Building an outstanding digital experience

Insight into how banks and financial services organisations can deliver the digital experiences customers and employees expect

Introduction

In a world where consumers expect world-class digital experiences from their brands, enterprises in the financial sector must compete in this arena - or watch employees become less productive and customers switch to rival firms.

To further complicate matters, today's average consumer is often unaware of the complexity involved in creating streamlined and reliable application experiences. Plus, they often don't recognise that an app is just one point in a broader digital ecosystem necessary to complete their transaction.

This limited understanding by consumers leaves financial firms with the challenge of living up to high expectations with little room for error. And, with modern distributed networks and application environments, problems can occur at any point - in transit, in the app itself, or with third-party plug-ins. Issues that impact experience are bad enough, but if a firm's IT team can't quickly identify the root cause, that impact can be magnified.

Leading financial institutions are rethinking their approach to digital experience. Understanding wider consumer expectations, they're seeking ways to use digital experience as a differentiator to gain customers, build trust and raise satisfaction scores. Achieving this is only going to become more significant as mobile financial apps increasingly become the customer's main point of contact with their provider. Financial firms also want to deliver employee user experiences that keep their distributed workforce productive. An employee who's frustrated with their workplace digital experience is more likely to become demotivated and more open to changing jobs.

For banks or financial firms moving forward, digital customer interactions are critical to business continuation. However, IT teams need visibility at scale to take quick action when problems arise, as well as the ability to create a holistic view. Financial services organisations must leverage an ecosystem approach that blends networks and applications visibility to effectively prevent service interruptions for customers.
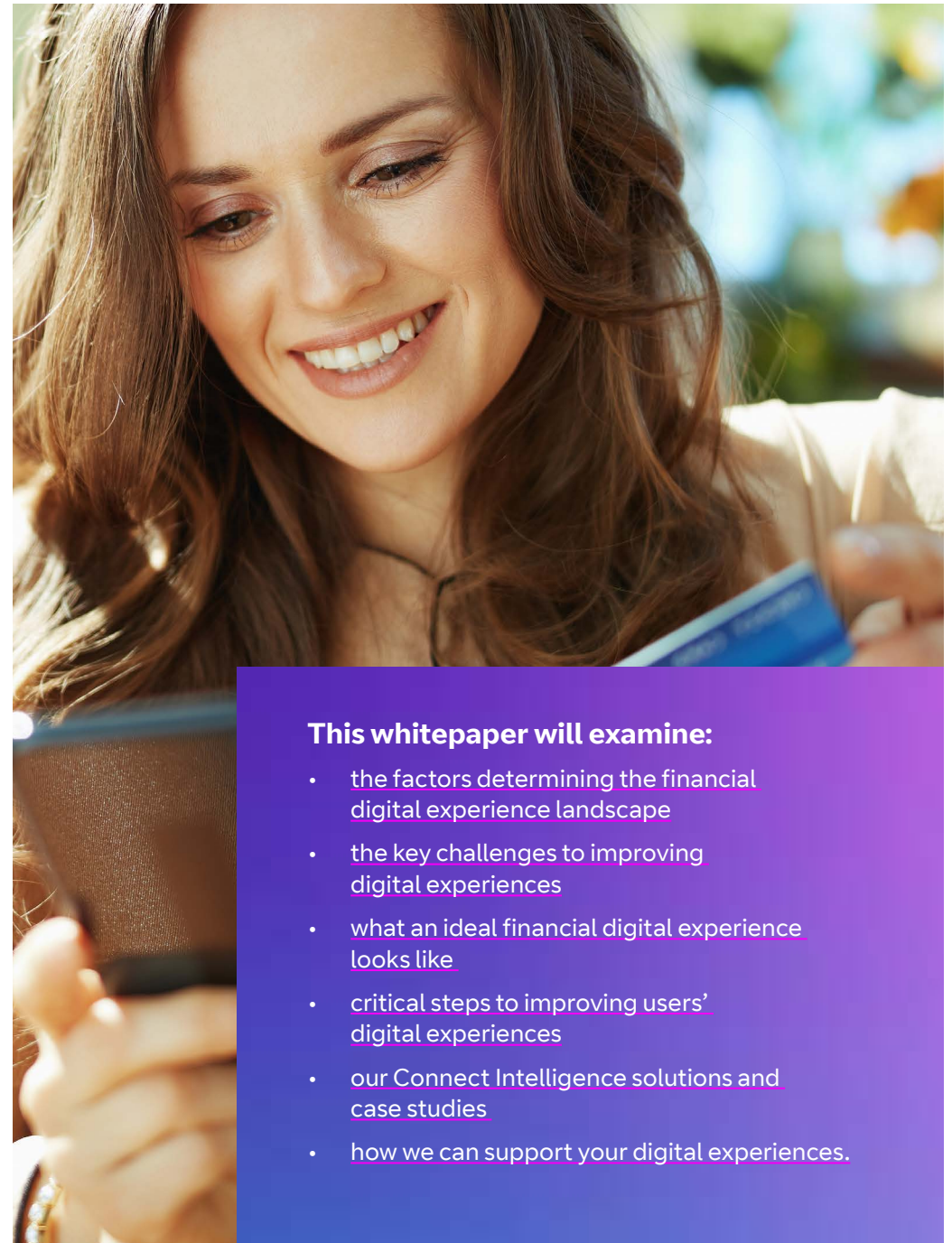
This whitepaper will examine:

