



Direct Mortgage client acquisition in an omni-channel world

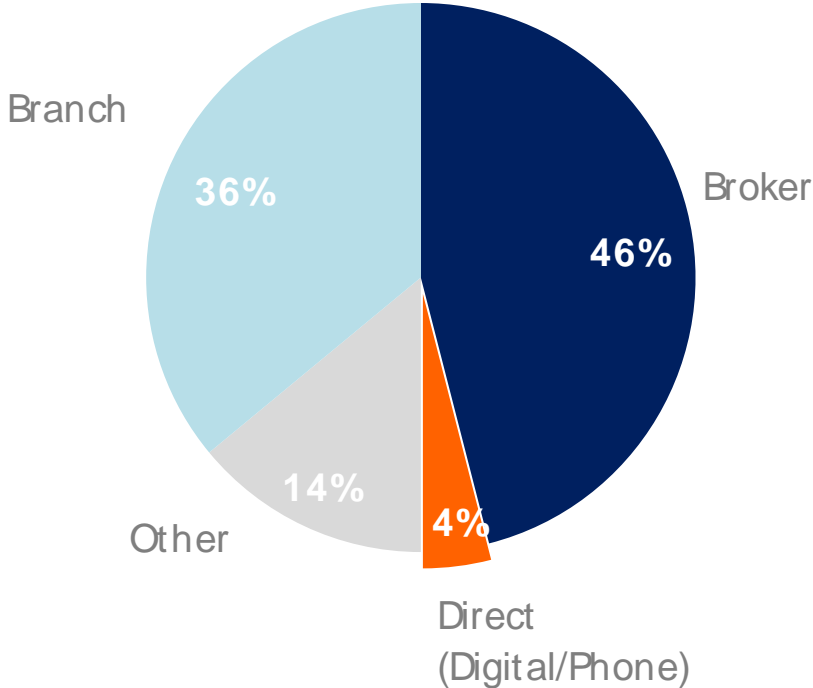
August 2015

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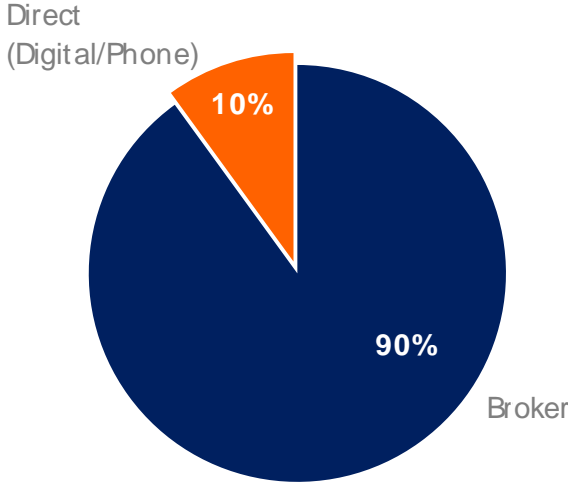
ING DIRECT Australia – digital and broker are our primary mortgage distribution channels

Australian Market Settlements (\$)
Q1 2015

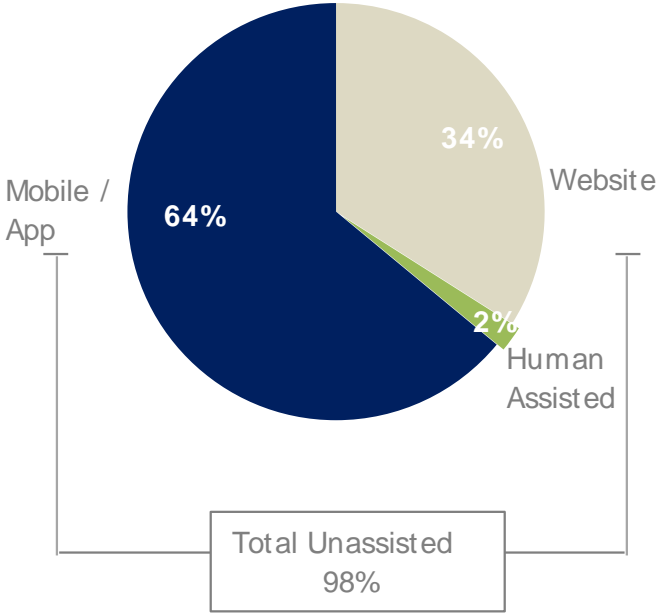


Source: Comparator, Q1 2015

INGD Branded Mortgages

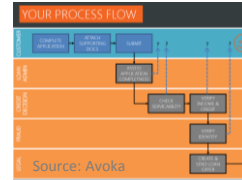


Customer Interactions

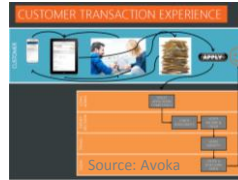


A mindset shift is required to optimise the mortgage acquisition journey in an omni-channel environment

