

Optimizing the Voice of the Customer

*Building a Sustainable Competitive Advantage
through a Frictionless Experience in Retail
Banking*



White Paper, August 2024

About Us:

3nity Global is a management consultancy firm with operations in Europe and African countries. Our journey started in Luxembourg in 2014 with seasoned professionals who had previously worked for top consulting firms and global financial institutions.

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1. Introduction

This White Paper assessed how financial institutions in Belgium, Luxembourg, and France capture the voice of their customers posted on social media and web channels to detect any friction that could hinder the mobile app user journey. These publicly available sentiments were gathered by our team and fed into our platform, KAM-XF, to generate valuable insights on how leading banks are sustaining their competitive advantage through exceptional user experience.

We crafted this report with four objectives in mind:

- **Main Objective:** To showcase the capabilities of our product, KAM-XF, in preserving the reputation of financial institutions by turning negative user sentiment into tangible actions and fostering great collaboration between Risk, Compliance, Marketing & Communication, Operations, and Sales teams, supported by IT. KAM-XF is an AI-driven platform that, once fed with data such as user testimonials, turns it into game-changing insights, as illustrated in this report.
- **Human-Centric Digitization:** Digitization will continue to require a human-centric approach to ensure that no voice is left out.
- **Capturing Organizational Uniqueness:** Frictions are necessary to confirm the uniqueness of each organization once they are captured in a predefined operating model.
- **Regulatory Compliance as Business Enabler:** Regulatory compliance and risk functions could be viewed as business enablers in preserving and echoing the voice of the customer.



Kabanga Michel Kayembe

CEO

2. Methodology

To analyse the voice of the customer and quantify the friction experienced by users, we employed a systematic approach using our AI-driven platform, KAM-XF. The methodology involved several key steps:

2.1 Data Collection

We collected user testimonials from social media and web channels where users publicly reviewed the mobile applications of 16 leading financial institutions in Belgium, France, and Luxembourg. These testimonials were then fed into the KAM-XF platform for analysis.

- Sample Size: 300 user testimonials were collected.
- Sources: Testimonials were gathered from 16 institutions in Belgium, France, and Luxembourg.
- Platforms: Data was collected from Google Play Store and Apple Store.

2.2 Sentiment Analysis

Using natural language processing (NLP) algorithms, KAM-XF analysed the sentiment of each testimonial, categorizing them as positive or negative. This helped in understanding the general user sentiment towards each mobile application.

2.3 Friction Definition and Categorization

Friction was defined based on 10 categories depicting the user journey, with underlying subcategories starting from Onboarding through stability of the platform, design, features, and overall satisfaction expressed by users. The main categories included:

1. Onboarding: Account setup, authentication issues.
2. Platform Reliability: Service disruptions, technical errors.
3. Transactional: Payment processing, transaction validation.
4. Logout: Session management, security during logout.
5. Performance (Speed): Processing speed, application responsiveness.
6. Design: User interface, ease of navigation.
7. Features: Available functionalities, feature set.
8. Customer Support: Responsiveness, quality of support.
9. Security & Privacy: Data protection, privacy concerns.
10. Overall Satisfaction: General user experience, sentiment.

2.4 Scoring and Impact Assessment

Each category and subcategory were scored based on the following parameters:

- Probability (1 to 5): The likelihood of the issue impacting users based on the testimonial.
- Impact (1 to 5): The severity of the issue's impact on the user experience.
- Regulatory Risk: Relevant regulations that may apply to the testimonial's issue.

The Friction Score for each testimonial was calculated as the product of Probability and Impact, rated on a scale from 1 to 5 and then converted in percentage. This score helped in deriving the overall level of user experience and identifying critical areas of improvement.

2.5 Mapping User Experience Categories to Regulatory Risks

The table below maps the categories and subcategories of user experience friction to relevant regulatory risks.

