

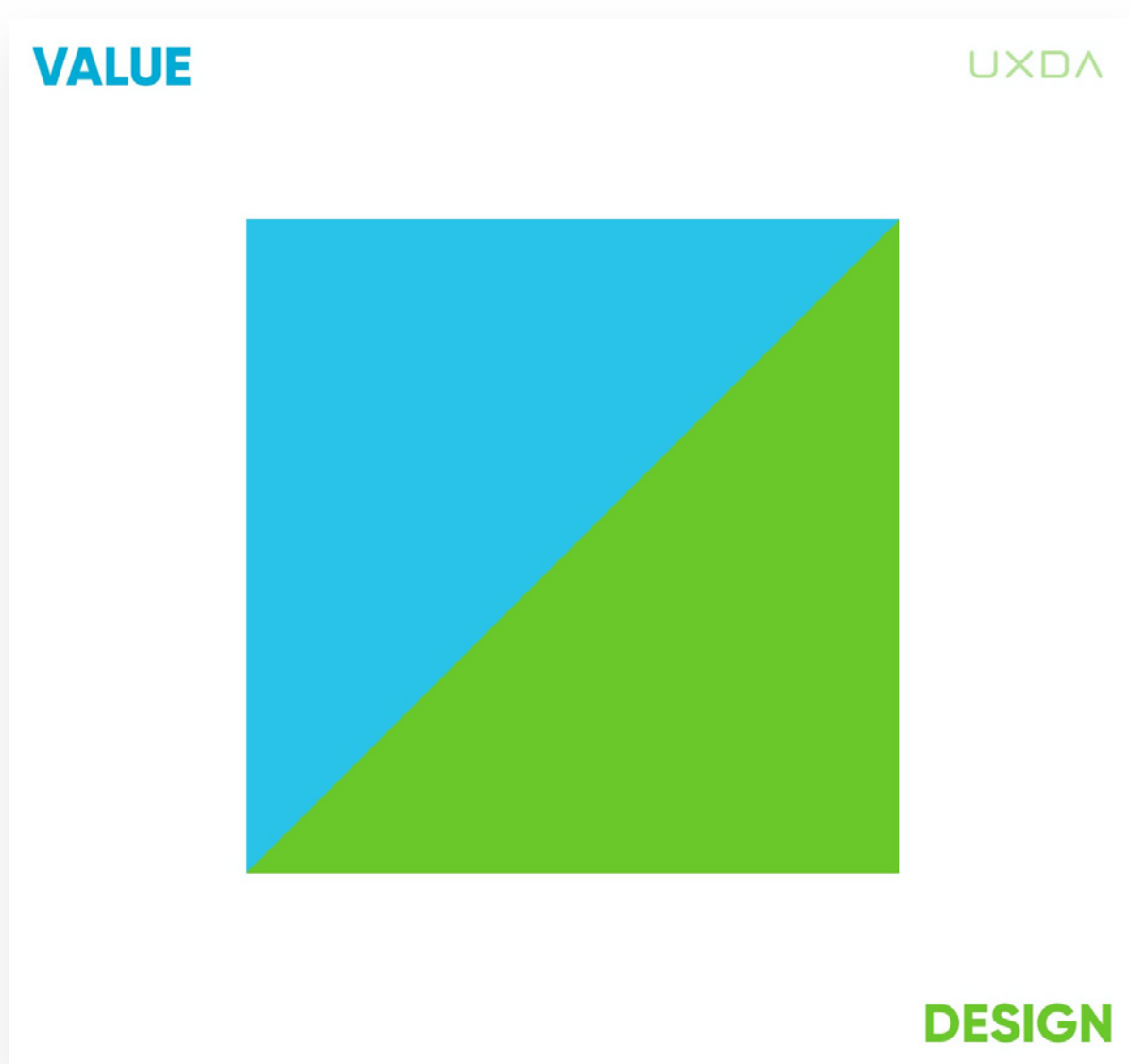
The Financial UX Matrix: How to Become a Disruptor in Banking

Whitepaper

To get the maximum value out of this whitepaper, fill it while reading the [article](#).

In the digital world, companies with disruptor culture have the greatest potential. These businesses maximize their chances of success with two basic components: Value and Design. Both of these elements significantly affect the formation of customer experience within any business. Let's find out how finance companies can use this knowledge to establish a disruptive culture and conquer the financial industry.

Digital Disruption in Banking Depends on Value and Design



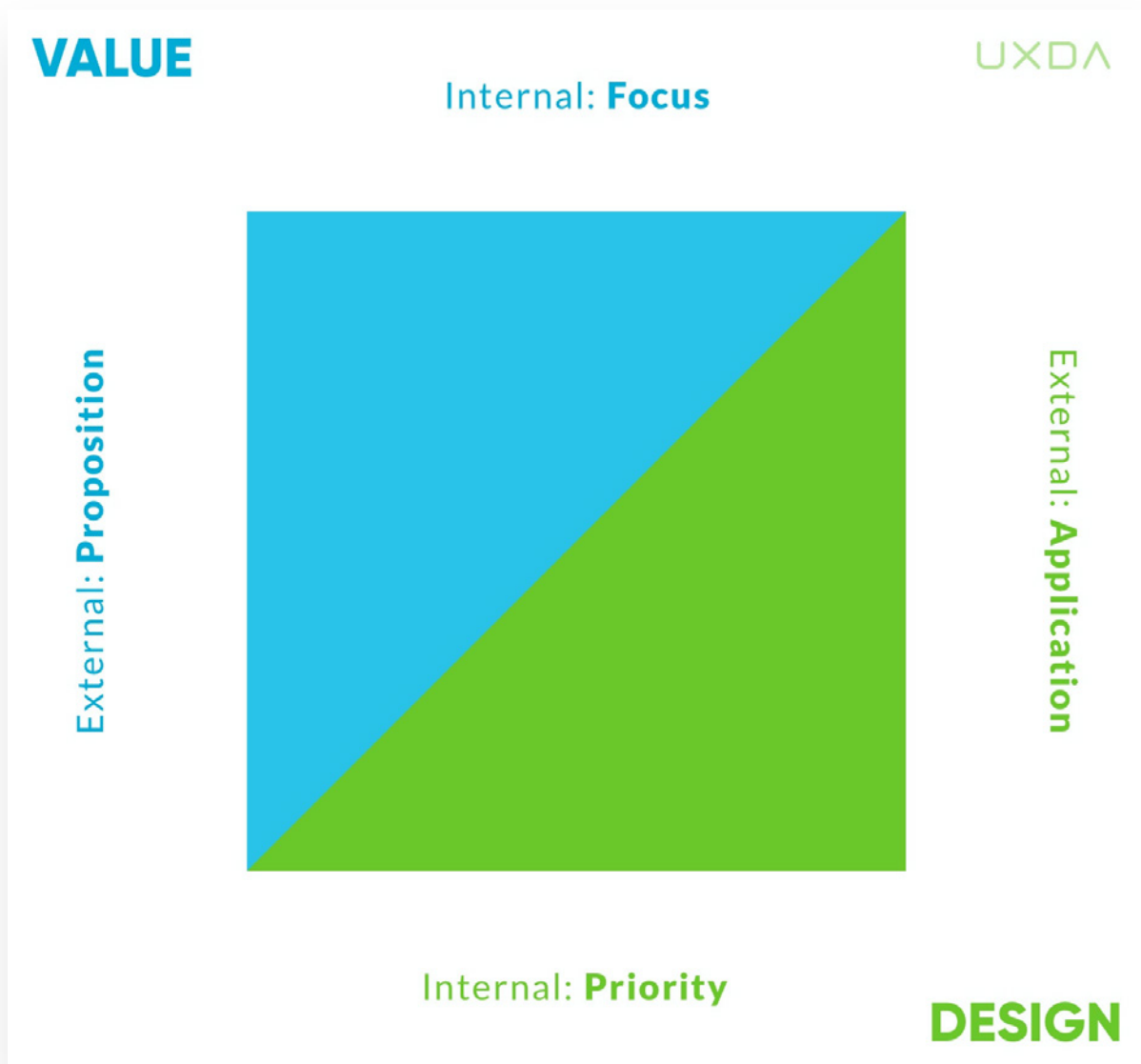
Value

Value affects the basic guidelines of business leaders, their mindsets and the culture of their company. It also impacts the product strategy and the focus of their efforts. In essence, value answers the question of WHY the company exists and what their unique proposal is to their customers.

