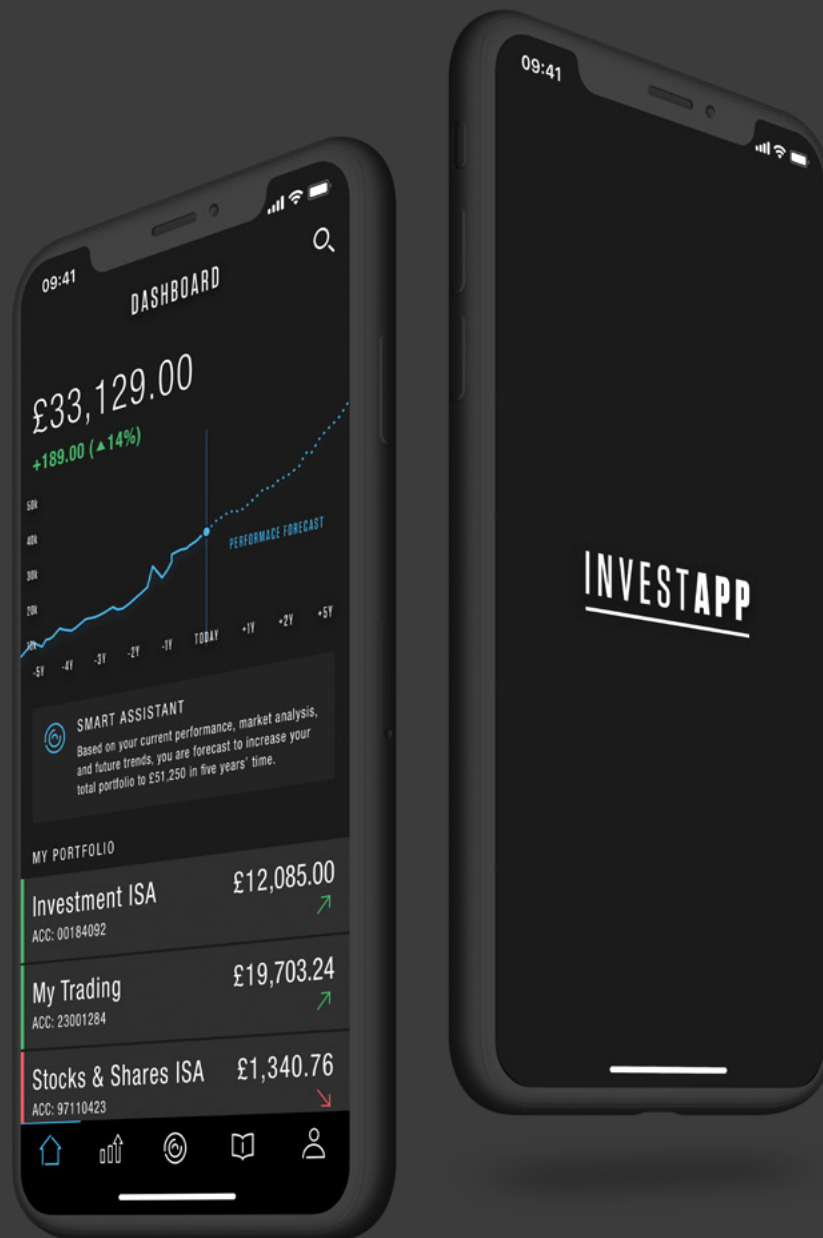


DESIGNING DIGITAL EXPERIENCES IN WEALTH

USING DESIGN THINKING PRINCIPLES TO CREATE THE NEXT GENERATION OF
DIGITAL USER EXPERIENCES IN THE WEALTH AND INVESTMENT INDUSTRIES.





CONTENTS

1. ONBOARDING & LOGIN
2. ACCOUNT VALUATION & PERFORMANCE
3. PERSONALISATION OF SERVICES
4. TOP UP / WITHDRAW FUNDS
5. TRADE / INVESTMENT EXECUTION
6. NOTIFICATIONS & COMMUNICATIONS
7. PARTNERSHIPS & INTEGRATIONS
8. EDUCATION / GUIDANCE
9. BEGINNING YOUR JOURNEY

INTRODUCTION

Traditionally, wealth and investment firms have prided themselves on building strong customer relationships and delivering bespoke services through a trusted personal adviser. We see this fiduciary relationship and trust continuing. However, businesses will need to adapt to changing customer expectations. Younger generations are experiencing newer, more seamless and personalised digital experiences in most aspects of their lives and wealth and investment management must follow suit.

