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## Under renovation

Many banks are redeveloping and reconstructing their online real estate to furnish their customers with a financial safe house

By Adam Goodvach

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Banks are renovating their online banking interfaces for the sake of the customer. In the end, giving customers the experience they now expect online will help banks better utilise the channel to sell to and service their customers.

In 10 years, the internet has risen to prominence as a tool for purchasing and managing our bank accounts. However, the development of online commerce has not been reflected in the experience banks have given customers in the public and secure sections of their websites. While ANZ and Westpac started to address the customer experience some time ago, Commonwealth Bank has just unveiled a massive upgrade of its NetBank platform and consumers are set to benefit.

The internet has empowered customers, giving them access to more information (particularly for comparison-shopping) than has previously been available. A whole industry has emerged online which helps people choose the banking products that suits their needs. In part, this reflects a failure of the banks to give customers the reassurance they required to be confident about the decisions they make.

While Amazon, eBay etc set the standard for selling online, banks failed to capture the opportunity presented online through the savvy presentation of information. They viewed the internet as just another channel and saw it as little more than an animated brochure. Clients would admit that they understood the site wasn't "written for the web" but the struggle to get content through the legal department meant that it was just easier to use content that had been approved for brochures.

### Change for the better

The latest generation of public websites has seen a welcome change. While banks will (probably) be reluctant to cross-sell with "people who bought that mortgage also bought this credit card", the basic premise of selling through excellent customer experience has emerged. BankWest is a champion of this. In addition to having products named Term Deposits and Regular Saver, they put the purpose of the account in terms the customer can understand: 'Let's provide certainty in these uncertain times' and 'Would a better deal make you happy?' respectively. It's not about making the text informal or unprofessional; it's about putting the offering in terms that are easily understood by the customer.

Another, now common, approach sees banks word the website in the customer's terms such as "I want a..." or "I want to...", which means the consumer no longer needs to convert their needs into the bank's wording. In summary, the banks are bringing to bear the knowledge we have accumulated about online customer experience to this bastion of tradition. When this initial promise is applied throughout the purchase process, it will make it easier for banks to convert customers online, rather than it acting as a feeder channel for conversion via the phone or branches.

An event of even greater significance is the development in online banking recently launched by the CBA and likely to be followed by other banks. This new generation of online banking will cost a lot of money. According to reports, CBA spent \$50 million on the redevelopment of the front-end alone. The underlying infrastructure is where the real expense lies. There is only so much a bank can do when it is running multiple, outdated legacy systems. CBA bit the bullet and is slowly replacing the older systems with an SAP solution that starts in the back-end and finishes in presenting the customer with a better experience.

What exciting new functionality will this next generation of online banking offer customers? Not a lot. The key will not be the innovations in functionality but in the way that customers interact with the website. Customers will be able to view the range of CBA accounts; including CommInsure and the ever-popular CommSec sites next to their bank accounts. HSBC Global Premier, launched in 2008, does this for account holders across multiple regions and currencies. The ease of aggregating accounts should not be under-stated but it's functionality that the Web 2.0 world has come to expect. Customers will also be able to adapt their landing pages to suit their most common behaviour – another useful, but not revolutionary development.

The beauty of the refocus by banks is that it centres on the customer. It may be no more than we have come to expect from the internet, but it's certainly more than we've come to expect from banks. By bringing online banking to the present, opportunities have opened up for customers and banks that will change the nature of their relationship.

To realise the cross-sell potential, online banking needed to be smarter. Running banner ads of products that may apply wasn't going to give customers confidence in the product or sales process. The new system enables more products to be promoted and, I predict, a greater level of sophistication in the products that are chosen to be pitched. For example, it may ask customers who have recently taken out a mortgage whether they have life insurance. It will also better utilise the interface to complete the purchase online by pre-filling forms based on information the system already holds. It won't do all of this from day one but moving from an inflexible system to a flexible one will mean that it won't be far away.

Credit must go to CBA for being the first bank to make the leap. I look forward to a banking environment that sees all banks competing to do more online for customers. CBA called its revamp 'Finest Online'. Whether it will achieve this goal in the long run will be determined by how its competitors respond. Knowing the way the banks view each other, a response is certain to come and it's probably under construction already.

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