Design

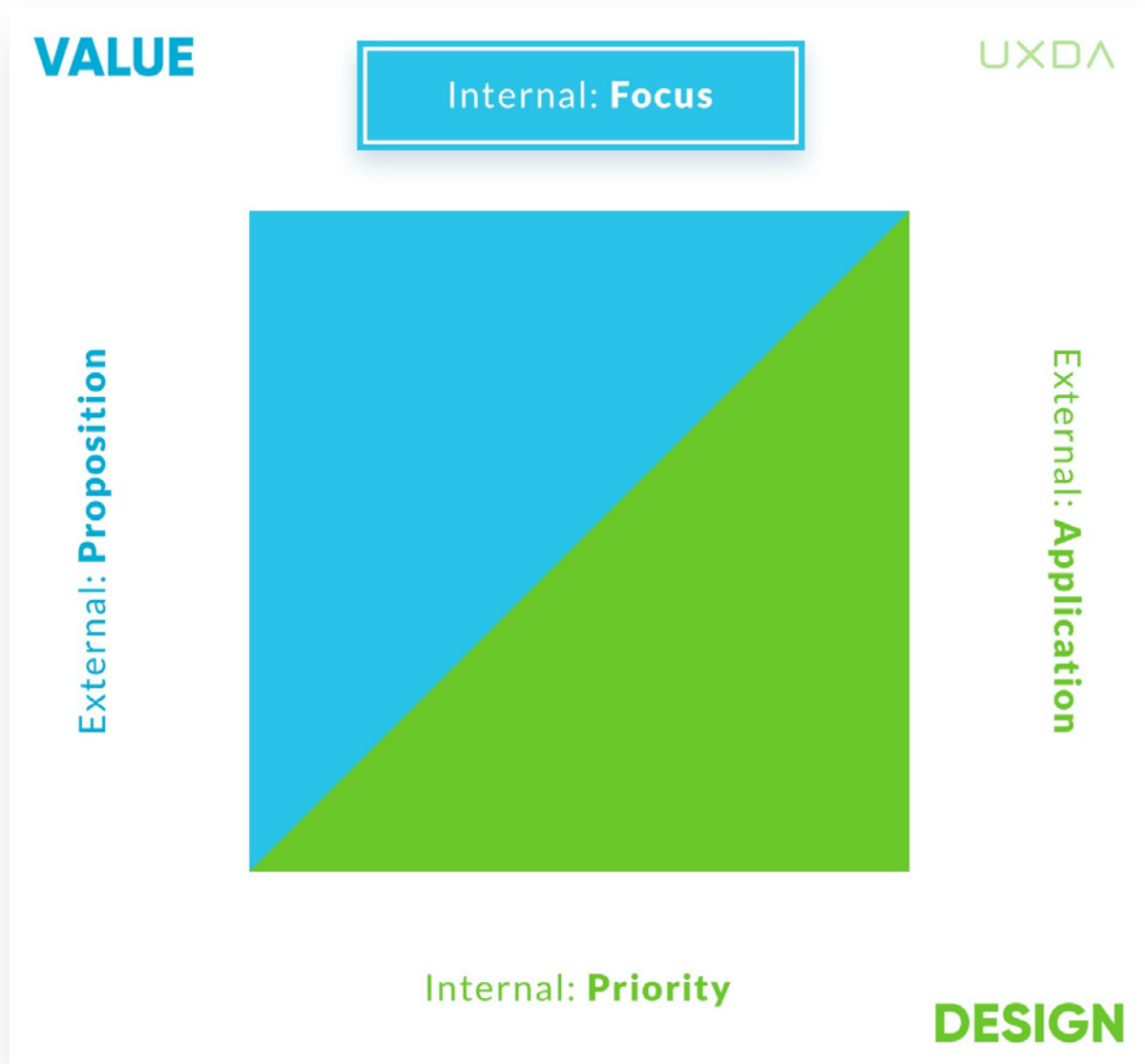
Design affects how the Value reaches the end user—how it's integrated into the company's products and services. The power and potential of Design is much broader than just a marketing or visual communication tool. We can use Design in research, strategic planning, search for innovations, etc.

Internal and external perspective



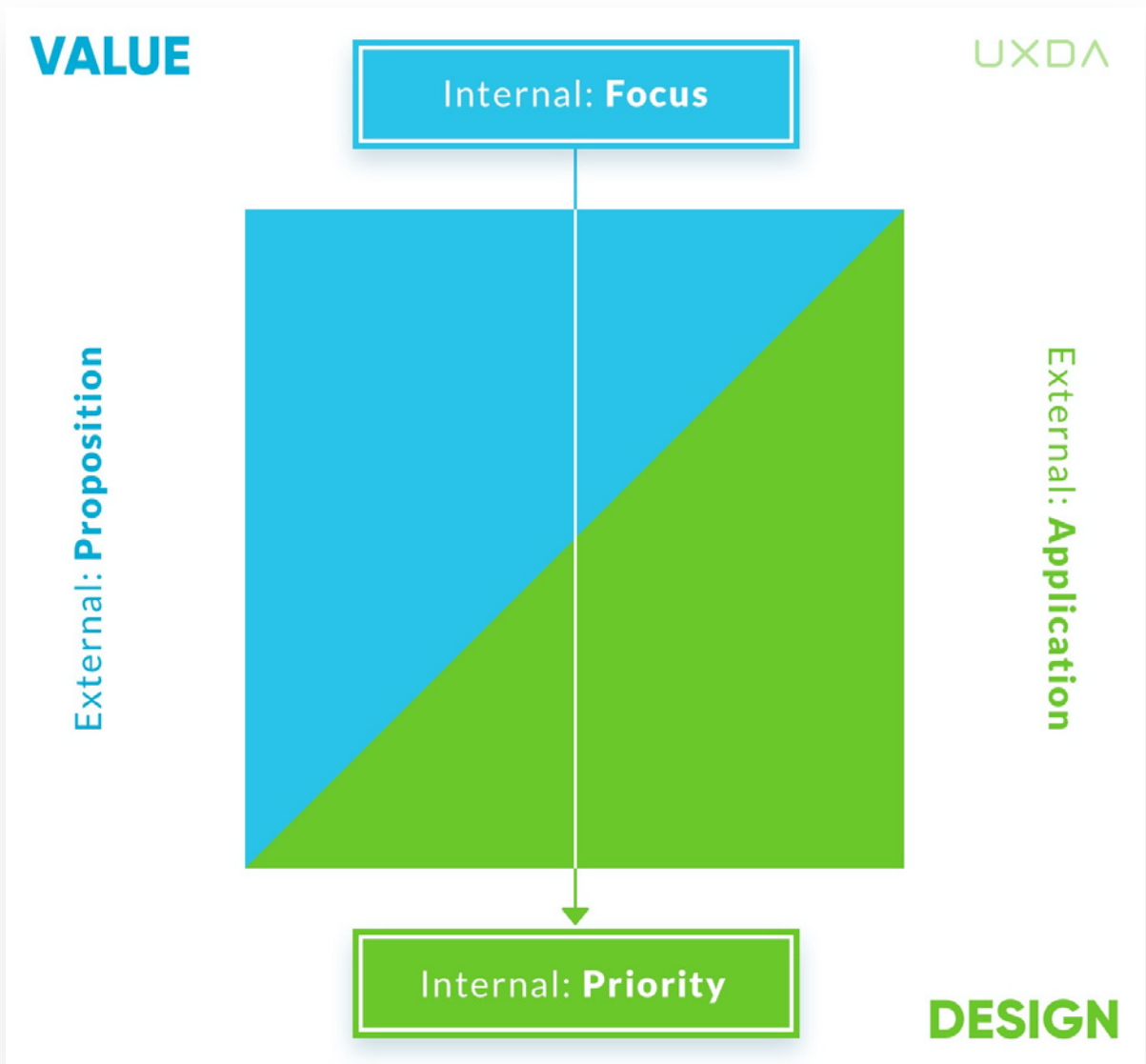
Value and Design both have an internal and an external perspective. The **internal** perspective of **Value** is about the main **Focus** or, in other words, the mindset—what the company considers most important, what it's focused on.

This could be either the desire to get the maximum profit at all costs or an aim to satisfy customers in the best way possible. This has a direct effect on perception. It's based on the passions and values embraced by the founders and leaders of the company.

