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Bank of Baroda Uses Ethnography To Improve Customer Communications

by Satyajit Roy & Ashwin Kumar
for Customer Experience Professionals

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EXECUTIVE SUMMARY

The Bank of Baroda sends a wide variety of communications, both online and offline, to its customers. To make sure that these communications are “customer friendly,” the bank undertook a customer research study using ethnographic techniques. Customers who represented three of the bank’s target personas were recruited to comment on all of the communications they received from The Bank of Baroda and other organizations over a 30-day period. The study provided a number of insights like the bank isn’t building relationships with its communications, customers want the bank to know them, bad news can be delivered tactfully, and customers aren’t completely overloaded with communications. While other companies can learn from the results of this study, there’s a lot more to learn from Bank of Baroda research approach.

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Pyramid Consulting interviewed the research leader and business sponsor of a study that was done at The Bank of Baroda to better understand how the bank’s customers view its communications.

THE BANO OF BARODA AIMS FOR CUSTOMER-FRIENDLY COMMUNICATIONS

The bank of Baroda sends a lot of communications to its customers (e.g., statements, marketing offers, deposit notifications) that come from many different organizations in the bank, so there can be a wide variance in the design, tone, and content of each piece. That's why Bank of Baroda developed a set of principles called "Writing With C-A-R-E" for content writers to follow (see Figure 1). To gauge how the C-A-R-E principles resonate with customers, the bank undertook a novel research study.¹ We spoke with two key executives on the project: Vice President, Customer Insights and Vice President, Strategic Planning. Here's how they described the steps in the study. The bank:

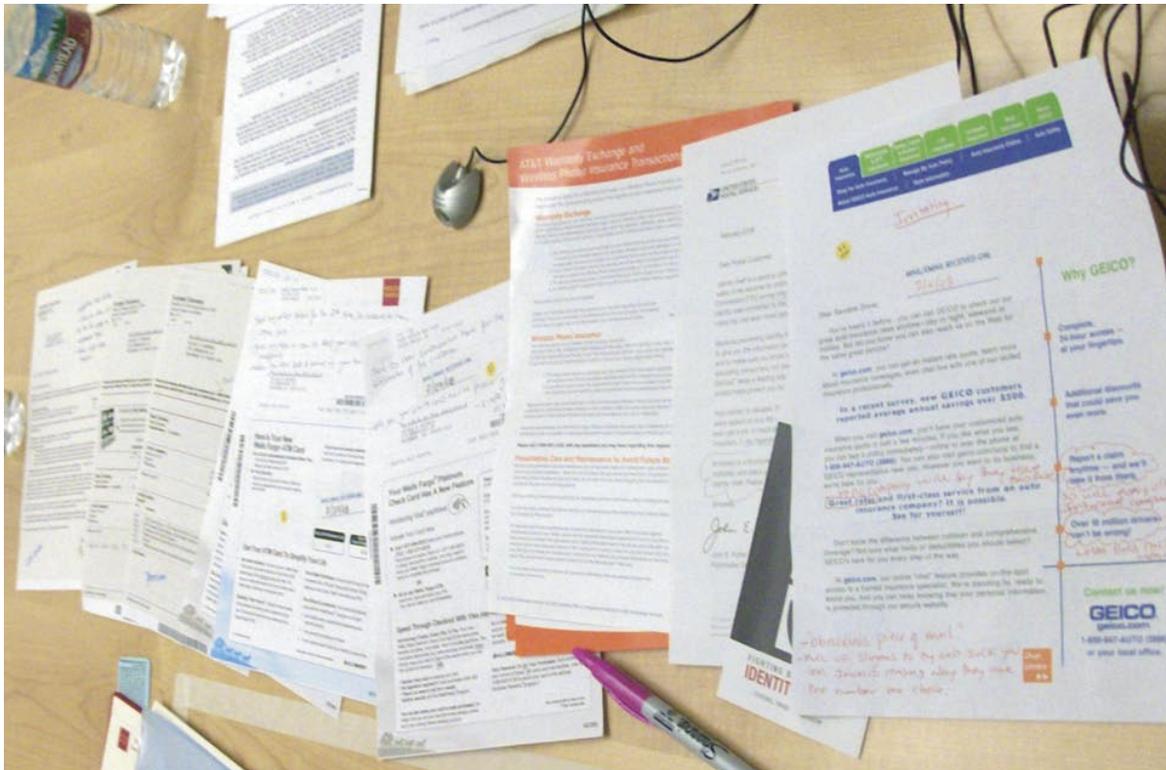
- **Learned through an internal pilot process.** Since this was a new type of research project for The Bank of Baroda, they knew there would be many logistical issues to sort out before they could ask customers to start collecting and commenting on their mail. To help them identify and address these issues, five people at the bank collected all communication from The Bank of Baroda (e.g., paper, mail, marketing brochures, and email) as well as examples from other companies they do business with (e.g., insurers and phone companies). The Bank of Baroda employees kept manual diaries of their impressions of each communication they received and tried to summarize and analyze the feedback in an excel file. Based on what it learned, the team created a different process for customers.
- **Recruited specific types of customers.** The bank recruited 20 customers, in two waves of 10, to collect all communications (online and offline) from The bank of Baroda and select competitors over the period of one month (see Figure 2). The 20 customers mapped back to one of three of The Bank of Baroda customer personas: the novice financial consumer, the intermediate financial consumer, and the savvy financial consumer (see Figure 3).
- **Facilitated immediate feedback on communications.** To encourage participants to share their "most immediate feedback," The Bank of Baroda set up a toll-free number where participants could call in and leave their in-the-moment reactions to each piece of communication they received. The bank also sent those customers a big, red scrapbook to archive everything; a black marker to block out confidential information; and stickers to indicate whether they thought the piece was good, neutral, or bad (see Figure 4).
- **Brought customers in for more detailed discussions.** Thirteen of the most engaged participants came to the bank's on-site research facility for 90-minute interviews to walk through all of their communications and debrief their scrapbooks. That gave the research team a chance to confirm with participants their impression of each piece of communication they collected. In addition, they conducted a competitive exercise where participants picked a brand that they felt had something to teach The Bank of Baroda. Interestingly, customers primarily chose brands unrelated to financial services (such as Apple or Google).