- the factors determining the financial digital experience landscape

- the key challenges to improving digital experiences

- what an ideal financial digital experience looks like

- critical steps to improving users' digital experiences

- our Connect Intelligence solutions and case studies

- how we can support your digital experiences.

What's setting the financial digital experience landscape?

Meeting user expectations of digital experiences depends on understanding what's creating and influencing them. Digital experience perceptions in the banking and financial services sector today stem from four key sources:

1. **Changing channel preferences**

   Digital banking is firmly established among consumers. In 2021, more than <u>40% of core retail banking sales originated digitally</u>, unsurprisingly representing a new high.

   Mobile banking is at the forefront of this shift, with <u>89% of the US banking population reporting in early 2022 that they use mobile banking</u>. What's more, mobile banking apps saw considerable growth, with <u>66% of those using digital banking stating they have increased their mobile app use</u>. The increase in mobile banking apps applied across age ranges, although this growth was <u>led by those consumers under 35</u>.

2. The rise of fintech as an innovation force

Open banking has made it easy for consumers to move between providers and simple for organisations to pull data from other sources. As a result, fintech companies have used open banking regulations as a launch pad for innovative solutions that are at the forefront of financial services transformation, addressing a wide range of issues from changing customer expectations and cutthroat competition, to increasing regulatory complexity and the pressure to streamline operations. In response, traditional banking and financial firms have been developing ways for their systems to integrate with new platforms and applications quickly and seamlessly.

Now that fintech firms have begun encroaching upon traditional banking and finance's customer base, it's ignited a race to innovate in app design and functionality in the sector. No bank or financial services institution wants to be left behind. And rather than let customers access data and services through a fintech's front end, these firms want to retain that contact so are stepping up their work in app development and customer experience.

80% of financial services companies state introducing new products and services to achieve this is one of their long-term goals. What's more, they expect the incorporation of fintech offerings into their own products and services to be their main pathway to boosting customer experience in the long run.

3. The pandemic push and network restructuring

The pandemic disrupted traditional access methods to banking, causing a large and rapid shift among customers to digital banking. People also downloaded their bank's app to keep a close eye on their finances, a good idea during this period of growing financial pressure and unemployment. Between March and April 2020, around 12% of the adult population in the UK downloaded their bank's app for the first time.

Years later, the change in customer banking preferences toward digital over in-person services continues to influence the ongoing restructuring of branch networks. Between 2020 and 2021, developed markets saw a 9% year-on-year reduction in branches per 10,000 active customers. And as the willingness of customers to consider digital channels increases - reaching 70% in every age category and geographic region - the importance of a physical branch network is expected to continue declining.

4. The shift to hybrid and remote working

The pandemic had many impacts on our day-to-day lives, with where and how we worked being one of the most significant. At the onset, employees had to find ways to make technology primarily designed for the branch office or contact centre work in a home setting. With a lot of their technology not designed for this purpose, many firms turned to SaaS (Software as a Service) to assure employee digital experience and productivity. But these apps don't always keep up with employee expectations of availability and performance. Outages and degraded service occur and can be attributed to various causes, most notably the users' unpredictable internet. Yet, despite high expectations among today's hybrid workforce, 75% of organisations don't collect real-time feedback on their employees' digital experience.

