White Paper

A Framework for the Future of Digital Banking: Designing Solutions for Success
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By leveraging consumer research findings, Fiserv has created a Customer Experience Framework to help financial institutions provide compelling digital banking experiences designed to earn more wallet share, create efficiencies and ultimately generate greater business value. Adoption of the framework will enable financial institutions to provide rewarding digital banking experiences that will recapture customers and build long term relationships.

Consumers Are Drawn to Satisfying Experiences

Consumers are embracing digital channels to manage their finances and are reaching beyond banks and credit unions to non-traditional providers that have built compelling experiences for services such as financial data aggregation, personal financial management and digital bill payment. As a result, these providers are taking customers and transactions away from financial institutions. Because of this, financial institutions can no longer overlook the importance of a customer-focused digital strategy and user experience to attracting and keeping customers.

Research Defines User Experience Requirements

As a leading provider of digital banking solutions, Fiserv regularly conducts qualitative and quantitative consumer and small business research, and leverages interaction with financial institutions to understand digital banking use. Based on this ongoing research, consumers’ primary goals are to:

• Take care of their obligations and achieve their financial goals
• Have immediate visibility of the impact of their financial activities
solutions with a user-centered design methodology. As a result, the Customer Experience Framework provides the direction and goals-based motivation for financial institutions to evolve their digital banking offerings to compete with non-traditional providers and become the digital hub of customers’ financial lives.

Designed to Attract, Engage and Extend Customer Relationships

The Customer Experience Framework can help financial institutions redefine the way they approach not only the design and development of the user experience, but also their digital banking strategies and initiatives. The framework focuses on three phases of consumer interactions with financial products and services: Attract, Engage, Extend. This approach is linear with each phase building on the one before it. However, components of the phases may also be addressed individually to best support specific financial institution goals and initiatives. This flexibility enables financial institutions to determine how best to execute and deploy the framework.

During each of the three phases, it is important for financial institutions to align priorities with end-user needs to generate value for both the financial institutions and their customers. Considering both the customer and the financial institution throughout each phase will help clearly define the experience, design and approach required to Attract, Engage and Extend.

Attract Phase:

The Attract Phase is focused on understanding consumers and providing offerings and services tailored to them, and then delivering compelling reasons for them to use the products and services.

Consumer Expectations Meet Design Best Practices: The Customer Experience Framework

In addition to studying consumers’ expectations for digital banking, Fiserv consulted with a leading global design firm and considered industry best practices for user experience design to develop a digital banking framework to govern development and priorities. The Customer Experience Framework from Fiserv is designed to drive the production of digital banking

- Get the most out of every dollar
- Be empowered to take the right steps to improve their financial situations

Adding Features Is No Longer Enough

With an increasing number of traditional and non-traditional options available to consumers, it is more important than ever for financial institutions to establish and retain the primary provider role. The ability to go beyond basic banking and deliver a richer experience that helps consumers achieve long and short-term financial goals in a central, seamless multi-channel financial hub will enable financial institutions to become a vital part of their customers’ financial lives.

Features alone are not enough to sustain customer engagement and delight. In some cases, too many features or poorly designed features that lack simplicity and elegance may instead induce dissatisfaction, cause confusion and waste time. Instead, a well-conceived digital banking experience aligned with the needs of consumers is essential to building offerings that will attract and retain customers. Differentiation is now all about delivering experiences that are just right, at the right place, right time and at the right level.

Consumer Expectations Meet Design Best Practices: The Customer Experience Framework
The Attract Phase is also used to build consumer awareness of the digital banking offerings and give consumers the confidence that products and services will meet their needs. It is important to note that the products and services promoted might be new offerings from the financial institution, existing digital products or services that a customer has yet to try, or a product or service offered to consumers that are yet to become customers of the financial institution.

Goals of the Attract Phase include:
- Deploying cohesive branding for all digital channels
- Developing a digital banking solution set designed to meet the needs of existing customers and prospects
- Designing digital-channel user experiences that create differentiation in the marketplace
- Implementing marketing programs to promote digital channel use and the adoption of digital products and services

By achieving these Attract Phase objectives, financial institutions will be able to offer customers new digital banking opportunities in a way that meets their needs, builds awareness and encourages adoption. The dynamic digital banking user experience realised during the Attract Phase will provide financial institutions with an opportunity to increase revenue through new customer acquisitions and greater adoption of existing services among current customers. Financial institutions will also realise lower costs to serve by driving the adoption and usage of digital channel services and functionality, thereby making customers less dependent on costlier branch and call center channels.