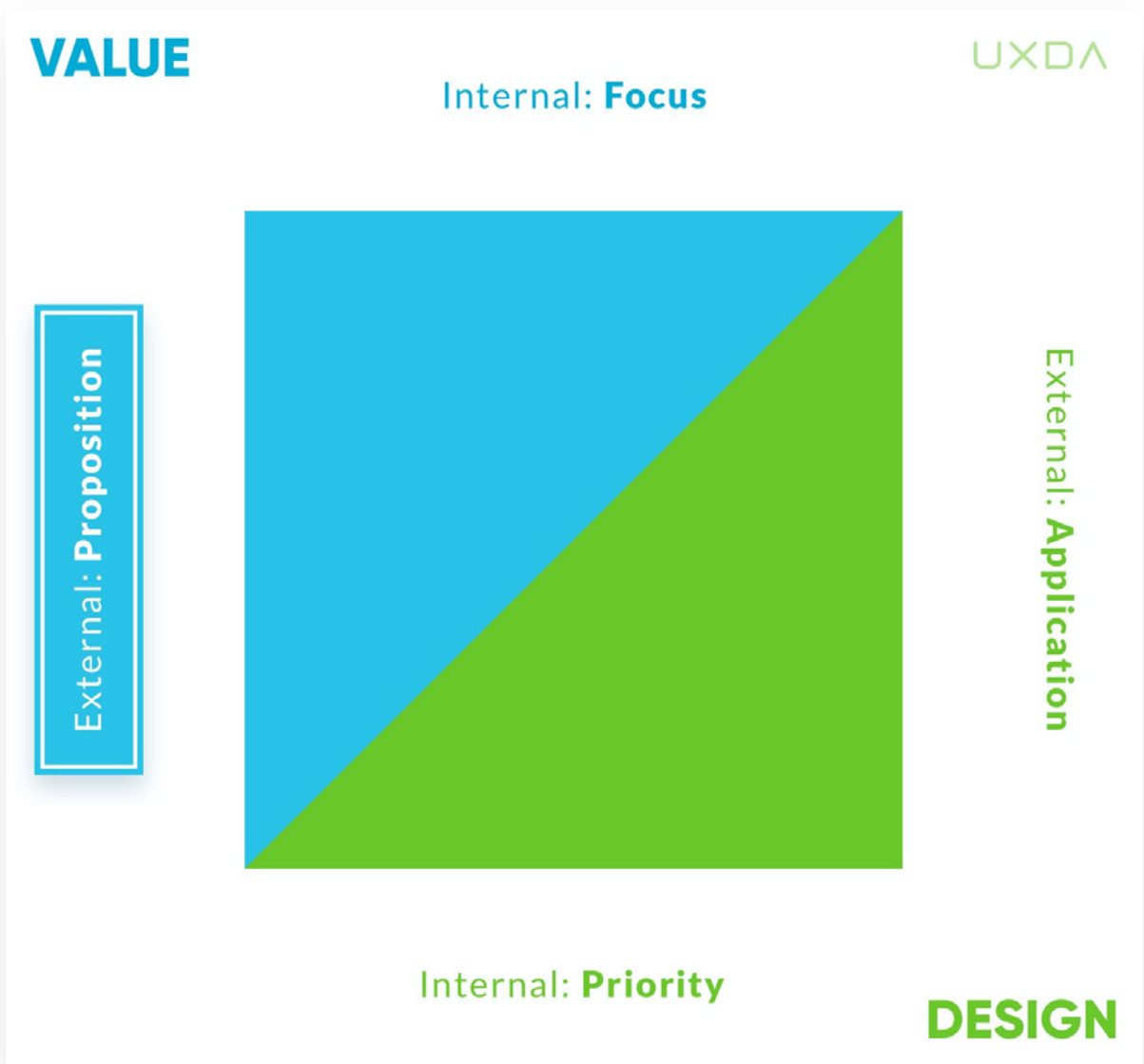


Accordingly, based on the internal Value of the company, an **internal** attitude to **Design** is formed. If the company is focusing on profit, design is perceived as a tool. It's one of the company's many operational strategies to gain profit.

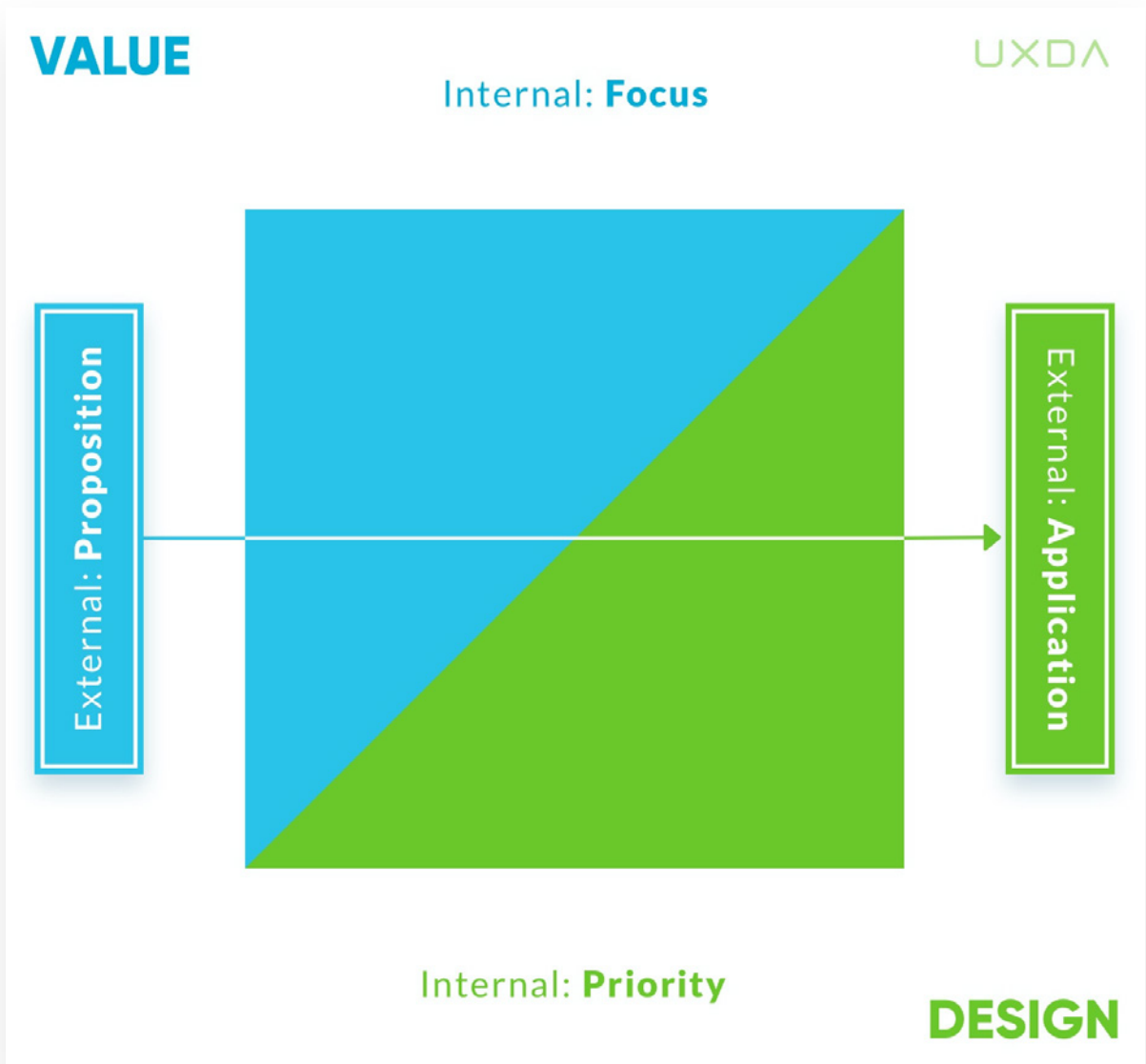
If the internal Value is focused on the benefit for the customers, then the Design is much more than just a tool. It becomes a roadmap that allows the company to integrate the value of user-centricity into culture and all internal processes. In this case, Design is used as a way of thinking integrated throughout the company to create the best possible solution that meets the consumer needs.



The **external** part of the **Value** includes the proposition guidelines on which the offer to the company's customers is built. For example, it can be a product that offers only functionality, or it can be a more advanced solution that provides pleasant usability, attractive aesthetics, compliance with a specific status or even a mission to improve the world. These kinds of external attributes not only enhance a product, but provide a valuable and emotionally rich experience for the customers.



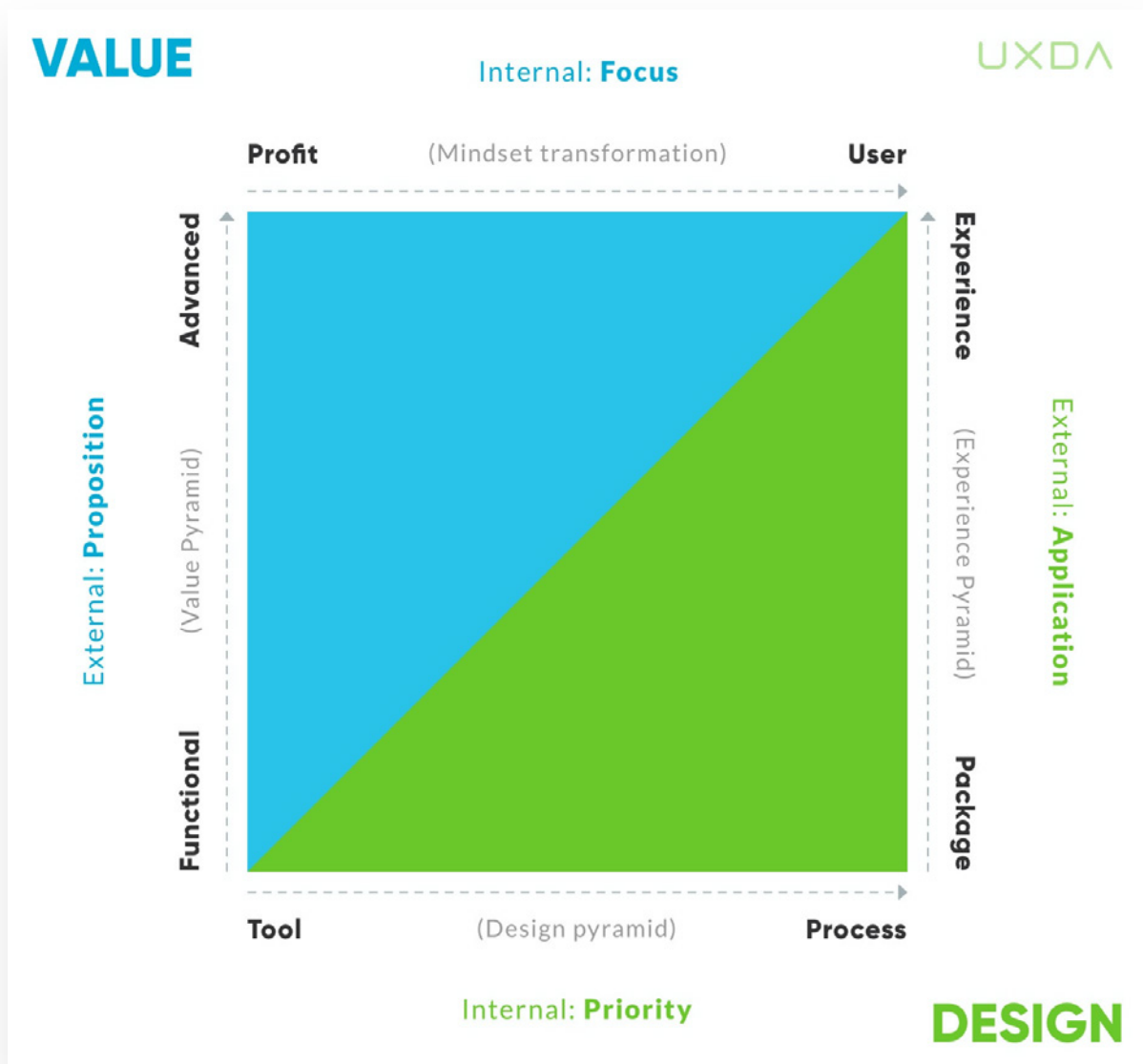
Accordingly, the external manifestation of Value will determine the external side of the Design. If the Value proposition of a product is to offer simple functionality, then Design will be used as visual communication attributes or simply as a pretty package with no added value. In this case, Design creates a background for the product.



