

5. 2. The customer

5. 2. 1. Customer experience

One of BBVA's main Strategic Priorities is to provide “**a new standard in customer experience**” that stands out for its simplicity, transparency and swiftness; empowering customers while offering them personalized advice.

As mentioned in the section on Strategy, enriching customer experience is done through a customer-centric business model that offers a differential service with a very ambitious goal: **to be leaders in customer satisfaction across our global footprint.**

Further, as part of the organizational changes taking place within the Group, in July 2016 the **Customer Solutions** area, responsible for the creation and development of new products, was restructured to adapt to our customers' needs. The new area has four main tasks:

- Grow and transform our business, redefining and shaping the Bank's relationship with our customers.
- Develop internal capabilities for creating new products and customer experiences.
- Maintain innovation as a fundamental pillar of BBVA.
- Launch and acquire new businesses that differ from BBVA's usual activities.

A customer-centric approach

The way in which customers interact with their banks has changed radically. We are firmly in the “do-it-yourself” era, an era of new technologies, where customers want to be connected anytime, anywhere. To remain competitive and still be a key player in a changing environment, the Customer Solutions area is promoting a customer-centric mentality throughout the Organization. We want to put the customer at the heart of everything we do, in accordance with the following **principles**:

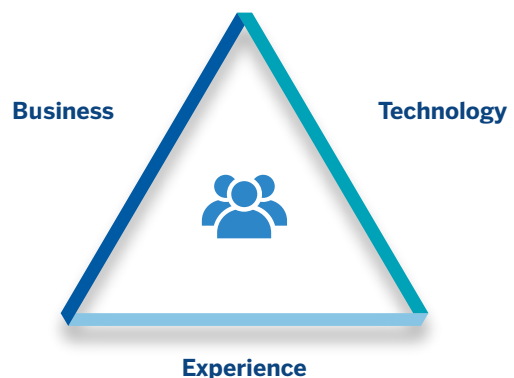
- The transformation of the Group should be guided by our customers' demand for unique and innovative experiences.
- We are investing in capital and talent to create a future of opportunities for our customers.

- We are seeking to take advantage of our relations with customers in a fair and transparent manner.
- At BBVA we are all creators of experiences for our customers.

In order to achieve this, we rely mostly on the power of **design thinking** as the basis for designing our products and services. Design thinking is much more than making things look attractive; it involves mainly the ability of leading companies to put their customers at the center of their businesses. It combines social factors, demographic and technological trends and a deep understanding of consumer behavior. It starts with obtaining an understanding of our customers; knowing who they are and what drives their behavior. It helps us to define the problems we want to resolve and ensures that customers are always at the heart of any solution.

BBVA is also becoming an increasingly **global** bank through its focus on creating global products and experiences. This allows us to leverage our best practices, wherever they come from, to the benefit of our customers.

To do this we are reorganizing around a new concept known as the **Triangle**. The Triangle has three vertices: business, customer experience and technology, where Customer Solutions would be at the center.



Our Customer Solutions team relies on design thinking and **collaborative work** to create an inspiring vision for the future. It is also responsible for project planning and execution. The focus on creativity and execution ensures us the possibility to make digital innovation available for our customers. This team was originally located in Spain, the United States and Mexico.

It is made up of specialists from the financial industry and from other industries who can offer an analysis under a wider-ranging perspective.

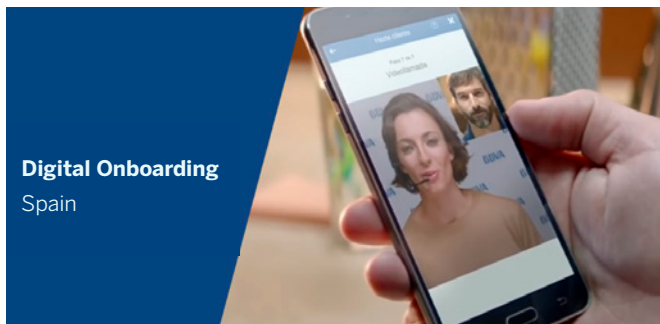
In addition, the opening of the **Creation Center in Dallas** was a step forward for Customer Solutions and our investment in the improvement of customer experience. A group of 55 highly-qualified employees has been hired, with experience in data, computer engineering, user experience and design. They will work with local teams in all BBVA's geographical areas to develop global products and processes used to improve the customer experience from start to finish.

