

How to Improve Banking Customer Experience

[Read full article](#) 

In the digital age, in which there's an app for everything and almost everyone is able to build one, banks are losing their power over customers. FinTechs are smashing the banks' monopoly by substituting the financial headache with a pleasant customer experience in banking. Discover 5 powerful strategies for creating an exceptional banking customer experience that encourage users to vote not only with 5 stars on the Apple Store and Google Play, but also with their loyalty and trust. It's no secret - customer experience is what differentiates demanded financial brands from failures. The question is - how to keep up, creating a banking customer experience that WOWs?



The digital revolution has changed the rules of the game we all play. If you don't adapt - you will most probably lose. What was efficient to reach demand a few decades ago has now become a waste of time and money. This is especially actual if we are facing any kind of crisis, like the Covid 19 we were all battling recently.

Over a period of 10 years, I have tested and put into practice more than 100 UX design methods and techniques working with hundreds of financial professionals worldwide. Based on the results and insights gained, I extracted five crucial factors

that determine whether a finance company, bank or FinTech will or will not be able to deliver an exceptional banking customer experience.

What it is and how to improve banking customer experience

The digital banking customer experience (digital banking CX) is all the emotions, thoughts and behavior of a customer that are triggered in the process of using a digital banking service. Banking customer experience is generated by all digital products and brand 2/11 ecosystem including previous customer engagement and future expectations. At the same time, brand reputation is not a guarantee of loyalty and can be instantly damaged by a problem with a mobile application caused by poor CX / UX design, since the customer experience is a highly dynamic process. For a focused banking customer experience design, it is necessary to make the process of creating a digital product fully customer-centered, ensuring that user needs are met at each touchpoint, thus building a deep emotional connection with the brand. So, that's why today I would like to describe 5 ways on how to improve CX in financial services:

1. Establish experience mindset

Recently, in some countries, large banks were almost monopolists because they had a very strong and stable market share. Strong barriers of the financial services market entry, loyal customers and the absence of worthwhile alternatives ensured good positions for decades.

However, the development of digital technology changed everything. The tools that have been proven to work for decades - like traditional marketing, have stopped working. The world is making new demands on businesses, and banking is no exception.

Today, customers have dozens of new alternatives every year due to low entry barriers and open banking. That's why to survive in the digital age financial brands are required to adopt an absolutely new way of thinking and operating a business.

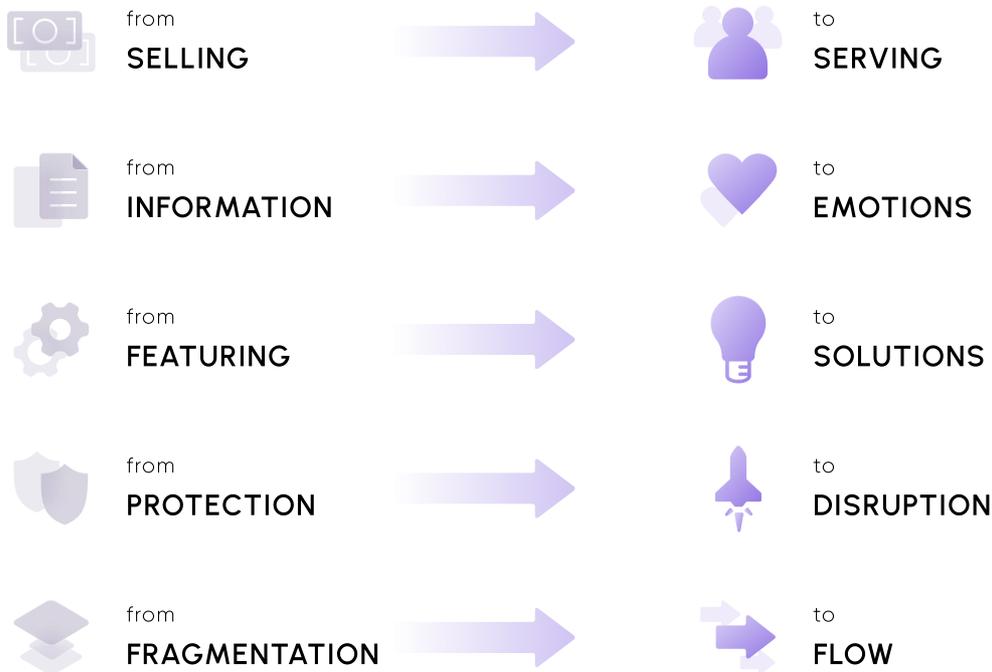
It challenges us to put the people first, become customer-centered and deliver

experiences instead of manipulating customers to get profit.