Key challenges to improving digital experiences

It's clear that an excellent digital experience is increasingly central to consumers and a focus point when assessing services and providers. For all banks and financial services organisations, keeping pace with market expectations of digital experience is important, which is driving investment and innovation. However, three common challenges often hold them back:

1. **Delivering the expected excellent performance**
User expectations around digital experience have risen even further since the start of 2020, with 76% of people agreeing they expect more now than they did pre-pandemic. For banks and financial services organisations, particular pressure comes from the fact that users are well aware of what some brands (such as Apple and Google) have achieved. They see no reason why the financial sector can't match these experiences. To add to this pressure, 81% of adults say the quality of the online experience determines who they bank with.

What's interesting is that today's users are far more likely to act if they encounter a problem with an app or digital service. So, not only have expectations risen across a wide range of performance and functionality areas since 2020 – particularly around reliability, security and personalisation - the risk that a customer will take their business elsewhere has also grown. Since the pandemic, 49% of consumers say they're more likely to switch to an alternative provider if they experience performance issues.

What's more, personalisation is increasingly an important factor in customer experience and satisfaction – 71% of consumers expect companies to deliver personalised interactions, and 76% get frustrated when this doesn't happen.

Banks and financial services institutions get one chance
Customer and employee tolerance for problems is extremely low, and one poor experience can put a stop to their willingness to use a technology. When it comes to financial apps, even though there are a multitude of factors that can impact functionality, the user typically holds the app provider responsible. A poor app experience can potentially undermine the whole user-provider relationship.

83%
of users experiencing problems with digital services won't give the brand a chance to put things right.

80%
of users delete apps that don't perform as expected.

2. Making a complex ecosystem work

Customers and employees often see a financial app as a single entity. But in reality, it's just the front end of an intricate system. App complexity behind the scenes has exploded in recent years. Distributed app architectures now consist of multiple public cloud providers and hundreds of third-party APIs - all necessary to render the app and ensure its functionality.

All sorts of 'hidden' factors can impact a user's app experience, many of which are outside the app. Some include bad internet connectivity, 4G / 5G mobile network issues, slow payment gateways, or technical issues with third-party plug-ins.

Presenting the user with a simple front end while managing the complexity of the back end is a significant challenge for banks and financial services organisations. And, with technical skills and know-how in short supply, many firms currently lack the capacity to take on the continuous improvement required to compete.

3. Balancing convenience, security and compliance to maintain trust

In some ways, app transactions are no different from any other - users expect a smooth, rapid, easy and effective experience. And, though security is a concern in all e-commerce transactions, it's especially paramount for financial apps. Security is closely linked to trust in customers' minds, and customers who lose trust in their provider are likely to go elsewhere. Unfortunately, only 40% of consumers currently have complete trust in their primary financial institution.

Trust is the second most important factor consumers consider when buying financial products (45%), ranking second only to 'ease and convenience' (47%). Trust even outranks price (43%). So, consumers want both convenience and trust / security, which creates a challenge for banks and financial firms. Keeping apps and transactions secure and compliant with all relevant regulation often creates friction within the user experience. On the one hand, the financial app provider needs to keep things swift and simple for users to retain business. But on the other, it's aware that 74% of banks and insurers experienced a rise in cyber crime since the beginning of the pandemic and so may be unable to avoid some friction in the transaction.

Regulators also play a critical role in shaping the context in which banks and financial services organisations execute digital banking plans. Just as any vulnerability in the entire app ecosystem can be a backdoor for a hacker and a security threat, app providers must consider the regulations that apply to every part of the ecosystem and how to comply with them. For example, compliance with Know Your Customer (KYC) regulations could result in extra friction in setting up a financial app - this could, in turn, lead to an increase in customer dissatisfaction with the experience.

The ideal digital experience in banking and financial services

An ideal digital experience is easy to define but much harder to deliver.

Users want simplicity

From a customer and employee point of view, an outstanding digital interaction is frictionless, simple, rapid, responsive, secure and effective from start to finish. It's as straightforward as tapping a few buttons to accomplish an objective, with the app offering a fully capable extension of the financial services institution in their hand.

Financial institutions must manage the app and beyond

From the bank or financial services organisation's point of view, presenting the user with this 'face' of effective simplicity means handling a great deal of complexity behind the scenes.