New customer-centric solutions launched in 2016

In 2016, key customer-centric solutions were developed, and have helped to improve customer experience and drive transformation through the digital channels. Some of the new **initiatives** implemented for customers include:

Spain

- **Digital Onboarding:** it is a new functionality for opening accounts online and setting up direct billing for payments using smartphones. It is a simple, 100% online solution that allows customers to be fully operative in less than ten minutes. Customers can also migrate their bills to BBVA simply by photographing them.



- **BBVA Valora and Commerce 360:** two projects that provide customers with the benefits of big data. BBVA Valora is a tool that is available as an app and also online. It is designed to help customers obtain the most information possible to negotiate and make the best decisions with respect to their homes (real-estate prices, impact on their finances, etc.). The app connects to the home purchasing process and concludes with a mortgage offer tailored to the customer's profile. The Commerce 360 project converts anonymous card purchase data into useful information for businesses and SMEs, helping them to make the best decisions and implement marketing campaigns.

- **No waiting at branches, prioritized queue number at the teller window, and online appointments:** this is an initiative that offers customers the possibility of arranging face-to-face or telephone meetings with their managers online or using their smartphones. When customers visit their branches, they have the option to ask to wait in the priority line of the teller so they won't waste their time. Both solutions save time and allow customers to choose the most convenient time to speak with their advisor.

The United States

- **Origination of online signature express loans:** BBVA Compass has introduced its first online credit product, where customers can apply for a loan and receive confirmation, both online and in minutes.
- **Improvements to the BBVA Wallet,** with new functions for activating cards, canceling cards if they are lost or stolen and applying for new cards without having to visit the branch in person.
- **Easy payments and transfers:** an innovative, simple and fast solution to move money between BBVA Compass accounts and other bank accounts, repay loans and transfer money, available via smartphone and online. The initiative was recognized by Javelin Research as the best solution of this kind in the United States.

Turkey

- **New mobile app solutions (Garanti Cep),** featuring an interactive mobile assistant (IMA) and an intelligent virtual voice assistant that respond immediately to customer needs and enable banking transactions to be made using voice commands.
- **New user experiences at ATMs.** The ATM application has been adjusted to reduce user time.
- **GarantiOne,** a service that offers a view of the customers' financial position, can compare their expenditure with peers and send digital gifts peer-to-peer (P2P), such as digital subscriptions, game credits, etc.
- **Seamless Technology for Enterprise Platform (STEP).** A mobile platform created to assist the sales force, and designed as a fluid work space under the slogan of "a bank on a tablet". It gives employees up-to-date access to all customer information using a simple and easy-to-use interface.

Mexico

- **N2 Digital Account**, a new account that allows individuals to become new customers without having to visit a branch through a simple registration process on their *smartphone*. This is the first 100% digital account that allows card-less cash withdrawals from more than 11,000 ATMs.
- **Salary portability**, a clear and simple process that enables customers to migrate their salary payments to BBVA Bancomer. The portability process may be carried out in-branch or using digital channels, by selecting the “do it yourself” option. The omni-channel experience has produced positive results and underscores BBVA Bancomer’s position as leader in salary portability.
- **Digital Auto Credit**, the first 100% digital auto loan arranged online, offering customers an easy, fast and secure experience. Customers and non-customers alike can make loan simulations, and, if they wish, apply for an auto loan online. BBVA Bancomer will respond to all applications by email in approximately one hour.



South America

- In **Argentina**, new experiences on the web have been developed. For example, an online risk assessment engine has been launched in real time for certain products, in addition to a new function for opening deposits, new tools offering more information on account movements and a new credit card site.
- In **Chile**, new adjustments have been launched for the mobile banking app, BBVA Cloud has been introduced for the web and new One-Click products have been developed, in addition to a new function for the BBVA Wallet that includes the online exchange of points in the Bank’s loyalty program.
- In **Colombia**, a new website has been developed, in addition to an online process for opening salary accounts. A system has also been introduced for small consumer loans (ADN) through ATMs, aimed at payroll customers. A new BBVA Wallet has been launched that enables

payments to be made simply, safely and comfortably using a sticker. Further, the mobile app now includes the option to contract time deposits, with the possibility of using a fingerprint sensor to sign documents via smartphones.