On the other hand, if a company wishes to create a more attractive proposal for its customers, the Value proposition requires a more advanced Design execution. A product that offers a great customer experience and positive emotions, resulting in customer demand and loyalty, can be created using the Design Thinking approach. It means that, in this case, Design becomes the main building material for such a product or service. It's the foundation to create a product that's intuitive, serves customer needs and fills the user journey with pleasant experiences.

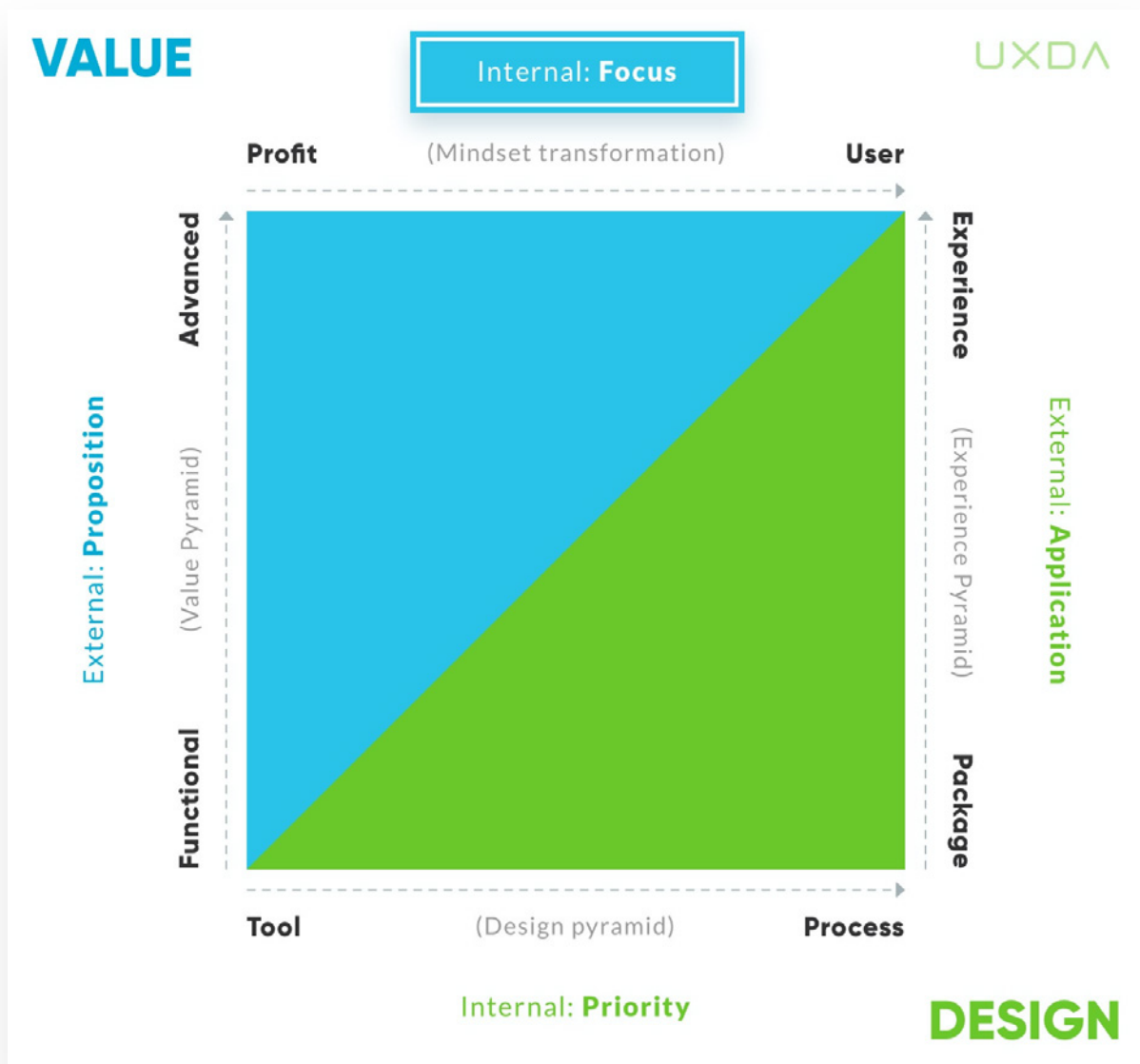
To Detect Disruptors in Banking, We Need a Coordinate System

In order to better understand the capabilities and limitations of companies with different types of cultures formed by opposite levels of the above characteristics, we can take a look at a coordinate system.



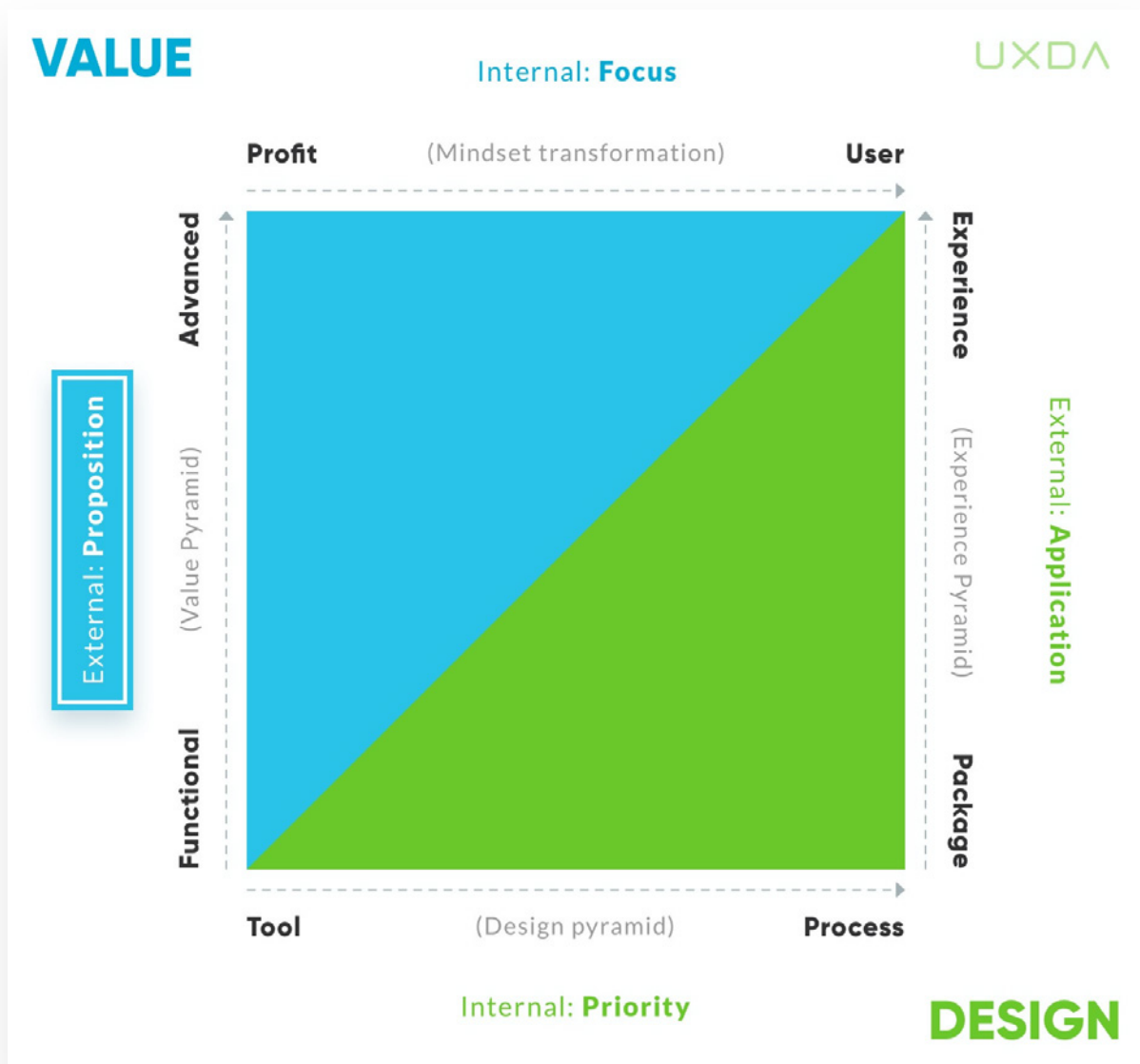
We have two basic vectors: a **Value vector** and a **Design vector**, each including an Internal and an External perspective. Respectively, those are divided into four coordinate lines.