For the financial institution to deliver an outstanding digital experience, it needs to manage and control far more than the app itself. It needs real-time visibility over every aspect of the digital interaction and every factor that could impact it. Key elements of a complete visibility solution include:

- an end-to-end view across infrastructures such as servers, databases, data centres, and internal and external networks (including the internet)

- application performance monitoring across multi-cloud environments

- capability to rapidly identify issues such as bandwidth constraints, elevated round-trip latency, packet loss, and other quality-of-service problems

- a single pane of glass where all aspects of performance can be seen to guide decision-making, issue resolution, and optimisation.

Outstanding digital experiences depend on financial institutions having visibility and the tools to monitor the app and its wider ecosystem.

Critical steps to improving users' digital experiences

Creating digital experiences that satisfy customers and employees and build their trust in your brand can be achieved in three steps:

1. Set up monitoring for accurate insight

See beyond the app by adding end-to-end monitoring to your tech stack. Understand how users experience your application from where they are and how the underlying network, cloud provider, or internet connection impacts their interaction. Focus on maintaining high availability by managing the diverse matrix of infrastructure and applications that you don't own or control. Visibility is key to identifying who should have ownership of any user-impacting issues, enabling rapid resolution.

**2. Add in application performance management**

Choose an enterprise-grade Application Performance Monitoring (APM) platform to understand clearly how users interact with your bank or financial services organisation. An APM solution will be central to safeguarding your app's performance and protecting the user experience.

Choose a solution that will give your technology teams:

- visibility into every line of code, so tech teams can quickly find the root cause of issues and resolve them

- deep understanding of how users interact with your digital service to shape your best-in-class user experience with continuous improvement

- real-time, end-to-end management for even the most complex of applications.

3. Bring these solutions together to support business outcomes

Incorporate these solutions and the data and insights they generate into your overall performance review, so your digital user experience programme aligns with your wider business objectives. What can the business learn from the digital experience? What can your digital experience optimisation programme take from other areas of the business to improve further?
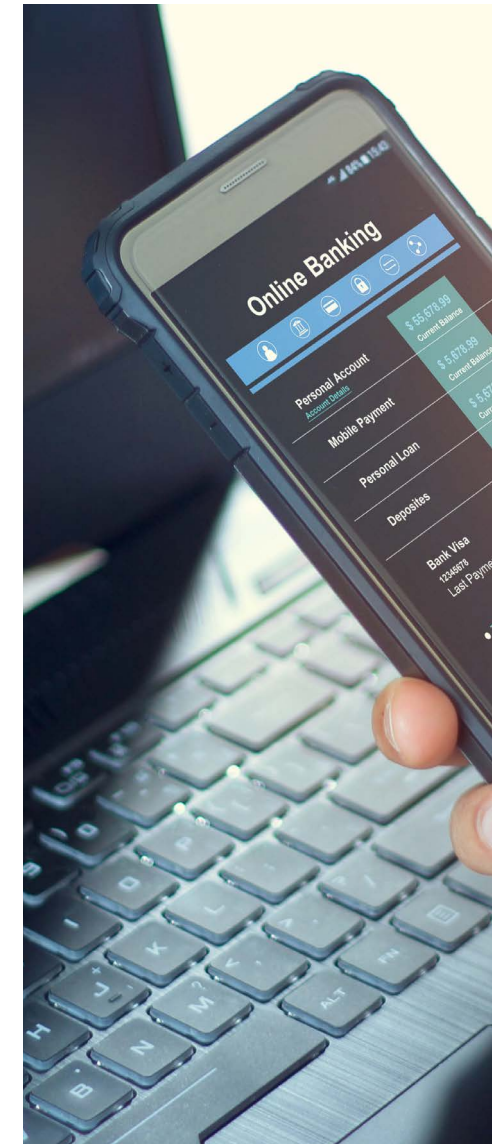
Introducing ThousandEyes with BT

ThousandEyes

Developing the big picture of what affects digital experiences

ThousandEyes with BT is a managed service that helps you understand how users experience an application, and the impact of the performance of all your networks and services you rely on to deliver that experience.

When a user has a bad digital experience, they don't care where the problem is. They simply want it resolved - and fast. ThousandEyes with BT gives your financial firm visibility across all your networks and applications to ensure optimal customer and employee digital experiences. It comprehensively measures and monitors network, application, routing, and device layer performance so you can solve issues quickly.

Developing the big picture of what affects digital experiences

ThousandEyes with BT is a highly refined solution, drawing on our experience of Cisco's technologies and monitoring solutions gained as Cisco's largest global partner.