Why? Because wealth is being transferred at an extraordinary rate and there's immense opportunity for firms to capitalise on it. This is not just about selling to Millennials (i.e. people born between 1980 to 2000) but also to Generation X (i.e. people born between 1960 to 1980). Research estimates that the figure for intergenerational wealth transfer in 2017 already crossed the £69 billion mark in the UK. In ten years' time, this is expected to increase to £115 billion annually.

Today, it's difficult for advisers to know the total value of wealth that their clients hold. Wealth can come from a variety of different sources and this is not always tracked, nor is it presented to clients in a simplified digital experience – so that they will be incentivised to continue using wealth services. Meanwhile, fintechs are sizing up this very opportunity.

We believe wealth and investment institutions need to turn their attention to the latest and most innovative ways to stand out from the crowd – and that developing a design thinking culture will be a critical differentiator for those looking to attract the next generation's wallet-share.

The next generations want ease and an engaging experience – comparable to what they receive from the likes of Spotify, Netflix, AirBnB, Instagram, and Monzo. A UX-first approach, looking to simplify and delight – especially in the wealth and investment space could provide a massive opportunity.

DESIGN THINKING

Design thinking is an innovation methodology that focuses on understanding people's real problems and rapidly exploring a range of creative solutions. Design thinking accelerates the definition of high level, tangible requirements through close collaboration, rapid prototyping and testing with end users ahead of agile delivery. Having a design thinking methodology in place when creating your user experiences provides you with confidence that what you are designing and building is indeed what your customers need.

In this report, we highlight the critical principles for business leaders and digital teams to consider when designing the UX for wealth and investment services for the next generation.

1. ONBOARDING & LOGIN

Client onboarding processes are often time-consuming and inefficient.

Typically, a financial institution will collect documents and individually engage credit reference agencies to verify customer identity against other independent data sources on their behalf. But it doesn't have to be this way. Using the fundamentals of design thinking, the onboarding process can be made fun and easy, through:

Simplification: encourage customers to sign-up and create accounts via a single interface, such as a smartphone app. Include basic sign-up questions, stripping away any questions that are superfluous and reduce the number of steps in the process to the absolute minimum.

Time-saving: digitisation has enabled quick and easy flow of information. Social logins are a great time saver that are appreciated by most consumers. No one wants to waste time filling out lengthy registrations forms anymore. For example, Pinterest allows you to log in with either your Facebook account or Google Mail. These are also incorporated in certain trading platforms such as eToro. Auto-scanning of ID cards using a smartphone camera can also be useful time savers when uploading identification information.

Biometric authentication: -using facial, fingerprint and voice recognition, as well as other biometric techniques and technologies takes away the onerous method of using multi-factor logins and passwords. Devices employ different standards, so it is critical to consider how they would work as an experience for investors.