1. Value focus



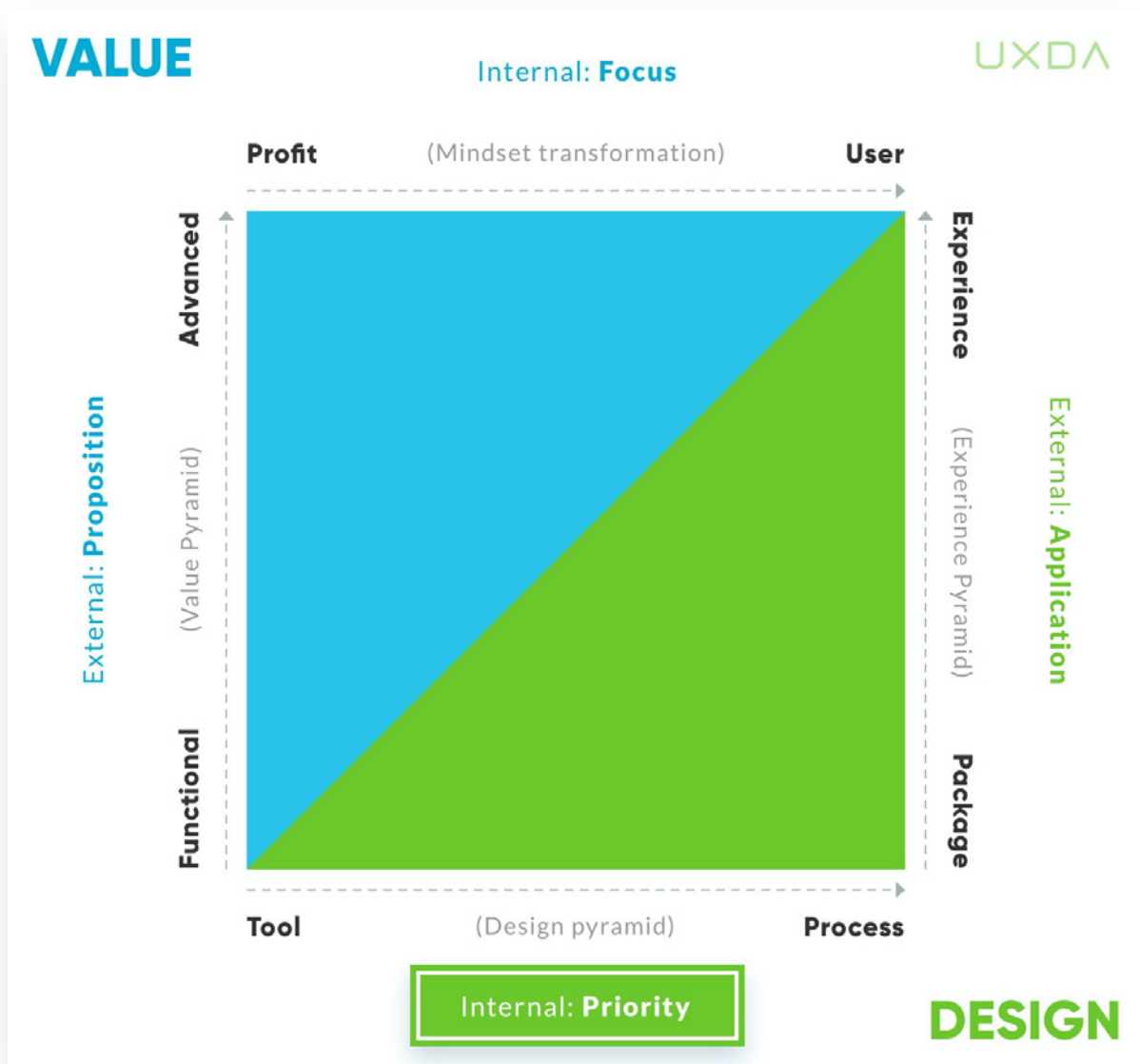
Internal Value Focus is oriented either on profit or on the user. This is the standard way of thinking in a company and the basis of its culture. As with any type of mindset that filters our perceptions, it is characterized by our cognitive biases. In particular, a profit-oriented manager can be so sure that he/she cares about the company's clients that they will defend this truth with all their might, though actually their actions might, in fact, affect the customers in a negative way.

2. Value position



External Value Proposition to consumers, divided into functional and advanced.

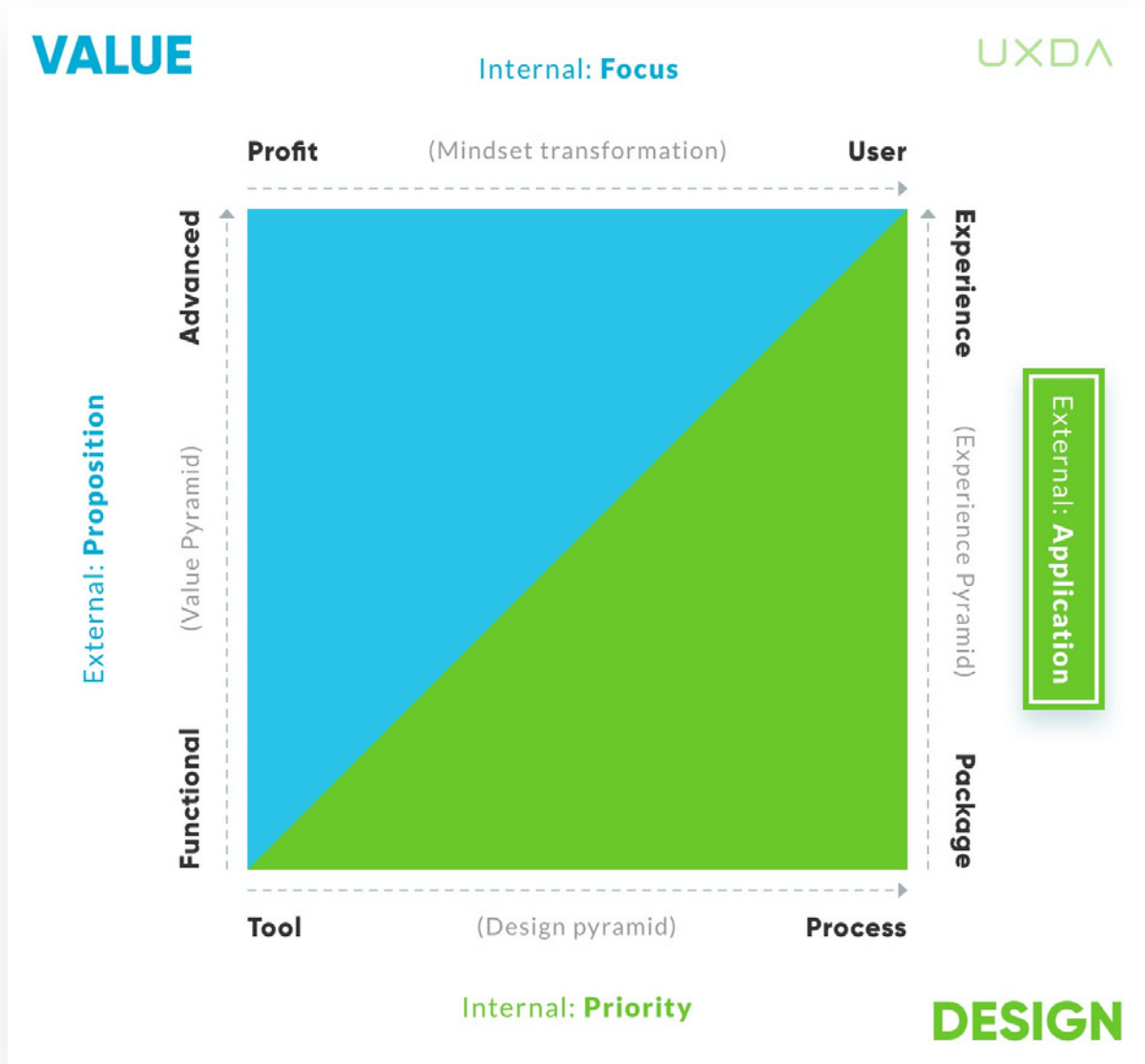
3. Design priority



When it comes to **Internal Design Priority** in the company, Design can be perceived as one of the many business and marketing tools or as a key process integrated into the company's culture DNA.