1 Bank-centric process design / thinking



Customer-centric process design / thinking



2 Acquisition = Application & Account Opening Process



Acquisition = **won or lost** before the customer even starts an Application



3 Developing the best E2E experience for all your customers is key



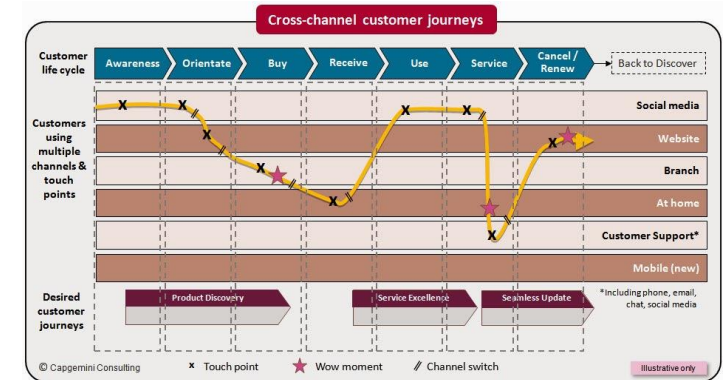
Ability to personalise the E2E experience for **individual** customers is key



The duration & complexity of the home ownership journey means omni-channel is more critical than for other FS products

- Thinking about buying property
- Saving / paying down debt
- Where should I buy? What should I buy?
- Own or Invest?
- How much can I borrow?

Discover

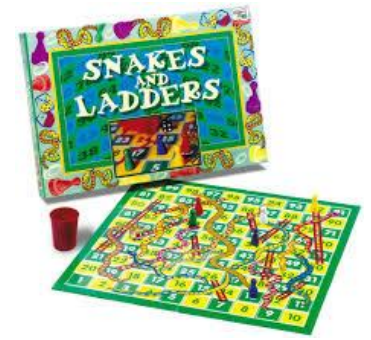


- Moving in
- Making repayments
- How can I pay off my loan faster?
- Renovations?
- Switching?

Own

Explore

- Researching properties
- What can I afford to repay?
- How does this whole thing work?
- Who can help me? What's important to me?
- Calculators! Calculators! Calculators!



What does your conversion funnel look like?

More importantly – what do you define as the top of the funnel?

Do you have a “Martini Glass” and not even know it?



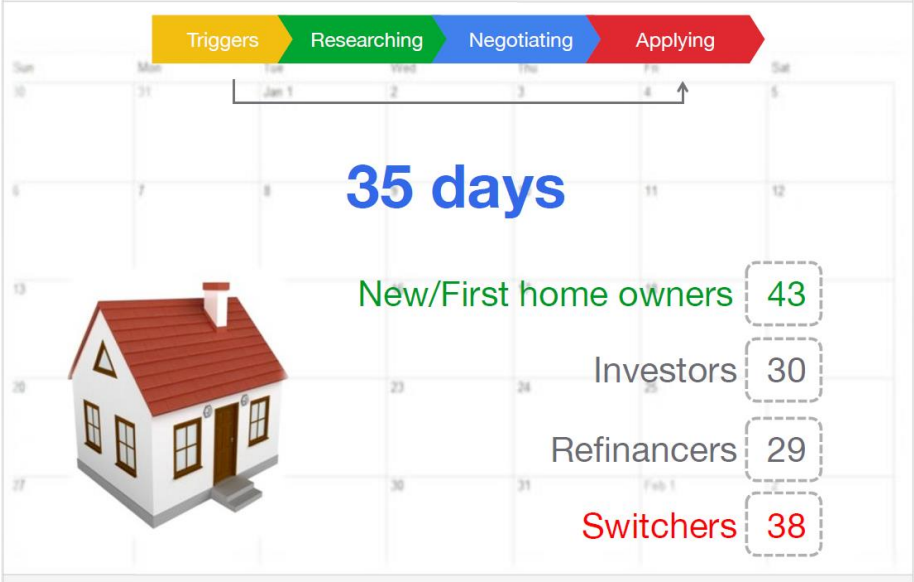
Buy

- Choose a broker / lender
- Pre-approval
- Application process
- Settlement



The duration & complexity of the home ownership journey means omni-channel is more critical than for other FS products

Source: Google – Multi-screen influence on the home loan world, Mar 2013



27% of borrowers used their **smartphone** for home loan **research**

1 in 5

used **ALL** devices

- 33% researched on their **Tablets**
- 73% researched on their **PCs**

1 in 2 Mobile or Tablet researchers have used a calculator on their device

77% applied offline

74% research online

“If I have a **negative experience** researching or applying online with a home loan provider on my (device), I am **less likely to use the provider** in the future”

