UX Maturity in Financial Services
Taking Customer-Centricity Seriously

A Conversation with April McGee
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Let's help them do what they do best: live their lives."

April, many people believe that imitation is the sincerest form of flattery. With so many up-and-coming UX trends, why not just take after the best of the best?

Well, yes and no. The old adage describes imitation as a form of flattery, but let's examine that a bit more closely.

Why Argue With Success?

A concept that's groundbreaking, innovative, and successful in one setting may not be right for your situation and your customers.

Some organizations have adopted a variation of the "fast follower" strategy when it comes to their digital experience. A common scenario is where the management in an organization clearly recognizes the value of customer centricity, but may not know exactly how to bring it about. Thus, you may hear a request like: "Can't you just make ours like theirs?"

Often the "theirs" to be emulated is a catchy trend proliferating all over, that everyone knows and loves. The request is invariably accompanied by a withering look of incredulity that we — the UX experts — have not already thought of this simple and obvious solution! After all, who'd be foolish enough to argue with success?

$20,000 Per Click?

But is emulation the best approach? I recall an extreme example at the tail of the dotcom boom with a high end cruise line in the midst of redesigning their website. It was around the time when Amazon's one-click shopping feature went big. One-click revolutionized the online shopping world — and was an immediate hit with the cruise line's product manager. You could sense his excitement as his eyes lit up and he burst out: "We need something like that!"

As usability consultants we were tasked with being the voice of reason (aka "the voice of the customer"!). Copyright issues aside, it was our job to point out that while there may well have been valid use cases — and enthusiasm — for buying a book or a toaster with a single click, the purchase of a high end cruise at $10,000 per person was a bit different. A cozy-getaway for two to the tune of $20,000 in a single click!!!?? Hmmmm. Perhaps not so much.

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Is Your Competitor Designing Your UX?

While the one-click example may sound a bit extreme, the situation itself is not an uncommon one. A concept that's ground-breaking, innovative and successful in one setting simply may not be right for your situation and your customers. By simply transferring it into your environment you may do yourself more harm than good, even more so if that concept is in use by a competitor. In doing so, essentially what you've done is invite your competitor to design your customer experience for you. Is that really what you want?

"The craft of good UX strikes the balance between leveraging known best practices and capitalizing on what makes you stand out with your customers."

Now, I'm certainly not advocating that we all reinvent the wheel purely for the sake of being unique. But I do think it's wise to consider if the concept in question is truly ideal for the context, use cases, habits, expectations and emotional attributes of your customers. Is it a good fit? Or is it out of place? The craft of good UX strikes the balance between leveraging known best practices on the one hand and capitalizing on what makes you stand out with your customers on the other.

My advice is this — if you do decide to adopt what others do, be cautious. Make sure that you adapt it your own situation, and above all, test it to verify that it delivers what you — and your customers — expect!

You've done a lot of work in the financial sector. How are they doing with user experience?

In some respects, financial services have been at the cutting edge of UX; in other ways they lag behind. Years ago the financial sector was at the forefront of the digital conversion. For example, self-service touch-screen UIs on ATMs, while far from perfect, have remained simple and, for the most part, true to their primary function. Unfortunately, the sense of synergy is considerably less when it comes to the online customer-facing experience, less *oomph*.

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Does Online Banking Have To Be 'Blah'?

Many online tasks at financial websites are by nature transactional: you check your account balance, make payments, and verify transactions. But just because the tasks are somewhat mundane is no excuse for a blah customer experience. The important thing to remember is that, when it comes to UX, *oomph* is a factor of how well the experience resonates with users.

> **"Just because banking tasks are somewhat mundane is no excuse for a blah customer experience."**

Usabilla published a report in 2011 called "Usability in the Banking Sector." They selected the 8 biggest banks in the US, the UK and Germany, and then asked users to perform common banking tasks on their websites, e.g., "find information about credit cards". Afterwards, they probed with questions such as what elements on the page led the users to trust the bank. The key takeaways were:

1) Banks overload users with *too much information*, making it difficult for users to choose.

2) Bank priorities were *not aligned with customer priorities*

3) *Trust and transparency were important* – how a bank displayed its privacy and security elements had a great impact on trust levels – even for known and trusted banks.