Category	Subcategory	Regulatory Risk
1. Onboarding	<ul style="list-style-type: none"> Account Setup Authentication Issues 	GDPR: Data processing and protection failures AMLD: Non-compliance with Anti-Money Laundering regulations
2. Platform Reliability	<ul style="list-style-type: none"> Service Disruptions Technical Errors 	DORA: Operational resilience, continuity and incident reporting requirements
3. Transactional	<ul style="list-style-type: none"> Payment Processing Transaction Validation 	PSD2: Security of electronic payments and protection against fraud
4. Logout	<ul style="list-style-type: none"> Session Management Security during Logout 	GDPR: Unauthorized access due to inadequate session management
5. Performance	<ul style="list-style-type: none"> Processing Speed Application Responsiveness 	DORA: Performance issues affecting operational resilience
6. Design	<ul style="list-style-type: none"> User Interface Ease of Navigation 	GDPR: User consent and data privacy in interface design
7. Features	<ul style="list-style-type: none"> Available Functionalities Feature Set 	PSD2: Compliance with regulatory technical standards for new features
8. Customer Support	<ul style="list-style-type: none"> Responsiveness Quality of Support 	GDPR: Handling of personal data in support interactions
9. Security & Privacy	<ul style="list-style-type: none"> Data Protection Privacy Concerns 	GDPR: Ensuring data protection and managing privacy concerns
10. Overall Satisfaction	<ul style="list-style-type: none"> General User Experience General Sentiment 	GDPR: Ensuring overall compliance with data protection and user satisfaction

2.6 Data Analysis and Interpretation

We analysed the aggregated data to identify trends, common pain points, and areas of high friction. The insights were then used to provide actionable recommendations for improving user experience and ensuring regulatory compliance.

3. Limitations of the White Paper

While this white paper provides valuable insights into optimizing user experience in the financial sector through a frictionless approach, several limitations should be acknowledged:

1. Scope Restriction:
 - The analysis is confined to user testimonials from mobile applications developed by 16 financial institutions across Belgium, France, and Luxembourg. This limits the generalizability of the findings to a broader geographic or institutional context.
2. Data Sources:
 - User testimonials were collected solely from publicly available social media and web channels, specifically Google Play Store and Apple Store. This may not represent the entire spectrum of user experiences, as some users may provide feedback through other channels.
3. Sample Size:
 - The study is based on a sample size of 300 user testimonials. While this provides a snapshot of user sentiment, a larger sample size might yield more robust and statistically significant results.
4. Sentiment Analysis Limitations:
 - Sentiment analysis, while insightful, can sometimes misinterpret user sentiment due to nuances in language, sarcasm, or mixed feelings expressed within a single testimonial. This can affect the accuracy of the friction scores and the subsequent analysis.
5. Regulatory Focus:
 - The white paper primarily focuses on a few key European regulations (GDPR, AMLD, DORA, PSD2). While these are significant, other relevant regulations and compliance requirements might not be covered comprehensively.
6. Temporal Limitations:
 - The data collection period and the publication of this white paper represent a specific point in time. User experiences and regulatory landscapes are dynamic, and the findings may not be fully applicable over extended periods without updates.
7. Product-Specific Insights:
 - The insights and recommendations are heavily based on the capabilities of the KAM-XF platform. While KAM-XF offers valuable functionalities, the conclusions drawn might not be applicable to institutions using different tools or methodologies.
8. Operational Constraints:
 - The practical implementation of the recommendations may vary significantly depending on the specific operational, technological, and organizational constraints of different financial institutions.
9. Qualitative Nature:
 - Some aspects of the analysis are qualitative in nature, relying on subjective interpretation of user testimonials. This introduces a level of bias that could influence the findings.

Despite these limitations, the white paper provides a strategic framework for leveraging user testimonials to enhance the customer experience in retail banking. By acknowledging these limitations, readers can better understand the context and constraints within which the findings and recommendations are presented. Future research and iterations of this study could address these limitations to provide an even more comprehensive view of the landscape.

4. Key Findings

This section presents the key findings from the analysis of user testimonials.

4.1 Overall Sentiment

- Out of 300 user testimonials, 131 reviews were positive, and 169 were negative.
- Belgium had the highest rate of positive feedback (65), followed by France (56) and Luxembourg (10).



4.2 User Experience Metrics

- Proactively engaging with customer can lead to higher user satisfaction, as seen in Belgium compared to Luxembourg.
- Responsiveness: French institutions responded fastest to user feedback, whereas Luxembourg institutions had the longest response times.
- Non-responding Rates: Luxembourg had the highest non-responding rate, indicating a significant gap in user engagement.



This performance evaluation highlights the varying degrees of user satisfaction across the three countries, providing a foundation for targeted improvements in user experience and regulatory compliance.