51% Smartphone owners

52% Tablet owners



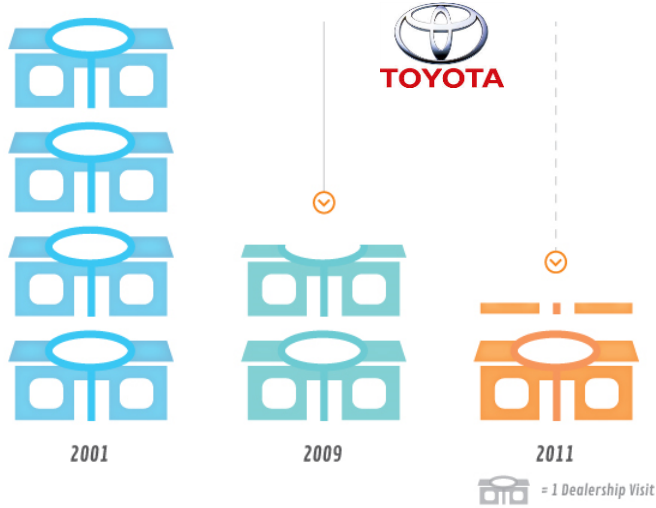
Purchase offline

The world in which mortgage customers live has changed – and this has changed how they interact with us