Negative Perceptions Towards the Financial Sector Persist

The 2013 Reputation Quotient from Harris Interactive reported that the overall reputation of corporate America is still strongly negative, with banks and financial institutions (FIs) still ranking near the very bottom (see graph below). Of the top 10 companies in the US, none were from the financial sector. In contrast, the two lowest ranked companies were both from the financial sector: Goldman Sachs followed by AIG.
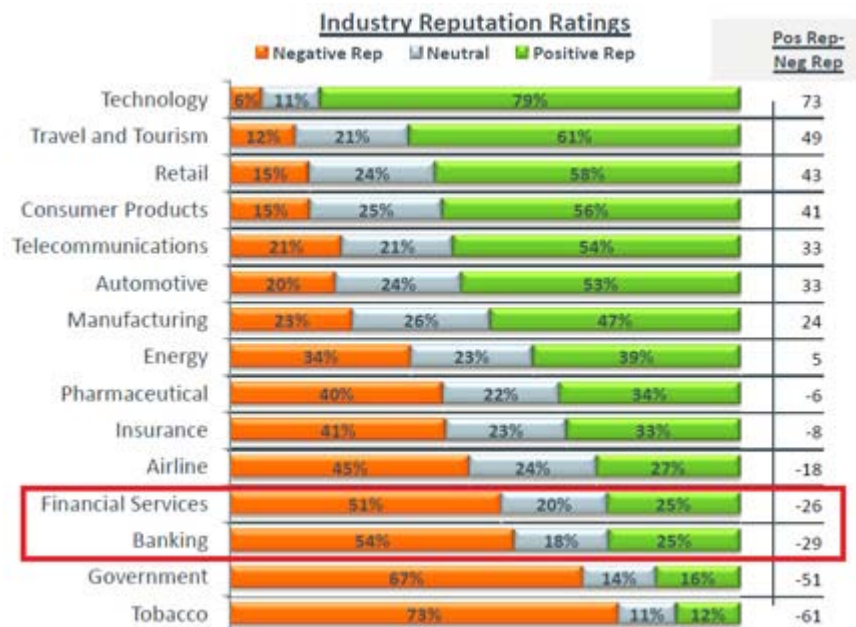
Furthermore, six of the 10 lowest ranked companies were financial institutions. This shows that there is still a steep uphill climb to overcome the strong negative perceptions. As a key differentiator, improving customer experience is a critical element of that turnaround. The Temkin report on the ROI of Customer Experience 2012 states: "Customer experience leaders have more than a 16 percentage point advantage over customer experience laggard in customers' willingness to buy more, reluctance to switch away, and likelihood to recommend."

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"Improving customer service is a critical element to turning around the financial sector."

Industry Reputation Ratings	Negative Rep	Neutral	Positive Rep	Pos Rep-Neg Rep
Technology	6%	11%	79%	73
Travel and Tourism	12%	21%	61%	49
Retail	15%	24%	58%	43
Consumer Products	15%	25%	56%	41
Telecommunications	21%	21%	54%	33
Automotive	20%	24%	53%	33
Manufacturing	23%	26%	47%	24
Energy	34%	23%	39%	5
Pharmaceutical	40%	22%	34%	-6
Insurance	41%	23%	33%	-8
Airline	45%	24%	27%	-18
Financial Services	51%	20%	25%	-26
Banking	54%	18%	25%	-29
Government	67%	14%	16%	-51
Tobacco	73%	11%	12%	-61

Harris Interactive 2013 Reputation Study

The Mobile Bandwagon

Today's buzz is that "the future is mobile." Gartner reports that "In 2013, mobile devices will overtake PCs as the most common Web access device, and by 2015 tablet shipments will account for 50% of laptop shipments." As a result, we see financial institutions jump into the fray with the goal of making the banking experience scalable for different devices, especially smartphones and tablets. "Online brokerage firms — Fidelity, eTrade, TD Ameritrade, Schwab — are leading the way. Many firms now build apps specifically for mobile devices first while desktop apps are becoming an afterthought" according to Wall Street & Technology.

And, without a doubt, banks and FIs *do* need to be in the mobile space. But we're still in a multi-screen world! Business Insider notes: "In developed markets, the reality is that we live in a multi-screen world, not a 'mobile world' … the laptop/desktop screen is still by far the most dominant … abandoning that screen, or designing for another screen first, just doesn't make sense."

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"Rebuilding trust, garnering loyalty, and improving customer perception can never occur via technology alone."

Let's all remember that using the latest and greatest device is rarely the customer's main goal. Customer goals are simple: buy a house (with the lowest mortgage rate possible), get the kids through college (and make saving for it painless), and plan for retirement (ensure there's enough to last through our golden years). Other situations may also arise — such as helping elderly parents manage their bills or transferring money directly to a person instead of a business. These are the everyday situations customers face. It just so happens that new devices keep coming down the pike, and with each new device, there is yet another adaptation the user has to make to get to their true goal: getting on with their lives.

