

DNB - Buying a home

Submission Report - Service Design Award

EGGS Design, Norway, July 2015

Overview

DNB is Norway's largest bank, 35% of the population say DNB is their main bank. DNB's strategy is becoming best at the most important events in their customers lives – and buying a new home is one of them. Starting in 2012, DNB initiated a Service Design project with EGGS Design, to understand how their customers in the consumer market feel about buying a home, and create an improved DNB service that meets their needs.

The core business goals of the project were:

- Consistent customer experience, and improved brand perception of DNB
- Increased conversion rate from Proof of Financing to Home Mortgage
- Increased sales of relevant additional products such as insurance

DNB operates in a market characterized by tough competition, small margins, and increasing competition from new global actors in the credit market such as Amazon. As a premium banking services provider, it is paramount for DNB to maintain and strengthen the relationship to their clients, rather than compete on price.

We are applying for the Service Design Award with “DNB – Buying a Home” because:

- The project is implemented on a large scale, with implications IT-systems, product offerings, and 2500 financial advisors nationwide.
- The project has positive effect, both business wise (higher conversion rate etc), brand wise (improved brand perception), and mindset wise (common understanding and view of the customers).
- The project is service design driven, and shows the positive effect of a holistic and coordinated project involving numerous departments in DNB, PR/Advertisement agency Pol, and service design agency EGGS Design.
- The project is “fresh” but has great potential as an example project. We think an international award will give DNB and EGGS positive attention and help us propel service design into other DNB activities, and inspire other businesses.

Process

The project was run with three main activity streams. The team was careful to avoid a classical “waterfall” process, and tried rather to create a continuous learning and creative process with the activities running in parallel:

1. Customer insight, both qualitative and quantitative
2. Creative interventions, with focus on quick prototyping and testing, then implementation
3. Mindset change, with focus both on building mindset in a core team, and across the whole organisation

Customer insight

The design team started the process by challenging the classic DNB customer segmentation (“Young”, “Wealthy”, etc), and through workshops moved towards a more nuanced description of customer types, based on personality, experience with the bank, etc. Based on these customer types, the design team performed qualitative insight studies:

- **Depth interviews:** About 10-15 customers were interviewed in their homes, about their experience or expectations of buying a home, economic habits, etc. Main findings include: *“Normally, the bank is just on the internet for me. While buying a house, my advisor became the bank – she did everything and meant everything to me.”*
- **Advisor “co-listening”:** Designers sat next to advisors in the call center and in physical meetings with the clients, listening in to the conversations. Main findings from the advisors side include: *“I love having dialogue with the clients, staying close and having “customer-feeling” - it motivates me!”*

Based on the qualitative research, a simplified model of the customer’s **emotional journey** during home-buying was created. Mapping this against the banks touchpoints gave us one of the most significant findings in the project: *“When the customers are most stressed, the bank isn’t present”.*

As the project matured, and some of the interventions were implemented, the Analysis department of DNB generated several types of client surveys:

- **Customer diaries:** About 30 customers were asked to write diaries while buying a new home. Main finding: *“If the advisor does what we have decided to do, the client feels valued and cared for. If the advisor doesn’t, we end up giving the impression of a big, impersonal bank”.*

- **Customer satisfaction surveys:** New parameters and questions were added to DNB client surveys, asking specifically about events along the home buying journey. Main finding: *“Overall good and rising customer experience. Particularly good experience of receiving proof of finance, and of the advisor”*.

Creative interventions

Based on the customer insight, a number of different interventions have been conceptualized, prototyped, and implemented in 2014 and 2015, including:

- **Improved proof of financing:** The proof of financing has traditionally taken the shape of a legal style letter with lots of small text. Insight showed that receiving the proof of financing is one of the few times customers receive something from the bank and really appreciate it. The designers wanted to build on this, and designed a new proof of financing, which clearly communicates what the customer needs to know, and adds tips on the home buying process. The proposal went through several iterations with prototyping and testing with customers before assuming it's current shape.
- **The “home buying dialogue”:** A framework defining how advisors can help customers through the home buying process, and empowering them with tools to make them better advisors. The intervention is based on a national level training program for DNB's 2500 advisors, based on 1 hours weekly sessions over 6 weeks. The design team designed and developed inspirational videos, presentations and training material. The training program was launched in april 2014. Stated by a DNB advisor: *“The Boligreisen training program is great – it brings the fun back into banking, and is really motivating”*.
- **Online resource and add campaign:** Add agency Pol was solicited to create the communication campaign “Boligreisen” (the home journey). The campaign consists of an online resource (<http://boligreisen.no/>), and commercial ads (such as https://www.youtube.com/watch?v=19V6Eswrulo&index=3&list=PL8AE7DfqWhOa_US4aAAr4Ub6X4DoDEngz). DNB states that: *“This is the first time service design lays the premises for an add campaign”*.

Mindset Change

In terms of **customer centric mindset**, the project itself was a great exercise for DNB to put customer experience first, and work across departments, involving the Brand department, product category Loans/Mortgages, and advisors. The project has already inspired other projects in DNB which are now run as service design projects, such as DNB pension. The

project has also contributed to the creation of a “Brand Experience” team as part of the marketing division in DNB.

In terms of **measurement**, it would be a contradiction to train advisors in client experience, and then measure only on sales results. Following the training program, DNB has therefore moved away from measuring on sales, and measure only on client experience (based on feedback forms sent to customers after contact with the advisors) and on “activity level” – that is, how often the advisor engages with the client.

Benefits

The service design project has contributed to improving the experience of buying a house with DNB. The customers will appreciate the changes through:

- Gaining awareness before the process starts about the home buying process
- Receiving easily understandable advice early in the process about how to proceed
- Being followed up closely by the same advisor throughout the buying process
- Receiving offers on related services such as insurance

The competition will notice that:

- DNB has taken a very solid position relating to the event of buying a home

DNB benefits are described below in the “Effect” paragraph.

Effects

DNB experiences positive effect from the project, such as:

Qualitative effects:

- **Mindset change:** The ability for the organization to work across departments with a customer centric mindset has improved, and common understanding and alignment has been attained. The director of the DNB concern states about the service design concept: *“This is THE WAY we will meet our customers when they buy a home”*.
- **Increased motivation among employees:** An advisor says: *“The Boligreisen training program is great – it brings the fun back into banking, and is really motivating”*.

- **Improved customer experience:** A customer states: *“I highly appreciated the proof of financing – it’s so easy to understand, informative and convincing. I was blown away, and chose to remain with DNB”.*

Quantitative effects:

All quantitative effects have been provided by the Analysis department of DNB.

- **Improved conversion rate:** In the period from the project started until now, conversion rate from Proof of Financing to Home Mortgage increased from 55% to 60%.
- **Increased attractivity:** 42% more Proofs of Financing issued in 2015 than in the same period in 2014 (should be corrected by a 15% increase in the real estate market in the same period).
- **Good customer experience:** 88% of home buying customers state that they are happy with the overall experience. (“Before”-data not available - measuring specifically on the home buying experience has been implemented as part of the project).
- **Improved brand perception:** Number of clients that would recommend DNB to others has risen from 80% in 2014 to 85 % in 2015.

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Note: The Call-for-speakers submission “The 2020-approach” by Jan Walter Parr is related to this project, but not the same:

- DNB Buying a home (submitted to SDAward) - a full scale implemented project
- DNB 2020 (proposed as lecture) was conducted after, focusing on making a five year vision