- In **Peru**, new web experiences have been implemented, such as a system for opening accounts online, which is digital from start to finish for new customers. A single support system has also been introduced for branches. This is a new tool that includes offers available to customers, their historical data, a planning tool that monitors employees’ sales performance, and an improvement in the application process for credit cards and loans. A new value proposition has also been launched for senior customers (Cuenta Mundo Senior), in addition to a range of loans through digital channels (mobile, web, ATM). BBVA Continental is the first entity in the country to offer this service.
- In **Venezuela**, a new function has been developed for the mobile app that allows cash to be transferred via BBVA Provincial ATMs to anyone with a cell phone (customers or non customers). Net Cash has launched a new design for accessing the channel, with the introduction of Provinet Chat (assistance) and the possibility of using a digital fingerprint for identification purposes. This makes it easier to access Provinet Empresas (for companies), improving the user experience.

Big data

Big data is no longer a trend; it is a reality, and at BBVA data analysis is becoming increasingly important for our business. The banking of the future is data-driven banking; **knowledge banking**. Data-driven companies are transforming the essence of the customer experience. Thanks to data collection, selection, analysis and interpretation, new business opportunities can be detected, companies can remain one step ahead of consumer trends, new experiences can be designed to help customers make decisions and knowledge can be gained from the decisions they make. The information and knowledge held on each customer, among other factors, can be used to create a unique experience.

In big data, the ability to work in **real time** is a fundamental aspect. One of the most ambitious challenges facing the Bank is how to feed the information obtained from customers back into the system so that action can be possible in real time.

Our **objective** is to offer a better service to customers, becoming more efficient and competitive, but at BBVA we are aware of the risk of handling personal data. Data are

therefore used in a generic, aggregate and anonymous format. In this way, our contact with customers is more personalized and significant, but their privacy is not jeopardized at any time.

Complaints and claims

At BBVA we know that good **complaints and claims management** is key to making us a better bank for our customers.

We offer our customers experiences and solutions related to their money. Because of this, we understand and are aware that mistakes and bad experiences are becoming less and less tolerable. Furthermore, we are aware that bad experiences are not only harmful to our image but can also lead to trusting issues. Knowing and recognizing our mistakes and resolving them quickly and dynamically are part of our objective to provide a new standard in customer experience.

In BBVA Group, the different complaints units are constantly evolving with the aim of improving and optimizing their management models. Further, the analysis and management of complaints and claims provide relevant information on the factors and causes leading to the lack of customer satisfaction. To address this issue, a special **site** has been created that contains all the information relating to complaints, claims and lack of customer satisfaction. These aspects are also monitored periodically in a simple, dynamic and transparent report that examines the different areas relating to complaints at BBVA, contributing value to internal customers that is then transmitted to external customers.

Main indicators of complaints (Spain, Mexico and South America)

	2016	2015	2014
Average time for settling complaints (days)	12	11	12
Number of claims settled by First Contact Resolution (FCR) (%)	16	30	14
Number of claims before the banking authority (for each billion euros of activity)	62	58	131

In addition to complaints and claims, there is a growing tendency to collect and address **informal complaints** and customer requests. The aim of collecting this wealth of information is to assess root causes and establish action plans to resolve any issues on time.

The following are the **conclusions** of the complaints management process at BBVA:

- We are improving the customer experience.

- We continue to identify the root causes of problems in order to draw up specific action plans.
- The Bank's digital transformation process is supported by sharing customer insights (NPS index, feedback, complaints and claims, etc.).
- Conversations on social networks are monitored.
- The Activity Report is published periodically at Group level on a special website.

[Annex 2 - Average time for setting complaints](#)

[Annex 3 - Complaints settled at the first contact with customer \(FCR\)](#)

[Annex 4 - Complaints brought before the banking authorities](#)

Net Promoter Score

Digitalization and simplicity are key factors that mark the improvement initiatives implemented at Group level to make all customer interactions with us a positive experience.

The **Net Promoter Score** (NPS or Net Recommendation Index - IReNe) methodology shows us the level of recommendation, and hence, the level of satisfaction of our customers with the different products, channels and services. This index is based on a survey that measures, on a scale of 0 to 10, whether a bank's customers are positive (score of 9 or 10), neutral (score of 7 or 8) or negative (score of 0 to 6) when asked if they would recommend their bank to a friend or family member. This is vital information for identifying their needs and drawing up quality plans, in addition to projects that, in collaboration with the different areas of the Bank, make it possible for us to create unique experiences.