Figure 1 The Bank of Baroda Developed “Writing With C-A-R-E” Principles To Guide Communications

Meaning of C-A-R-E	Description
Consistent	Within the correspondence, across an entire “event,” across lines of business, and across the company
Approachable	Simple, quickly understood, easily accessible, and interested in helping
Respectful	Polite, courteous, and considerate
Empathetic	Thinking about the situation from the customer perspective

Source: The Bank of Baroda

Figure 2 Participants Collected Communications From The Bank of Baroda And Other Firms



Source: The Bank of Baroda

Figure 3 The Bank of Baroda Recruited Participants Based On Three Personas

Saima (novice financial consumer)

The Bank of Baroda Product: <ul style="list-style-type: none"> • Checking • Savings 	Age: under 25 Life stage: starting from scratch Philip represents the student segment and is distinguished by a relative lack of experience with banks and finances and a need for support as he establishes habits and routines for financial management. Philip is always on his computer or text messaging his friends with his mobile phone.
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Janki (intermediate financial consumer)

The Bank of Baroda Product: <ul style="list-style-type: none"> • Checking and savings • Credit card Other financial products: <ul style="list-style-type: none"> • Federal student loans 	Age: late 20s to 30s Life stage: moving on up Janki is newly interested in improving her financial situation. She has a steady job and is staying on top of her household expenses. Debt management is a primary concern with credit card balances and student loans to pay off. She also knows she needs to start thinking about investing for retirement but needs help getting started.
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Harish and Sue (savvy financial consumers)

The Bank of Baroda Product: <ul style="list-style-type: none"> • Checking and savings • Credit card • Mortgage • Brokerage • Home equity 	Age: mid-40s and older Life stage: married, with children Harish and Sue are a professional couple balancing busy careers and raising children. Time is precious, but they know they should devote a bit more time toward really understanding their financial reality. They want to send their kids to college and retire and could use advice on how much to allocate toward these goals.
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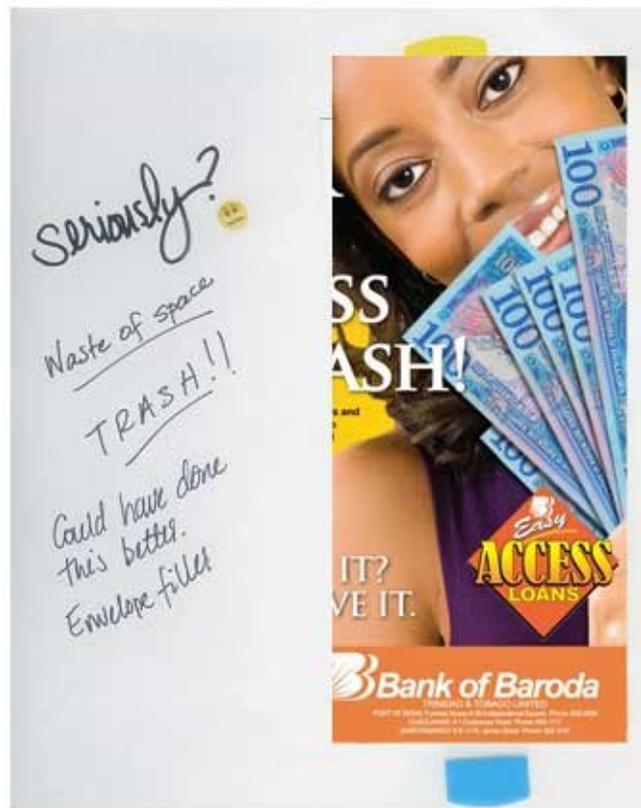
Source: The Bank of Baroda