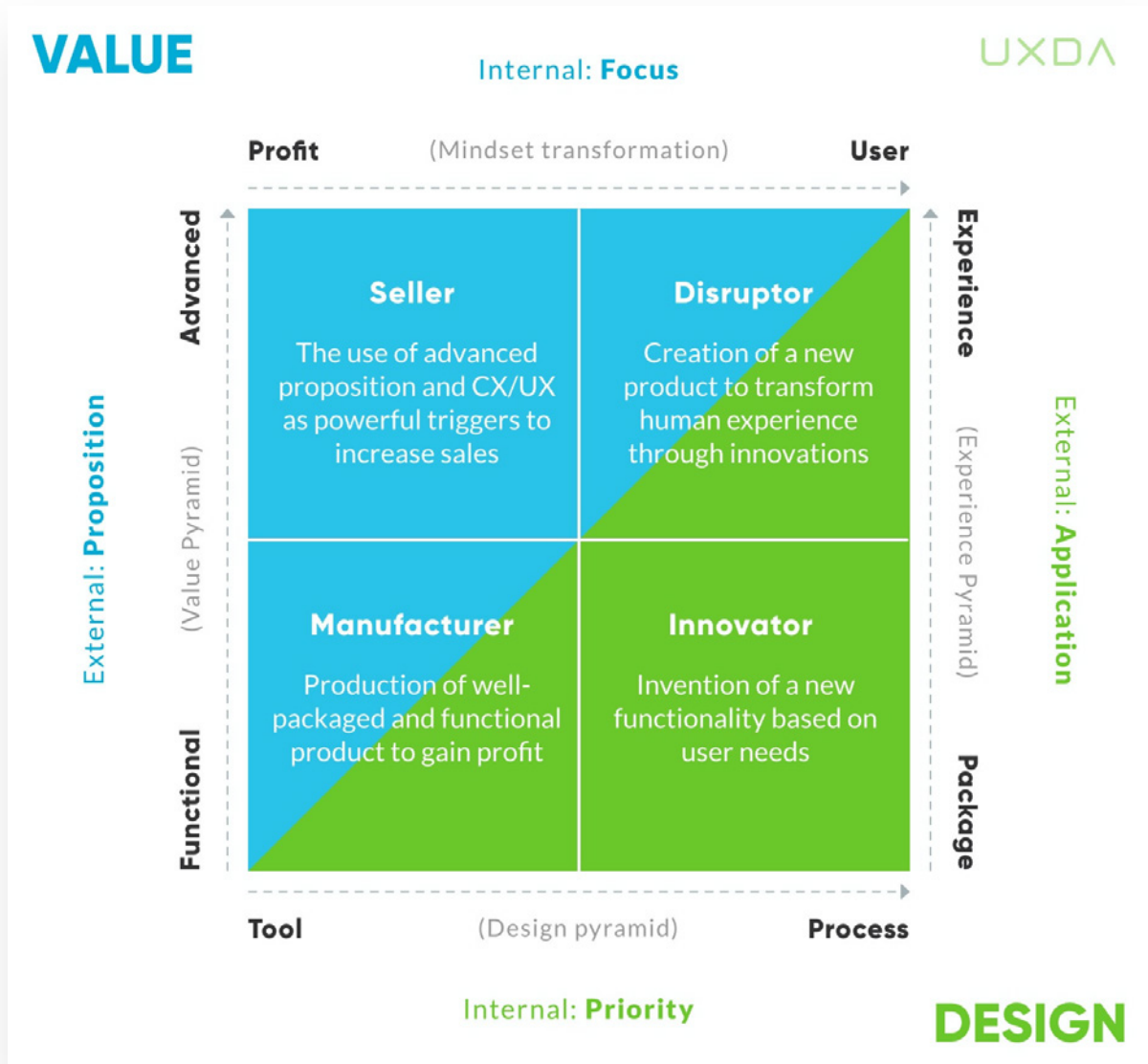
4. Design application

The **External Design Application** dictates whether the Design is used to create product packaging—mainly visual communication—or defining the creation of a product or a service and its further development, resulting in the best customer experience.

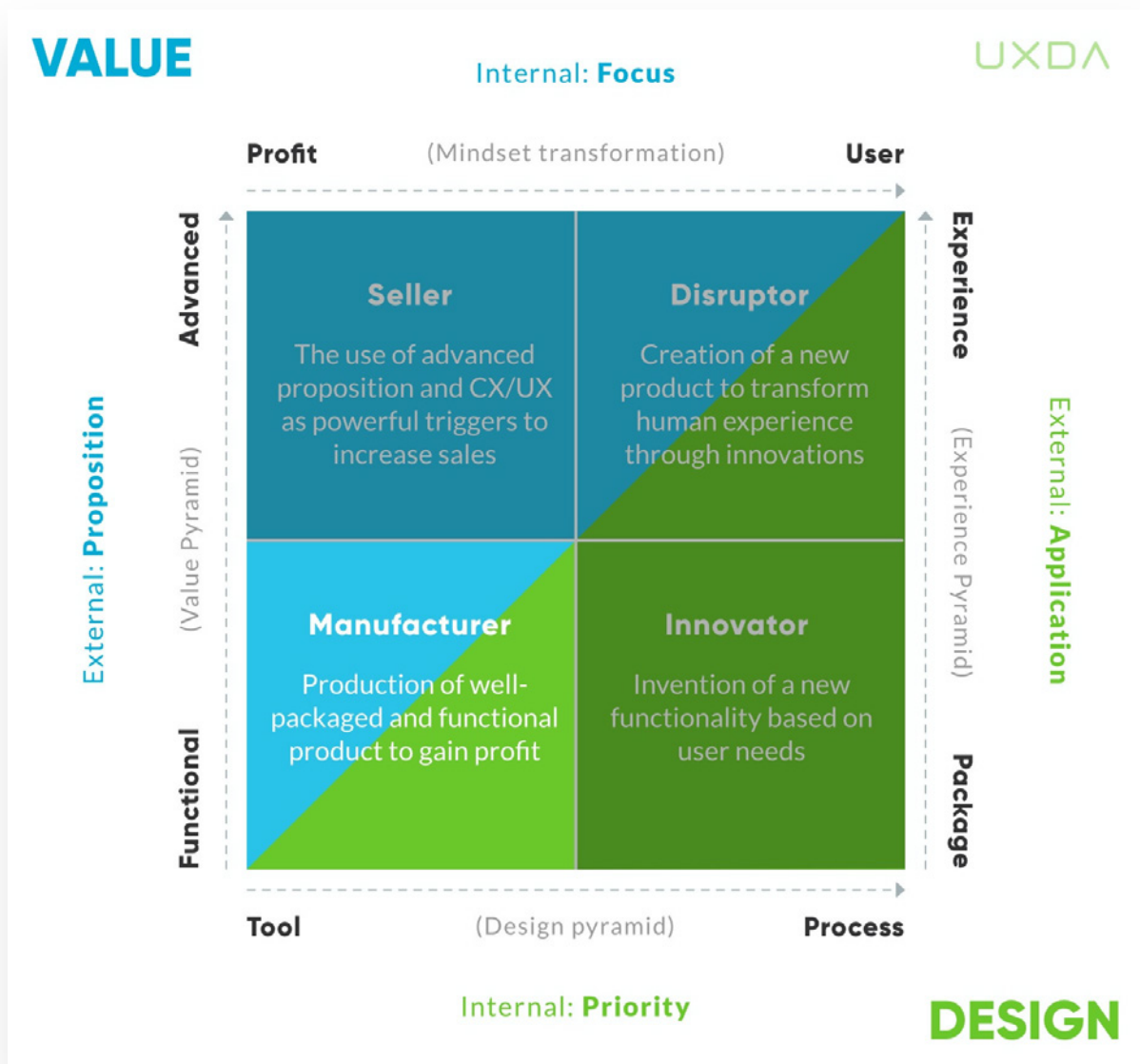


Four Types of Company Cultures Based on Value and Design

At the intersection of these four coordinates, we get four quadrants in which certain cultural characteristics prevail, creating four basic types of cultures.



1. Manufacturer



The lower left quadrant characterizes the classic **Manufacturer**. This is a company that cares more about its profit and production process than its customers. Against the backdrop of the efforts invested in product creation and standardization of production, the interests of consumers do not seem so important.

Therefore, the management of this company is convinced that basic functionality is enough for users. Design, in this case, is a tool that is needed to create packaging, to bring the product to the market in an attractive way.

The manufacturing company is an outdated type of organization culture that excelled in the industrial age. Today, it is rapidly losing its position in the market, often not understanding why it is happening.

They follow a basic formula: multiplying the functionality of a product by a competent business model and adding massive market distribution.

PQ x BM + MD

PQ – Product Quality

BM – Business Model

MD – Market Distribution

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Unfortunately, in the digital world, this formula is no longer effective. It is necessary to take into account the increased influence of users, competition and a decrease in market barriers caused by global digitalization.

The plan for an effective transformation of the Manufacturer culture includes:

- switching the mindset from profit-oriented to user-oriented;
- reviewing the role of design in the company in order to turn it into a growth factor that improves product quality;
- reinventing the company's product or service according to an advanced value proposition, thus going beyond the limits of functional competition, occupying a unique niche in the “blue ocean” of uniqueness and possibilities.