4.3 Institutional Performance

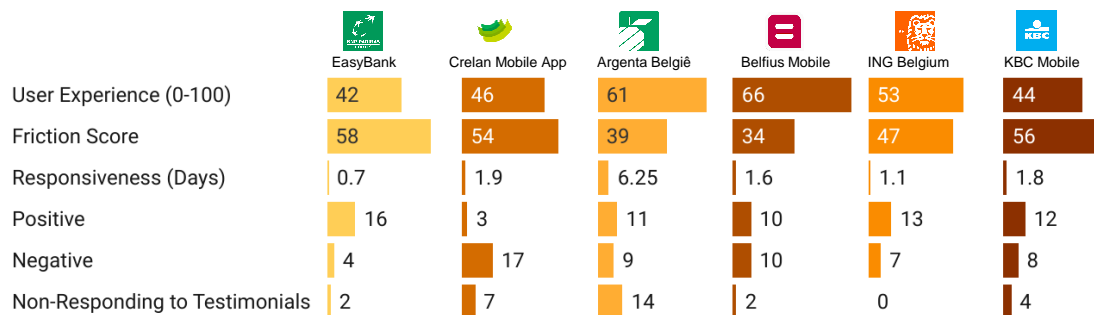
- The performance metrics are derived from the friction scores, user experience ratings, and the responsiveness of the institutions to user feedback.
- Institutions like Belfius and Argenta in Belgium exhibit higher user satisfaction scores. However, Argenta's high friction score suggests potential areas for improvement, particularly in service responsiveness.

- Luxembourg's institutions display significant delays in response times, which could contravene GDPR requirements for timely user data handling and response.

4.3.1 Institutional Performance - Belgium

Overall, Belgium's financial institutions demonstrated a balanced performance with moderate user satisfaction and friction scores, but varied significantly in responsiveness to user feedback.

- User Experience (Satisfaction over Time): 52
- Friction Score: 48
- Timeliness (Response Time): 2.2 days
- Total Testimonials: 120
 - Positive: 65
 - Negative: 55
- Remarks: App owner non-responding rate: 5 out of 20



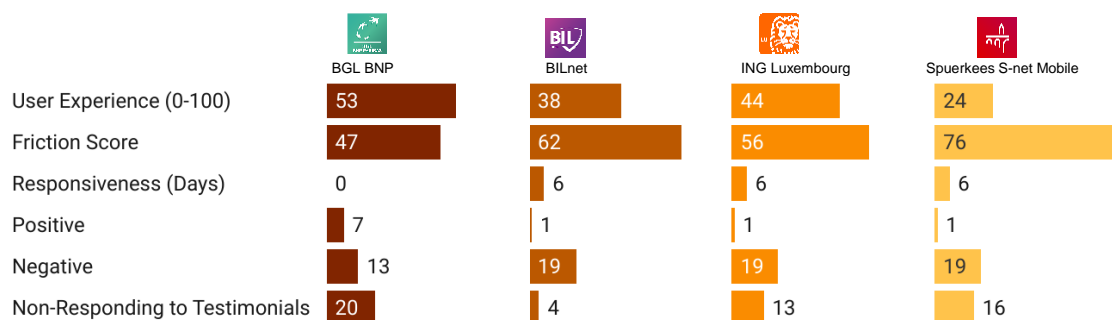
Root Causes:

- Customer Support Variability: Institutions like Belfius and ING Belgium have strong customer support systems in place, reflected in their higher user experience scores and lower friction scores. Conversely, institutions like Crelan have significant gaps in customer support, leading to higher negative feedback.
 - **Areas of Improvement:** Users frequently expressed frustration with slow or unhelpful customer service responses at institutions with lower satisfaction scores.
- System Stability and Features: The stability of the platform and the richness of features offered by different institutions influence user satisfaction. Argenta's higher user satisfaction score can be attributed to its stable platform and comprehensive feature set.
 - **Areas of Improvement:** Users at institutions with higher friction scores often reported frequent crashes, slow performance, and a lack of essential features.
- Response Time: Faster response times generally correlate with higher user satisfaction. Institutions with lower response times, like Easy Bankk and ING Belgium, tend to have higher user satisfaction scores.
 - **Areas of Improvement:** Delayed responses to user queries and issues were a common complaint, contributing to user frustration and negative reviews.