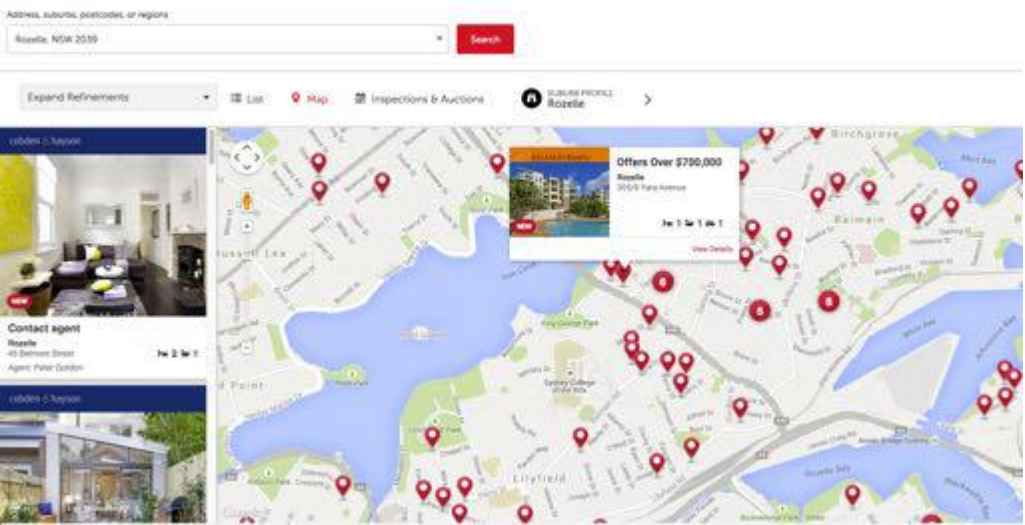
1 Information asymmetry has disappeared



Average Dealership Showroom Visits

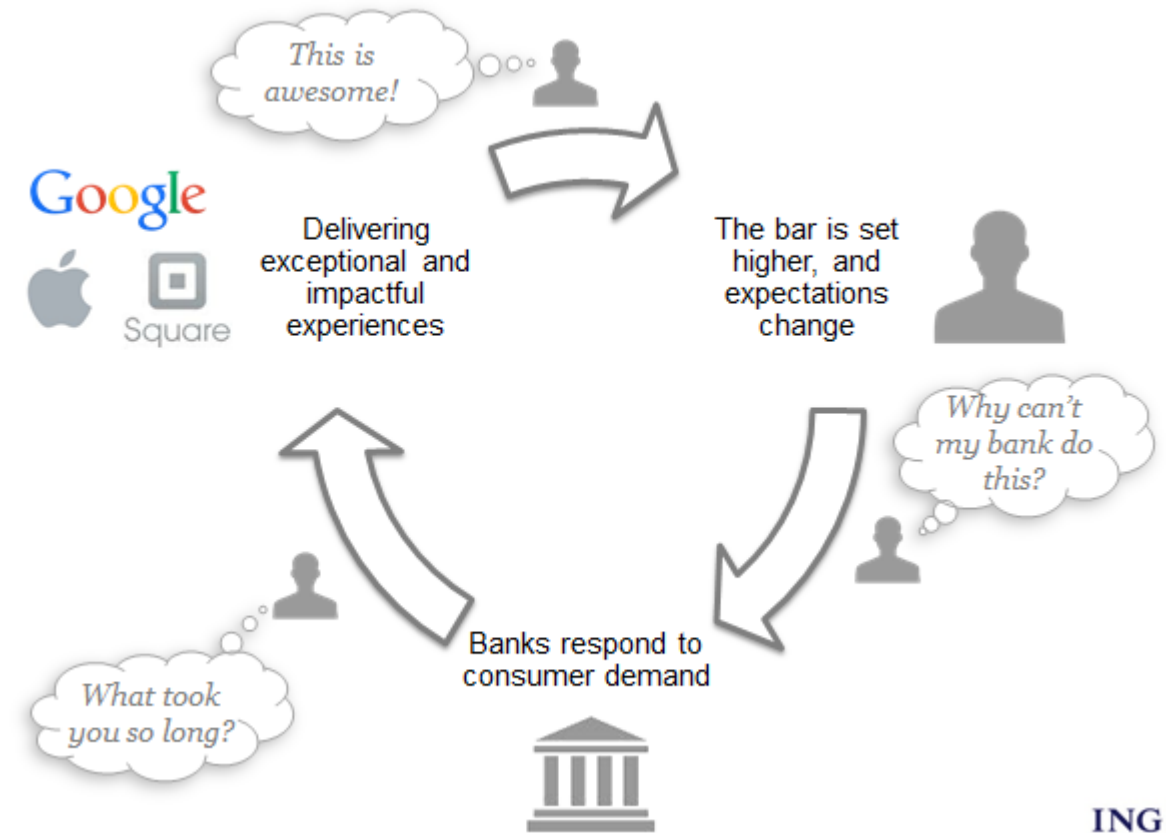


Source: IgniteXDS



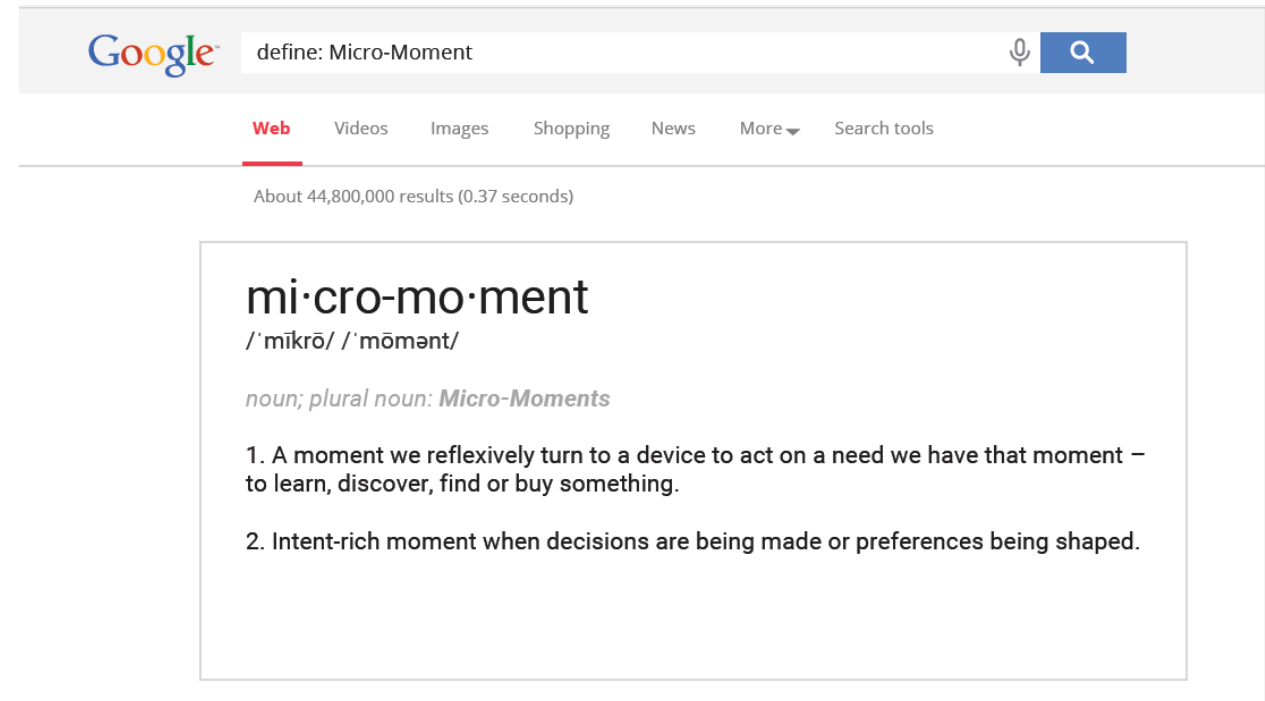
The world in which mortgage customers live has changed – and this has changed how they interact with us

- 1 Information asymmetry has disappeared
- 2 Customers compare their bank experience not against other banks (as we do), but against their favourites



The world in which mortgage customers live has changed – and this has changed how they interact with us

- 1 Information asymmetry has disappeared
- 2 Customers compare their bank experience not against other banks (as we do), but against their favourites
- 3 Time to ‘sit down and do some research’ or ‘come into the branch’ has disappeared for many segments – now we ‘snack’ on data