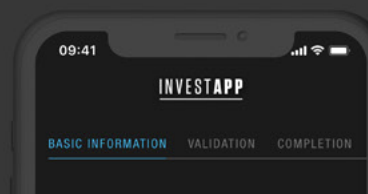
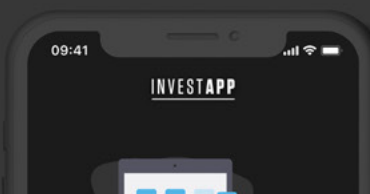
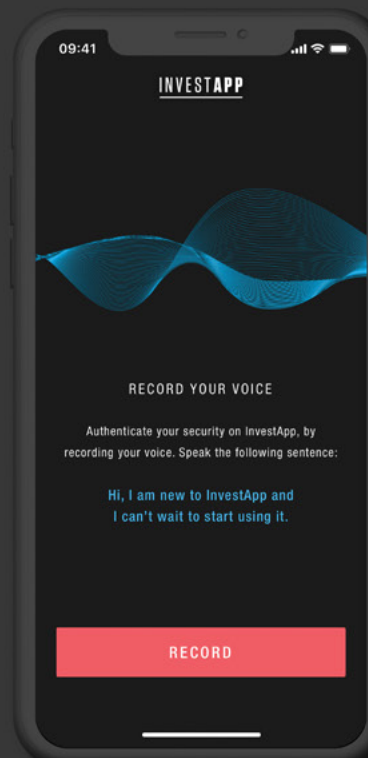
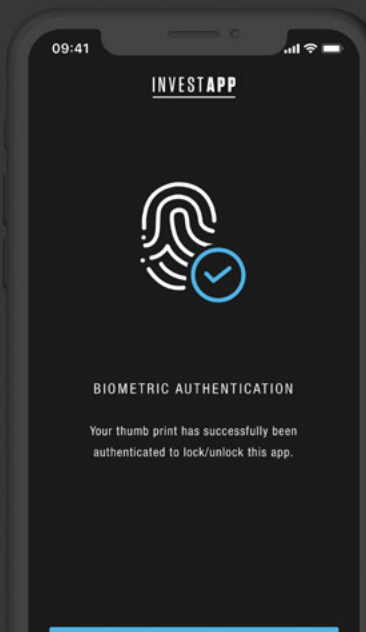
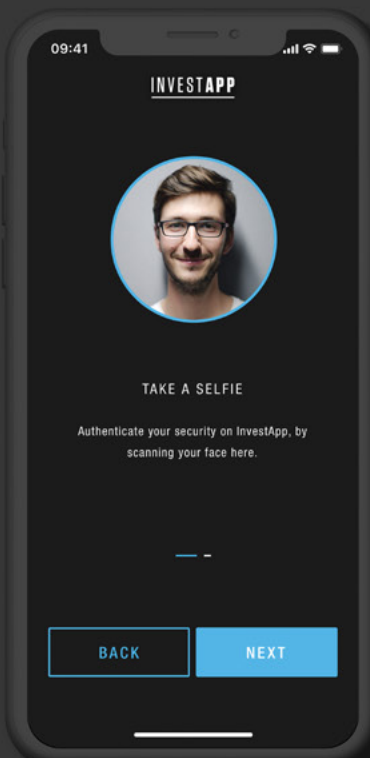
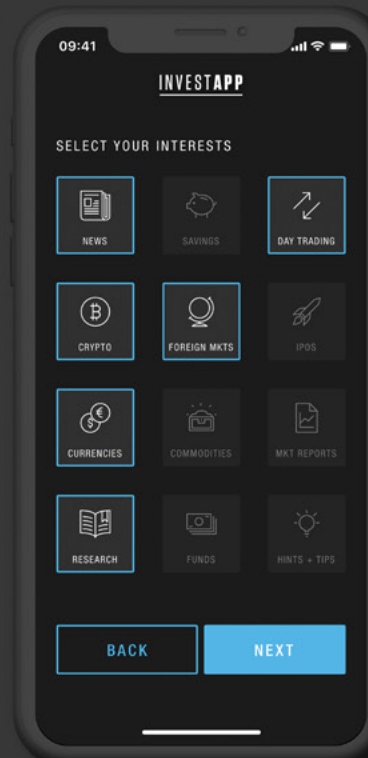
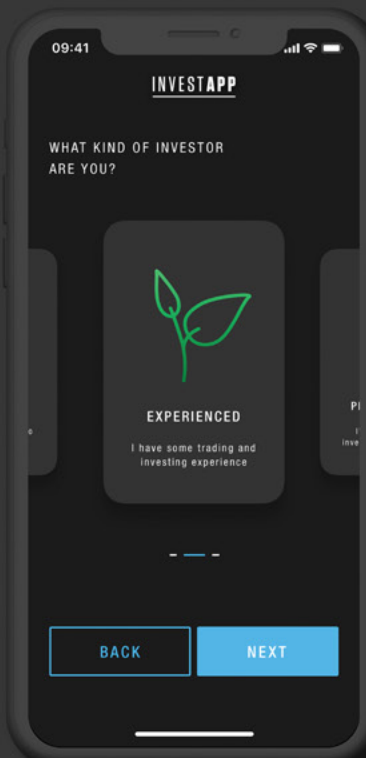
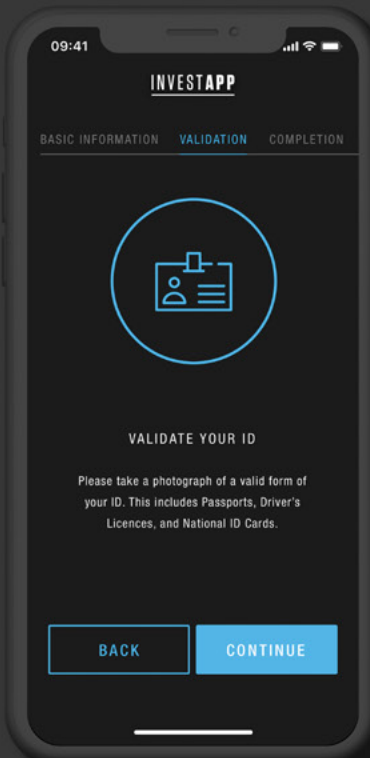
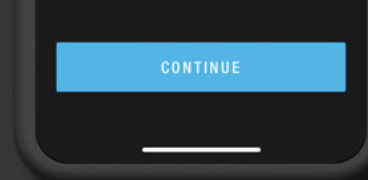
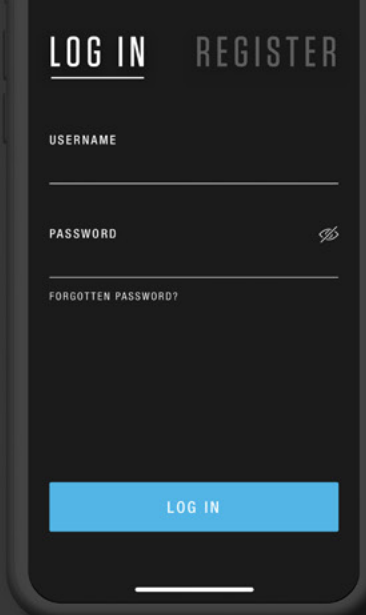
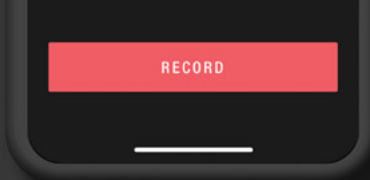
Gamification: the onboarding process should be as fun/engaging/interesting as possible. Gamifying the experience or breaking down the onboarding process into digestible chunks - like elements of a computer game can make the process seem shorter.