4.3.2 Institutional Performance – Luxembourg

Overall, Luxembourg's financial institutions exhibited the lowest user satisfaction and highest friction scores, compounded by the longest response times to user feedback.

- User Experience (Satisfaction over Time): 40
- Friction Score: 60
- Timeliness (Response Time): 4.4 days
- Total Testimonials: 80
 - Positive: 10
 - Negative: 70
- Remarks: App owner non-responding rate: 13 out of 20



Root Causes:

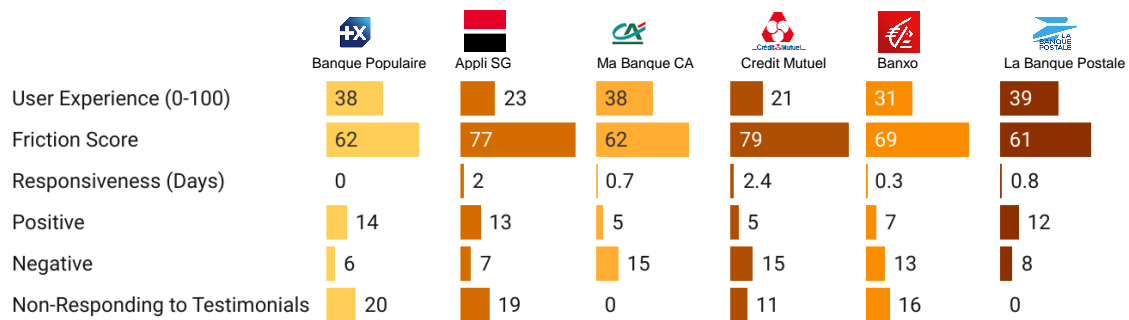
- High Friction Scores: Institutions like Spuerkees and BILNet have high friction scores due to frequent technical issues, lack of features, and poor design. These issues result in a high number of negative testimonials.
 - **Areas of Improvement:** Users expressed dissatisfaction with the technical reliability of the apps, reporting frequent crashes and downtime.
- Delayed Response: The long response times (e.g., BILNet and ING Luxembourg) indicate a lack of efficient customer support mechanisms, which exacerbates user dissatisfaction.
 - **Areas of Improvement:** Users highlighted long wait times for responses and resolutions to their issues, further decreasing satisfaction.
- Non-Responsive Institutions: A high rate of non-response to user feedback (e.g., BGL BNP with 20 non-responding instances) suggests a systemic issue in addressing user concerns promptly, contributing to overall low user satisfaction.
 - **Areas of Improvement:** Lack of acknowledgment or action on user feedback led to increased user frustration and negative sentiments.

4.3.3 Institutional Performance – France

Overall, France's financial institutions showed mixed performance with relatively high friction scores but were the most responsive to user feedback, demonstrating a proactive approach to customer service.

- User Experience (Satisfaction over Time): 32
- Friction Score: 68
- Timeliness (Response Time): 1.0 day
- Total Testimonials: 120
 - Positive: 56

- Negative: 64
- Remarks: App owner non-responding rate: 11 out of 20



Root Causes:

- Proactive Customer Service: Institutions like Banque Populaire and La Banque Postale have zero non-responding instances, reflecting a strong commitment to addressing user feedback promptly, which positively impacts user satisfaction despite higher friction scores.
 - Areas of Improvement: Users appreciated quick and helpful responses, which mitigated some negative feelings from other issues.
- Technical and Design Issues: High friction scores in institutions like Appli SG and Credit Mutuel can be attributed to technical errors and poor design choices. These issues lead to higher negative feedback.
 - Areas of Improvement: Users frequently complained about complicated navigation, poor design elements, and persistent technical errors.
- Feature Gaps: Some institutions, such as Ma Banque CA and Banxo, suffer from gaps in feature offerings, which negatively impact user experience and contribute to higher friction scores.
 - Areas of Improvement: Users expressed dissatisfaction with missing or underdeveloped features that hindered their overall experience.

4.4 Detailed Analysis by Subcategory and Regulatory Risk

This section delves into a comprehensive analysis of user testimonials, categorizing them based on specific aspects of the user journey, and mapping these categories to relevant regulatory risks.

