



THE QUEST FOR SUSTAINABLE BANKING: CAN NUDGING STIMULATE CUSTOMERS TOWARDS DIGITAL BANKING?

By Jeroen Dijkstra

Background

Banks receive a considerable amount of pressure from diverse stakeholders to carry out business responsibly and ethically. Therefore, the sector is in search of implementing sustainable developments and innovative banking processes. One way for banks to become more sustainable is to 'become paperless'. However, the banking sector is dependant on the customers' willingness to adopt these initiatives. To change customer behaviour by influencing the decision-making process, banks can implement nudges. However, it remains unknown which nudge tools are effective and how they should be presented.

Objective

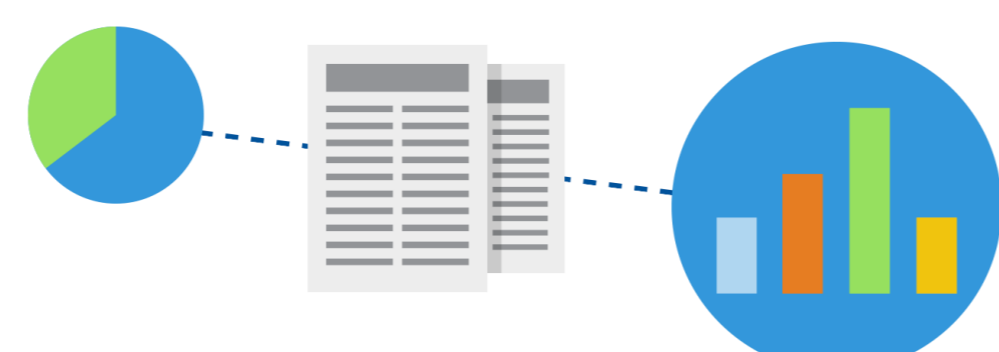
This research explored how ING can nudge customers towards digital/paperless banking. Applying nudging and consumer behaviour theory, this research proposes the banking sector to influence customer behaviour by suggesting digital/paperless banking as the 'default option', based upon results obtained from twelve interviews.

Introduction

Still, it remains unknown how banks can nudge their customers towards sustainable, paperless communication alternatives. Therefore, this research aims to answer the following research question: How can ING nudge customers towards digital banking? After examining relevant literature, derived from the research question, a theoretical framework will be provided in the next chapter. The analysis of multiple interviews within the selected firm, ING, based on the methodology, will provide an answer to the research question. The underlying intention of this research is to contribute to ING's most challenging problems achieving sustainable development while creating value for customers, the business, the environment and society by nudging their customers towards digital banking.

Methods

To answer to this study's research question, a qualitative approach was chosen, using semi-structured interviews to collect data on how ING customers feel they are influenced by different nudges while accounting for factors that might influence this process. Due to the extensive available literature on nudging and customer behaviour, three promising nudge tools were derived to test their effectiveness on influencing customer behaviour. A semi-structured interview was designed to obtain in-depth information from the respondents, which allowed for insight into customer behaviour and how their decision-making process was influenced.



Methods

The original form

7. Opsturen naar

U kunt het formulier opsturen naar:

ING Servicedesk Nabestaanden
Antwoordnummer 40510
8900 SM Leeuwarden

of scannen en e-mailen naar Nabestaandendesk@ing.nl



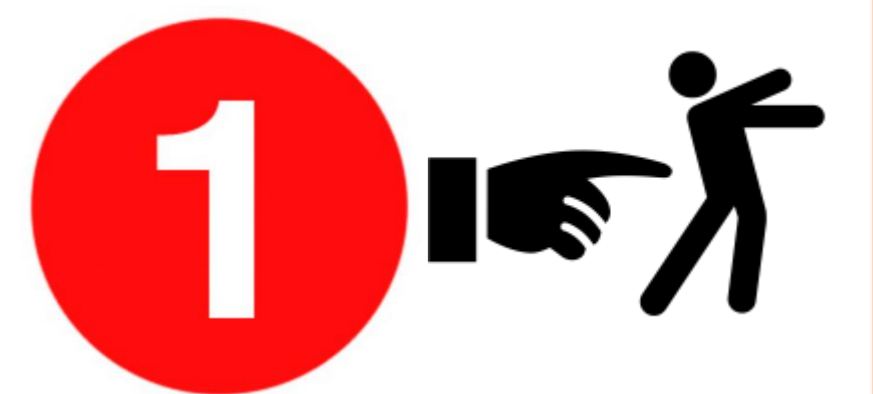
The 'Default Option'

7. Opsturen naar

U kunt het formulier inscannen en e-mailen naar Nabestaandendesk@ing.nl

Indien dit niet mogelijk is kunt u het formulier opsturen naar:

ING Servicedesk Nabestaanden
Antwoordnummer 40510
8900 SM Leeuwarden



The 'Social Proof Heuristic'

7. Opsturen naar

U kunt het formulier opsturen naar:

ING Servicedesk Nabestaanden
Antwoordnummer 40510
8900 SM Leeuwarden

of scannen en e-mailen naar Nabestaandendesk@ing.nl



De meerderheid van de klanten scant dit formulier in en stuurt het per mail naar ING.

The Information Disclosure'

7. Opsturen naar

U kunt het formulier opsturen naar:

ING Servicedesk Nabestaanden
Antwoordnummer 40510
8900 SM Leeuwarden

of scannen en e-mailen naar Nabestaandendesk@ing.nl



Het versturen van post draagt bij aan de CO2-uitstoot.

Results

- More incentives were identified for digital communication than for paper communication.
- 92% indicated the 'Default Option' nudge as effective.
- 71% indicated the 'Social Proof Heuristic' nudge as effective.
- 40% indicated the 'Information Disclosure' nudge as effective.

Conclusions

- Nudging seems to be a promising tool to nudge customers towards digital (paperless) banking.
- 'The Default Option' nudge is the most promising nudge to influence customer behaviour.
- Quantitative research is suggested to acquire more in-depth information about the different nudges.

