



Business challenge

To grow its primary banking base by a factor of two by 2020, ING DIRECT Australia aims to double its customer acquisition rate year-on-year. How could it inspire consumers to make the switch?

Transformation

ING DIRECT Australia created a highly automated marketing process — launching personalised campaigns 50 percent faster, boosting incremental sales conversion by up to 120 percent and driving increased cross-sell rates.



Claudia Lane
Manager, Targeted Marketing
ING DIRECT Australia

Business benefits:

50%
shorter time-to-market for
personalised campaigns

120%
increase in outbound call
centre sales conversion

Helps
double customer acquisition
rates every year

ING DIRECT Australia doubles customer acquisition rates year-on-year with personalised communications

Founded in 1999 and wholly owned by ING Group, ING DIRECT Australia is a leading direct bank. Employing more than 950 people, the bank delivers a comprehensive range of retail banking services, including mortgages, superannuation and everyday banking.

“IBM will help us to substantially reduce the cost of acquiring new customers across digital channels.”

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Manager, Targeted Marketing
ING DIRECT Australia

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Making banking personal

Today's retail banking market is more competitive than ever. Customers increasingly expect highly personalised services, but the incorrect perception that switching banks is difficult tends to mean that they will stick with their existing bank even if dissatisfied. For challenger banks such as ING DIRECT Australia, it is therefore vital to differentiate on its propositions.

Since entering the Australian market in 1999 as a nimble challenger to established bricks-and-mortar banks, ING DIRECT has quickly grown its market share. To continue its rapid growth, ING DIRECT aims to expand its primary banking base by a factor of two by 2020—and wanted a way to double its customer acquisition rates year-on-year to achieve the goal.

Claudia Lane, Manager, Targeted Marketing, ING DIRECT Australia, explains: “Having a single view of every customer’s interactions is a powerful way to provide personalised services and nurture loyalty—two key ingredients for business growth. We know that reaching out with relevant messages at the right time can make the difference between inspiring a customer to switch to us as their primary bank, and losing the opportunity to a competitor.

“In the past, our approach to personalised marketing relied heavily on manual work and data processing. Customers make decisions extremely rapidly, and to compete effectively we realised that we needed to engage with them in near-real time. To solve the challenge, we looked for a way to accelerate our marketing communications processes—enabling us to deliver targeted offers, and service information at speed and scale.”

Insight-driven marketing

After evaluating proposals from a number of vendors, ING DIRECT selected IBM® Campaign and IBM Interact as the foundation for its new approach to customer communications.

“We considered top-quadrant solutions against a set of key criteria,” recalls Claudia Lane. “For example, automation was essential to achieve our targeted levels of responsiveness and personalisation—enabling our marketing team to spend less time preparing our data and more time on value-added analysis.

“Of all the solutions we considered, we were most impressed with the IBM offering. With IBM Campaign at the heart of our outbound marketing process, we realised that we could dramatically shorten the time required to create and deliver personalised messages to individual customers.

“Similarly, IBM Interact offered us the ability to have the next best conversation with each customer at the time that they choose to interact with us. When every channel is integrated into a single view, we will know exactly where every customer is in the buying cycle, and be able to tailor our conversations based on their individual needs.”

She adds: “The aim is to transition from simply driving marketing activities based on insight and instead provide valuable insights for our customers that help them get ahead—and our IBM solutions are key enablers of that strategy.”

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Claudia Lane, Manager, Targeted Marketing, ING DIRECT Australia

Strong partnership

Working together with an expert team from IBM Global Business Services®, ING DIRECT created an automated, integrated marketing process, supported by IBM Campaign and IBM Interact. The new platform executes more than 100 contextual triggers per day to share relevant, personalised messages to over one million customers and prospects each month.

Claudia Lane comments: “In addition to providing a mature, robust offering, IBM demonstrated deep competence in the campaign management space. IBM also offered us the local resources we needed to get the most out of our new approach to customer communications.

“As well as being extremely knowledgeable, the IBM team understood and adapted to our culture from day one. In fact, they become so well integrated with the business that many of our own people didn’t realise they were external consultants. Our close collaboration helped us go live a month ahead of schedule.”

Fast track to loyalty

Today, ING DIRECT is achieving its goal of reaching out to the right customers with relevant messages at the optimal time—delighting its customers, increasing conversion and helping it drive towards its 2020 objective.

“In the past, a medium-sized campaign took around five to six days to build and test,” says Claudia Lane. “Today, we can roll out an entire campaign in just three days—a 50 percent reduction. Thanks to the time we’re saving with our automated marketing process, we can roll out three additional bespoke campaigns per week, helping us to focus on specific tactical or strategic marketing activities.”

By accelerating its marketing processes, ING DIRECT ensures that its messages reach customers in a timely manner—a valuable source of competitive advantage.

“Previously, we relied on external email, SMS and mailing houses, and each provider had to perform manual work to match the right messages with the right customers,” says Claudia Lane. “Manual processes meant that there was a delay of at least two days between performing the initial analysis and sending out a message, which increased the risk of poor customer perception.

“Today, we’ve moved away from linear customer journeys to far more integrated ‘dynamic’ customer journeys across every communication program. We can now analyse up-to-date customer data for contextual triggers each hour of the day.

“Better still, we can refine our targeting in near-real time based on recent website interactions—helping us to identify and develop the messages that resonate with each of our customer segments.”

Delivering personalised experiences

Claudia Lane continues: “In addition to demonstrating to our customers that we understand their needs, our IBM solutions are helping us move from a next-best-product philosophy to a next-best-conversation philosophy. By deepening our understanding of where customers are in the buying cycle, we can reach out with the right kinds of product recommendations, personalised offers or service information to meet their needs and nurture their loyalty. We now have proof that this increases customer advocacy.”

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Claudia Lane, Manager, Targeted Marketing, ING DIRECT Australia

ING DIRECT is now measuring substantial improvements in sales conversion as a direct result of its marketing transformation.

“One of the biggest changes we’ve seen has been in our outbound contact centre,” continues Claudia Lane. “In the past, we provided propensity-based lists once a week, which meant our contact centre team were reaching out to customers whose circumstances had often changed by the time we got in touch. Now up-to-date files are automatically delivered daily, improving the quality of the leads.”

“The IBM solution is also efficient in driving customer-initiated leads through our award-winning mobile app. Our new ‘call me’ button allows us to prioritise customer-initiated conversations, which has increased our conversion rates by up to 120 percent.”

Ready for the future

Looking to the future, ING DIRECT aims to extend its personalised marketing capabilities into the display advertising space.

“As retail banking continues to shift towards digital channels, display advertising is becoming a more important part of our marketing mix,” says Claudia Lane. “We are now working with IBM to deploy a digital display solution based on IBM Universal Behavior Exchange (UBX).

“The IBM solution will enable us to dynamically serve programmatic advertisements to each customer based on their individual customer profile—and to ensure that we don’t pay to serve advertisements for products that customers already have. We predict that dynamic display advertising capabilities from IBM will help us to substantially reduce the cost to acquire new customers through digital display.”

She concludes: “The key to winning and retaining customers is to keep satisfaction, and more importantly advocacy, high—and ING has the highest Net Promoter Score of all the retail banks in Australia. By continuing our close collaboration with IBM, we are well placed to deliver the differentiated customer experience we need to double our customer growth year-on-year and achieve our 2020 ambition.”

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Solution components

- IBM® Campaign
- IBM Interact
- IBM Universal Behavior Exchange
- IBM Global Business Services®

Take the next step

To learn more about IBM Commerce solutions, please contact your IBM representative or IBM Business Partner, or visit the following website: ibm.com/commerce

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