net Promoter Score (NPS) Customer Promise. Furthermore, the action plan that was proposed is a proactive investment advice service, which will help the customer to choose the right investment product.

6.1.2. <u>Branches</u>

ING Luxembourg’s branches and the Contact Centre are the first link between the customer and the bank. For this contact to be profitable, the relationship manager is empowered to respond immediately to questions and small concerns of customers, in a reactive and curative manner.

Relationship managers can immediately refund unsatisfied customers with a check of a maximum value of 250 € called a “*Chèque Sourire”* ("smile check"), which is directly credited to the client’s account. These checks symbolise the support of a commercial gesture towards an unhappy customer. An analysis of causes is also conducted to identify, and correct upstream technical errors committed by the bank (f.ex. interest rate calculation) or recurring dysfunctions to prevent new occurrences of customer dissatisfaction.

The so called ‘CS checks’ allow to respond to customer dissatisfactions that are not too complex and/or whose financial compensations are low. ‘Smile checks’ are considered as a primary tool that intends to respond directly to customer dissatisfaction a priori minor. Around 850 ‘smile checks’ were registered in 2017, with an average amount of 49€.

6.1.3. Feedbacks

The main goal of analysing the feedbacks from customers is to dig further into the matter to find the roots cause. ING Luxembourg distinguishes different types of feedbacks proceeding from customers' voices.

- Feedback Complaints

At ING Luxembourg the 'Client Administration' department has a branch named 'Complaints' that manages all types of complaints. Every 15 days a data quality check is done and reported to the CSSF (*Commission de Surveillance du Secteur Financier*), a financial regulation in Luxembourg. Once a year, the complaints department is presenting an annual report to the Executive Committee of the bank, with an overview on statistics, analysis, and a suggestion of action plans for future objectives.

- Feeback MyING

When you enter the online banking service MyING (https://my.ing.lu) the internet user can directly submit a feedback about the online application. The Customer Experience team receives the incoming feedback and immediately is responding within the shortest delays possible. When the customer's issue is minor, and can easily be fixed, the customer is thanked for his input.

- Feedback Lab

As in every organization, employees are ambassadors of the brand they work for. When ING employees are faced with a dissatisfied person, in their professional or private life, they must submit through an online form the subject of matter. This will be directed to the customer experience analyst, who is in charge of setting up the improvements according to the priorities defined with the departments.

- Feedback Contact Centre

The ING contact centres consider the human touch as a premium advantage. At ING Luxembourg, a team of 13 people are working at the Contact Centre, responding to customers questions in four languages. The Luxembourgish Contact Centre has the best results compared to the rest of ING Contact Centres in terms of efficiency. Quarterly reporting's are delivered to customer experience team and complaints department.

6.2. Action

6.2.1. <u>Client Irritators</u>

The customer experience analysts work around the clock to tackle any type of irritant or complain. Their main objective is to solve clients' irritants, underlined by the desire to create a differentiating customer experience. The collected set of feedbacks will enable the team to execute following actions: gathering, handling, responding, analysing, managing, and reporting every feedback in one place.

The irritators projects at ING are stated as followed:

'**For** all our customers (Retail, PB, Wholesale) **Who** have issue with our products/services **The** "irritators project" **is a** series of customer irritators to fix **That** allows to serve them better and to maintain our NPS score'

For Muriel Holler, Customer Experience Specialist at ING Luxembourg, incoming negative feedback guides the team to improve continuously the customers' journey. Once the feedback is analysed, it is distinguished between a minor discomfort or a major discomfort. Either way, customers are thanked for their feedback and notified about their impact within changes. (Muriel Holler, Customer Experience Specialist, ING Luxembourg)

ING Luxembourg tackled a total of 13 irritants for their three business lines in 2017. One of the projects called '**Paperless**' consisted in cutting down the number of printed documents for customers who are subscribing to an Internet bank account.

In terms of customer experience impact, another irritator set up in 2017 was '**VISA and VPAY in real time**'. This new feature allows customers to see their transactions in real time on the online banking platform or on the mobile application. The screen is as of now divided into two parts: pending transactions, and recorded transactions. From now on, customers will be able to follow banking operations live.

Moreover, new regulatory directives coming into force in the financial sector (GDPR, MiFID II, P2D2 f.ex.) ING employees are aware of the difficulty it is for customer, as it is a complex topic. Customer experience analysts have one objective: make it simple, clear and understandable. On ING Luxembourg's website cookies are explained briefly and the bank's communication style is straight-forward. Their objective is to make banking look easy and worry-free.

CHAPTER 7. THE CHANGE PHASE

Once the run phase has allowed to identify the irritators and correct the issues, ING is working closely together with its customers in order to shape experiences. Co-creation is a management initiative from ING that brings a fusion of ideas and suggestions from customers.

7.1. Co-creation

At ING Luxembourg the co-creation with clients is made throughout the 'PACE methodology' and 'Friends & Family' procedure.

7.1.1. PACE methodology

For ING creativity and innovation go hand in hand. The PACE methodology is a structured innovation process, in which small, autonomous, and cross-disciplinary teams, create, and launch new product and services. PACE is ING's way to innovate and be prepared for the future, whatever the speed of change in terms of regulation, society, customer behaviour, technology Fintech, and competitive landscape. The differentiating point of this methodology is that the teams are obliged to validate projects continuously with the customers real needs and wants.

PACE is used to create new products or services, to improve existing ones, or to identifying existing ones as non-suitable. The methodology introduces new customers, new markets, new brands, or next generation technologies.

This new technique gets from the initial discovery of the client's problem to a relevant product or service. PACE is an iterative process that consists of five phases: Discover, Problem Fit, Solution Fit, Market Fit, and Scaling.
The first step consists in exploring and gathering the external environment; identifying opportunities and threats, to shape a first vision for the challenge. Different types of hypotheses are drawn:

- value hypothesis (what do people desire?)
- growth hypothesis (what is financially viable?)
- organizational hypothesis (what is technologically speaking feasible?)

Subsequently the teams embark on a journey of experimentation called the Problem Fit phase, where they will firstly define the customer segment and target for the project. At this stage the teams are creating and listing several possible solutions that can solve the client's initial problem. Once the solutions are defined, the groups will set up a minimum requirement to meet the customer's needs and satisfaction. The Market Fit step consist in the validation of the Minimal Viable Product (MVP) to satisfy a restricted audience, called the early adopters, before launching it into market. In parallel the teams are searching for a profitable and scalable business model.

When the product or service is approved and ready to be launched, the groups enter last phase called Scaling, in which potential for growth is identified. In which you need to ensure your business model supports as rapid as possible and efficient growth. PACE enables ING employees to jump back and forth in the process as many times as needed.

ING Luxembourg held the very first PACE of six weeks at the end of the year of 2017 in a 'formatted approach' called PACE Everyday. (Erik Jacquemart, Head of Bank Transformation, ING Luxembourg, 2017)

This customer-oriented methodology not only brings ING closer to the client but avoids also wasting limited resources and time on irrelevant projects. For ING co-creation with customers is key to build a new process. PACE puts People, Process and Organization into place to deliver what customers really need in the fastest way.

7.1.2. Family & Friends

To respond to the new 'Agile way of working', Regis Salaris, Program Manager at ING Luxembourg, set up some years ago the concept of 'Family & Friends'. Once the bank has created a minimum viable product (MVP) or service ready to be launched, a first testing is conducted through the 'Friends & Family' phase.

A set of selected customers (named beta testers) who are close to the employees will be able to test the new product or service, exclusively unbolt for this group of people. This verification period helps to evaluate the quality of the product or service and enables to avoid major errors or dysfunctions on behalf of received feedbacks. If any bugs come up during this phase ING Luxembourg is still able to carry out modifications before releasing the product to the mass.

This technique allows a quicker reaction to any issue or problem faced by the selected scope of users. Whereas PACE methodology is the upstream part of innovation and creation, the testing method Family & Friends is a stage during the project lifecycle.

CHAPTER 8. THE CASE QUESTIONS

The case study thematises following issues: Customer Experience in general and in the banking sector, ING's new management style, the company's strategy, its corporate culture, and customer satisfaction surveys. The following questions are open and meant to be used for engaging discussions on the aforementioned topics.

► **Question 1: Develop a SWOT analysis of ING Luxembourg based on the given case and appendices.**

► **Question 2: How does ING Luxembourg face threats?**

► **Question 3: In your opinion, what do you consider to be the main factor for a strong customer experience? How is CX perceived at ING?**

► **Question 4: Explain the link between an agile way of working and customer experience enhancement. Justify.**

► **Question 5: Describe the two stages of the Customer Experience Management of ING Luxembourg.**

CHAPTER 9. THE APPENDICES

Appendix 1: ING Luxembourg Press release, 15th May 2018 (source: ING. 2017, a record year for ING in Luxembourg! retrieved May 25, 2018, from ING: https://www.ing.lu/webing/content/dam/ing/PDF/.../Press_Release_EN_18-05-15.pdf)

On May 15th ING Luxembourg published a press release in which the bank described the year of 2017 as a record year in terms of overall growth. Even though it had been an intense year for the Dutch bank implemented in the Grand Duchy, ING Luxembourg reported an underlying profit of EUR 143 million before taxation.

In terms of financial performance, an 23% increase of deposits was identified, as well as an impressive rise in services such as credit volumes (+16%) or mortgage loans (+15%). Subsequently, the bank achieved a double-digit growth in assets and liabilities. The balance sheet of 2017 increased to EUR 18.5 billion, namely a 18% extend.

Another essential point listed in the press release was the success of customer satisfaction at ING Luxembourg. The financial institution carried out excellent customer experience enhancement which lead to rising Net Promoter Score® (NPS) scores. In the three business lines (Retail Banking, Wholesale Banking and Private Banking) there was a significant rise in NPS scores, when comparing to 2016.

	Net Promoter Score® (NPS) 2016	**Net Promoter Score® (NPS) 2017**
Retail Banking	+33	+38
Wholesale Banking	+26	+29
Private Banking	+8	+12

Table 2 – Net Promoter Score ING Luxembourg

(source: ING Luxembourg, 2018)

Moreover, the e-banking solution MyING has gone through numerous changes and improvement. Digital features had been revised and developed, to meet the customers' needs. 78% of private individual customers are actively using MyING and are enjoying worry-free mobile banking.

Additionally, a payment method via smartphone named Digicash was introduced to the market. The activation of new push notifications/alerts or the possibility to consult banking movements in real time were elements set up to make the online banking solution accessible to all types of customer.

In terms of communication, ING Luxembourg stated to have increased its communication and local presence on the Luxembourgish market. With an omni-channel approach (via branches, direct channels or the Contact Centre) the bank obtained a review of 4.5 out of 5 on the App Store, which confirms the clients' receptiveness to the implemented changes and their satisfaction towards ING.

In February 2017, a new, ultra-modern, environmentally friendly headquarter named ING Lux House opened in a more accessible and central location. This enabled ING to gather a total of 700 employees in one central site.

In addition, process automation made it possible to promote customer experience in branches. To illustrate, ING's rental guarantee was strengthened by a much faster reviewing processes, which enabled to provide clients with an answer within 20 minutes instead of 7 days.

Even though the economic sector had to encounter many regulatory and economic restrictions in 2017, it was a historic year for the Dutch bank. Colette Dierick, CEO of ING Luxembourg underlines the importance of Corporate Social Responsibility (CSE) within the bank and to support sports, art and culture. She emphasises on the diversity within the bank, as 37% of senior management positions are occupied by women, which is rare in Luxembourg.

Appendix 2: ING group Annual Report, 2017 (source: ING. 2017 Annual Report - Empowering people; retrieved May 25, 2018, from ING: https://www.ing.com/About-us/Annual-reporting-suite/Annual-Report/2017-Annual-Report-Empowering-people.htm)

The annual report of ING group indicates a customer data base of 37.4 million at the end of the year 2017. The bank defines its **Market Leaders** as mature markets where the institution has strong market positions in retail and wholesale banking. The Benelux (The Netherlands, Belgium, Luxembourg) region is ING's leading market.

The **Challengers** are markets where ING builds integral digitally distributed banking solutions at low cost via different platforms, such as Model Bank or Welcome. **Growth Markets** are identified with strong growth potential and expanding economies. These markets are provided with retail and wholesale banking services

At last, there are markets where ING exclusively works with corporate and financial institutions and offers services such as lending, treasury services, payments and cash management, or a tailored corporate finance plan and adapted market solutions.