Referrals: by using referrals in onboarding are also a great way to get your own customers to become ambassadors of your app. The added benefit of a referral step in your onboarding process will also help to grow your user base.

However, striking a balance is key. Some users find it off-putting if interfacing with a financial services platform is too easy. This can give the impression that the platform is not fully secure.

“Simple can be harder than complex: you have to work hard to get your thinking clean to make it simple.”

- Steve Jobs



2. ACCOUNT VALUATION & PERFORMANCE

Visualisation should be the primary consideration when it comes to user experience on apps and web-platforms. The human brain processes visual information much more effectively than textual data, so it is imperative complex data is represented in a clean and concise way.

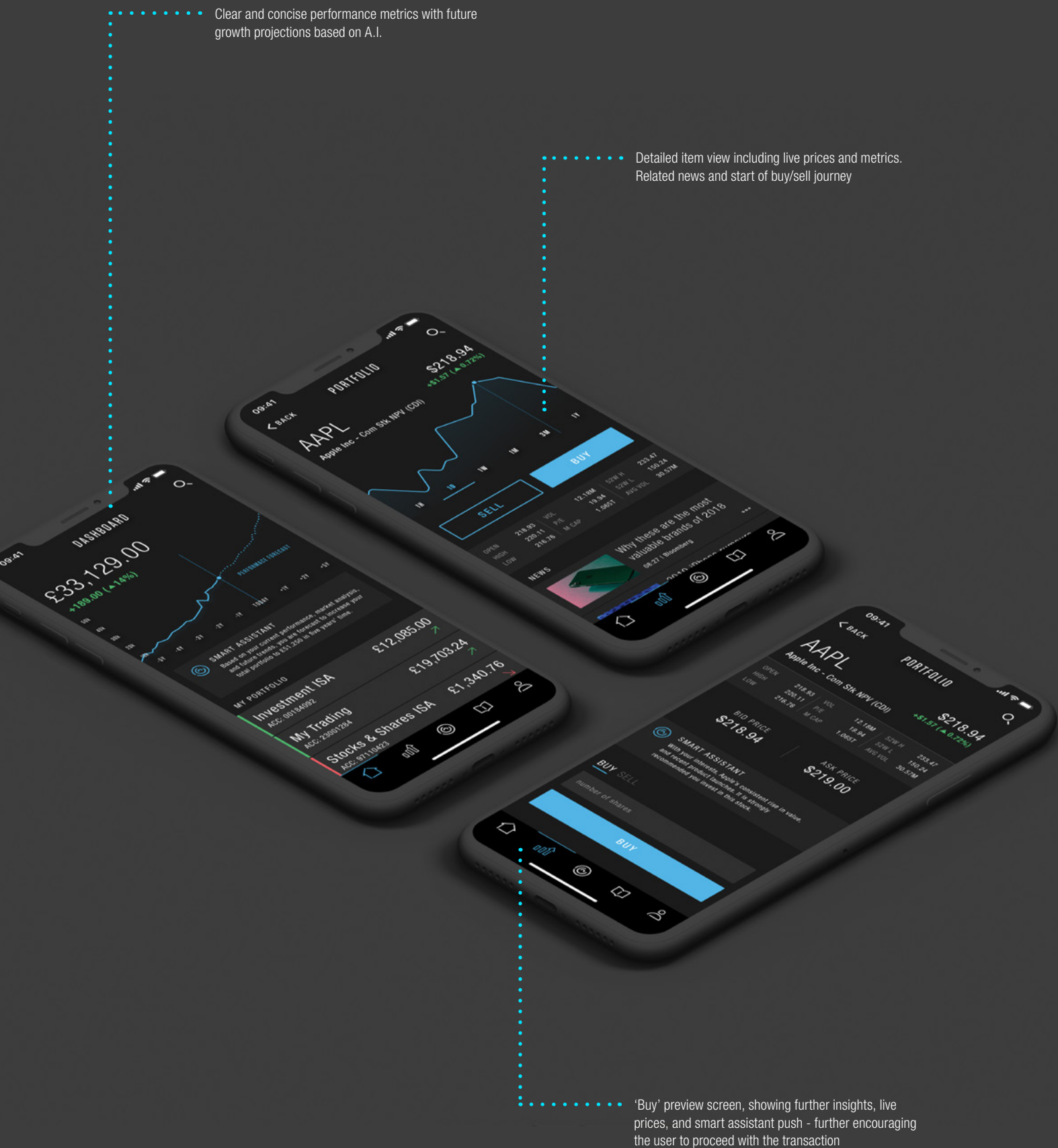
Consumers should have easy access to view their wealth dashboards once the login process is completed, focusing on account valuation and performance to keep them engaged.