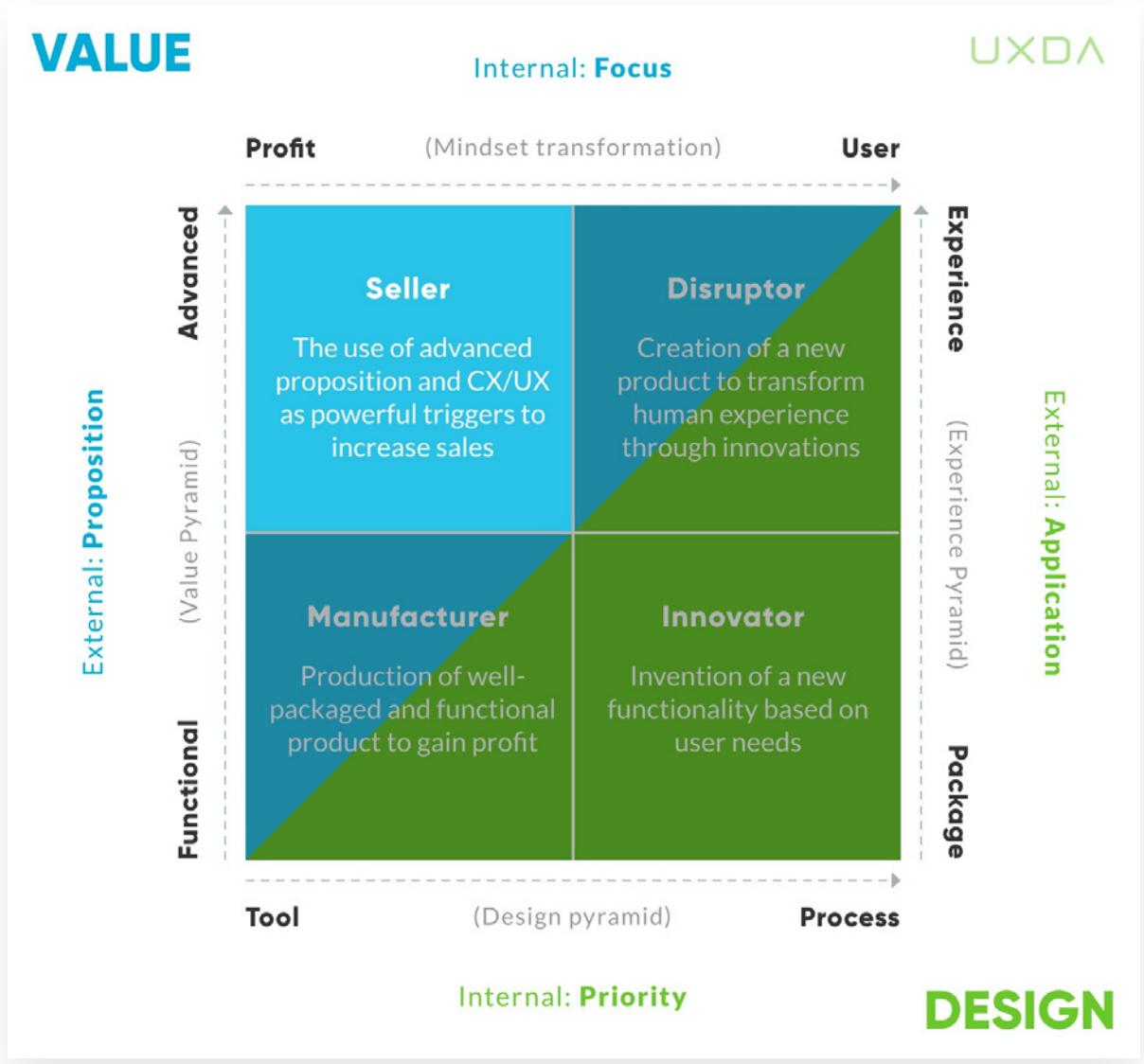
This is only possible if the company is focused on providing the best possible customer experience. The Manufacturer must understand that the functional level and beautiful packaging are not enough to establish a connection with their clients. They will appreciate only a well-designed customer journey that solves their problems, eases their daily lives and brings pleasant experiences.

After all, any customer problem caused by an unfriendly product can quickly become the source of a bad experience. Due to the network effect, social networks and review aggregators, this can spoil the reputation of the whole company and its products in just minutes.

Methodology to use:

- [Experience Mindset](#)
- [Value Pyramid](#)
- [Design Pyramid](#)
- [Experience Pyramid](#)

2. Seller



The Seller culture is located in the upper left quadrant. Unlike the Manufacturer, it is not so focused on providing only functionality to its customers. The Seller collects data about customers, finding out their preferences and needs. Then this information is further used by a marketing department that develops advanced communication strategies according to the customer expectations to address them on an emotional level.

Sellers are well aware that, in conditions of high competition, it is necessary to use something more attractive to users than boring and standardized functionality.

Therefore, they use an advanced value proposition and user interaction design as powerful promotional triggers.

The functionality of the product is not improved this way, as most of the efforts made by the Seller are most often ornamental. This is aimed at attracting consumers' attention to create an illusion of novelty.

Despite all the client-centered slogans of such companies, their customers don't feel they are concerned about their interests, face formal attitude, poor service and could possibly even become victims of ethical violations—manipulations aimed at short-term profit growth. After all, the consumer for such a company is only an object for making a purchasing decision, and the company's priority is to increase conversion using any available tools.

Employees of such enterprises are well aware of this. According to Medallia survey, while 78 percent of the surveyed employees reported that delighting customers is a top priority of their company's leadership, nearly 60 percent also reported that their companies don't really listen to them. 24% said their companies use front-line suggestions to improve customer experience once a year or less; one-third complained that management never takes action based on customer feedback. Only less than half of employees said they can count on their leadership to remove obstacles to delighting customers.

For the Seller's culture, a user-oriented mindset is a blind spot, and that becomes a key weakness. Company executives look at other successful businesses with high customer loyalty and satisfaction, as well as motivated employees. They try to guess and imitate the secret to their success, but, without the proper Design approach and mindset integrated into the company's culture, it's nearly impossible.

The problem is that, instead of sincerely understanding how to help customers and how to improve their experience, Sellers are trying to use a customer-centered approach as a magical way to increase profits.

As a result, despite all the efforts and invested resources, the company often faces negative customer attitudes, fails at digital transformation and, ultimately, loses its market position.

In this case, a successful transformation depends on the willingness to change the basic guidelines of the business, the culture of the organization and goal setting. Each employee should rethink their role in the company, making their customers a top priority.

In this case, the profit will be an organic indicator of the quality of service and raising customer satisfaction.

To do this, a company should make the customer-centered design approach the number one priority by integrating it at all levels, starting with business processes. Further, at the team level, there should be people who are experts in applying the design approach for the product to meet the customer needs. People responsible for Design in the company should have the proper support and authority in the company. For the company to succeed, it is critical that the business executives and key leaders share the same understanding and facilitate the importance of user-centricity and Design approach throughout every process and employee.

Further, it is necessary to clearly understand the duties of the design facilitators of the company. This is not just about performing basic package design work. It's the ability to integrate the Design approach and Design thinking into the core principles of the company. Such an activity can take the business to a whole new level, but it's also important to define how the success will be measured.

For example, a sales-oriented company associates its metrics with the level of conversion and the number of leads, prospects, sales and retention. At the same time, important points are ignored, such as:

- user feedback;
- the number and reasons for complaints about the service;
- the number of users who recommend the product to friends;
- the number of positive and negative comments about the company on social media platforms.

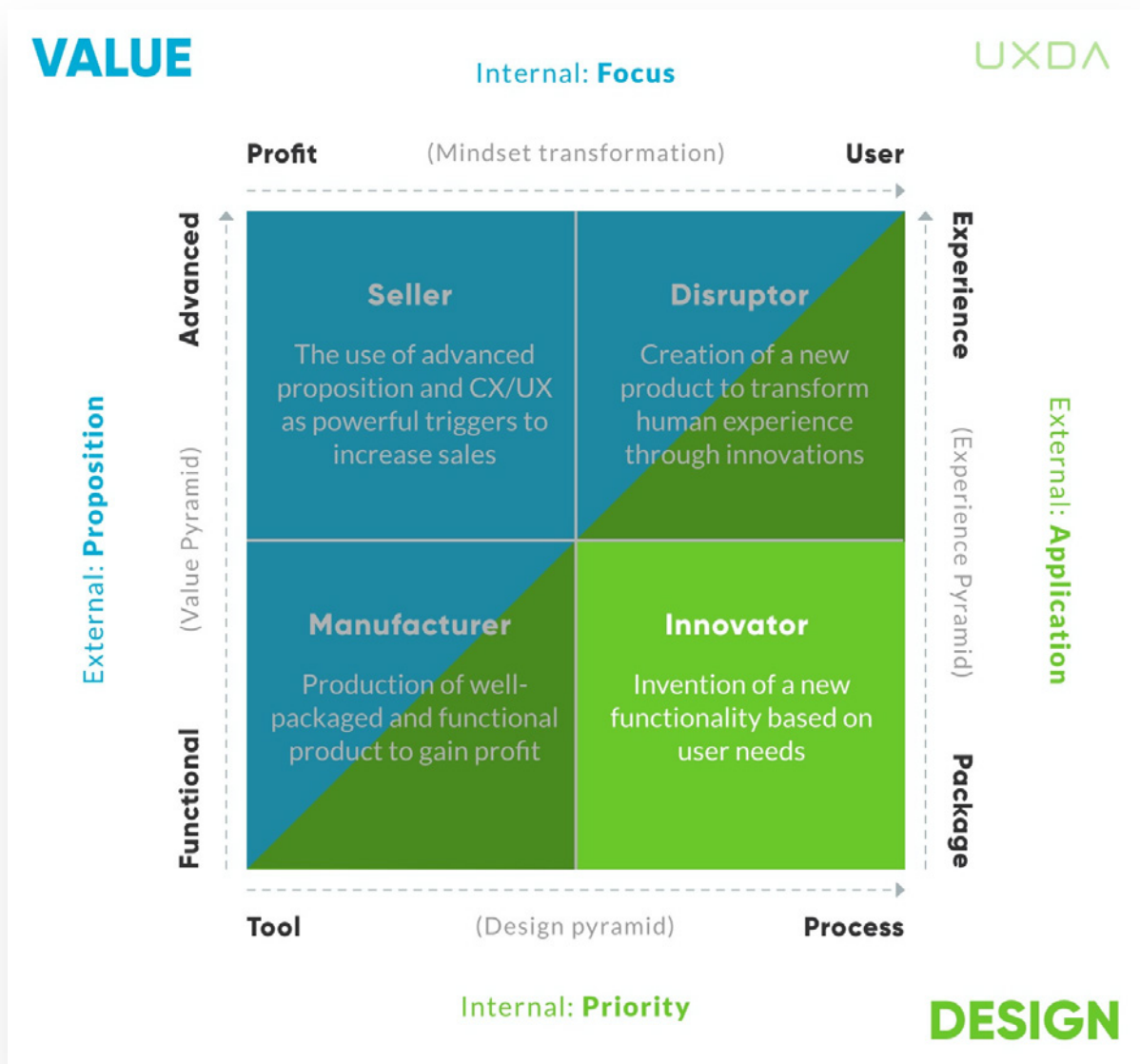
It's crucial to use these long-term oriented metrics to get a real picture instead of believing self-created "fake news" that the product is successfully sold and brings good dividends.