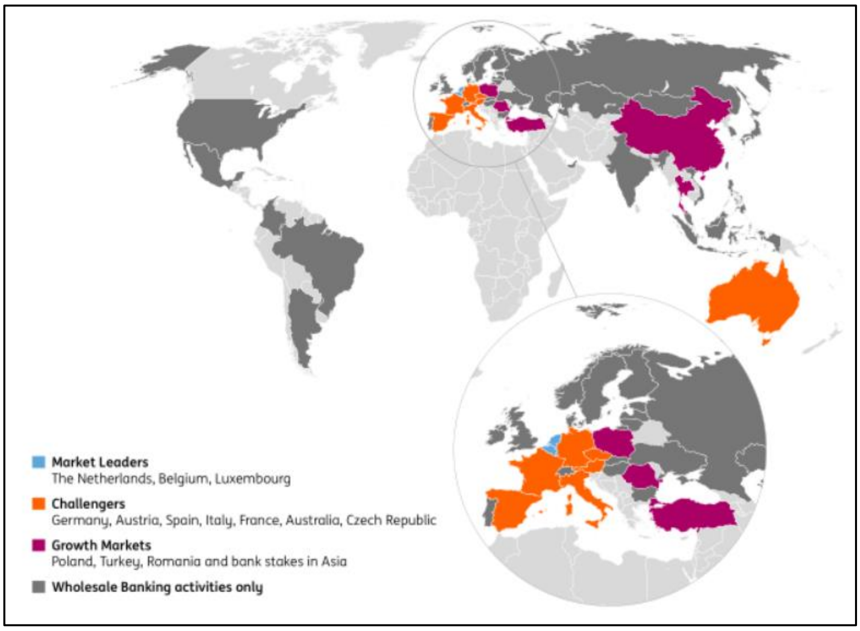


Figure 2 - Map: ING markets

(source: ING group, 2017)

The Annual Report of ING Groep N.V Executive Board enables to visualise the bank's financial performances in 2017. It allows to diagnose the institution's achievements in terms of financial growth, compare economic indicators and the return on investments between 2015 and 2017.

Performance highlights

in EUR million		2017	2016	2015
Net result attributable to ING Group's shareholders		4 905	4 651	4 010
Underlying net result Banking		4 957	4 976	4 219
Underlying result before taxation Banking		7 199	7 028	5 959
of which underlying income		17 704	17 458	16 552
of which underlying operating expenes		9 829	9 456	9 246
of which underlying addition to laon provision		676	974	1 347
in EUR billion, year-end		2017	2016	2015
Total assets ING Groep N.V.[6]		846	845	1005
Total assets ING Groep N.V.[7]		846	845	842
Shareholders' equity ING Groep N.V.		50	50	48
Customer **lending** ING Groep N.V.[7,8]		574	561	533
Customer **deposits** ING Groep N.V.[7]		540	523	501
		2017	2016	2015
Effective underlying tax rate (in %)		30,0	28,1	28,0
Risk-weighted assets ING Group (EUR billion, year-end)		310	314	214
Underlying risk costs in bps of average RWA		22	31	44
	Ambition 2020	2017	2016	2015
Common equity Tier 1 ratio fully ING Group	>Prevailing fully-loaded requirements	14,7%	14,2%	12,7%
Leverage ratio ING Group[9]	>4%	4,7%	4,8%	4,4%
Underlying cost/income ratio	50-52%	55,5%	54,2%	55,9%
Underlying return on equity ING Group	Will provide more clarity in 1H18	10,2%	10,1%	8,6%
Dividend per share (in euros)	Progressive dividend	0,67	0,66	0,65

Figure 3 – ING Financial Performance 2017

(source: ING group, 2017)

Appendix 3: ING group Press Release, 31th March 2014 (source: ING. ING Bank Strategy Update: Think Forward; retrieved May 25, 2018, from ING: https://www.ing.com/Newsroom/All-news/Press-releases/PR/ING-Bank-Strategy-Update-Think-Forward-1.htm)

After the financial crisis had passed and the restructuring process came to an end in 2014, ING designed a new strategy named 'Think Forward'. The bank's statement accentuates its conviction in creating a differentiating experience for customers and providing them with operational excellence. Also, the focus is set on promoting a positive performance culture as an organization and increasing and improving lending capabilities.

According to Ralph Hamers, CEO of ING, this new strategy should be seen as a guide to 'Think Forward and Act Now', as a turnaround from the crisis.

Appendix 4: ING group Press Release, 3rd October 2016 (source**:** ING. (2016, October 3rd) ING strategy update: Accelerating Think Forward; retrieved May 25, 2018, from ING: https://www.ing.com/Newsroom/All-news/Press-releases/ING-strategy-update-Accelerating-Think-Forward.htm**)**

Since the implementation of the new strategy, ING attracted three million new clients. The bank maintains the aim to boost primary customers data base and hereby increase lending volumes.

On October 3th 2016 ING group published a press release to announce a strategy update, named 'Accelerating Think Forward'. The institution emphasised on its dedication to technology with an investment of EUR 800 million in terms of digital transformation, to ensure an improvement in customers' overall experience.

According to Ralph Hamers, CEO of ING investing in technology has become a necessity in today's world, since there is an increase in digital customers, using banking services via mobile devices. The Dutch group estimated an impact of EUR 900 million annual cost savings by the end of 2021 on its investment in technology.

On another note, these investments in digitalisation have an important consequence on the bank. ING announced a reduction of its workforce in Belgium (3.500 jobs will disappear) and in the Netherlands (2.300 jobs) for the years 2016-2021. As stated in the press release, the

Dutch bank foresees a provision of EUR 1.1 billion for covering costs of the intended workforce reductions.

Appendix 5: ING Netherlands Interview, January 2017 (source: ING. ING's agile transformation; retrieved May 24, 2018, from ING: https://www.mckinsey.com/industries/financial-services/our-insights/ings-agile-transformation)

In a recent interview Peter Jacobs and Bart Schlatmann, two senior executives at ING Netherlands, exposed the recent changes within ING Groep NV, headquartered in Amsterdam. The bank applied methodological adjustments and shifted management style by adopting an 'agile' working model and ING Netherlands is the first entity to test it out-

A total of 3.500 employees were split up in more or less 350 teams of nine employees each, named 'squads'. Each squad is assigned to one of 13 different 'tribes', each tribe counting 150 people on average.

In the Netherlands the first departments impacted by the new working method were core units such as marketing, product management, channel management, and IT team. Some branches (HR, finance, risk management, call centers, etc.) kept working independently, and were not assigned to squads or tribes, as these functions require more responsibility. Either way, the agile work method is adapted and implemented in these units, but in a softer and lighter version.

According to the article the impacts of this new working methodology are a boost in terms of employee engagement and productivity. Bart Schlatmann describes agility as a company's ability to rapidly adapt to changes and taking on new directions. By working in multi-disciplinary teams (with IT engineers, user-experience designers, marketing, product or commercial specialists) every 'squad' has different types of knowledge and expertise gathered in order to understand customers' behaviour and expectations towards ING and provide them with the best banking solutions possible.

Additionally, there are software updates released on a two- or three-week basis (versus five to six times per year) in alignment with fast-evolving technological trends.

As Peter Jacobs states, the agility within an IT team is not specifically needed, but definitely helps. The agility was first introduced in IT teams in a non-organization-wide manner, as they are the main unit to test and work on transformations.

The recreated model below from the initial ING model provides an overall understanding of the setup of ING's non-hierarchical structure as well as a description of each role within the organization.

Figure 4 - Organogram: ING agile organizational model

(source: McKinsey 2017)

The most important element of ING’s transformation were the four pillars implemented in the strategy: The agile way of working, the revision of the organizational structure, the IT developments and the organizational culture model.

Another scenario pointed out by the interview are the organizations that embrace the new agile way of working, but still use organizational structure and governance; leading to confusion and deceptions. The whole foundation must change in order to benefit from the outcome.

There is a close link between a company and its culture, and how it affects the change structural changes. A firm with a strong, open, and agile culture will be more open to changes and able to adapt more quickly the new working methodology. In contrast with organizations with a weaker corporate culture, that present more difficulties to show responsiveness and adaptability to the new methodology.

Since 2014, ING has spent a large amount of time and resources in developing a role model in terms of employees’ behaviour, appropriate in a ‘agile culture’. ING employees had to follow a three-week program, in which every employee gets to know more about other teams’ mission. For example, a product owner could spend one week at the call centre taking incoming customer calls.

Besides, the Dutch bank changed to a peer-to-peer hiring process, an approach inspired by Google. It is a recruiting that involves top team members to choose from candidates’ profiles, even for entry level positions. At ING teams are better diversified (gendre, skill set, personality, etc.) than before and is described as being more balanced.

Furthermore, the new way of working also includes a new way of communicating. Therefore, ING invested in new office configuration (for example open spaces, conference rooms, etc.) with the aim of increasing the interaction between employees and hereby improving the whole atmosphere of the organization. As stated in the interview, ING Netherlands resembles more a tech campus than a traditional banking institution.

Two main risks were identified with the agile model. The first point is that with the new methodology numerous innovations wind up being accumulative. In order to tackle this problem, one must be organized and sort the different types of innovation, before choosing the projects with the most impact when it comes to changing the traditional way of the industry.

Secondly, ING employees have more accessibility to customers feedback than before. In order to avoid divergent interpretations and employees going in different directions, an organization must make sure the bank follows the customers' voice and be aligned with the squads' objectives and strategic priorities.

Appendix 6: 2018 Customer Experience Trends in the BFSI

The Global Banking and Finance Review posted a report on the future trends within the Banking, Financial services & Insurance industry (BFSI) and has been the centre of attention in the past years. 2018 is described as a transformative year, especially with regard to customer engagement. The report is a forecast of trends aiming to strengthen customer experience.

The article emphasises on the fact that he industry will drop traditional banking methods and there will be a growing tendency in embarking on a digital transformation journey. Numerous banking institutions will realign the core of their strategy and will start to invest more and more in technology development. One of the challenges faced by the banks will be the set up of automated process, replacing human interaction, and bring out more valuable customers feedback.

- **Open Banking**

In a context of rising financial regulations, banks should embrace Open Banking (also known as Open Bank Data). Transparency in terms of service offerings is a necessity for banking institutions. With the latest innovations of financial technology, banks have to invest in new banking solutions in order to be up to date with the market and customers expectations. For instance, the implementation of Application programming interfaces (API) will allow customers to transfer money from one bank to another, in a personalised and easy way. This innovation is considered to be a shutter release for increasing customer satisfaction and obtain customer loyalty.

- **Expansion of Digital Economy**

There is no doubt that the digital economy will continue growing and expanding. New digital initiatives will be developed and presented to the market, and the number of people using mobile applications will continue rising. In terms of legacy systems, banks are invited to change and replace these systems to a more friendly-user interface. In other words: less documentation for the customers.

The cryptocurrency payments (for example the usage of Bitcoin currencies) is also said to be crucial, as it is already the acceptable mode of payments in some countries. The article suggests that with conformity to financial regulation, we will move towards a cashless society.

- **Simpler & Highly Secure Authentication**

The latest customer experience trend of banking services is the biometric-based customer recognition. Identification created from your fingerprint, iris, voice, and face will enhance your experience as a customer, but It will also ease the two-way verification process for employees.

This method remains safe, as it is extremely complex for hackers to imitate true customers. Moreover, by choosing this new recognition system, banks will see a significant improvement in their customer identity management.

- **Digital Personal Financial Management**

A huge difference will be seen in the automating engagement of customers. Customers of today want to independently consult their spending insights, budgeting recommendations or wealth management. By offering them tools and overall guidance via a personalized digital management assistance, money management will be simplified, and customer relationships will grow stronger. The review highlights that in order to be successful, a bank must show proactiveness and be dedicated to wanting to help their customers throughout the journey.

- **The Cloud**

The banking industry has been one of the slowest to change to the cloud technology, that enables users to store data over the Internet instead of a computer's hard disk. The opinions are mixed about banks delivering data to the cloud application. The arguments in favour of the use of cloud as a bank are the cost reduction and the accessibility.

In 2018, the cloud usage will become more commonly used as reported in the article. More and more banks will be committed to data security and fraud protection.

- **Artificial Intelligence**

The Artificial Intelligence (AI) has emerged the past years and has also come to revolutionize the BFSI industry. The boom will continue in 2018 with a growing desire for the banks to evolve in terms of performance.