Engage Phase:
The second phase in the Customer Experience Framework focuses on engaging the customer.

The Engage Phase is about creating a best-in-class experience that satisfies consumers’ expectations for easy, effortless digital banking that simplifies everyday financial tasks.

The Engage Phase moves beyond just delivering a compelling reason to adopt a service to actually delighting customers with an experience that helps establish digital banking use as a habit that adds value through increased efficiency and control.

Goals of the Engage Phase include:
- Delivering simple, intuitive products and services that save time and effort
- Enhancing digital design aesthetics to be friendly, inviting and relevant
- Instilling confidence that the experience best meets the needs and expectations of the user
- Offering ways of engagement that allow users to feel a more personal connection

By understanding customer needs and creating a user experience that fulfills those needs quickly and easily, financial institutions can drive a deeper level of engagement that will help build stronger, more profitable relationships.

Successful execution during the Engage Phase will create a compelling experience that adds value to financial institutions by building customer satisfaction and trust, while increasing the usage of the services, customer advocacy, stickiness and retention.

Extend Phase:
The purpose of the Extend Phase is to establish financial institutions as a single, financial hub across
To more effectively compete with nontraditional providers, financial institutions should look to the Customer Experience Framework. The following chart has recommendations financial institutions can use to execute and apply the framework at each phase:

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<tr>
<th>Customer Experience Framework Phase</th>
<th>Financial Institution Focus</th>
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<tbody>
<tr>
<td>Attract</td>
<td>Revisit digital banking offerings and explore foundational changes that will help to better align the user experience with consumer needs and expectations</td>
</tr>
<tr>
<td>Engage</td>
<td>Prioritise making core functionality as useful, useable and understandable as possible and identify opportunities to provide advanced functionality as “enablers” that make consumers’ daily financial transactions easier, faster and better</td>
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<tr>
<td>Extend</td>
<td>Extend the experience and integrate tools and services that offer timely and relevant advice and assist customers with day-to-day financial tasks as a critical “next step” in the creation of an engaging and seamless multichannel financial hub that will become an integral part of customers’ lives</td>
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Goals of the Extend Phase include:

- Bringing disparate financial activities from multiple providers into one central hub
- Enabling consumers to organize and centralise all financial information and activity
- Learning from consumer behavior to provide smart, meaningful insights and proactive recommendations to help consumers make financial decisions

Research has shown that consumers prefer to obtain financial service products from their trusted banking providers. Successful execution during the Extend Phase will extend a financial institution’s importance in the financial life of its customers and eliminate the need for other digital providers. With an increasing number of traditional and non-traditional options available to consumers, this is more important than ever for financial institutions.

**Executing and Extending the Framework**

Financial institutions that are using a framework based on business value, in tandem with a user-centered design methodology, are delivering better digital banking experiences that present new opportunities for engaging and interacting with customers. As a result, these institutions are able to build relationships and drive value through higher revenue, lower costs and increased customer advocacy.

Using the Customer Experience Framework, financial institutions will evolve the digital banking user experience beyond basic banking functions and deliver a richer experience that helps consumers achieve long- and short-term financial goals through a central, multichannel financial hub. Execution of the Attract, Engage and Extend phases will result in the following positive outcomes:
• Improved customer satisfaction and loyalty — a user experience that delivers more value to the consumer by saving time and facilitating money management and movement will delight customers with a financial institution’s products, services and brand, and likely also generate digital channel endorsements and referrals

• Increased customer retention — a deeper level of customer engagement can lead to the adoption of even more products and services, which will in turn, create the “stickiness” that makes customers less likely to leave a financial institution. With this increased wallet share also comes increased per-customer profitability

• Implement premium pricing — by extending services and supporting the true needs of customers, financial institutions can choose to charge for incremental services either by feature, on a transactional basis or by offering a bundle of additional, value-added functionality

• Increased wallet share and profitability — the more interaction a customer has with digital banking, the greater the opportunity the financial institution has to learn from user behavior and to use that knowledge to create more relevant marketing and sales messaging, and deliver personalised and timely advice to its customers. By providing the right information and products to the right customer — at the right time — a financial institution can improve up-sell and cross-sell effectiveness. This will lead to an increase in the average number of products and services per customer, which will in turn, increase customer value.

To learn more about the Customer Experience Framework and how it can help your organisation, contact your Fiserv representative.
About Fiserv

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