Figure 4 Participant Provided Feedback On A Variety of Communications

4-1 Number of communications pieces collected across different types

	Account servicing			Marketing/promotional	
	Notifications	Statements	Disclosers	Newsletters and program info	Promotions
Mail	11	17	10	6	7
Online	26	0	4	1	1

4-2 Example of page from participant's scrapbook



Source: The bank of Baroda

Ethnographic Research Revealed Opportunities To Improve Communications

The hope for the study was to translate the C-A-R-E principles into tangible, actionable steps for the entire writing community across Bank of Baroda; with the hope of making all communications “customer friendly.” Here are some of the insights uncovered during the ethnographic research:

- **Communications delivered the basics but didn't build relationships.** The Bank of Baroda scored well on the tactical, “all business” C-A-R-E measures: consistent and respectful. Beers and Alunni-Botteri felt that these two dimensions were the easiest to solve because they could be addressed using tools and a systematic approach with standards and guidelines. But on the more humanistic dimensions of approachable and empathetic, the bank fell short. The execs believe that these areas play an important role for the bank in setting the tone and giving an image of the brand.
- **Customers want the bank to know them.** Customers share a significant amount of private data with their banks, and they assume, as a result, that their banks will use this knowledge to suggest products, recommend tactics, and give advice. During the study, customers were explicitly asked to gather communications from other providers and to evaluate brands inside and outside the financial services landscape.
- **Marketing messages are viewed with suspicion.** Participants tended to be more skeptical and suspicious of communications that seemed like marketing. They used words like “ploy” and “scheme” to describe collected pieces that they deemed as “trying to sell me something.” These customers also felt that presumptive language like, “Congratulations!” or “Good News!” was not appreciated and was an automatic turn-off or cue to ignore the piece altogether. They did not want the bank to tell them that a credit approval or an increase in a credit line is good.
- **No communication exists in isolation.** Several times as participants were walking through their scrapbooks, a piece of communication would trigger a memory of a past event. These interactions pointed out that customers don't view communications with a blank slate — they bring all of their past experiences with them and view every communication through this lens. If the bank imprints the wrong message in a customer's mind, it will take a lot of effort to erase it. The team realized that it can't just evaluate individual communications or even a chain of communications around a single product or service issue; it needs to examine all communications that customers get from the bank.

Source: The bank of Baroda

- **Bad news can be delivered tactfully.** Some of the communications did a better job than others in mitigating bad news. For instance, one participant received an insufficient funds notice that she perceived as very helpful. The letter informed her of the problem, told her in three easy steps how to rectify it, and even gave her helpful financial management suggestions such as signing up for overdraft protection to avoid this occurrence in the future. The customer didn't see this letter as bad news or solicitation but as her bank trying to help and educate her. One of the most frequent examples that participants brought in from other firms were notices of bad news that they liked. The The Bank of Baroda execs observed that a message delivered with relevant advice, in the appropriate context, can be well received — even if it's bad news.
- **The Web site provides a visual reference point for online customers.** A few participants who use online banking said that they expected the look and feel of communications to reflect the Web site. One participant was pleased that an online newsletter looked like The Bank of Baroda site while another customer wondered why the statements were black-and-white and the site was in color. Others commented that they wanted emails to be designed in html instead of plain text. As one participant commented, "You are using a font that came out of a typewriter [courier], and it is so old fashioned. And this is coming from someone who is almost 60 years old." The The Bank of Baroda team inferred that customers notice layout, color, and other design elements in communications. It also found that a growing number of consumers associate the bank first, and foremost, with The Bank of Baroda Web site.
- **Customers still have an appetite for good communications.** The bank worried that customers might say that it was communicating too much. Overwhelmingly, though, customers said they wanted to hear more from the bank — specifically, tips, suggestions, advice, and relevant recommendations. The bank execs noted that communication written from a customer-advocacy point of view — such as newsletters targeted to small business owners, information about changes to jumbo mortgage limits, or ways to protect one's online security — as opposed to a firm- or product-centric point of view receive favorable assessments. Customers want to feel that Bank of Baroda communicates with them as people.
- **Different customers want different messages.** The bank found that communication needs and expectations differ across the personas they examined (see Figure 5). Novice users want the bank to play an advisory role and teach them how to develop financial intelligence before they get into trouble. Moderately savvy users don't want to be sold products; they want to see the pros and cons of offerings so they can make up their own minds. Financially savvy customers want to know that the bank cares that they are customers and want the bank to provide them an edge that competitors can't.