The review confirms that the use of chatbots and virtual assistants are the leading methods used in the banking sector and will continue to be for the following year. These tools enable self-service of customers and improve the effectiveness of operations. Algorithms will be developed in order to detect more easily frauds and improve hereby the overall security of financial data.

- **Big Data & IoT**

It is known that the past decade had been important in terms of Big Data developments. Data-processing applications have emerged to facilitate customers lives and create an outstanding customer experience.

For the sake of Big Data, banks are now embracing the Internet of Things (IoT), the connected items enabling the exchange of data. A logical continuation of Big Data are the emerging cross-selling possibilities for financial services. Customers preferences and insights are provided to the banks, which allows them to personalise their offers and deliver a proactive experience.

The article asserts that when you work with Big Data and invest in the right IoT technology, you will acquire an interconnected world and simplify the complexity of transactions. According to the Global Banking and Finance Review 2018 will know major investment areas for the banking industry, and the success will be determined in the speed of the execution process.

CHAPTER 10. THE PEDAGOGICAL NOTES

10.1. Case target audience

This case study targets bachelor or master's degree students and/or professors in the areas of marketing, management and communication. Furthermore, this case can inspire companies, managers, who are performing in related sector and/or who are aiming to enhance their customer experience.

Any additional knowledge of the European banking sector in general and/or a deeper knowledge of Benelux region's financial context is a plus.

10.2. Educational Objectives

The final objectives of the case study are to provide the reader with an in-depth understanding of the organization as a whole: the culture, the customer-centric strategy and the customer experience management. The reader will be provided with quantitative and qualitative data, allowing him to solve the case.

Moreover, the aim is to bring awareness on topics such as the innovative agile way of working, the importance of empowering employees and customers, the aspects of a corporate culture, the ways to create a differentiating customer experience, and how to measure customer experience.

10.3. Literature Review on the issue

This case study will be completed by a literature about concepts and theories behind the issue. In this part we will see concepts of customer experience in aspects of marketing and management.

10.3.1. Customer Experience (CX)

10.3.1. a) Earlier Theories (1960s – 2000s)

The roots of customer experience notions are traced in the 1960s. The study of buying behaviour process models played a central part of the literature on customer experience. (Lemon, Verhoef. 2016). Many existing studies in the broader literature have analysed and designed different aspects and theories on the topic of purchasing behaviour. (Frank, 1962; Grubb, Grathwohl, 1967; Kotler, 1967; Lawrence, 1969).

One of the first conceptualisation of customer experience in literature is found in Holbrook and Hirschman's article about experiential aspects of consumption in 1982. They were the first to address that conventional research on purchasing behaviour neglected the impact of the consumer's experience. The authors described consumption experience as sensory pleasures, a "*phenomenon directed toward the pursuit of fantasies, feelings, and fun.*" (Holbrook, Hirschman, 1982).

A few years later, customer experience was defined as "*the takeaway impression formed by people's encounters with products, services, and businesses – a perception produced when humans consolidate sensory information.*" Organizations should incorporate customer experience into their business design and consider it as a management discipline. (Carbone, Haeckel, 1994).

In the late 90s, Pine and Gilmore underline in their best-selling book "The experience economy: work is theatre and every business a stage" the importance of experiences in our society. According to their studies any given organization could benefit from delivering a strong customer experience. (Pine, Gilmore, 1998).

Schmitt was one of the first scholar to characterize customer experience as a competitive advantage. (Schmitt, 1999).

10.3.1. b) Nowadays (2000s – 2018)

In 2000s, customer experience became a widely discussed topic of interest and is perceived as a central objective in the retailing environment. (Verhoef *et al.*, 2009)

Philip Klaus and Stan Maklan define customer experience as "*the customer's cognitive and affective assessment of all direct and indirect encounters with the firm relating to their purchasing behaviour.*" (Klaus, Maklan. 2007). Later, they differentiated quality service and customer experience once in for all: quality is replaced by experience, a growing priority for market research. (Klaus, Maklan, 2013)

The "Total Customer Experience" (TCE) was invoked by Berry, Carbone and Haeckel and described as the "the composite of all the clues". The clues in this context are all the elements that can be perceived or sensed by customers, also named "experience clue". There are two types of experience clues: the "mechanics", emitted by things, and the "humanics", emitted by people. (Berry, Carbone, Haeckel, 2002)

Over the past years, researchers suggest that customer experience has a significant impact on loyalty intentions, customer satisfaction, and word-of-mouth advertising. (Badgett, Boyce, Kleinberger. 2007; Klaus, Maklan. 2013)

Another important area of research is thematising the non-neglectable impact of technology in regard to customer experience. Technology is radically changing the premises of delivering customer experience. Gobble stated customer experience must not only been seen as "an emotional connection", but more as a true engagement. Furthermore, the author addresses the importance of customer experience innovation, that unfortunately remains underutilised source of competitive advantage. The author gives an example of an expert in experience innovation: Disney's theme parks division. The park opens five minutes early to give first visitors an extra unexpected excitement for early entrance. (Gobble, 2015)

One recent article points out "*the existing boundaries of the link between innovation capability as a management concept, connecting innovation capability with customer experience, reputation, and loyalty as marketing concepts.*" In literature it seems no longer a secret that organizations must innovate customer experiences in order to have a significant impact of the demand. (Foroudi *et al.*, 2016)

10.3.1. c) Customer Experience Management

In the beginning of the 2000s, customer relationship management (CEM) and customer-centric strategies were mainly discussed in literature. (Lemon and Verhoef. 2016)

How to manage relationship with customers became an important topic for academicians and practitioners. The essence of CRM is a change within an organization; shifting from a products-centric to a customer-centric philosophy. (Kim *et al.*, 2003)

According to Lemon and Verhoef, many authors have argued over the years that Customer Relationship Management (CRM) aims to optimize customer profitability and their customers' lifetime value. (e.g., Reinartz, Krafft, Hoyer. 2004, Payne, Frow. 2005)

In another perspective, a considerable body of literature has been built on managerial actions and outcomes from customer experience. (Berry, Carbone, Haeckel, 2002. Meyer, Schwager, 2007)

There are five steps for a successful customer experience management (one analysis, one strategy, and three implementation steps): understand the experiential world of your customers, build an experiential platform, design your brand's experience, structure the customer interface, and innovate continuously. (Schmitt, 2003)

Customer experience leaders at Forrester Research dedicated fourteen years of research in their field of expertise. Manning and Bodine affirm that customer choice is becoming the main differentiator and advise organizations to shift their focus to customer experience management. Based on their book 'Outside in: The power of putting customers at the centre of your business' companies that aim a strong customer experience need to implement adequate business principles on six high-level disciplines: strategy, customer understanding, design, measurement, governance, and culture.

An organization's strategy needs to present their intended customer experience, explain their attributes, values, and vision. As a company, you must be fully informed about who your customers are, what they desire and need, and how they wish to interact with you in the future. Adapting your designs when it comes to customers interactions materiel and measuring and quantifying the effects of your designs will deliver important insights on improvement possibilities. Manning and Bodine explain that customer insights and metrics are valuable, especially when you use them to identify, and to fix customer problems. The authors underline that employees can only adapt all the above disciplines, if customer experience driven values and behaviours are shared. (Manning, Bodine. 2012)

10.3.1. d) Customer Experience Measurement

One of the most widely dominant and used measure of service quality was introduced by Parasuraman et al. in 1985. They proposed a service quality model, named SERVQUAL, which measures the level of quality of any organization's service(s). (Parasuraman *et al.*, 1988)

A recent research with practitioners showed that most companies use customer satisfaction or Net Promoter Score to assess their customer experience. (Klaus, Maklan. 2013)

Customer Satisfaction

Most companies are measuring a single metric to data on past and present patterns, as for example the customer satisfaction metric. Customer satisfaction is although considered as restricted, as it is essentially measuring the culmination of a series of customer experiences and does not include the customers' expectations for future interactions. The authors suggest the implementation of a closed-loop process, in which every function is responsible for delivering an excellent experience, and senior management ensures the promised offerings are carried out and linked to the bottom line. (Meyer, Schwager. 2007)

Net Promoter Score

The management tool Net Promoter Score (NPS) was introduced in 2003. NPS is a metric derived from survey responses based on recommend likelihood questions. One of the main takeaways from his research is that by employing the right questions companies will be able to collect data to act upon. (Reicheheld, 2003)

This customer feedback metric is measuring customer experience and predicts business growth. NPS questionnaires contain one key question: ‘How likely is it that you would recommend [the company in question] to a friend or colleague?’ using a 0-10 scale.

Respondents are grouped as follows:

- Promoters have a score between 9 and 10. They are loyal customers willing to pursue buying your products, while referring your brand to their environment, and are hereby sustaining growth.
- Passives have a score between 7 and 8. They are satisfied with your company but tend to be sensitive to competitive offerings.
- Detractors have a score between 0 and 6. They are the dissatisfied customers who generate negative word-of-mouth and have the influence of damaging your brand image and disrupt your business growth. (Statmetrix, 2018)

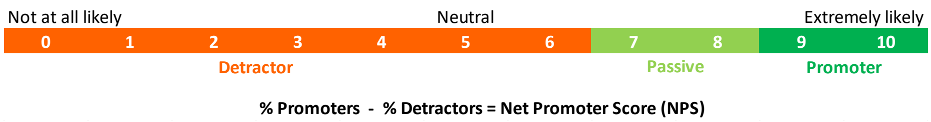


Figure 5 – NPS Calculation

(source: Statmetrix)

A new measure suitable for the modern conceptualisation of customer experience was brought in response to a gap between customer metric measures and the customer experience: The Customer Experience Quality (EXQ) scale. (Klaus, Maklan. 2013)

This measurement tool consists in analysing four dimensions such as: the product experience (How does the customer perceive the product?), the outcome focus (What does this product bring me?), the moment-of-truth (How am I treated when unforeseen complications arise?) and the peace-of-mind (How professional am I treated and guided through the process?). These attributes are the result of 19 proposed exploratory factors (updated in 2013) that will define and measure the most important marketing outcomes such as loyalty, word-of-mouth recommendation and satisfaction. (Klaus, Maklan. 2011)

The authors suggest that favourable service experiences lead to positive word-of-mouth communication, customer satisfaction, loyalty, and subsequently to repurchasing behaviour. (Klaus, Maklan. 2012)

10.4. Methodology

The approach used for the data collection of this case study was quantitative and qualitative. The two research methods will enable to have an in-depth knowledge of the bank and its financial sector.

The collection of **primary data** was conducted during a six-months internship in the Campaigns & Customer Intelligence team at ING Luxembourg. The opportunity to work with customer experience analysts, customer data analysts, marketeers, market analysts and many more, made it possible to fully understand ING Luxembourg's customer experience management. Throughout qualitative surveys (face-to-face interviews) it was possible to document the shared knowledge and expertise of the topic. In addition, quantitative data was used, to fully understand the market evolution of the Luxembourgish banking sector.

The collection of **secondary data** is based on scientific articles, books, newspapers, and online articles.

10.5. Presentation of the set of analytical tools

This case study contains qualitative and quantitative data with a focus on the brand's strategy and management incentives that have been established to guarantee the best possible customer experience.

To synthetize and deepen the knowledge, some analytical tools were indispensable, such as:

Quantitative information:

◘ Performance evolution of the banking sector in Luxembourg (2014 - 2018): volume of net assets, number of financial institutions, competitive landscape in terms of net profit after tax and net provisions.

◘ ING group: volume of assets, financial indicators for 2017, number of banks and customers.

◘ ING Luxembourg: number of banks, employees, and clients. Amount of 'smile checks' given to clients in 2017 in Luxembourg. Customer satisfaction: 2017 Net Promoter Score (NPS) scores for the three business lines.