Google define: Micro-Moment

Web Videos Images Shopping News More Search tools

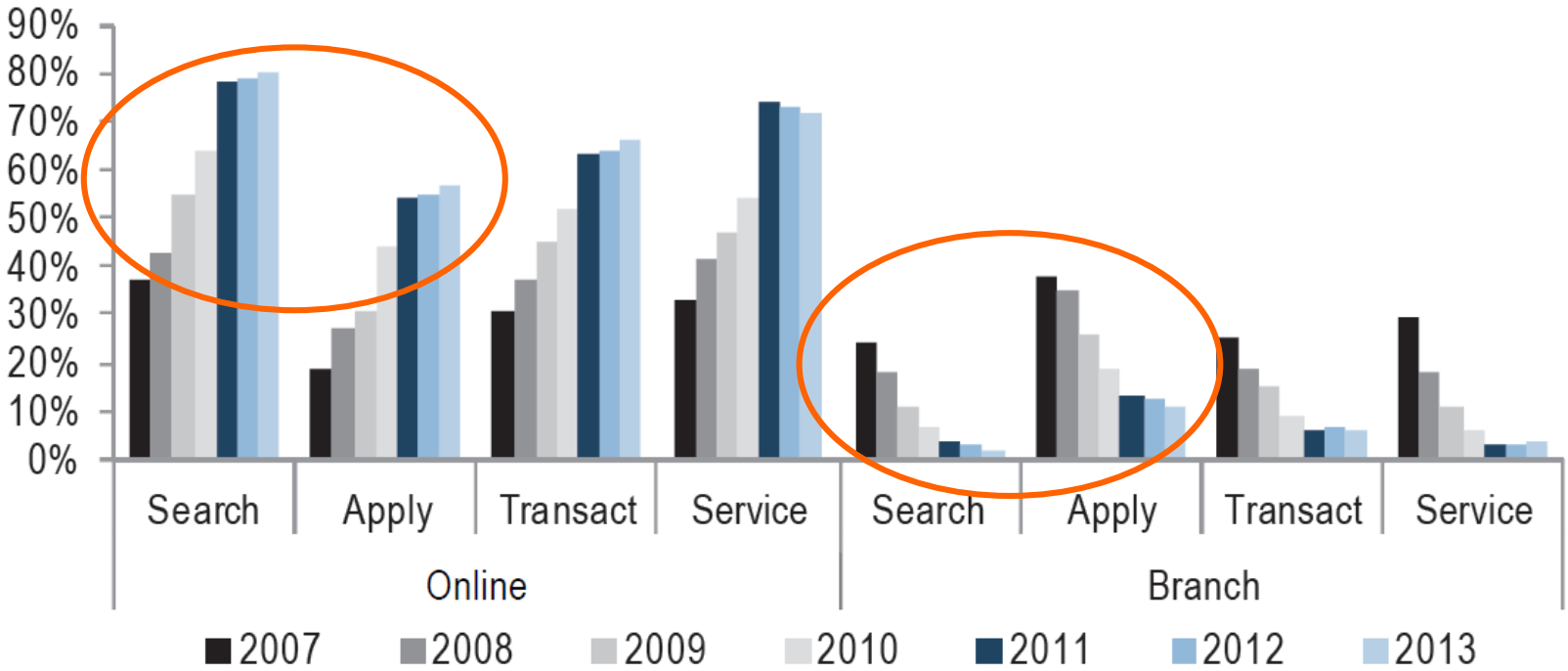
About 44,800,000 results (0.37 seconds)

mi·cro·mo·ment
/'mīkrō/ /'mōmənt/
noun; plural noun: Micro-Moments

1. A moment we reflexively turn to a device to act on a need we have that moment – to learn, discover, find or buy something.
2. Intent-rich moment when decisions are being made or preferences being shaped.

And to state the obvious – customer channel preferences are evolving rapidly – with implications for the home buying experience