We do a lot of the operational heavy lifting, taking care of all day-to-day administration, service updates and security, freeing you up to run your own ad hoc or ongoing tests. It's easy to add ThousandEyes into your organisation, too, with no need for a new vendor agreement, and we speed up quote-to-delivery lead times by using any existing contractual frameworks you have in place with us.

Bringing us in to manage your ThousandEyes service also takes away the pressure of employing and retaining scarce skills. Instead, you'll have a named consultant who'll be available whenever you need support.

ThousandEyes with BT offers commercial flexibility to avoid large upfront payments, with different pricing models to choose from, including a subscription option.

ThousandEyes is fully integrated into our systems at BT, and we can help you to integrate it into your own systems if required.

ThousandEyes with BT delivers:

- authoritative insights into internet conditions gleaned from billions of daily measurements

- globally distributed vantage points throughout the internet capable of tracking user journeys end-to-end across all layers

- real-time network monitoring services across a vast ecosystem of Internet Service Providers (ISPs) and cloud providers

- collective insight into service provider performance, including for SaaS, that you can share for faster issue resolution without the finger pointing

- a JavaScript transaction engine that captures performance data across pages and engagement channels

- accurate page load metrics and other quantifiable measures to benchmark performance.

Visit our webpage to learn more.

Meet user expectations and create differentiation

ThousandEyes with BT makes it possible for banks and financial services organisations to lift their user experiences to the next level.

The deep insight into the user experience, server response, and network performance the managed service delivers is a finger on the pulse of customer and employee experience and satisfaction.

By sharing the industry's most authoritative view into how the internet works and where it's breaking down, ThousandEyes with BT accelerates fixes and minimises user disruption.

Case study

ThousandEyes

ThousandEyes with BT delivers crucial visibility

The client
A multinational investment bank and financial services company.

The issue
This customer had difficulty understanding the behaviour, availability, and user experience of critical services for clients, employees and third parties. Although the company had monitoring instrumentation within its corporate perimeter, it didn't have that visibility outside its perimeter, making it hard to diagnose and find root cause issues with its ISP conductivity.

When there was an outage with a major ISP lasting over six hours, it was impossible to work out if the issue lay with the company's own network equipment, its connection to the ISP, or within the ISP itself.

The solution
The company implemented ThousandEyes with BT and can now monitor its ISP connectivity effectively, pinpointing the root cause of problems much faster, saving time for everyone. It can also manage client expectations, allowing them to take effective remedial action.

ThousandEyes with BT provides information about the routing associated with the prefixes that underpin the services that their clients rely on. The company now has the visibility needed in a range of use cases, such as Border Gateway Protocol (BGP) hijacking, Domaine Name System (DNS) poisoning, or DDoS attacks.
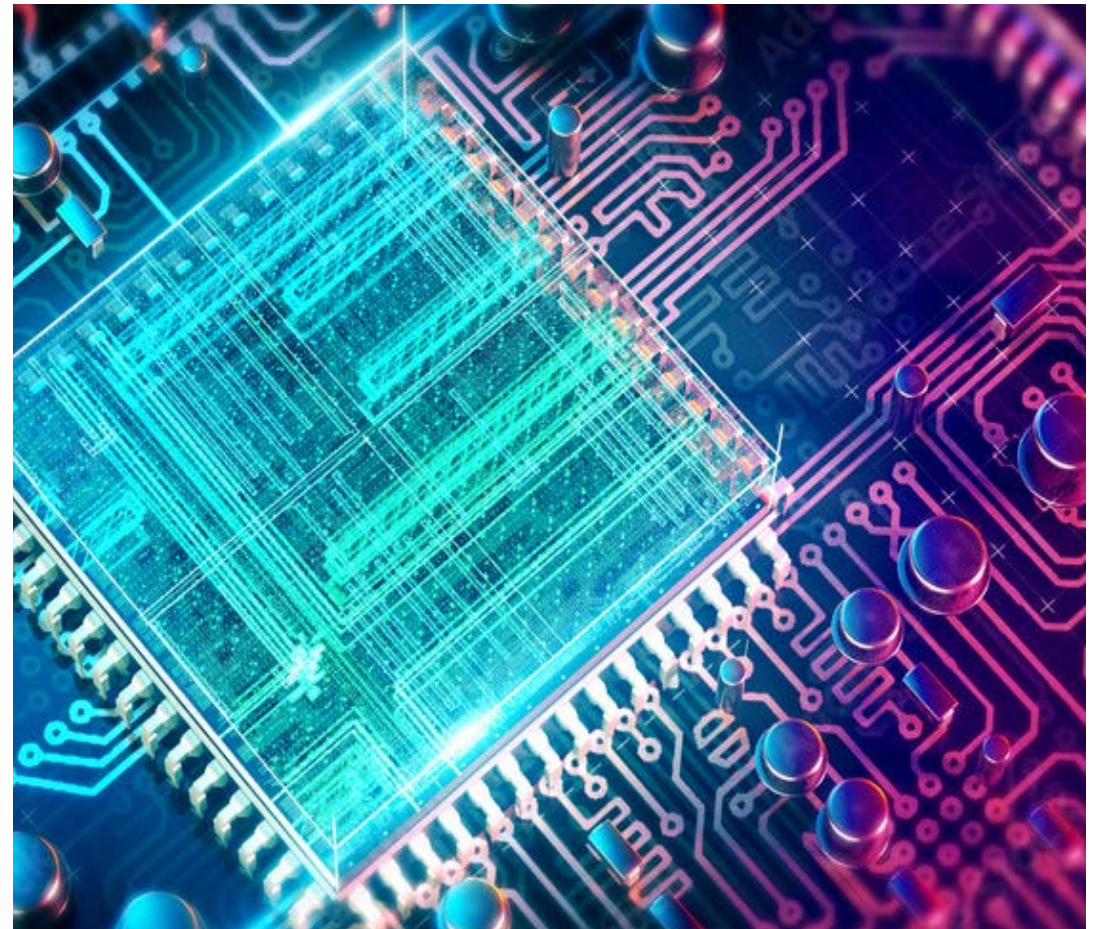
Introducing AppDynamics