Qualitative information:

◘ The company history and present situation to understand the brand's culture, its identity, reputation, and value;

◘ The reorganisation of ING's structure as a result of the agile way of working project;

◘ The bank's skills, weaknesses, its growth opportunities, such as threats ING must face;

◘ Information and details about the Customer Experience Management at ING Luxembourg;

◘ Insights of Luxembourg's financial sector; consumer behaviours and expectations, customer experience within the banking sector, and threats the sector is facing;

◘ Insights of Customer Experience Trends in Banking & Financial Institutions;

◘ The literature review deepens the understanding of the conceptualisation of customer experience and helps understand the impacts of a strong customer experience management;

◘ The literature review explains customer experience measurement tools, such as Net Promoter Score or the conceptual model of customer experience quality;

10.6. Lecture plan

Lessons	Objectives	Tasks	estimated Time
1	**Introducing the case**	● Icebreaker: What is Customer Experience? Explain & give an example of a great customer experience ● Hand out the case study to the students ● Briefly introduce ING bank & talk about their new way of working (agile way of working) and how they changed their strategy to a customer-oriented one. (+ show video 'Agile Way Of Working' https://www.youtube.com/watch?v=uXg6hG6FrG0) ● Ask students to read the case (either at home or at the end of the lesson – if there is time left)	120 minutes
2	**SWOT Analysis & Group assignment**	● Read questions of the case study & answer if there are some questions (10-15 minutes) ● Answer question 1 + 2 (45-50 minutes) ● Divide students in groups of 3 to 4 people for a brief assignment about agile way of working. Each group of students should choose one organization that also implemented agile way of working and hold a brief oral presentation of max. 10 minutes in the next course (30-40 minutes)	120 minutes
3	**Agile way of working Presentations & Question 3**	● Oral Presentations: Agile way of Working (10 mins/group) ● Read Case Study Question 3 (20-30 minutes)	120 minutes
4	**Resolution of the case & group discussions**	● solve questions 4 and 5 (30 - 40 minutes) ● emphasize on Net Promoter Score (NPS) to introduce the next theme (could be customer metrics or customer loyalty)	90 minutes

10.7. Lecture issues to be posed to the students

Question 1: Which was the biggest difficulty found in the case resolution?
Question 2: Which was the most challenging issue in the resolution of the case?
Question 3: What data would you have included in the case in order to deepen the case?
Question 4: Which questions would you suggest adding to the case?

10.8. Resolution – Analysis of the data

► **Question 1: Develop a SWOT analysis of ING Luxembourg based on the given case and appendices.**

Strengths

Brand Reputation & Awareness: ING is a long-established Dutch brand with a strong reputation worldwide. As the bank is most known in its leader markets in the Benelux, Luxembourg is one of the first market to be impacted by changes directed from Amsterdam. ING is the first bank to adopt the agile way of working in the world. The new working style and customer experience enhancement of ING has received significant attention from media, which enhanced the bank's Orange lion's reputation. Global Finance magazine elected ING Best bank in the world in 2017.

Strong Corporate Culture: Culture is a very importance subject at ING. The organization developed a code ('The Orange code') that must be respected by every employee, advising on values and behaviours to live by.

Customer-oriented bank: Nowadays customers expect the same and unique experience; independently which communication channel they are using to contact the bank. This is the reason ING puts customers at the heart of their strategy and sees customer experience as a strategic pillar. The customer journey must be easy to use, clear, simple, and intuitive. ING implemented the agile way of working, by increasing flexibility, in order to deal rapidly with customers' demands, and hereby improving their customer experience.

Excellent results: According to the latest market studies ING Luxembourg S.A. is the fourth bank in Luxembourg with the highest deposits from customers. Furthermore, ING is also the fourth bank in Luxembourg in terms of volume of asset and amounts owed to customers. For ING Luxembourg 2017 was a record year in terms of underlying result (+6%), deposits increase (+23%), rise in credit volumes (+16%), and growing mortgage portfolio (+15%).

Satisfied customers: ING obtained excellent results in terms of Net Promoter Score (NPS) with rising scores for the three existing business lines. Customers are likely to recommend ING to friends, family, and colleagues.

Significant investment in technology: In general, ING group invests a large amount of resources in technology development and is known for its innovative Internet banking solutions. For ING Luxembourg 78% of their customers adopted the mobile application for private individuals named My ING. Additionally, ING Luxembourg introduced Digicash on the market, a payment method per smartphone. To enhance the experience through their mobile app, ING added a digital feature, which enables users to see their expenses in real time (for credit and debit card).

Weaknesses

National vs. International: In general, national banks are preferred when it comes to banking. In Luxembourg this is also the case, which makes it more challenging for ING Luxembourg to reach new customers, as it is an originally Dutch institution. The first banks in the national ranking are Luxembourgish banks, as analysed by KPMG in the market analysis.

Opportunities

Strong economic context: Luxembourg is the second largest investment fund centre in the world., and has a significant reputation since the 60's. The banking sector is the largest sector in the country's economy. Luxembourg hold the most important private banking centre of the Eurozone.

Market is favourable of technology: Studies show that Luxembourg the one of the 1st for technological readiness worldwide. According to the Global Baking and Finance Review, the banking industry will pull away traditional banking methods and will embrace digital transformation. Digital economy will only continue to steam ahead to satisfy the growing digitalised consumers. For ING this represents an opportunity, as the bank invests a lot in development and innovation.

New working methodologies: The customer experience trends in the banking sector are suggesting that banks will have to change their infrastructure in order to be future-ready and millennial-friendly. New digital initiatives will be created to become an open-bank. The financial institution ING is the first bank in the world to show the leading example of an agile way of working, which is an inevitable strategic opportunity for the Dutch bank.

Threats

Distrust of banks: When the crisis hit the financial sector in 2007, one of the consequences was that distrust and suspicion towards banks became more present. Unfortunately, a negative image sticks to the banks in general, and it is difficult to change people's mind when it comes to money.

Global economic context: Challenging low interest rates can negatively affect the demand of loans. This means it can be more clients can be more difficult to persuade customers to use banking services in general.

New legislative framework: New governmental and financial regulations were meted out, which could increase risk of errors for the financial institutions and cause confusion for customers. As it is a complex subject, customers must be properly informed about the changes of the General Data Protection Regulation for example. Other regulations, such as MIFID II will strengthen investors protection, but will be more challenging for bankers (confidentiality reasons).

SWOT analysis at a glance:

Strengths	Weaknesses
√ Brand Reputation & Awareness √ Strong Corporate Culture √ Customer-oriented bank √ Excellent results: √ Satisfied customers: √ Significant investment in technology	□ National banks are preferred vs. International
Opportunities	**Threats**
□ Strong economic context □ Market is favourable of technology □ New working methodologies (trend)	□ Distrust of banks □ Global economic context □ New legislative framework

► **Question 2: How does ING Luxembourg face threats?**

It is inevitable that ING Luxembourg will be influenced and imposed by environmental factors, (such as low interest's rates f.ex.) as extern factors can not be controlled or predicted in some cases. Like the financial crisis in 2007 lead many banks to a difficult period, which makes it difficult for any given organization to gain customer loyalty.

ING Luxembourg set up two phases: RUN and CHANGE phase for its Customer Experience Management. The RUN phase is the analysis and action part; employees from different squads hand in incoming customers feedbacks to the customer experience team and the analysis part consists in the work of defining client irritators and define action plans to improve the overall experience. The second phase named CHANGE is where ING is in co-creation with customers to create and develop desired and adapted products and/or services.

As an example, ING Luxembourg improved its digital features of the ING mobile app in 2017, where customers are now able to choose to either pay per mobile (Digicash) or can choose to consult their expenses in real-time (live) for debit and credit cards. Everything is handled with the perspective of serving the client, in order for him to access, use, and benefit from ING banking services in the easiest and most comprehensive way possible.

Furthermore, governmental and financial regulations were imposed in 2018. ING targets the grand public and tries to make banking accessible for everyone: in a clear, easy and simple way - even though banking is a complex and quite difficult topic. Customer experience analysts and experts' main objective is to make the new law's complexities look easy, simple, and understandable. Make banking look easy is the most challenging part of their job. For the General Data Protection Regulation (GDPR) ING Luxembourg went straight to the point with its straight-to-the-point communication, and the cookies were briefly, yet clearly explained.

► **Question 3: In your opinion, what do you consider to be the main factor for a strong customer experience? How is CX perceived at ING?**

The main factor for a strong and successful customer experience would be listening to the voice of your customers. This is the starting point of any company aiming to achieve its customers' loyalty, satisfaction and repurchase probability of the targeted population. A customer who feels understood, respected, loved, and empowered will engage a more positive and long-lasting relationship with a brand.

In today's world individuals prefer quick issue resolutions instead of long, and difficult procedures. The efficacity and rapidity of an organization is crucial in these fast-evolving times and will influence customers' experience. The way people are treated by customer service representatives will not only influence their buying decisions, but also shape their image and impressions of the brand.

Furthermore, word-of-mouth is a powerful advertising tool and customers trust recommendations from relatives, friends, or colleagues. The digital empowered users communicate and share content on social media platforms, which is a non-controllable information-spreading process.

Thus, the impact of social media on customer experience cannot be denied. Marketers must ensure a brand's online presence and create marketing messages that reach consumers properly. The art of communication is a very complex, yet delicate matter that should reflect the company and its values.

Bad press or reviews which leads to poor publicity and can also affect significantly a brand's image as a company. It is crucial for any organization to stay transparent, especially within the financial sector. Firms that are confronted with bad publicity must react quickly and respond to it in an intelligent, assertive and efficient manner.

Since ING's creation, the bank has been known for being a customer-oriented bank that takes customer experience very seriously. Corporate culture plays also a crucial role in an organization's success. Individuals who work together upon shared beliefs and values of a healthy culture will be able to create a positive and productive work environment and hereby prevent internal conflicts. As ING Netherlands' chief information officers Peter Jacobs and Bart Schlatmann point out that culture is the most important element of any firm wanting to change and strive for the best.

► **Question 4: Explain the link between an agile way of working and customer experience enhancement. Justify.**

The agile way of working leads to act with freedom around the workplace. It is a management style that shows initiative and evaluates one company's ability to change, which goes along with fast-changing customer needs and wants. This new way of working assures a greater organizational responsiveness and aims the optimisation of the staff members performances'.

An organization's culture is what is going to determine one company's brand identity and how it is perceived by its customers. Employees represent the company they work for and are ambassadors of the brand. It is highly important to maintain a happy, positive, and inspirational workplace. Satisfied employees result happy customers – which is easier said than done.

When customers are contented with one company's quality of product or service and they feel like they have been treated and guided through the buying process with respect, they tend to live the experience more positively.

The two concepts of agile way of working and customer experience enhancement are very closely linked. Firms (like Google, Netflix, etc.) that have implemented an agile way of working do everything they can possibly do to keep their employees satisfied. Numerous companies invest in facilities on site (such as different types of desks and rooms available to employees, gym, canteen with nutritious options, etc.) to integrate well-being in the workplace. By doing this, company's underline the importance of self-care, even at your work environment. These measures will encourage all employees to focus on well-being, and to decide for themselves how they would like to integrate it into their lives.

Once your employees' working experience is assured, the probability is high that your customers experience is too. In a professional or private context, human beings are more kind-hearted towards others when they are at peace with themselves. This philosophy has long been absent in the busy working world but seems to have gained interest in the past decade.

The agile way of working was implemented in 2017, a year with excellent results for the bank. The Net Promoter Score has increased in all the business lines and customers seem to be happier than ever. The same year ING group was elected 'Best bank in the world' by Global Finance magazine.

► Question 5: Describe the two stages of the Customer Experience Management of ING Luxembourg.

First and foremost, ING employees are obliged to follow systematically the same procedure for any action, operation, task or feedback: the close the loop process. The set of feedbacks will enable the team to execute following actions: gathering, handling, responding, analysing, managing, and reporting every feedback in one place.