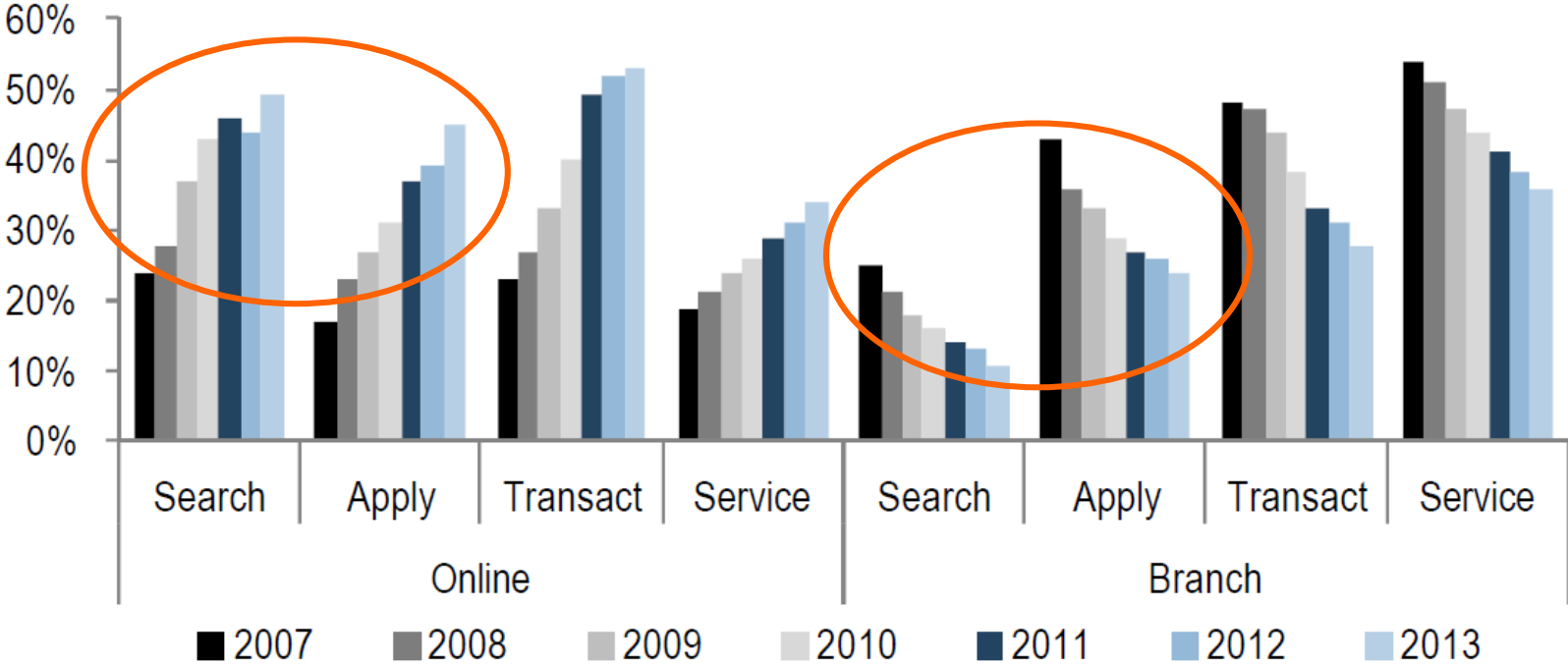
Figure 6: Young Channel Preferences – On-Line vs Branch



Source: DFA, JP Morgan Australian Mortgage Industry Report (Vol 19) Apr 2014

And to state the obvious – customer channel preferences are evolving rapidly – with implications for the home buying experience

Figure 7: Suburban Channel Preferences – On-Line vs Branch



Source: DFA, JP Morgan Australian Mortgage Industry Report (Vol 19) Apr 2014

Banks are already responding with a personalised experience for each customer ...

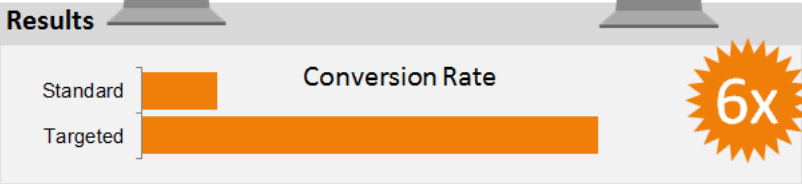
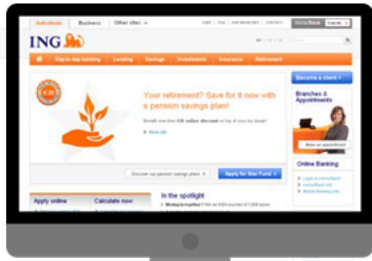
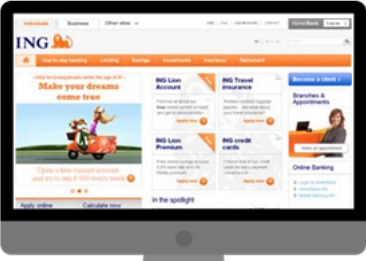