APPDYNAMICS
part of Cisco

Delivering outstanding app experiences

AppDynamics is an application performance management (APM) managed service that brings together layers of application reporting to show what needs to change and where it is. This rapid insight enables rapid action to fix any issues impacting the user experience, maintaining satisfaction with your bank or financial firm's digital service.

AppDynamics delivers:

- complete visibility across servers and containers, both on-premises and in the cloud

- one simple user interface to monitor application development and cloud deployment

- automated capture of metrics for the entire user session

- the ability to tie critical user experience issues to any point of error within the hybrid environment

- precise contextual alerts and advanced AI-powered root cause analysis to cut resolution time.

Visit our webpage to learn more.

Deliver an app experience that delights users

AppDynamics refines the user's app experience into a touchpoint that builds loyalty and satisfaction.

It makes real-time responsiveness possible, so any app glitches are identified, traced to the root cause, and remedied quickly.

Using a continual flow of performance information and insight, and its links with a vast ecosystem of interconnected technology partnerships, AppDynamics supports you to optimise your application environment.

Why BT for banking and financial services

We're centred in finance

At BT, we're woven into the fabric of the financial services community and have been for decades. We bring that deep experience together with our combined expertise in network infrastructure, cloud services and security to create and deliver the end-to-end experience financial services organisations need.

A compliance-centric approach

We're a driving force within the banking sector, working closely with the Financial Conduct Authority and financial regulators to shape policy and make sure our solutions always deliver risk and compliance outcomes that are fair, explainable and auditable.

A global security view

Our experience and expertise in protecting governments, nation states, critical national infrastructure and large global corporations from over 6,500 cyber attacks each day gives us a ringside seat on the complex security threat landscape.

We use this unique position to support organisations to detect and respond to threats in a Zero Trust world with real-time visibility and monitoring, drawing on the expertise of our 3,000 security experts, 350 consultants and our security operations centres around the globe. This expertise is reflected in our ranking as an IDC leader in Managed Security Services in Europe.

An extensive partner ecosystem

Our proprietary infrastructure and partnerships mean we're agnostic and neutral. We complement - and don't compete with - Service Integrators (SIs), hyperscalers and in-house teams. Our links with leading public cloud providers delivers flexible connectivity into hyper-scalers and regional data centres. And, through leading industry partnerships, we blend the latest specialist technologies into what we offer.

Why choose digital experience solutions from BT?

Our experience
We've been combining our skills, expertise, and experience with Cisco's technology for decades, and are one of only six 'elite' Cisco Global Gold Certified Partners – across 18 countries.

Simple, effective routes to better user experiences
We offer one solution that brings together both ThousandEyes and AppDynamics, delivering the insight and optimised application environment world-class financial institutions need.