As you see during the transformation, it is necessary to rethink performance indicators and bring to the forefront metrics related to customer satisfaction. So, you can change the internal guidelines and involve the entire company in a customer-centered experience transformation. The final task of the company is to purposefully seek what their product lacks and improve upon that instead of trying to mask these "imperfections" with attractive marketing.

Methodology to use:

- [Experience Mindset](#)
- [Design Pyramid](#)

3. Innovator



In the lower right quadrant are **Innovator** company culture. As part of this classification, by Innovators, I mean user-oriented entrepreneurs who make technological improvements. These are usually engineering companies looking for technical solutions that will better meet the needs of consumers to provide them with extra functionality.

They use Design thinking as a creative process aimed at finding problem-solving ideas. Innovators are sure that the functionality of a new level provides high value for consumers. Therefore, they are much more interested in researching and developing a new technology than caring about the customer experience.

That's why there are usually other companies that later use the Innovator's ideas and inventions to create beautiful and convenient products based on this innovative technology.

The difficulties of Innovators are related to the fact that the development of new functionality is a key process for them, and they are not ready to delve into the psychology and consumer behavior. As a result, the first products of the Innovator's companies are inconvenient and interesting only to a narrow circle of specialists and technology geeks.

The Innovator team uses the Design process to search for new ideas that would bring brand-new possibilities for the users. They utilize technology to improve people's lives, and their goal is to bring benefit to the world, not to sell the product to the masses in any way possible.

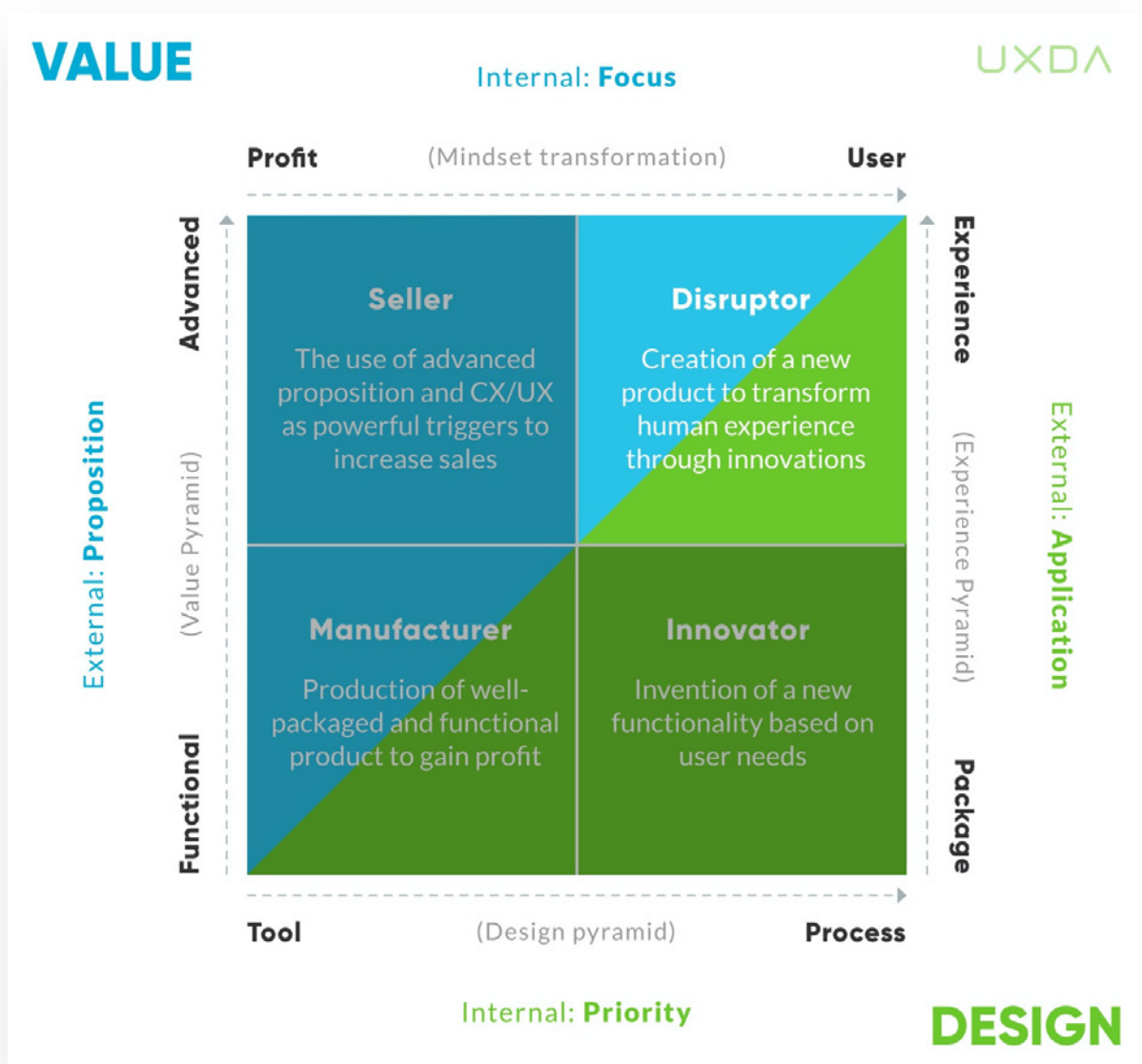
If they had more resources, then perhaps they would be able to attract more consumers with a better user experience and, as a result, disrupt the industry.

For the success-aimed culture transformation, it is necessary to remove the idea that functionality is enough and understand that the main value for people is the experience. Using the existing consumer orientation, it is necessary to take an additional step and orient the new technology, primarily to create a better experience for the customers.

UXDA's methodology to use:

- [Value Pyramid](#)
- [Experience Pyramid](#)

4. Disruptor



Disruptors are companies that leverage the maximum potential of all four vectors and are extremely customer-oriented. Very often, they are perceived as companies changing markets or even creating new markets through disruptive innovations. These are companies with culture that reinvent experience, offering something new that is much more convenient, efficient and enjoyable than the boring alternatives already available on the market.

Disruptors see profit as the result of maximum user satisfaction, and as a result of realizing the meaning of the company mission that is focused on customers' benefits.

They do not compromise for profit because they have very strict internal ethics associated with providing the best service and social responsibility.

This provides them with long-term competitive advantages, customer loyalty and community support, all of which results in above-average profits.

Disruptors often use the functionality that Innovators have created but develop it at the higher levels of the Value Proposition. Being obsessed with execution, disruptive culture brings every element of the user experience to perfection. Such companies main task is not so much to create innovative technologies, but rather to rethink the habitual way of life. And, that is what makes them true Disruptors.

They realize the maximum potential of their business model, product and market offer through the integration of a Design approach into the company's culture DNA. Thanks to this, Disruptors are able to build the most trusting relationships with their customers, and, in case of any business difficulties, they receive support and assistance from their fans.

Such a company is related to UXDA's Digital Product Success Formula:

Formula of digital financial product success potential

$$SP = (PQ^{EXPERIENCE} \times BM^{DESIGN} + MD^{VALUE}) \times EM$$

SP - Success potential

PQ - Product quality

BM - Business model

MD - Market distribution

EM - Experience mindset

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Will you become the next Disruptor?

As you see, a Disruptor in this classification is not necessarily a huge corporation or the technology giant that disrupts the traditional industries with enormous budgets. The principles and approach to business culture described here are already used to create demanded products and competitive advantages in a wide variety of industries.

As an example, we can check the small businesses that, due to their customer centricity, have gained undeniable advantages in the local market. In particular, in almost every city, we can find a restaurant that offers unforgettable service and pays so much attention to creating positive experiences with its customers that, after visiting, everyone tells their friends about it, thus providing free advertising.

It is no miracle of phenomena. It is simple math that anyone can study and integrate into their own business, regardless of whether it's a huge corporation or a tiny startup, to start reaping significant benefits. All it takes is a true dedication to satisfy customers in the best way possible by creating an unforgettable customer experience.

If you are willing to take the user experience of your financial business to the next level, contact UXDA - we will help you:

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