1
TAILORED CONTENT

Intelligent optimisation based on propensity to buy

Standard Homepage

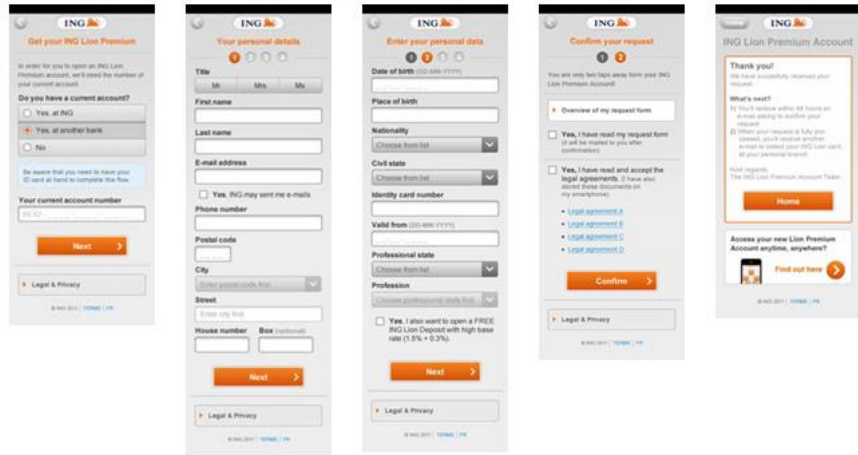
Targeted Homepage



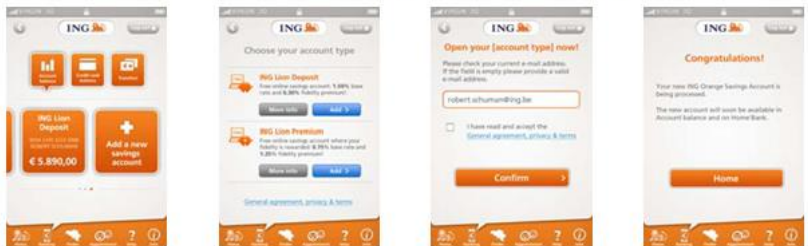
2
STREAMLINED APPLICATION

Lion Account Premium application flow

Unidentified customer on m-site



Identified customer on mobile app



So what's the solution?? Omni-channel?

An omni-channel acquisition approach enables a much richer customer delivery experience



By enabling customers to “snack” along the home loan journey, anytime / anywhere / any device / any channel – they feel in control and stay engaged

And we have multiple interactions & opportunities along the journey to influence customers' consideration set and purchase preferences – well before they are ready to apply for a home loan

An omni-channel acquisition approach enables a much richer customer delivery experience

Discover

- Connect early & stay connected
- Snack sized content, delivered fast
- Engage through education & insight



Explore

- Customers **WILL** compare you against others, so help them (if you dare)
- Integrate human assistance into digital channels – “Orange Button”



Buy

- Take customers “off the market” fast
- Remove roadblocks from the journey (e.g. mobile doc upload, digital signatures, ID verification)
- Hold their hand - keep them informed

Property Apps – to help find your home



Source: UBank website, Aug 2015

Videos / Guides – educate & inform



Source: Quicken Loans website / YouTube, Aug 2015

Calculators – save me money



Source: Zillow website

73% of home buyers agreed that the **calculator user experience** influenced who they chose as their home loan provider

Source: Google Consumer Surveys, May 2015



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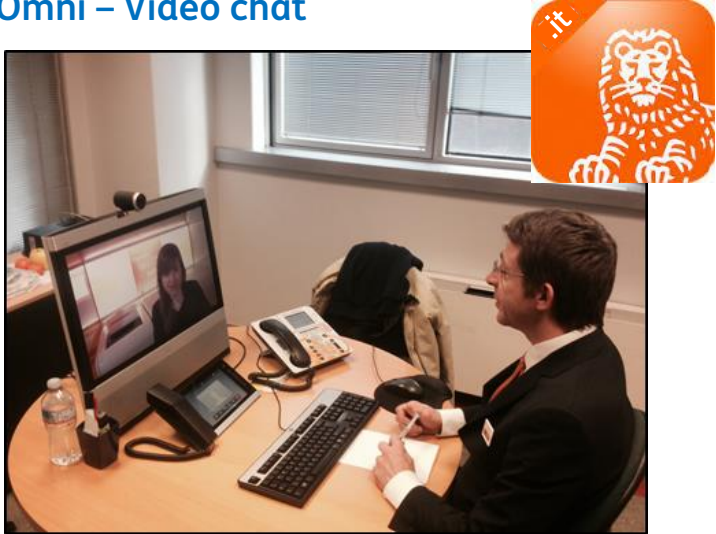
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Omni – Book a F2F Appointment



Source: BMO website

Omni – Video chat



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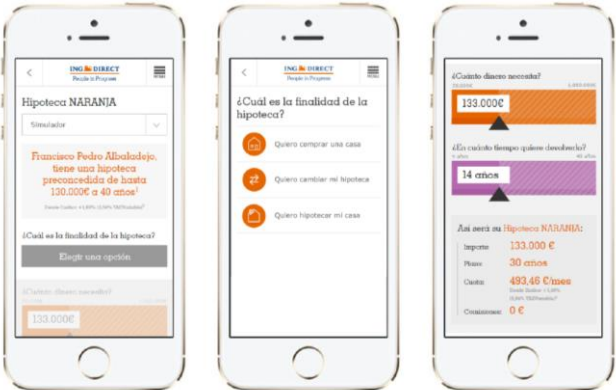


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Personalisation – Pre-approved offers