The future of the banking industry depends entirely on how the new generation of bankers can bring their mindset in line with the digital age to provide the best possible banking customer experience.

There are five key attitudes you need to integrate into your company's DNA if you wish to shift your mindset and culture towards success in the digital age.

Mindset shift for a digital breakthrough from sales to experience



Serve instead of sell

"Sell" is about focus on marketing, looking at people as numbers behind conversion. Design, in this case, is only about attractive packaging. UX is a tool to manipulate user behavior. "Serve" is focused on customer needs, feelings and behavior. Conversion is just a metric to evaluate product clarity. The main aim is to provide real benefit for the customer.

Emotions over information

Users forget information but remember experiences, and those are created from emotions. Information should be integrated into a context of usage. It should become an organic part of the banking user experience. In the Experience Mindset, emotions are the language to communicate with the customers, understand their needs and expectations.

Solution instead of features

Don't make your users think, provide them with a ready solution instead. Too many options cause decision paralysis. Users don't come to you because of the hundreds of options you offer. They have a specific goal in mind that your financial product has to help to achieve.

Disruption over protection

Traditional banks are focused on protecting their legacy and maintaining the corporate image. That's why any new changes come slowly and painfully. Instead of thinking about how to protect their product and stop customers from leaving, banks have to figure out how to disrupt themselves and their competitors. In the Experience Age, disruption is the only way to provide meaningful and pleasant experiences for users.

Create flow, avoid fragmentation

It is common to overlook business or products as separate parts. But the human brain perceives experiences holistically - as a whole entity. The Experience Mindset sees the product as a continuous experience flow, even lasting for years. Such thinking allows one to ensure a frictionless user journey by detecting links between user needs, emotions, behavior and service features, design and strategy.

2. Focus on the unique product value proposition

Finance companies that actively implement the work principles of the Experience Mindset aim to bring maximum value to the user. In exchange, the customer gladly rewards the company with loyalty and supports its development by recommending the service.

The central question in the creation of any financial product is "WHY" it is needed. What exactly makes the product valuable and unique to the users? What problems will it solve and what benefits will it provide? By not treating all of these questions with dignity, the financial company is risking its product quickly sinking into the "red ocean" of competition.

There are five product growth stages that depend on the level of competition and the demand from the customers. Understanding these stages helps to define and create the perfect match between the financial product's value proposition and the market demand, leading to success.

The competition is what requires finance entrepreneurs to step out of the box and identify customers' expectations. The bigger the competition - the higher the need for market advantage to conquer the competitors. If financial product functionality is not enough to compete, provide usability. If all the competitors have the same functionality and usability, add aesthetics. If you need even more of an advantage, connect the product with the customer's lifestyle by personalizing it; make it a symbol of his/her status. And, finally, you can go even further and state the mission to deliver the ultimate value that will change the world and gain followers who look up to you.

Key Value proposition	Stage 1 Functionality	Stage 2 Usability	Stage 3 Aesthetics	Stage 4 Status	Stage 5 Mission
Market share	2.5%	13.5%	34%	34%	16%
Customers	Innovators	Early Adopters	Early Majority	Late Majority	Laggards
Competition	None	Low	Average	High	Maximal
Market segmentation	None	Low	Average	High	Maximal

Targeting the unique Product Value proposition through Mission, Status, Aesthetics

and Usability help to maximize the needs of users through customer-centered product design.

Modern banks have already provided their customers with basic digital functionality. Innovations in the digital banking industry have moved from the Functionality stage to the Usability stage.

Despite that, there are still many traditional banks that struggle with the Usability. Meanwhile, progressive FinTechs are quickly claiming up the ladder, reaching Aesthetics and even Status stages, providing digital financial services that are enjoyable, attractive and serve the needs of specific audiences.

3. Integrate the design approach across all levels

By focusing on the convenience, aesthetics and status of the product, you can engage digital users, but this is not enough. To ensure a long-term success for your product it is necessary to integrate user-centricity into all levels and processes of the company, putting the user at the forefront.