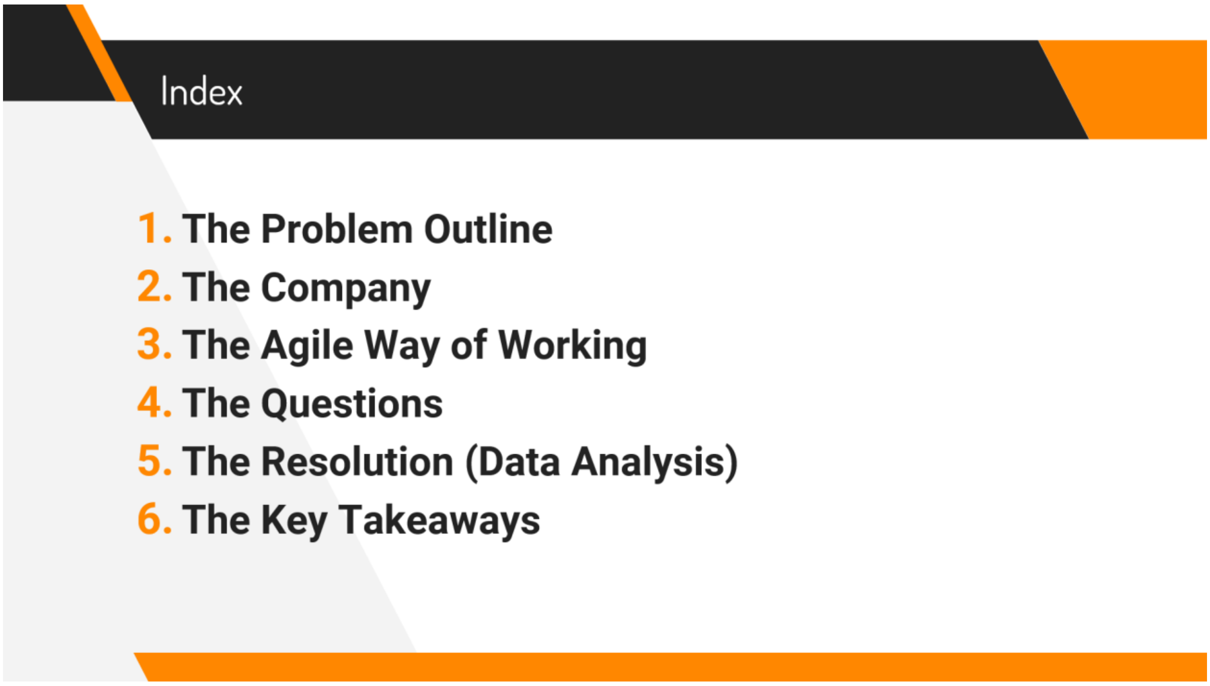
The first stage is the "Run Phase" which is based on the action, as the name underlines it. It is an on-going phase for ING Luxembourg to collect the customer's voice throughout different communication channels. There are feedbacks that are requested from the bank: ING conducts yearly customer satisfaction survey and measures customer satisfaction and loyalty based on their willingness to recommend ING to others. Clients are asked how likely he is to recommend ING straight after having used one specific operation (f.ex. Request of a personal loan online). These surveys will provide ING with quick follow-up opportunities; unfavourable scores for example can quickly be detected and corrected more rapidly (if possible). It is also a way for the bank to keep in touch with its existing customer base and analyse the evolution of their satisfaction.

The other type of feedback is non-requested, collected via different channels: branches, online banking service, employees, Net Promoter Score (NPS) surveys, and the ING Contact Centre. The incoming feedbacks are uncontrollable and unpredictable.

The second part is the “Change Phase” in which collaboration is the focus. By introducing a methodology called PACE, the bank has accelerated their innovation capabilities. This leads ING to be prepared for the future, whatever the speed of change is (regulation, society, customer behaviour, technology Fintech, and competitive landscape). The teams are obliged to validate new projects continuously with customers consent, in order to be aligned with their needs and wants.

Once a new product or service was designed, a set of selected customers who are close to the employees will be asked to test a premiere version of the new product or service. Through comments and feedbacks from this group of people helps evaluate the quality of the product or service and major errors or dysfunctions can be avoided.

10.9. Case resolutions slides or spreadsheets



1

The Problem Outline

FINANCIAL CRISIS IN 2017

Banks faced a difficult period and severe consequences. Distrust & suspicion towards financial institutions aroused.

THE AGILE WAY OF WORKING

In 2015 ING became the first bank to adopt this new management style.

CUSTOMER EXPERIENCE EMBEDDED IN THE BANK'S STRATEGY

2

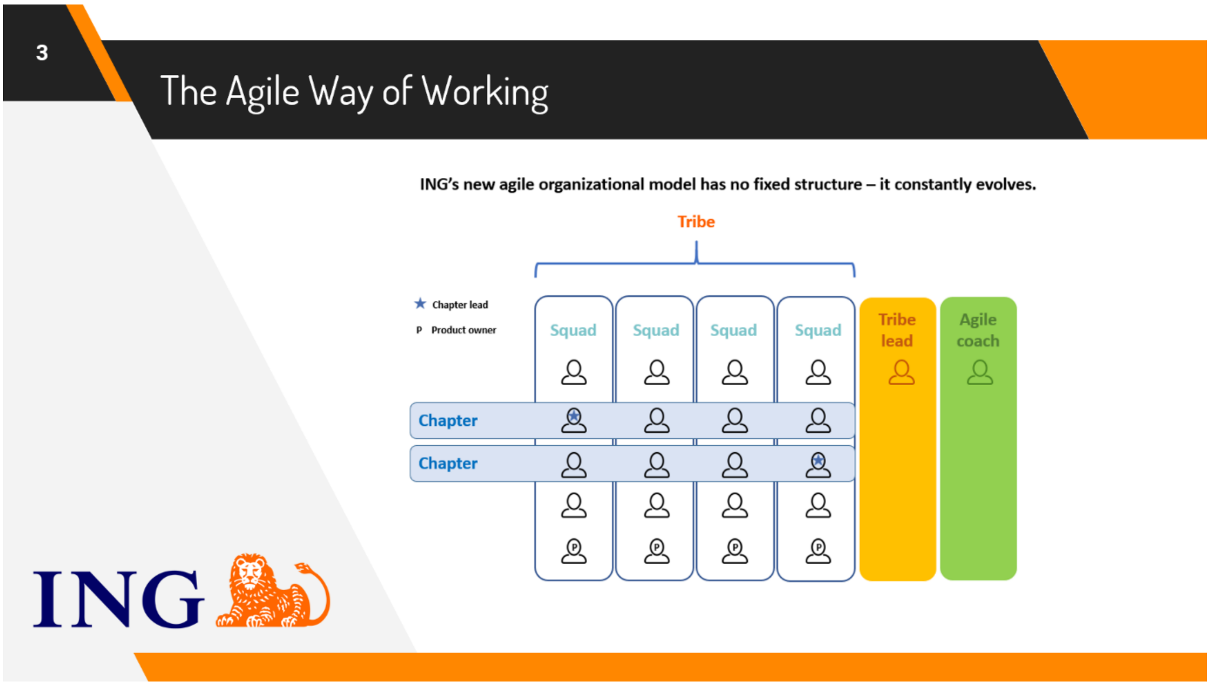
The Company

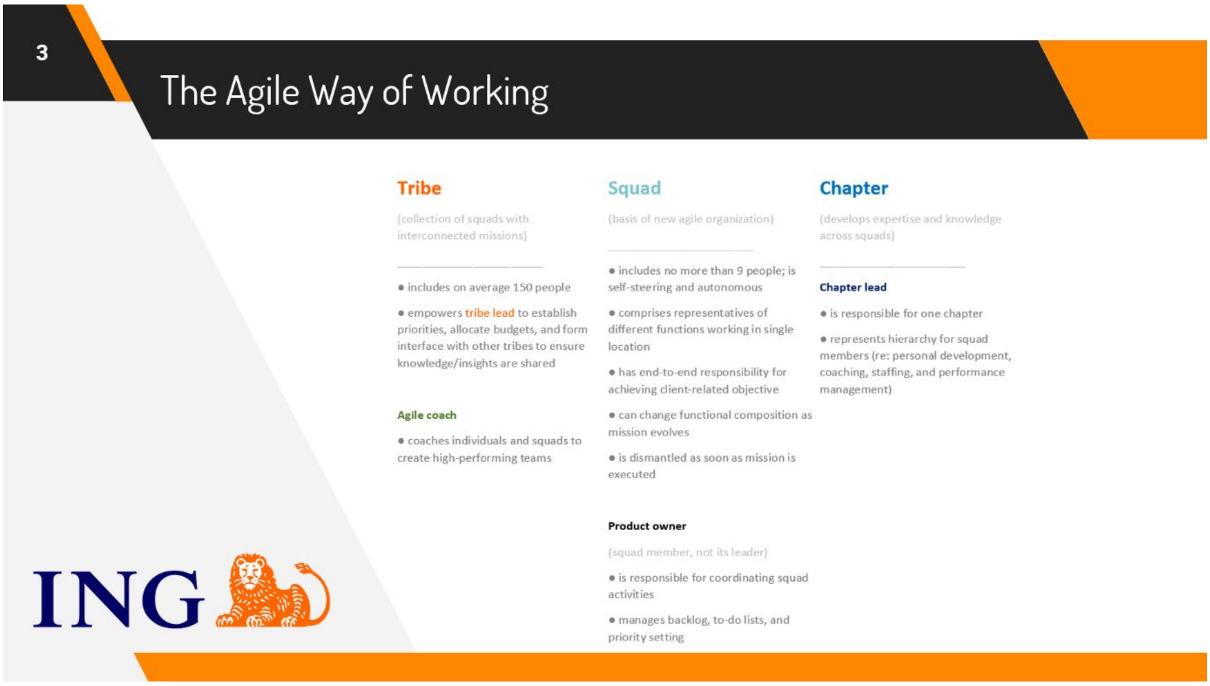
ING

ING (Internationale Nederlanden Groep)

is a Dutch global financial institution offering banking services through its operating company named ING Bank.

- created in 1991 in the Netherlands through a merger between Nationale-Nederlanden and the NMB Postbank Group
- known for its orange lion logo & its customer-centric culture
- implemented in over 40 countries
- working with 51.000 employees
- serving 37.4 million of clients around the globe: 10.8 million are primary relationships
- elected Best bank in the world by Global Finance magazine in 2017


3
The Agile Way of Working
ING's new agile organizational model has no fixed structure – it constantly evolves.
Tribe
Chapter lead
P Product owner
Squad
Squad
Squad
Squad
Tribe lead
Agile coach
Chapter
Chapter
ING


3
The Agile Way of Working
Tribe
(collection of squads with interconnected missions)
• includes on average 150 people
• empowers tribe lead to establish priorities, allocate budgets, and form interface with other tribes to ensure knowledge/insights are shared
Agile coach
• coaches individuals and squads to create high-performing teams
Squad
(basis of new agile organization)
• includes no more than 9 people; is self-steering and autonomous
• comprises representatives of different functions working in single location
• has end-to-end responsibility for achieving client-related objective
• can change functional composition as mission evolves
• is dismantled as soon as mission is executed
Product owner
(squad member, not its leader)
• is responsible for coordinating squad activities
• manages backlog, to-do lists, and priority setting
Chapter
(develops expertise and knowledge across squads)
Chapter lead
• is responsible for one chapter
• represents hierarchy for squad members (re: personal development, coaching, staffing, and performance management)
ING

4

The Questions

- **Question 1**: Develop a SWOT analysis of ING Luxembourg based on the given case and appendices.
- **Question 2:** How does ING Luxembourg face threats?
- **Question 3:** In your opinion, what do you consider to be the main factor for a strong customer experience? How is CX perceived at ING?
- **Question 4:** Explain the link between an agile way of working and customer experience enhancement.
- **Question 5:** Describe the two stages of the Customer Experience Management of ING Luxembourg.

5

The Case Study Resolution – Data Analysis

- **Question 1: Develop a SWOT analysis of ING Luxembourg based on the given case and appendices.**

Strengths	**Weaknesses**
√ Brand Reputation & Awareness √ Strong Corporate Culture √ Customer-oriented bank √ Excellent results: √ Satisfied customers: √ Significant investment in technology	□ National vs. International
Opportunities	**Threats**
□ Strong economic context □ Market is favourable of technology □ New working methodologies (trend)	□ Distrust of banks □ Global economic context □ New legislative framework

5

The Case Study Resolution – Data Analysis

► **Question 2: How does ING Luxembourg face threats?**

● ING Luxembourg set up two phases:

RUN: Analysis + Action

CHANGE: Co-creation with customers

● ING improved its digital features (mobile pay, real-time debit and credit card consultation online)

● ING's challenge is to make banking look easy and simple: by simplifying texts, straight-to-the-point communication