Pre-approved loan acquisition process for mobile devices



% of which finish the purchase in the same channel

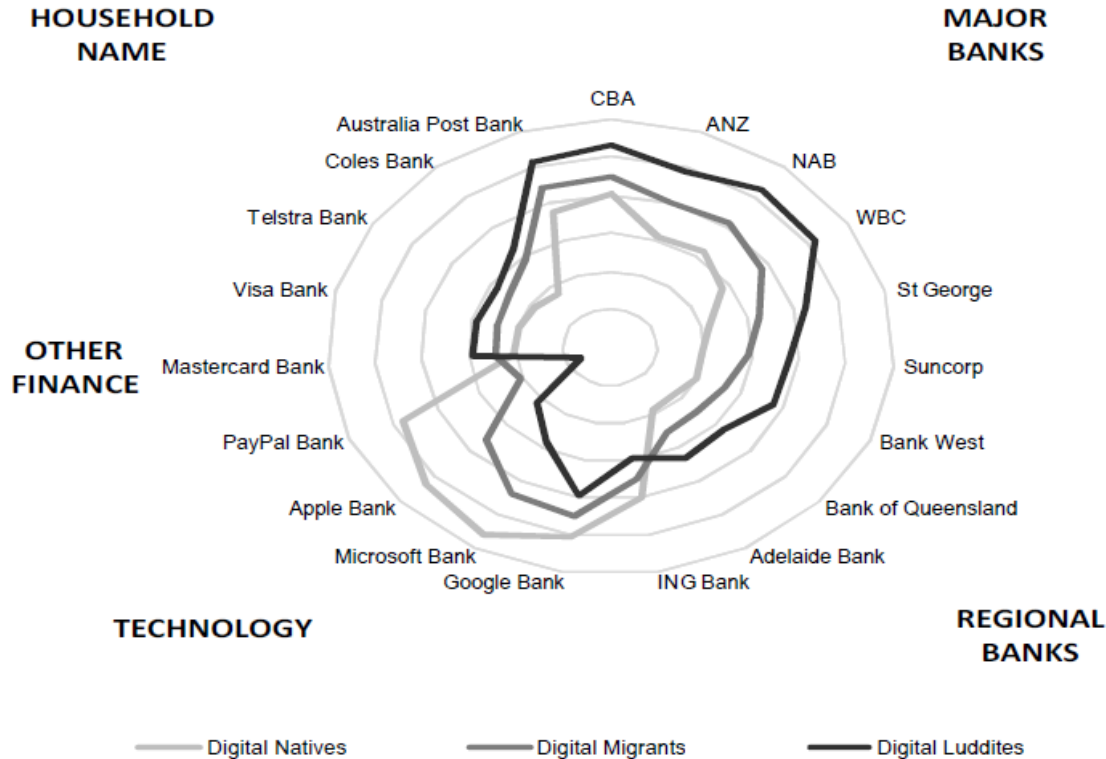


For ING DIRECT, it's about finding the right balance between the customer experience and operational efficiency – and investing (at the right part of the funnel) for maximum effect



One thing is guaranteed – the direct / omni-channel mortgage market is growing - but who will drive the growth?

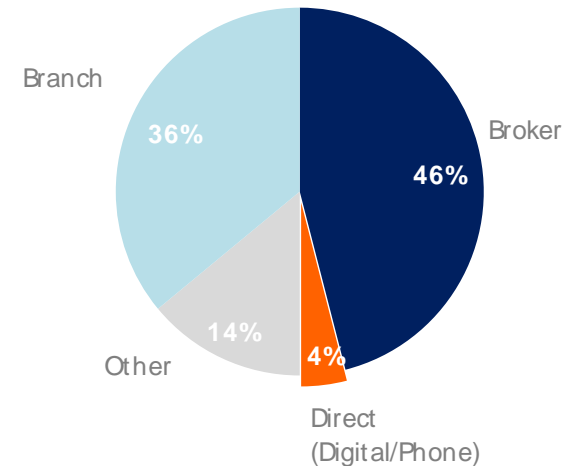
Score of Banking & Potential Banking Entities by segment



Source: DFA, JP Morgan Australian Mortgage Industry Report (Vol 19) Apr 2014
 Scoring criteria (6) included banking capability, brand, privacy, service, technical capability and trust

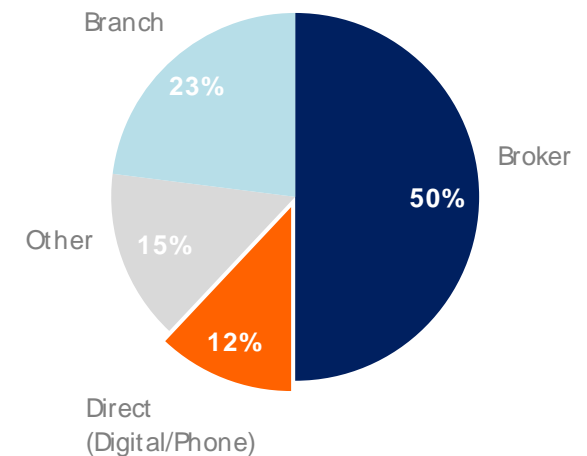
Future size of the direct segment?

Australian Market Settlements (\$) Q1 2015



Source: Comparator, Q1 2015

Australian Market Settlements (\$) 2020 forecast



Thankyou