Key information depending on specific scenarios should always be displayed to the user on a default screen. For instance, in an investment app, the user will want to know how much they have invested overall; how much their investment has increased/decreased by; and likely a percentage of this too. This information should also be as simply laid out as possible.

Data visualisation can really help in delivering large, insightful messages in a digestible format. Visualisation tools like infographics help tell the user the story of their finances by visually representing tedious, tabular data in an interactive, attention-grabbing visual.

Adding interactivity to dashboards enables engagement with the data, especially with the help of sliders which can be used to foresee future positions through data analytics.

The pension fintech, PensionBee, includes an interactive and user-friendly pension calculator to work out the required annual savings needed to receive your desired annual pension amount after retirement.



Clear and concise performance metrics with future growth projections based on A.I.

Detailed item view including live prices and metrics. Related news and start of buy/sell journey

'Buy' preview screen, showing further insights, live prices, and smart assistant push - further encouraging the user to proceed with the transaction

3. PERSONALISATION OF SERVICES

Investors' goals, values, and preferences are influenced by their demographic segment, life stage, household balance sheet, and specific tax circumstances. Millennials may be saving for a down payment on their first home, whereas retiring Baby Boomers are focused on extracting equity from their home to fund retirement income.

To design the best UX for financial products and services, we should get to know our users better. A good way to identify the needs and motivations of users is by creating personas. A persona is a representation of a certain segment or audience who will be using your products or services. These help to identify the user groups' needs, behaviours, and pain-points.

Personas are a great way to create consensus among your team members in how and who your products and services should be positioned to. They also help focus marketing initiatives.

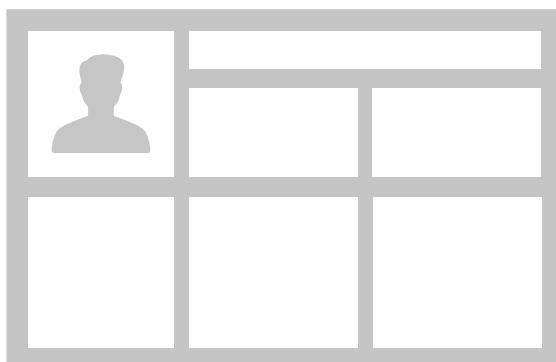
The UK mobile-only bank, Monzo, take personalisation one step further through using customer payments data to provide personalised offers and advice. By analysing daily commute costs, for example, Monzo's algorithms are able to suggest savings to customers, such as telling them to switch from a pay-as-you-go travelcard to an annual one.

Even being able to customise the look and feel of a trading or investment app provides a level of micro-personalisation that puts the user in control of their own UX. The City Index app, for example, allows users to drag and drop service icons to the bottom navigation pane, allowing them to choose which services they want easy access to from their navigation bar.