In many cases, incorrect design integration in the process of product creation leads to harmful consequences. The financial product lacks demand in the market, gets rejected by the users, exceeds the development budget or doesn't even get launched at all.

There are five mutually connected areas in which the UX design can be integrated into the financial product and company to ensure optimum results.



In general, these five areas match the main elements of business development. When you have a solid business idea, you need to create a business model by

defining key Processes that will take you to the desired goal. Here you have to make design the main priority in all of your financial business processes.

In the next step, you need a Team of specialists who are qualified to execute your idea. At this step ensure financial UX design expertise from people who master their craft.

When you have found professionals who match the previously defined processes, you need them to conduct the right Actions that move you closer to product realization. Accelerate design impact by defining results-driven actions.

To be sure you are moving in the right direction, you have to evaluate the Results your team is producing. You should measure the quality of design by the way it serves your customers.

In the end, if all of the previous steps have been accomplished successfully, you can grasp the unique Value your financial product will provide to the customers, turning you into a success story.

4. Use the proper banking CX methodology

If a typical business model starts with processes and ends with value, successful digital financial products are created reversely. You have to start with defining the ultimate value for the customer and only then move on to an action plan.

Though CX and UX design is trending today, only a few financial product experts are capable of successfully translating it into architecture and the user interface of a particular product because it requires knowledge in human psychology and behavior. Perhaps this explains why, most of the financial solutions around us are still not pleasant to use, despite multiple UX designers in product teams.

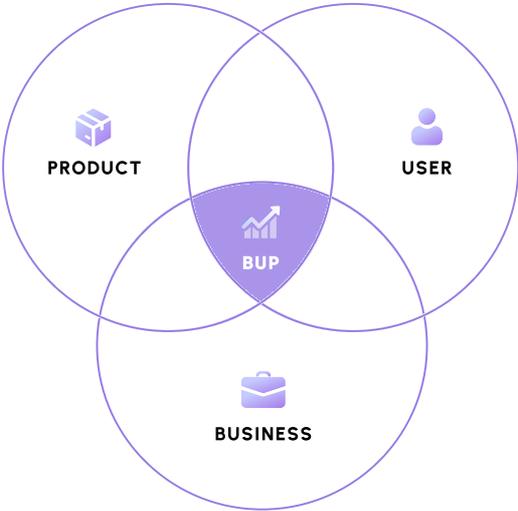
Designing a customer-centric financial product that's based on the value for users consists of three key elements: Design thinking, Business/User/Product frame and UX design tools.

Design thinking is the basis of Financial UX Methodology. It provides a methodical, iterative approach to explore and serve the key user needs through its five stages - Empathize, Define, Ideate, Prototype and Test.

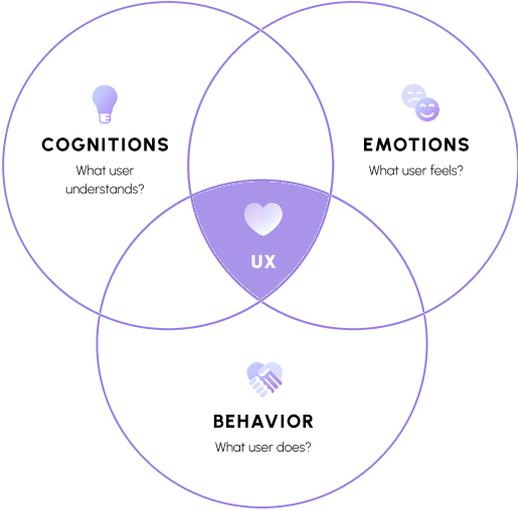
Design Thinking



To ensure overall success we have to implement all five parts of the Design thinking process through a Business, User and Product perspective. This way, we find, define and materialize the maximum value and gains for each of them.



Finally, UX design tools provide the best way to execute the whole process of Design thinking and the BUP approach, ensuring effective results-based financial product transformation.