Banks Get Into the Game

Gamification is one of the hottest topics in the financial sector today. Because let's face it; personal finance management is more drudgery than pleasure. Gamification is one way to counteract the notion that banking is a chore. However, gamification is more than making finances fun. To be precise, it's not even about playing games. In a nutshell, gamification uses psychology principles and gaming mechanics to evoke specific behaviors and make them ingrained. It can be applied to all demographics, and it'll help banks keep customers coming back by making the experience addictive. Some banks, mostly outside of the US, provide explicit games for customers to play. That's one approach. But it'll take more than playing games to win users. As Gartner analyst Stessa Cohen stresses: "Getting people to participate in a game is one thing, but getting people to use [banking] products and services is an easy way to measure success."

Undoubtedly, the popularity of gamification will grow quickly. But to be successful, serious attention must be paid to how it's applied. According to Gartner, by 2014, eighty percent of current gamified applications will fail to meet business objectives primarily due to poor design." In other words, it can't be just about counting points and winning badges; otherwise, gamification is likely to be quickly rejected.

No matter whether the topic is mobile or gamification or anything else, rebuilding trust, garnering loyalty and improving customer perception can never occur via technology alone.

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You advise your clients to be cautious about big data analytics. Can you elaborate on the pitfalls of using the wrong approach?

My background in psychology and engineering drives me to rely on data to shape my views. And given how much I stress the benefit of having a detailed picture of the customers' landscape, you might ask if one can ever have too much data?

Beyond analytics, the "nuance of why" is critical to creating a best-in-class user experience. It's one of the signals that you're serious about UX.

IMHO, the answer is no, there's never too much data — by all means, go with it! For example, financial institutions can use knowledge about feature usage to help in cross-selling and service packaging. The caveat is not to confuse data with information. With big data, the sheer volume makes it ever easier to track where customers are, what they purchase, how often, from where, what time of day, from which accounts, etc. However, it's impossible to create a good design based on analytics alone. Analytics can tell you what users do, but they can't tell you what it means. It only becomes meaningful when you know the why behind those activities. The "nuance of why" is critical to creating a best-in-class user experience. It's one of the signals that you're serious about UX.

What do you mean by "serious about UX"?

There are several markers for gauging how serious an organization is about UX. HFI's Usability Maturity Chart captures them at-a-glance (chart below).

HFI Usability Maturity Chart 2.0

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Maturity Marker #1: Is There a Documented UX Strategy?

The first and foremost marker is having a documented UX Strategy. UX Strategy is the roadmap to get from the executive's vision to the end user experience with everything still intact — without critical elements getting lost in the translation. Essential milestones in UX Strategy include: mapping the user ecosystem, applying persuasion engineering, and optimizing the cross-channel experience.

"Essential milestones in UX Strategy include: mapping the user ecosystem, applying persuasion engineering, and optimizing the cross-channel experience."

Maturity Marker #2: How is UX Managed?

Another way to gauge commitment is to examine how UX is managed within the organization. Jakob Nielsen recommends that a minimum of 10% of budget resources should go towards UX. Does the UX effort have the appropriate resource and budget to realize ROI benefits? Are there UX practitioners with the appropriate training, experience and credentials? Are KPIs tied to customer-centric measures (in addition to the usual development-centric ones)? Does UX have a seat at the table where policy, process and product decisions are made? In other words, is there someone in management who's responsible for promoting and advancing UX, and who actually has the clout to do so? After all, you'd be hard-pressed to name a full-strength organization that doesn't have a CTO or CIO or CFO. Is there a corresponding Chief Customer Officer (CCO) or a Chief Experience Officer (CXO) or equivalent? If the function is crucial to the organization then it's equipped, managed and tracked. Should customer experience be any different?

Maturity Marker #3: Are You Getting Optimal Value From Your UX Assets?

Last but not least is the question of how the UX organization distributes, communicates and leverages its UX output. Leveraging your UX assets is indispensable if UX is to thrive. Otherwise, it's too easy to become "silo-ized." Some organizations use blogs or wikis to share knowledge and designs. But are they able to dynamically manage and view the UX assets and see how one thing relates to another? Can they easily see what projects were done and find out what was learned? Organizations that can't track this may inadvertently end up running the same studies over again, simply because they have no easy way to search, retrieve and view what they already have.

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Besides, team members come and go. Is there a way of ensuring that the customer knowledge they've accumulated doesn't leave when they do? Or that it isn't forgotten on a file server somewhere? If our UX assets are buried somewhere gathering electronic dust, then we're not doing serious UX.

It may sound like a daunting task, especially as we collect and examine ever-expanding amounts of data about our customers. How can we manage and keep track of it all? It can indeed seem off-putting. But when you approach it in a systematic, integrated and object-oriented way, then not only is it manageable, it's valuable.

I'd like to see all three maturity markers more commonly deployed within UX practices in the financial sector.

An object-oriented approach helps ensure that customer knowledge doesn't leave as team members come and go.