Source: The bank of Baroda

Figure 5 Typical Statements Of Needs And Desires Across The Bank of baroda Three Personas

Novice financial consumers	Intermediate financial consumers	Savvy financial consumers
"Tell me what I need to know"	"Show me where I've come from and where I'm going"	"Acknowledge me, treat me special"
"Be personal"	"Make finances convenient"	"Help my money grow"
"Help me avoid or stay out of debt"	"Respect my intelligence"	"Financial stability"
"Be my ally"	"Increase my financial literacy"	"Appreciate my business"

Source: The Bank of Baroda

OTHER COMPANIES CAN LEARN FROM THE BANK OF BARODA STUDY

While many firms can learn from Bank of Baroda's insights about its customer communications, the deeper value may come from understanding how the bank used ethnography.

- **Ethnography can provide deep insights.** While other forms of customer insight like surveys and Web analytics can provide valuable information, ethnographic research provides a deeper understanding of customers' needs and desires.³ The findings may only come from a small sample of users, but they can often be extrapolated to entire populations of customers. To balance the limitations of a small sample size, some companies will test the validity of findings from an ethnographic study by using some other large-scale approach like surveying customers.
- **Most customer interactions can use ethnography.** Many firms use ethnography for creating personas that they use to design their Web sites. But the Bank of Baroda study shows how ethnographic research can work in other areas as well. This type of an approach can be helpful in designing just about any customer interaction, including Web site design, store layouts, product design, software development, customer segmentation analysis, and call center scripting.
- **It's much better to have an outside-in approach.** Forrester often finds companies doing customer research from the perspective of a single product (e.g., savings or credit cards), a single channel (e.g., online or offline), or a single function (e.g., marketing or customer service). But some of the key insights of the Bank of Baroda's study came from looking at communications that crossed over these internal organizational silos. So try to design the study from the customers' point of view; they rarely know or care about how a company is organized.

Source: The bank of Baroda

- **Participants need to be selected carefully.** Bank of Baroda didn't just randomly pick participants for the study; it recruited people who were representative of the bank's key personas. That way the insights would map into the bank's overall efforts, which focus on those personas. Make sure to go through this process before doing any customer research.
- **Ethnographic research requires expertise . . .** One of the key reasons that the Bank of Baroda study succeeded was because of the ethnography expertise of Beers and her customer insights group. This type of a study may seem straightforward, but it takes a significant amount of knowledge to design, administer, and analyze. So it probably makes sense to hire an outside firm to help if you don't have any trained ethnographers on your team.
- **. . . and business sponsors.** The Bank of Baroda study needed more than just good ethnographers; it also needed a business sponsor like Alunni-Botteri. To succeed with any customer research effort, companies need to have business sponsors who understand the research approach well enough to "sell it" to key stakeholders. These key players also need to remain engaged throughout the research process to make sure that the results are actionable.

ENDNOTES

- ¹ The research project actually incorporated both ethnographic and non-ethnographic techniques.
- ² Spending for personas continues to increase but companies don't use them regularly. Our research uncovered three drivers of persona success: a design process that explicitly incorporates personas, an appropriately developed persona, and organizational buy-in to use those personas. But not all companies can immediately master these items. We found that companies advance their persona practice through five levels of maturity: isolated, connected, integrated, absorbed, and immersed. Companies interested in taking their persona efforts to the next level should begin by identifying projects that should use personas, creating a solid research plan, and integrating them into concrete deliverables.
- ³ The second principle of Experience-Based Differentiation (EBD), Forrester's blueprint for customer experience excellence, states that companies need to obsess about customer needs, not product features. Rather than racing to bring new product features to market, companies need to refocus on the needs of their customers. As companies go through increasingly higher levels of customer experience maturity on their way to EBD, the use of customer insights from ethnographic studies and other inputs becomes increasingly important.