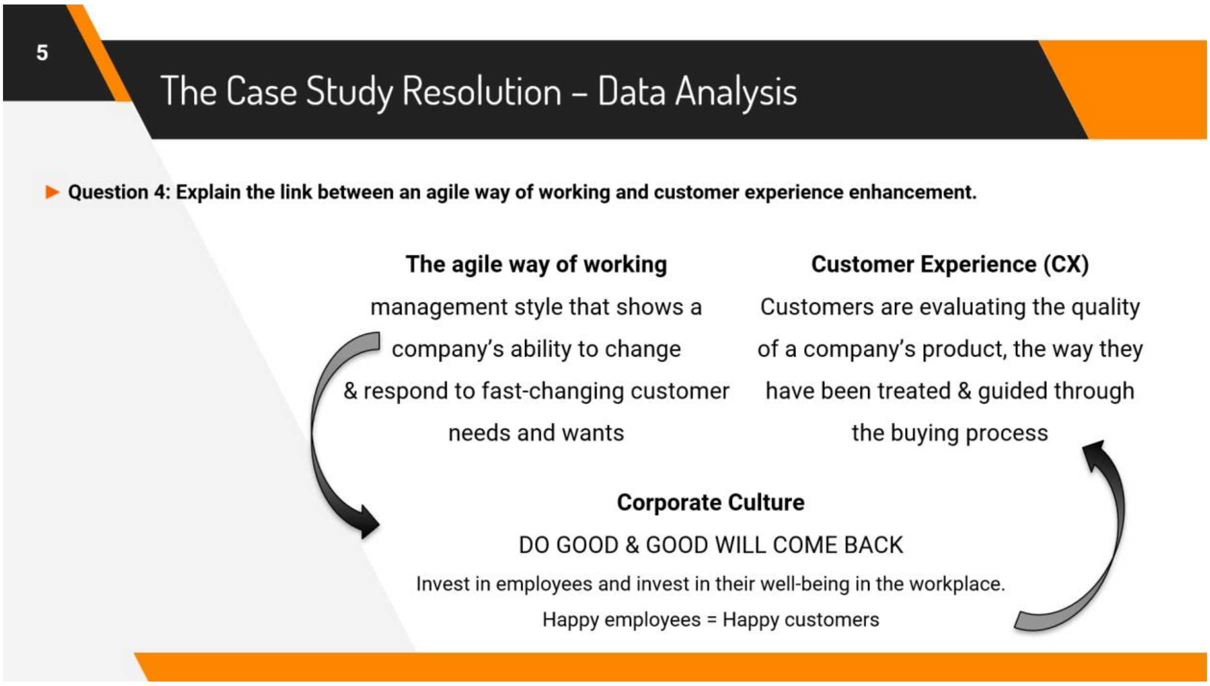
5

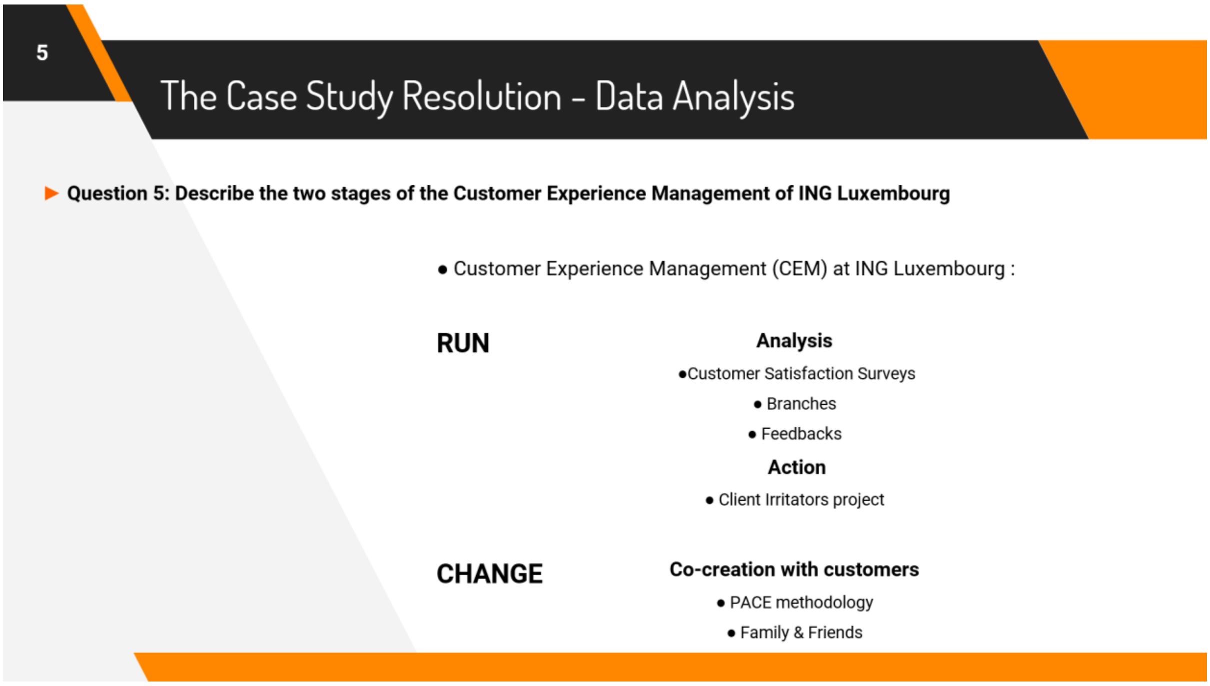
The Case Study Resolution – Data Analysis

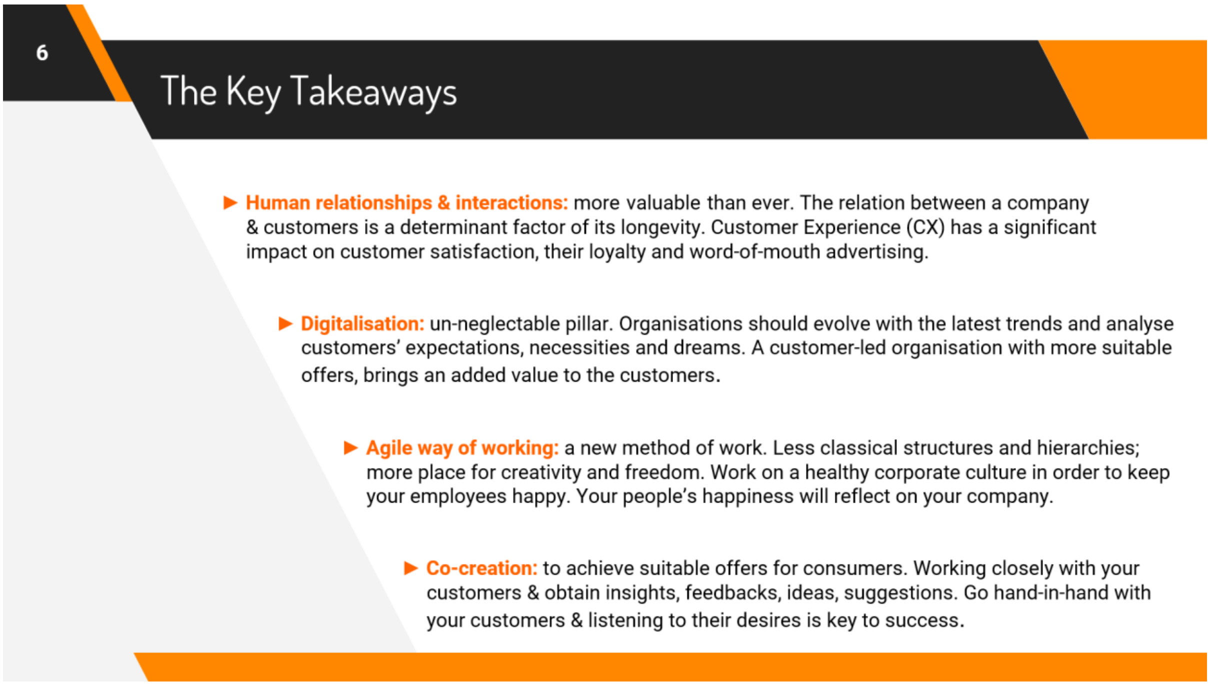
► **Question 3: In your opinion, what do you consider to be the main factor for a strong customer experience?**

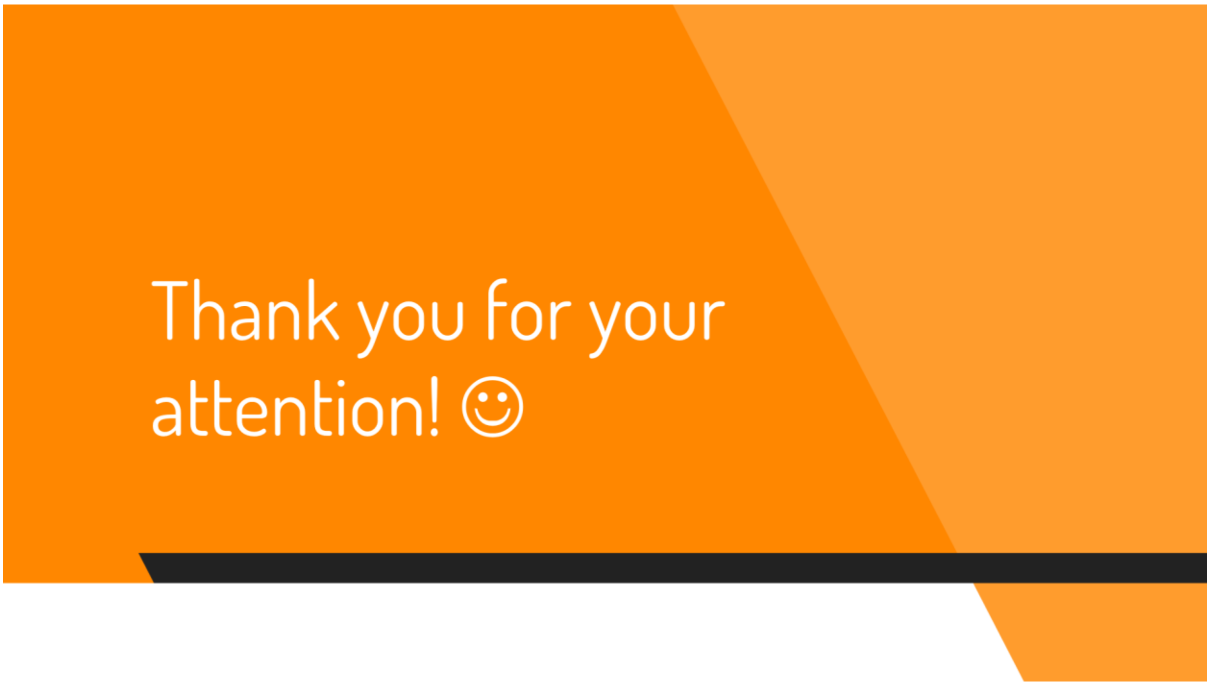
How is CX perceived at ING?

Customer-oriented bank that takes Customer Experience (CX) very seriously.
CX is put in the heart of the bank's strategy.
Corporate Culture = plays a crucial role in ING's success


5
The Case Study Resolution – Data Analysis
Question 4: Explain the link between an agile way of working and customer experience enhancement.
The agile way of working
management style that shows a company's ability to change & respond to fast-changing customer needs and wants
Customer Experience (CX)
Customers are evaluating the quality of a company's product, the way they have been treated & guided through the buying process
Corporate Culture
DO GOOD & GOOD WILL COME BACK
Invest in employees and invest in their well-being in the workplace.
Happy employees = Happy customers


5
The Case Study Resolution - Data Analysis
Question 5: Describe the two stages of the Customer Experience Management of ING Luxembourg
● Customer Experience Management (CEM) at ING Luxembourg :
RUN
Analysis
●Customer Satisfaction Surveys
● Branches
● Feedbacks
Action
● Client Irritators project
CHANGE
Co-creation with customers
● PACE methodology
● Family & Friends


6
The Key Takeaways
Human relationships & interactions: more valuable than ever. The relation between a company & customers is a determinant factor of its longevity. Customer Experience (CX) has a significant impact on customer satisfaction, their loyalty and word-of-mouth advertising.
Digitalisation: un-neglectable pillar. Organisations should evolve with the latest trends and analyse customers' expectations, necessities and dreams. A customer-led organisation with more suitable offers, brings an added value to the customers.
Agile way of working: a new method of work. Less classical structures and hierarchies; more place for creativity and freedom. Work on a healthy corporate culture in order to keep your employees happy. Your people's happiness will reflect on your company.
Co-creation: to achieve suitable offers for consumers. Working closely with your customers & obtain insights, feedbacks, ideas, suggestions. Go hand-in-hand with your customers & listening to their desires is key to success.


Thank you for your attention! ☺

10.10. Management conclusions to be drawn from the case in question

In a digital world, human relationships and interactions have become easily replaceable, yet more valuable than ever. In a time of fast-evolving trends, consumers rapidly switch behaviours, which makes it difficult for any given organization to obtain their loyalty. This case study supports the idea that a relation between a company and customers is a determinant factor of its longevity. Besides, customer experience has a significant impact on customer satisfaction, their loyalty and word-of-mouth advertising.

The main subject of the case study ING Luxembourg is marked out by its quality of customer experience and continues to be a step ahead on the Luxembourgish market. The Dutch group is known for its optimal combination of digital means and human touch. Since ING integrated customer experience in the core of their marketing strategy and adopted some ways of the agile way of working, their results as a bank improved significantly.