Our global network capability
We can add our market-leading global network capability, offering a mix of IP and internet services in over 180 countries or territories.

End-to-end solutions
We're more than just a network provider. We offer the building blocks to complete your IT infrastructure puzzle, with solutions that always start with your objectives.
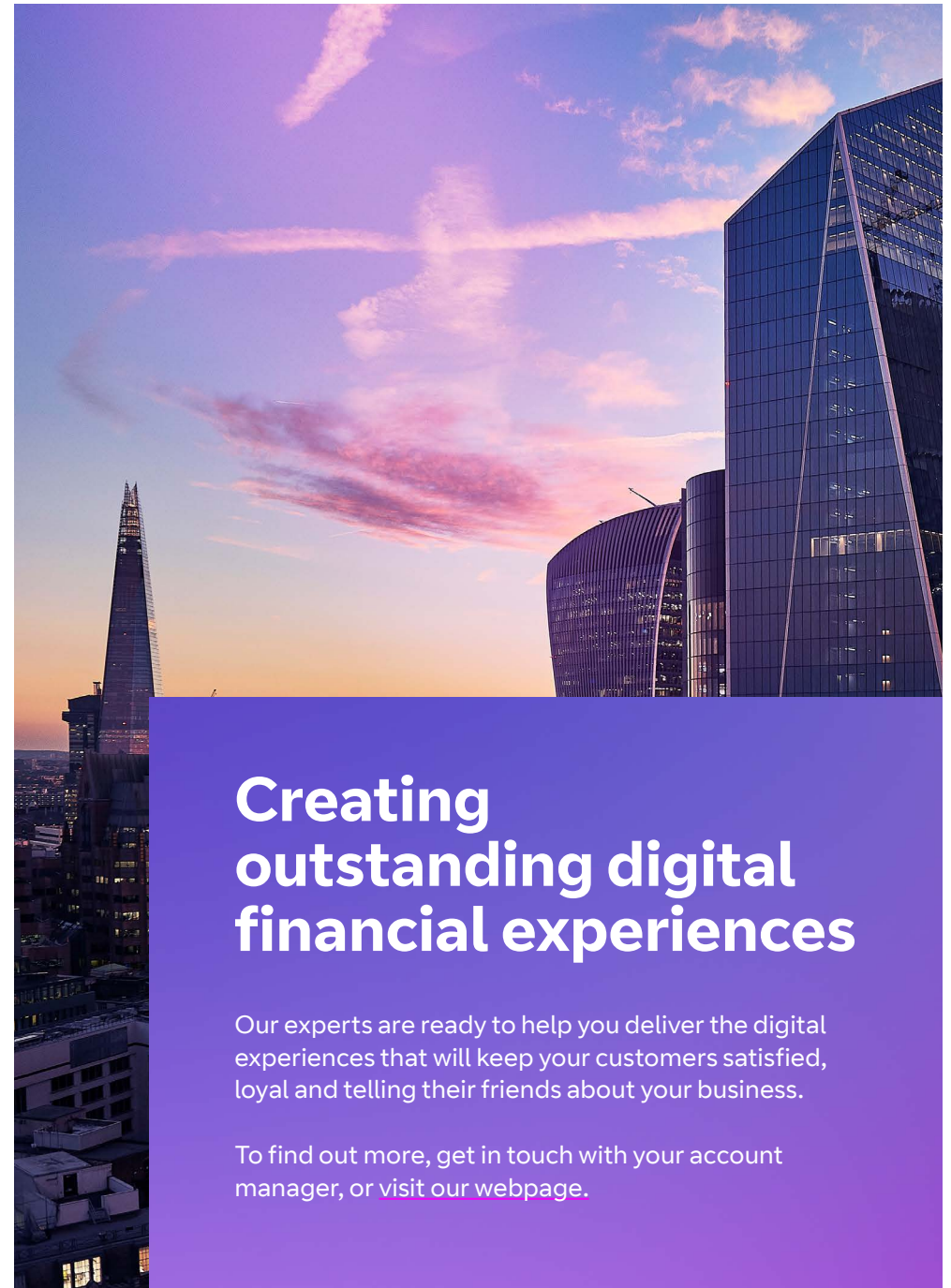
Creating outstanding digital financial experiences

Our experts are ready to help you deliver the digital experiences that will keep your customers satisfied, loyal and telling their friends about your business.

To find out more, get in touch with your account manager, or visit our webpage.