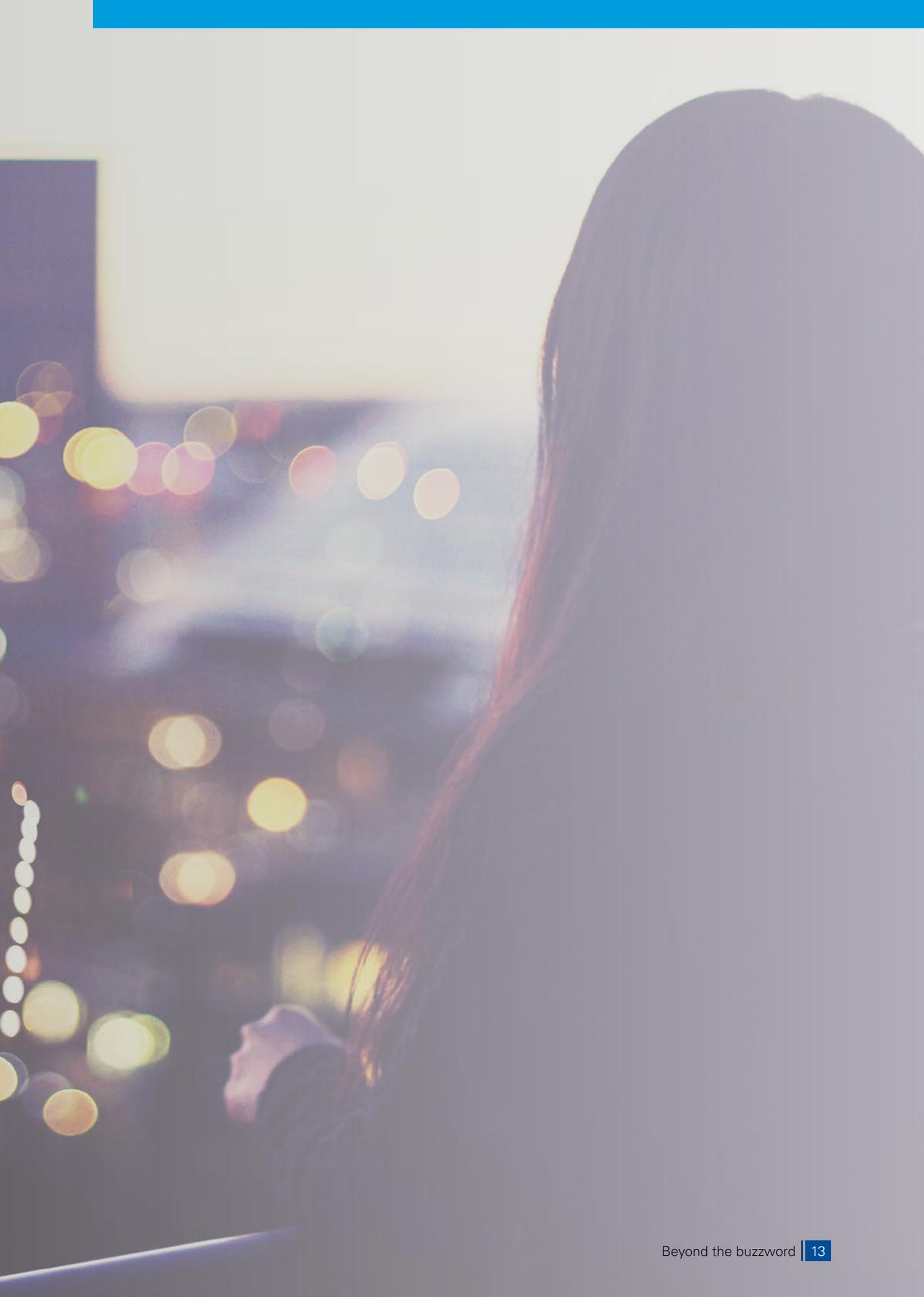




Executive summary



When private banks talk about digital ...

Our clients tend to expect the same level of digitalisation they currently have with our mother company in our home country

We want to remain relevant in the digital field, but we do not want to be leading the charge

This is not only about the tool, it is about the mindset

Our clients are more and more using WhatsApp to communicate with their relationship managers. How can we manage this going forward?

Digital brand positioning needs to be subtle: we do not want to be perceived as mainstream

Clients need to be given the tools to engage with us when and how they want

We do not want to push work and responsibilities to our clients. This is not what we do; this is not who we are

You had... "augmented reality"; you now have the "augmented private banker"

It is all about an intelligent mix of traditional and digital banking

How to collect the expectations of our clients in terms of digital and manage... the very same expectations?

Senior management plays a key role in diffusing a digital culture and empowering local teams

A B2C robo-advisor is not, and will probably never be, an option we are willing to consider





Digital strategy

Luxembourg is known as a country of subsidiaries. Consequently, when it comes down to the definition of strategy — be it business, operational or digital — the often very close connections with parent companies lead to integrated decisions. It was therefore no surprise that, for almost all the private banks interviewed, their digital strategy is defined at group level. In parallel, while the vast majority of private banks in Luxembourg consider digital to be key for the development of their sector, their degree of advancement in the definition — and, more importantly, the implementation — of their digital strategy shows large discrepancies.



Organisation & culture

The organisational maturity level of private banks in Luxembourg is usually well correlated with their development in terms of HR capabilities and culture. Those banks that have already adapted their organisation and governance to today's digital challenges tend also to have initiated corresponding changes in their talent attraction and development, and to have effected a shift in culture through channelled communication both internally and externally. Conversely, private banks that are not as mature in terms of digital strategy have not yet carried out such organisational changes, nor have they introduced digital-specific HR practices or shifted their organisational cultures towards digitalisation.



Customer experience

Only a limited number of private banks in Luxembourg have redefined and digitalised their customer experience — and fewer than a third have taken significant steps to implement new client journeys focusing on digital touchpoints. However, this seemingly intransigent stance can sometimes be due to very consistent strategic positioning being maintained. About half of private banks have formally defined their clients' customer journeys — although this will not necessarily translate into their offering a highly digital experience, since many banks insist that the very nature of private banking is “people business”. Digital is — and is likely to remain — an enabler, and banks are carefully choosing which touchpoints within the customer experience they will or won't digitalise.



Distribution & sales

Private banks in Luxembourg currently make rather limited use of technologies to improve their distribution and sales strategies. Those banks that have achieved a moderate level of digital availability for their products and services have done so through well thought-out strategic positioning.

Efficient use of customer relationship management (CRM) tools, and exploitation of data to better target and approach clients with relevant offerings, are somewhat underdeveloped.



Digital communication

Very few banks are aiming to really project themselves as digital private banks — and over a third of banks are not focusing on building their digital image and online presence at all. Parent banking groups often play the principal role in designing and implementing the communication strategy for their subsidiaries, giving some Luxembourg private banks only a limited role to play themselves. Banks' willingness to be perceived and position themselves as “digital” is principally a matter of strategic positioning, as is their presence on online channels. Universal banks tend to be more visible in this respect, strongly capitalising on the developments of their cross-group and cross-service line marketing teams — while pure private banking players tend not to benefit in the same way.