As a matter of fact, technology does play a crucial role in our society. Organizations should evolve with the latest trends and analyse customers' expectations, necessities and dreams. A customer-led organization with more suitable offers, brings an added value to the customers.

This project supports evidence how an agile way of working and customer experience tools can be easily integrated within a structure of a bank, or other organizations; and herby change significantly the relationship with existing customers. Other topics such as the perceived brand identity, image or reputation result from customer experience and satisfaction.

Organizations use co-creation for new developments of products and/or services. By working closely with their customers, the firms obtain an important amount of insights, feedbacks, comments, ideas, suggestions, critics, and recommendations. Going hand-in-hand with your customers and listening to their desires is key to success.

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CHAPTER 12. ANNEXES

ANNEXE I: Qualitative Study: Interviews at ING Luxembourg

Cyrielle PIEZANOWSKI, Head of Campaigns & Customer Intelligence
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T +352 44 99 32 20

1. **Which changes did the marketing department go through this year (2017)?**

2017 was a year full of changes for the marketing department.
Internal Organization: In 2017, the whole bank moved towards a new central location in Luxembourg city center. This big change was also enhanced in a project called "new way of working". The new building made it possible to enhance a more collaborative way of working and a flex desk approach to work with different types of desks available to employees (open space, meeting room, isolated working room…).

In terms of visibility and recruitment, the new building has enhanced brand visibility and makes it easier to recruit cross-border employees. In terms of internal organization, the market department also faced an important evolution. The new organization moves the team towards a customer centric position within the Retail team and integrates the whole process towards the mission of "providing the right message to the right person at the right moment".

The Campaigns & Customer Intelligence integrates: understanding customers' needs, following the strategy of the competition, enhancing the customer experience, identifying the right product for the right customer, setting up the right message communicate towards the customers in a personalized but automated way.
The official news announcing the new team:

« Chères Collègues, Chers Collègues,

Depuis le début de cette année, nous parlons d'accélérer la mise en œuvre de notre stratégie ("**moving forward faster**") et ce pour mettre en place les changements nécessaires afin de créer une expérience client qui nous différencie de la concurrence (**differentiating customer experience)**. Dans cette optique, une **approche omnichannel** est essentielle pour garantir notre avenir. Le regroupement de certaines de nos activités au sein de plus grandes équipes nous donnera davantage d'**agilité.** Et nous avons besoin de **collaborer davantage :** aider les autres à réussir fait partie de notre Orange Code. Voilà pourquoi nous avons décidé d'apporter les changements suivants dans notre organisation et ce, à partir du 1er janvier 2017.

Changements au sein du Retail Banking : Les activités actuelles de « Campaigns & Advertising », « Customer Experience » et « Strategy & Business Intelligence » seront désormais regroupées au sein d'une nouvelle équipe appelée Campaigns and Customer Intelligence. La mission de cette équipe sera de soutenir les ventes et de maximiser la visibilité d'ING Luxembourg et ce, en utilisant les outils de « customer intelligence » pour assurer une **meilleure offre au client.**

Nous allons constituer également une équipe **Digital & Innovation** qui intégrera Internet & Mobile ainsi qu'Innovation. Sa mission sera d'améliorer l'expérience client à travers tous les canaux (réseau d'agences et digital) et pour tous les métiers. Cette équipe garantira une **approche « channel » cohérente** pour tous les segments de clientèle. »

2. **What is the structure of your actual team? (3 marketers, 2 data analysts,……etc.)**

1 Market Intelligence Analyst
3 Marketeers
2 Customer Intelligence Analysts
1 Customer Intelligence Expert

3. **In what year did ING group integrate Customer Experience within their marketing strategy?**

2015

4. **Would you say that personalization is key to success in CX?**

Yes! Definitively! The idea is to give clients whatever they need, whenever they need it, through their preferred channel, moving from product driven orientation towards a true customer centric approach.

Dorian COUFFIGNAL, Customer Experience Specialist
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1. **What does Customer Experience mean to you? What does it mean for ING?**

'For me, customer experience ensures that every interaction that the client has with ING is the most intuitive, and logical possible. (For example: The IPhone, created by Apple, is very simple to use, even for a person who never used it before). The client must have the same experience with the bank; whether it is via digital channels, the mobile application, or in branch. It is important to maximize customers' time, the efficiency of our services, and ensure that it is as pertinent as possible for our clients.
For ING, it is following this logic, but more concretely customer experience at ING is: let in the customer's voice in every tool, implement, development or reflection. The technique of *the customer's voice* is to interrogate the customer directly on different subjects. For example what do customers think when they enter the relationship with ING starts? What do they think? What do they like, and dislike? What would they change? ING is biased from its internal knowledge of the banking world compared to the client, for who it isn't always an easy/evident topic. This is why this process puts the clients in the centre of our preoccupations, in the aim of creating necessary tools for a logical use and which is comprehensive for all our clients. (For example: not all the clients are familiar with MiFID II)'

2. **What are the most important elements (the key words) of customer experience within ING?**

‘The customer’s opinion has to count, which has to be interpreted in the right way in order to develop the features, tools, products that are useful. The most important key word is utility/usefulness. In today’s world, we cannot afford anymore to develop products and/or services without really knowing if it’s going to be a success or not, which is the reason why ING doesn’t create anything without its clients’ opinion.‘

3. **Since when is CX integrated in ING’s strategy?**

‘Around the end of 2015, but officially at ING Luxembourg it started in 2016.

4. **How did you perceive the customer experience evolution within ING group? Within ING Luxembourg?**

‘Very gradually. It is a path that not all the companies have explored yet, but that is discovered little by little. The problematic was to build a real integration methodology in the first place to integrate in our reflections, which results the PACE methodology. This methodology is a mix between *Lean start up*, *Design thinking,* and A*gile working*. **Innovation Boot Camp** is an innovation competition that ING organises for its entities; employees come up with idea and a selection is done. Once the ideas are chosen, the groups work on these projects, which implies to concert a set of clients. Since the creation of ING Luxembourg, the bank has kept its follower position of methodologies set up by the group from parent company based in the Netherlands.‘

5. **What are the economic advantages of having a great customer experience?**

‘The first advantage is a better distribution of the resources: we avoid developing products or features that the customers will not use; in order to respond to customer’s demand by creating useful tools.
The second is to be able to cut off early in our resources. When we invest in a project we can see if it’s profitable or not, we are able to react quicker. To resume, thanks to this methodology of the voice of customer, we increase the customer’s loyalty, by developing useful things that are interesting for him.
The last advantage is that this methodology of work is a differentiating element based on the other banks. Although today this is a topic that isn’t very visible for the consumers, path for the future.’

6. **How is CX measured at ING Luxembourg? Which tools are used?**

‘Regarding the quantitative measurement we use the Net Promoter Score enquetes
From a purely **quantitative measurement** point of view we use Net Promoter Score (NPS) surveys, which are carried out at several levels; relational or transactional. For ING, NPS surveys are much more than just a simple question (Would you recommend ING to someone close to you?). The questions are deep: *What is the customer looking for? What does he like? What is wrong?* are the questions we ask ourselves. NPS is more than just a note (which is advantageous for reporting and get to know the trend), what is interesting to analyze is the **evolution of the NPS score**. As the trend is positive in 2017, for our 3 business lines (Retail

Banking, Private Banking and Wholesale Banking), this shows that the choices that have been made are good. The NPS tool is therefore one of the key elements to measure the customer experience.

There is another way to measure the customer experience, which is a **qualitative measure**. This is done through interviews with the clients. Often, these interviews lead to other topics coming from our clients.

7. **Regarding the management tool NPS (Net Promoter Score) :**

- Which year did you start conducting NPS studies at ING Luxembourg?

ING Luxembourg started in 2012.

- Which type of NPS studies does ING work with?

Overall we work with two types of studies: **relational** and **transactional**.
Relational: how does the client feel about the way he interacts daily with ING (the agencies, the contact center etc.)? The goal is to analyze the customer relationship, the human an relational aspect, in its entirety without necessarily going into details. Relational studies are conducted once a year for each business line, in order to follow the evolution from year to year.

Transactional: these studies are much more precise. For example for a credit application: *what does the customer think? What does he like? What's wrong ?* This is more product-oriented, a transaction, on an item where we will be able to do a "deep dive" of things that can be improved. (eg. the timing of the response to the credit application: must it be answered in less than 48 hours? 72 hours or less?) Transactional studies are on the need of the moment.

- How do you proceed? (from survey creation to final results, action plans set up)

The **creation of the questionnaire** is the most important element in a study. This will enable us to analyze and draw conclusions and recommendations. This step can take time and delays, but it is the element that will define the whole study. It is better to take your time and make sure that it is done well, by consulting the managers of the business line in question, and product managers, who each give an opinion. It is better to take the advice of 4-5 people, to gather around a table to deepen what they expect from the study. Next step is the **programming** part of the survey. Today we collaborate with an external partner, who must program the questionnaire online, set up links on which customers will be able to click. Then we have to send the invitations to the customers so that they can answer the questionnaire. In general, the study is closed after 3 weeks. Finally, we move to the last step: the **analysis**, where we will create all the statistics of the study (tables, cross-referencing of the data ...) in order to be as precise as possible and finally be able to answer the questions that the managers of the different departments had at previous meetings. Then we go to the stage of creation of action plans /

recommendations with the managers of trades or products. They are presented with the results and together they create action plans / recommendations.

8. **How do you evaluate ING's customer experience compared to the other main banks on the Luxembourgian market?**

The ING customer experience is very different from other banks, this also depends on the different types of positioning of the other banks on the market. The market leader "Spuerkees" (BCEE) has a special business model that other banks can not really compete with: it is a Luxembourg state bank, which is present throughout the country, and which has the largest number of Luxembourg clients (this is an institution in Luxembourg). With an imposing positioning, the number of resources and high customers, the Spuerkees is known for its extremely relational side with the customer. With a market share of between 40 and 50%, BCEE does not necessarily have the need to differentiate itself. Their clients like to interact with the bank (go to an agency, be on the phone with their Relationship Manager) - which is their key to success. This is the reason why BCEE is more of a follower in terms of innovation, with generally 2 to 3 years of "delay". The only problem is that nowadays, with the European laws more and more strict (Mifid, PSD2) Banks have no choice but to open and make accessible by any external provider.
Other banks such as BIL (Banque Internationale à Luxembourg) offer similar products, sometimes more sophisticated. They are quite active with the Fintech and are constantly looking for new opportunities. In terms of image BGL/BNP Paribas is very similar to us, they develop quickly and if necessary innovates internationally and can count on the parent company in Paris, making it the number 1 competitor for us.

The Raiffeisen and Post have the same positioning as BCEE, with smaller structures and therefore fewer customers. "

9. **How do you expect the future of ING's customer experience?**

Today's problem is that big innovations require more and more IT investments, and at some point our IT budgets will not be enough. The unified group within ING will become more and more important.

Muriel HOLLER, Customer Experience Specialist
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1. **What are your main tasks?**

My daily tasks are directly related to project management. Indeed, I am product owner of 2 projects aimed at improving the experience of our customers with ING Luxembourg:

- **Irritators**

For all our customers (Retail, PB, Wholesale)
Who have issue with our products/services
The "irritators project" **is a** series of customer irritators to fix
That allows to serve them better and to maintain our NPS score.

- **Data Analytics**

For all our customers (Retail, Private Banking, Wholesale)
Who want the best customer experience with ING
The "Data Analytics" project is leveraging on multichannel data analysis
That aims to better understand our clients behavior and transactions
Unlike marketing one to all
Our *project* will allow to offer a personalized and relevant communication to our clients in an omnichannel approach

2. **How much interaction do you have with your customers? In % of the total tasks?**

No more than 10% of actual interaction with the customer. The time for me to support their feedback (negative or positive) and to thank them.

3. **What is the process you follow when you face negative critics/feedbacks?**

Negative feedback will allow us to continually improve our customer journey and it is very important to take care of it. The feedback will then be analyzed to make the distinction between a small discomfort and a real discomfort for the customer. In any case, the customer will be thanked for his feedback and in some cases (if possible) if improvements are put in place, he will be notified.

4. **Who is responding to negative feedbacks? Criticism? Complains? How does ING handle unhappy customers?**

Complaints are handled by the Complaints service.