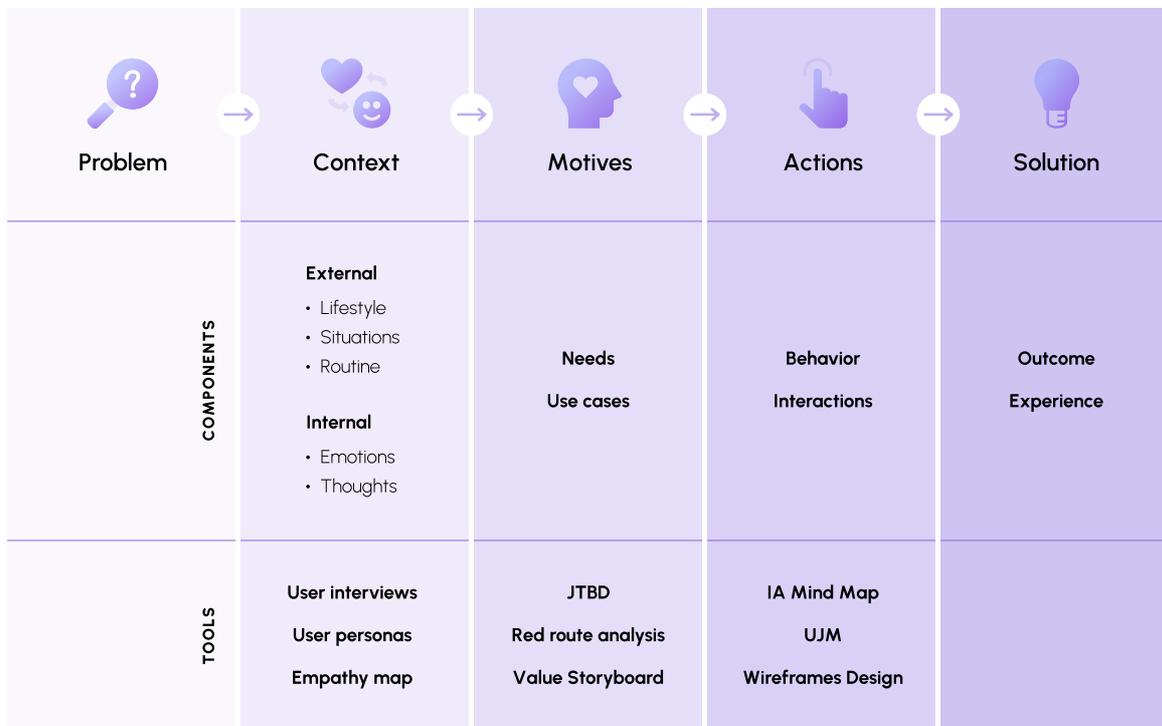


5. Explore the problem-solution cycle of your customers

At this point you might feel like you have all of this powerful knowledge to go straight to addressing your customer problems with your financial solution. This is a common mistake many finance entrepreneurs make.

Yes, it all starts with a good solution to an important problem. But, between the problem and the solution, there are three crucial conditions that differentiate whether or not a product will be a success.

Problem-Solution cycle in financial UX design



To create a demanded digital financial product that will be loved by the customers, we start with the problem.

To clearly define the problem and the tasks, we explore the problem-solution cycle's impact on banking customer experience by creating user personas and defining their jobs to be done.

Throughout this process, we crystallize the context in which the problem takes

place, the motives of the users that dictate the actions and the people it will take to apply the right solution.

During this process, Financial UX Design Methodology, and such UX tools as an Empathy map, Red Route Map, UJM, user flows, wireframes, UI design and testing are used.

Experience transformation over digital transformation

You can perceive this article as a "cheat sheet" for finance companies to create digital products that can conquer the market amid the growing competition.

- 1. Establish customer experience mindset**
- 2. Focus on the unique product value proposition**
- 3. Integrate the CX design approach across all levels**
- 4. Use the proper customer experience methodology**
- 5. Explore the problem-solution cycle of your customers**

Though, all your efforts will be meaningless if you are doing this for the sake of digitalization instead of creating a valuable emotional connection with your customers.

You see, we believe that digital transformation is pointless if it doesn't transform the digital banking customer experience. We use UX/CX design and digital technology to take an awful user experience and transform it into an unforgettable one that makes users happy and solves their problems.

It's not about technologies, it's not about marketing, it's not about trends and looking "cool". It is all about people.

I encourage you to put people first. You will experience huge transformation happening within your financial organization, as well as outside of it, as the demand for your financial products, loyalty and support from your customers will start rapidly growing.

“The place where the
next-gen financial
experience is born

WE ADD **SOUL** TO NEXT-GEN
FINANCIAL PRODUCTS



UXDA®