The **results** of these efforts, coordinated throughout the different countries, have been positive. We have observed an increase in this index that has also been partly due to the exchange of best practices within the Group. Highlights include:

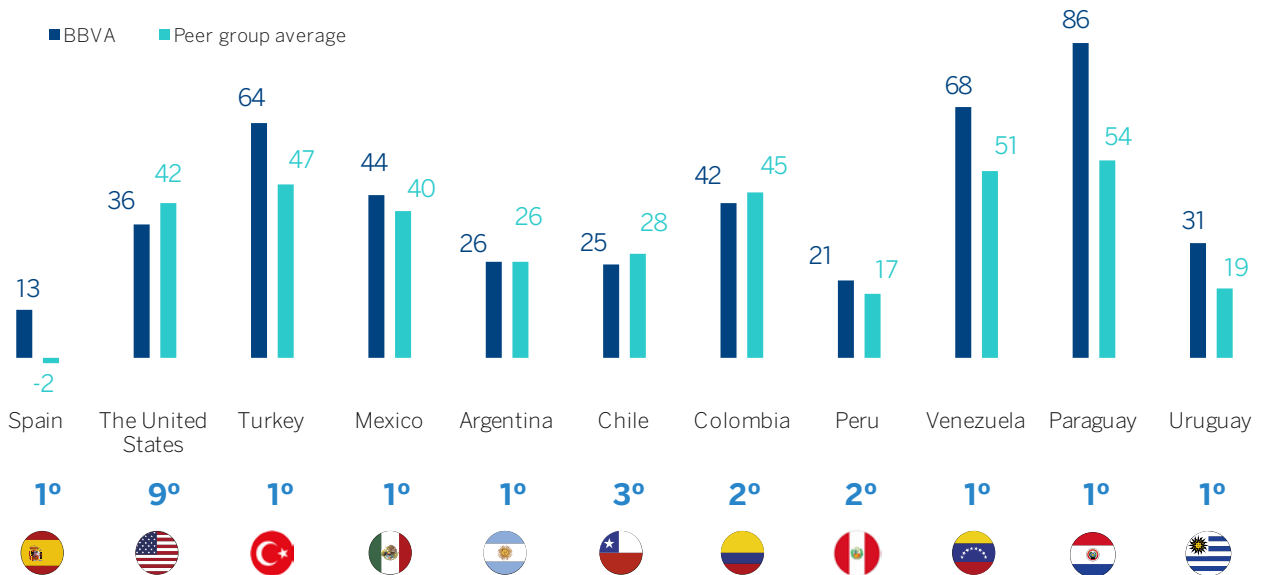
- In **Spain**, the consolidation of the *Calidad en Red Banco 10 - 3.0* (Bank network quality 10 - 3.0) program.
- In **the United States**, a new tool has been launched to improve interaction with customers, speed up processes and reduce paperwork through the digitalization of a variety of products and services.
- In **Turkey**, improvements have been made in communication channels and mechanisms and changes

carried out in the most critical customer processes to offer the best experience possible.

- In **Mexico**, various tools have been introduced to assess customers' recent experiences with BBVA.
- In **Argentina**, a platform for digital surveys has been installed for the sales network, which has boosted business volumes, improved response times and increased contact with customers; in addition, a new customer contact channel was launched (Chat Automático).

- In **Chile**, a survey tool has been set up online and on the retail network.
- In **Colombia**, a diagnosis has been carried out and actions improving matters related to transparency have been implemented; in addition a support model has been introduced for the retail network that responds directly to questions addressed to central areas.

Net Promoter Score (NPS) (By geography, Percentage)



Peer Group: Spain: Santander, CaixaBank, Bankia, Sabadell, Popular / The United States: Bank of America, Bank of the West, Comerica, Frost, Chase, Regions, US Bank, Wells Fargo / Mexico: Banamex, Santander, Banorte, HSBC / Peru: BCP, Interbank, Scotiabank / Argentina: Banco Galicia, HSBC, Santander Rio / Colombia: Bancolombia, Davivienda, Banco de Bogotá / Chile: BCI, Banco de Chile, Santander / Venezuela: Banesco, Mercantil, Banco de Venezuela / Paraguay: Continental, ITAU, Regional / Uruguay: ITAU, Santander, Scotiabank.