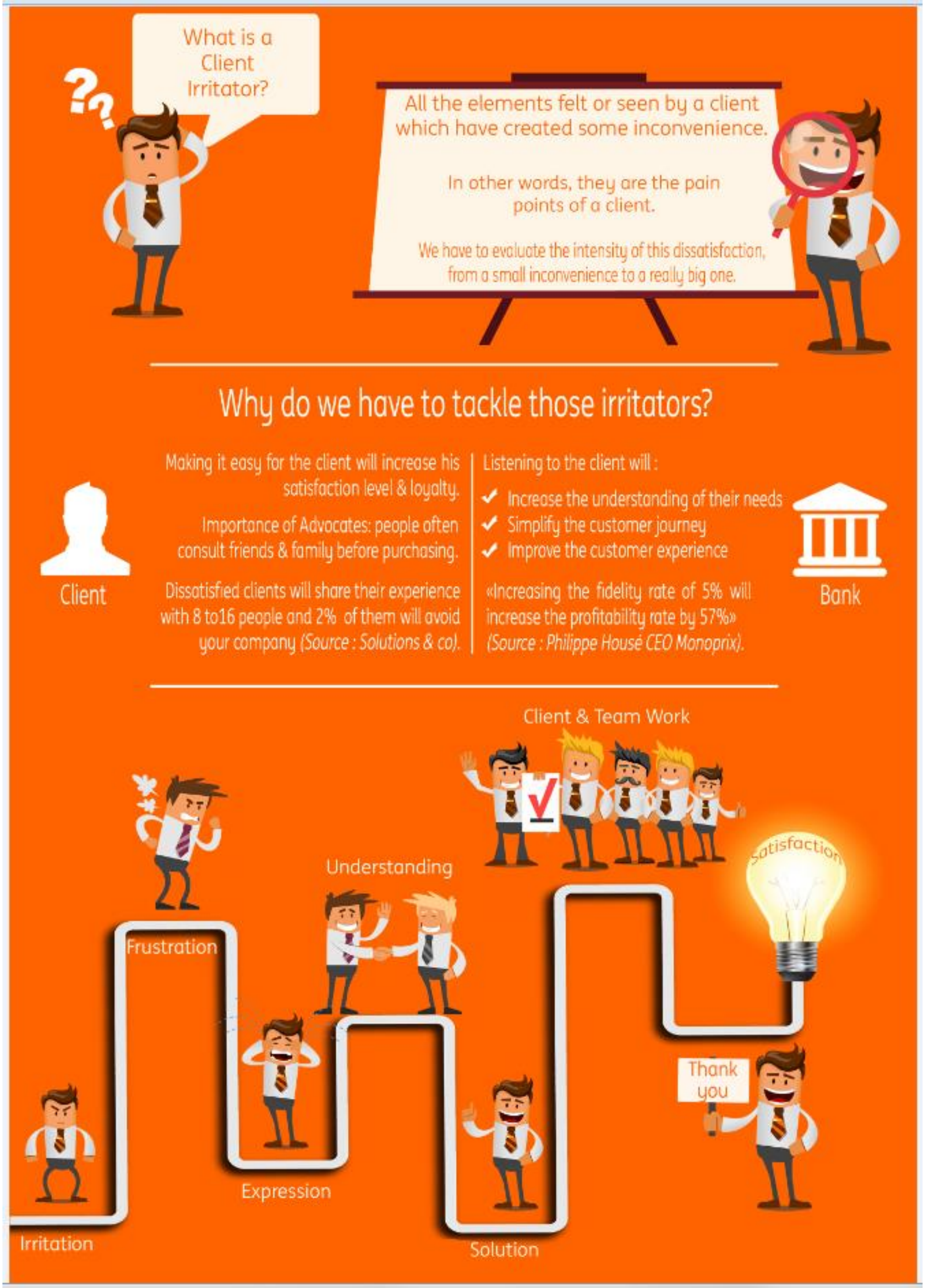
5. **How many irritants did you have to manage/tackle in 2017?**

You must know that all irritating customers are included in a backlog. Then, they are prioritized according to their impact. In 2017, we processed 13 through the "Irritators" project (depending on the budget allocated).

6. **What is the hardest part in this job? What are your limitations when setting up action plans?**

The biggest challenge remains the legal part to integrate in the customer journey.

Illustrations:



Eric JACQUEMART, Head of Bank Transformation
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1. **Could you please introduce yourself, such as your missions and tasks within ING Luxembourg?**

I am member of a team called "Transformation Office", so involved on projects that are helping ING Luxembourg to adapt its services in a changing environment.

In that team, I am especially in charge of Innovation, which is covering several distinct missions. First, to be the local contact with all innovation related topics. For example, the local coordination for the bank-wide ING Innovation Bootcamp. I am also the contact for ING Luxembourg for the FinTech companies. I am involved in the local ecosystem, I meet the local ones and I coordinate the approach with ING FinTech global team. I also represent ING Luxembourg in ING FinTech Village, organized in Belgium.

And, and it's more recent, I am deploying locally the ING innovation methodology.

2. **What does Customer Experience mean to you? What does it mean for ING?**

Customer experience is a key element of any service company. Nevertheless, it must be said that in a very traditional industry as banking, Customer Experience has only become a key concern in the recent years.

Banks are now pushed by technologic innovations, by competitors (like FinTech companies) that are 'kind-of' building their offer by leveraging on a great customer experience but we are pushed also by our customers that are expecting the same great experience from their bank as the one they are experiencing with the Google, Facebook, Apple, …

ING emphasizes a lot this importance. Actually "Creating a differentiating customer experience" is the central strategic priority of the strategy ING defined in 2014.

So we are, and I am too, convinced that in a world of financial services where there is a growing commoditization, it's by delivering a superior customer experience that a bank like ING will be able to make the difference.

3. **What is PACE? When was it first introduced at ING Luxembourg?**

PACE is an ING internal name, it's not an acronym, it is a reference to ING's ambition to increase the pace of innovation and basically be in the same league as the startup / FinTech companies in terms of being able to translate an idea to a first realization in less than 6 months.

In terms of content, PACE is a methodology, so a set of principles, tools and techniques to help ING employee to innovation on the same basis. PACE includes some elements of the Lean Startup methodology, some of Design Thinking and some of Agile methodology.

PACE was already experienced by some ING Luxembourg employees in the recent editions of ING Innovation Bootcamp, but we started with a 'formatted approach' called PACE Everyday last year. A first wave of 6 weeks started on Oct, 2.

4. **What role does customer experience play in the methodology of PACE?**

If I mention that PACE role is to really understand what the customers want, to help us put in our customers' shoes or that PACE is the methodology that will help us make sure our innovation ideas are really valued by our customers, you will understand that it is a key role.

But it's worth mentioning that customer experience is often understood as the final layer, I mean the user interface. In that perspective, PACE is targeting a prior step : to make sure that the products/services we want to offer our customers are really the right ones, the ones they will value (or even love!), the ones that are solving their real problems.

When this is confirmed, of course we have to provide them with the best user experience, and PACE approach can help there too.

5. **How many percentage would you attribute to customer experience within the project?**

Based on the previous discussion… what if I say 200% ?

6. **What are the advantages of PACE methodology for ING Luxembourg?**

Like in all other entities, we are also developing new services/products. In the past, we have often taken decisions based on what we believed the clients wanted. This was often successful but now, in an environment where expectations evolve quickly, where interactions are more and more digital, with new technologies appearing constantly, we cannot continue to rely on our experience or "gut feeling" only.

So for ING Luxembourg PACE is really important. By applying it on our change portfolio, we will be sure to invest our (limited) means exactly on the right things.

7. **What are your outputs of this first wave of PACE?**

We had three teams working on different challenges in the first wave. Each wave delivered conclusions in their domain, for example on some assumptions that were true and verified with the clients … some other assumptions were invalidated.

Concretely, we were able to anticipate clients' reactions to the MiFID changes and understand that their concern was not the one we were initially thinking about. We also discovered very concrete reasons explaining why one of our tool was not used a lot by our customers.

But the main output is the fact that 12 employees had their first 'in-depth' experience with the PACE approach and are now fully convinced of its value. It's by the practice that employees learn the PACE mindset of going quickly to the customers to validate assumptions we, the bankers, have!

8. **Are there other PACE planned for the future? If yes, how many for 2018?**

Yes. I am currently preparing the second one, starting soon (Feb, 5) and we have already planned 3 of them for 2018.

Steve BERGER, Manager Contact Center
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1. **Could you please present the team of Contact Centre? (number of employees, working tasks, objectives)**

It all started in September 2015 through the fusion of four different teams/departments. I was responsible for setting up and managing the Contact Centre of Luxembourg. In order to do so, I had to visit and learn more about the working styles from different ING Contact Centres in divers' countries. Here in Luxembourg we are 13 employees that actively work in the Contact Centre. In Germany or in France, where ING is a 100% online bank, the number of employees is higher, as there are no branches. The customer can decide to express himself in four different languages (French, English, German and Luxembourgish). which is something very rare and unique compared to other countries. To improve the perceived quality of the service, customers calling ING Contact Centre are asked to select a language and their subject of call:

1. My ING / mobile APP
2. Payments / VISA
3. Account & Account operations
4. Investment
5. Credit application
6. Others

2. **How do you measure your team's performance?**

We conduct monthly qualitative and quantitative reporting's directly to the head office in Amsterdam, and we use it internally to measure the evolution of the Contact Centre team.
We measure on different levels our performance, like for example (data for January 2018):
Abandon rate (how many phone calls the team missed): gross number with branch queue
Exclusive branch queue: the officially correct percentage
ASA (Average Speed of Answer): 29 seconds
AHT (Average Handling Time): 4 mins and 11 seconds
Service Level (ING Luxembourg): Our promise to clients is to respond to 80 % of phone calls less than 30 seconds
Service Level Consistency (ING group): How often (expressed in %) do you keep your promise? January: 84% of the time.

In order to compare the performance of the different entities:

FCR (First Call Resolution)
If the same number calls back within 48 hours of the resolution of the first call, it is considered that the problem was not resolved.
For January 2018: 13 % not sorted out/ fixed, 87 % solved; 2033 FCR, 255 non-FCR
At the end of each call, the customer can rate the quality of his phone call and the advices that were given to him.

Customer Easiness Score (CES) (on a scale from 1 to 5): How easy was your call handled?
4.81/5 in January 2018
Customer Satisfaction Score (CSAT) (on a scale from 1 to 5): How satisfied were you with the call ?
4.84/5 in January 2018
98% (using the intern ING group formula)
Net Easy Score: 94%
ING Luxembourg has by far the best results at ING group.

3. **What is your team facing negative feedbacks/complaints?**

Furthermore, we use a program called "Optima" which the ING client advisor has in average 30 seconds after the call to fill out a form about the call.

The client advisor has to confirm the client ID, the group, subject, and caption. The advisor classifies the call as an **improvement** or **issue**. Every quarter a reporting is done to the customer experience analyst, which defines clients' irritators, sorted by importance.

Additionally, we send the reporting to the department named "Complaints", especially charged to handle every type of complaints received within ING Luxembourg.

4. **What is set up to guarantee the best customer experience?**

As we wanted to minimize customers and our time, we have set up a system that recognizes the country's origin incoming call. For example: when the client has a German phone number, the first language option will be German. Furthermore, reporting's are carried out for internal uses and for the head office in Amsterdam (qualitative and quantitative measurement).

Pascal TOUSSAINT, Complaints Manager
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1. **Could you please present your team?**

In total we are three people in charge of incoming complaints. Before the internal changes the complaints department was integrated within the Customer Experience department. We have no direct contact with the customer, it is mostly done through the Relationship Manager, or the Customer Experience department (which is recently has been named Campaigns & Customer Intelligence). Our team works with many departments, depending on the subject of complaint.

2. How do you handle unhappy customers?

Whenever the client expresses a complaint it is always submitted via 2 channels: the Relationship Manager or via MyING online banking service.

In terms of management, we have a data base where we report every complaint. Currently, we have three sources of incoming complaints:
- Means of payment
- Security Customer Services
- Other Complaints (our team)

Every 15 days we conduct a Data Quality Check with the two other responsible of Data Base. Every quarter an informative reporting (analyses, statistics, resume of everything was has been set up) is presented to the Commission de Surveillance du Secteur Financier (CSSF), which is a financial regulation in Luxembourg.

Once a year we present an in-depth reporting, where we present to the Executive Comitee an overall view on complaints, where we go into details and discuss action plans. Discuss
In terms of communication, the response time has to be short. The arrival of the new CEO of ING Luxembourg brought also some changes in the way we communicated with unhappy customers. We have to respond in a suitable and assertive communication style.