Regulatory Risk

Category	Subcategory	Friction Score	Regulatory Risk	Tangible Elements
Onboarding	Account Setup	67	KYC Regulations	Ensuring customers' identity verification processes comply with regulations to prevent money laundering and fraud.
	Authentication Issues	77	AML Compliance, GDPR	Implementing strong authentication methods to meet AML and GDPR requirements, protecting user data and privacy.
Platform Reliability	Application Availability	92	Digital Operational Resilience Act (DORA)	Ensuring continuous availability and reliability of the application to comply with DORA, minimizing service disruptions.
	Service Disruption	59	Cybersecurity Regulations	Addressing vulnerabilities and ensuring system integrity to meet cybersecurity standards and avoid service outages.
Transactional	Execution Time	64	PSD2, AML Compliance	Ensuring prompt execution of transactions while adhering to PSD2 and AML guidelines to prevent fraud and ensure transparency.
	Payment Issues	61	PSD2, AML Compliance	Addressing payment processing errors and ensuring compliance with PSD2 to provide secure and efficient payment services.
Security & Privacy	Privacy Concerns	57	GDPR	Protecting user data privacy by complying with GDPR requirements, ensuring data is collected, processed, and stored securely.
	Security Issues	64	Cybersecurity Regulations	Implementing robust security measures to protect against breaches and meet cybersecurity standards.

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By examining each subcategory, we identify areas of improvement and highlight potential regulatory implications, providing a nuanced understanding of how each aspect of the user experience aligns with compliance requirements and industry standards.

Regulatory Risk

Category	Subcategory	Friction Score	Regulatory Risk	Tangible Elements
Design	Clear Menu Labeling	36	Consumer Protection, Accessibility Regulations	Ensuring clear and accessible menu labeling to comply with consumer protection laws and accessibility standards.
	Easy-to-use Navigation	33	Consumer Protection, Accessibility Regulations	Designing intuitive navigation to enhance user experience and meet regulatory requirements for accessibility.
Features	Comprehensive Features	46	PSD2	Providing a full range of features to meet user needs while complying with PSD2 regulations for secure and efficient services.
	Notifications	51	PSD2	Ensuring timely and accurate notifications to users, in compliance with PSD2 for transparency and security.
Customer Support	In-App Messaging	42	Consumer Protection Regulations	Providing effective in-app messaging support to address user issues promptly, adhering to consumer protection guidelines.
Overall Satisfaction	General Experience/Sentiment	42	Consumer Protection, Regulatory Reporting Requirements	Monitoring overall user satisfaction and ensuring feedback is used to improve services in compliance with consumer protection laws.

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5 The way forward

By addressing these root causes, financial institutions can significantly enhance their user experience, reduce friction scores, and foster a positive relationship with their users.

1. Enhance Customer Support Systems

- **Actionable Steps:** Invest in training customer support teams and implementing efficient support mechanisms. Use AI-driven support tools to provide timely responses and resolutions to user queries.
 - **User Sentiment Insight:** Addressing user complaints about slow and unhelpful support can significantly boost satisfaction.

2. Improve Platform Stability and Features

- **Actionable Steps:** Conduct regular system audits and updates to ensure platform stability. Engage users in the development process to understand and implement the features they need.
 - **User Sentiment Insight:** Reducing technical issues and expanding features can turn negative feedback into positive user experiences.

3. Optimize Response Times

- **Actionable Steps:** Implement streamlined workflows to reduce response times. Monitor response time metrics and set targets for continuous improvement.
 - **User Sentiment Insight:** Quick and efficient responses to user issues can mitigate dissatisfaction and improve overall perception.

4. Address Technical and Design Issues

- **Actionable Steps:** Conduct usability testing to identify and fix design flaws. Invest in robust quality assurance processes to minimize technical errors.
 - **User Sentiment Insight:** Improving design and functionality can address many user frustrations and enhance the overall experience.

5. Foster a Culture of Responsiveness

- **Actionable Steps:** Encourage a culture where user feedback is valued and acted upon promptly. Use user feedback as a key input in decision-making processes for product development and improvements.
 - **User Sentiment Insight:** Demonstrating that user feedback leads to tangible improvements can increase user trust.

About the Author:

Kabanga Michel Kayembe is the founding partner of 3nity Global, serving as the CEO. With over 25 years of experience, he has worked with leading financial institutions on a broad range of topics such as transformational programs and aligning organizations with regulatory compliance. He has also written various whitepapers and articles on topics such as operational strategy and sales force efficiency in the banking industry.

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