Do you have some examples of financial entities that put their customers at the core?

Yes. There are several good examples where they're starting to go in that direction. Among them is BBVA, a Spanish bank with an Innovation Center focused on customer-centric banking solutions. They've created new concepts for ATMs, online virtual assistants and personal financial advisors — it'll be interesting to follow what comes of their efforts. The same goes for online-only services Simple and GoBank™. They help customers track spending, avoid fees and plan for upcoming needs. They're just getting off the ground, but I like how they start by examining use cases, and applying the 80-20 rule when deciding which features to present and which to cut back. While virtual-only is not yet for everyone, their approach of building features based on what actual users actually do should take them far.

How would you advise UX organizations to consider the future when designing?

Without a doubt, the financial sector is on the brink of something very exciting. In the last few years there's been an onrush of mobile payments, digital wallets, portable card readers, and the like. In contrast, there's been a decrease in branch and cash services. Not only have these advances changed the way customers *can* do business, it's changed the way they *want* to do business.

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What's the Future of Money, Finances and Banking?

Banking no longer requires a bank. Banerjee and Yellavalli (2011) describe the shift from being "information-based, to being relationship-based, and ultimately to being community-based."

Mobile payments, digital wallets, and portable card readers have not only changed the way customers *can* do business, it's changed the way they *want* to do business.

"The evolution of banking services delivery," Global Finance, November 2011

Who's looking into what's needed to make it easy for customers to integrate future concepts and capabilities into their ever-changing lives? Are we looking beyond tech feasibilities to understand the customers' "life channels," and not just their digital channels? Recent economic struggles have made a social impact: how we earn a living, our financial aspirations, individual wealth vs. social wealth, etc. What does this changing landscape mean?

For UX organizations that are saddled with the looming pressure of the current project or upcoming release, it may seem impractical to consider such "airy-fairy" topics. But if the entire team is heads-down with deadlines and due-dates, then who is preparing for the NextGen experience?

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The ideal situation is where an organization can set aside resources to prepare for what's ahead. The forward thinkers at BBVA have done exactly this. A recent Forrester blog post describes how BBVA has systematically launched a continuous succession of customer-centric innovations that match its offerings to its customers' needs. To achieve this, BBVA took a direct approach:

1) leverage internal resources and partner with external experts,

2) define success metrics and

3) prototype and test.

Many banks don't have the staff and the bandwidth to have an innovation center.

Ideally every major bank would have its own innovation center (OK, I can dream, can't I??).

But the reality is this — despite having the desire, many banks just don't have the staff and bandwidth. So, an alternative is to take advantage of resources that track trends and model the future. One such future-oriented resource is HFI's own Institute of Customer Experience (ICE). ICE is dedicated to understanding how UX will adapt to users' future needs. Another way to keep abreast of what's up-and-coming is to monitor the discussions generated on UX Trendspotting.

As the technology evolves, how should user experience design evolve?

It starts by putting an infrastructure in place that'll advance your UX maturity and ultimately your customer centricity: UX Strategy, a managed UX practice, and shared UX assets are the fundamental components. You also need a robust, in-depth picture of your customers and their ecosystem. And in constructing that picture, recognize that profiling your customers is not a "once and done" proposition. Your user profile today may strongly differ from what it was several years back. Are you updating it regularly? If you're not, you should be.

The needs of users change and their usage patterns evolve. If you don't stay on top of them, you risk getting out of synch with your target audience. And it's impossible to craft a great customer experience if you're out of touch. You'll end up with something ill-fitting and disruptive. Let's not force our users to the edge of the technology cliff and then just push them off. Instead, let's usher them seamlessly into the future. Let's help them do what they do best: live their lives.

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About April McGee

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April McGee has over 15 years professional experience in usability engineering during a 23-year tenure at Bell Labs, AT&T and Lucent Technologies. Currently she is VP Eastern Region with Human Factors International, Inc.

She has a proven track record with telephony products and services as well as network and element management for broadband data systems. Strengths include user interface design, usability testing, development of UI guidelines and requirements, and delivering bottom-line customer satisfaction. Adept at simplifying complex procedures. Talent for facilitation of cross-cultural and cross-functional teams. Also experienced in system integration, system test and customer support.

April was awarded a U.S. patent for an innovative user interface to an award-winning voice/data/video collaboration system (MMCX). She has won several awards, including the Worldbeater Award, for integrating product prototype into user interface requirements, and she is a member of the Human Factors and Ergonomics Society as well as the Usability Professionals Association (UPA).

Currently, April is responsible for implementing a user-centered approach to user interface architecture. Using techniques such as data gathering, developing task flows, usability testing, and expert reviews, her goal is to help clients optimize their efficiency, productivity and user experience.

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