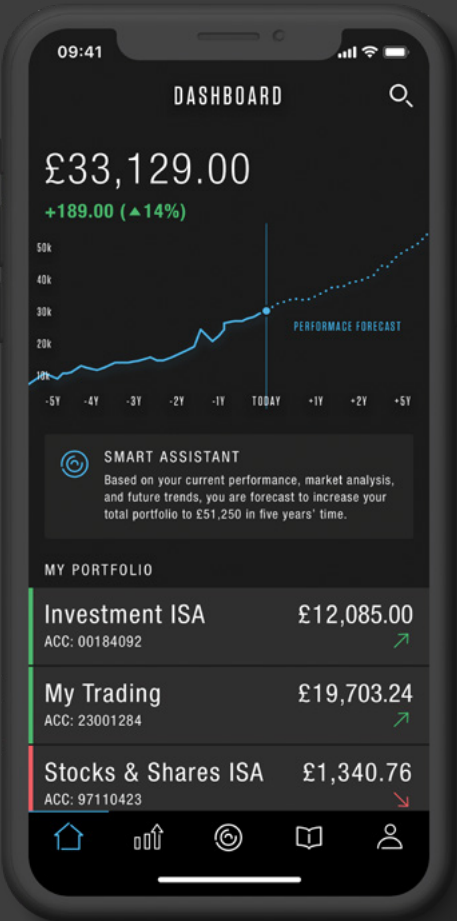
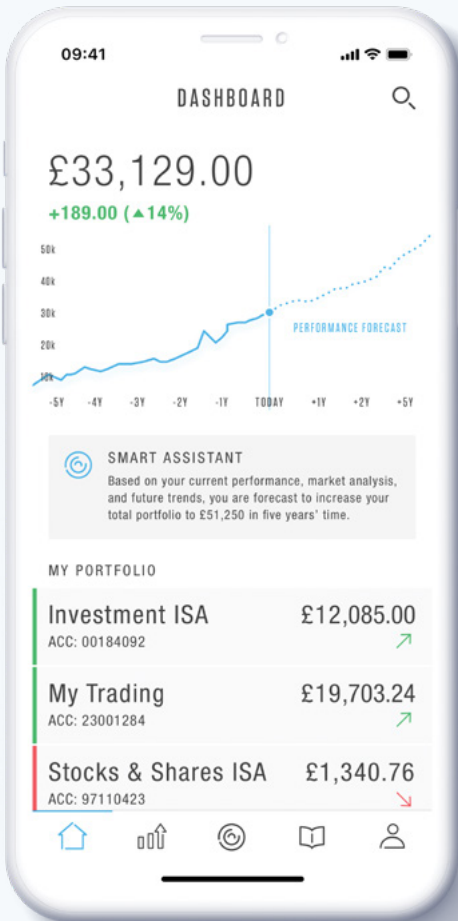
This level of personalisation is imperative. Most users will not want a generic 'one-size-fits-all' approach to their app/service. The ability to tailor and personalise, be it from an onboarding journey or even within the settings section of an app, is fundamental to making users to feel important. It also creates trust and helps users build personal relationships with their products or applications. This also enables firms to understand which features are most frequently used and inform the refinement process.

PERSONAS

A persona is a representation of a typical user. It outlines a high-level view of this specific user. Included in personas, you will typically find a photo/icon of the user, a biography, wants/needs, pain points/frustrations, brand associations, and goals/aspirations.



Allows users to personalise their app experience and receive tailored content and advice specific to them



4. TOP UP / WITHDRAW FUNDS

As well as the traditional linking of bank accounts to a user's account, customers should also be given the option of using multiple sources of funds to top-up their account, including non-traditional payment sources such as PayPal, Apple Pay, Google Pay, Samsung Pay, etc.

TransferWise, a foreign exchange money transfer service, allows users to transfer money linked to their card stored on their Apple Pay wallet. This seamless process involves entering a payment amount and simply using your fingerprint to authenticate the payment.

It is equally important to establish a seamless withdrawal process, whereby the customer can withdraw their earnings at any point and then put it into their selected choice of account, with withdrawal fees

clearly being communicated during the initial onboarding process.

Small, engaging interactions, such as an animation to verify confirmation of top-ups, or push notifications to smart watches (which alert the user that their funds have been withdrawn successfully), may seem like basic facets, but ultimately, it's these regular micro-interactions for otherwise mundane tasks which have a lasting positive impact.

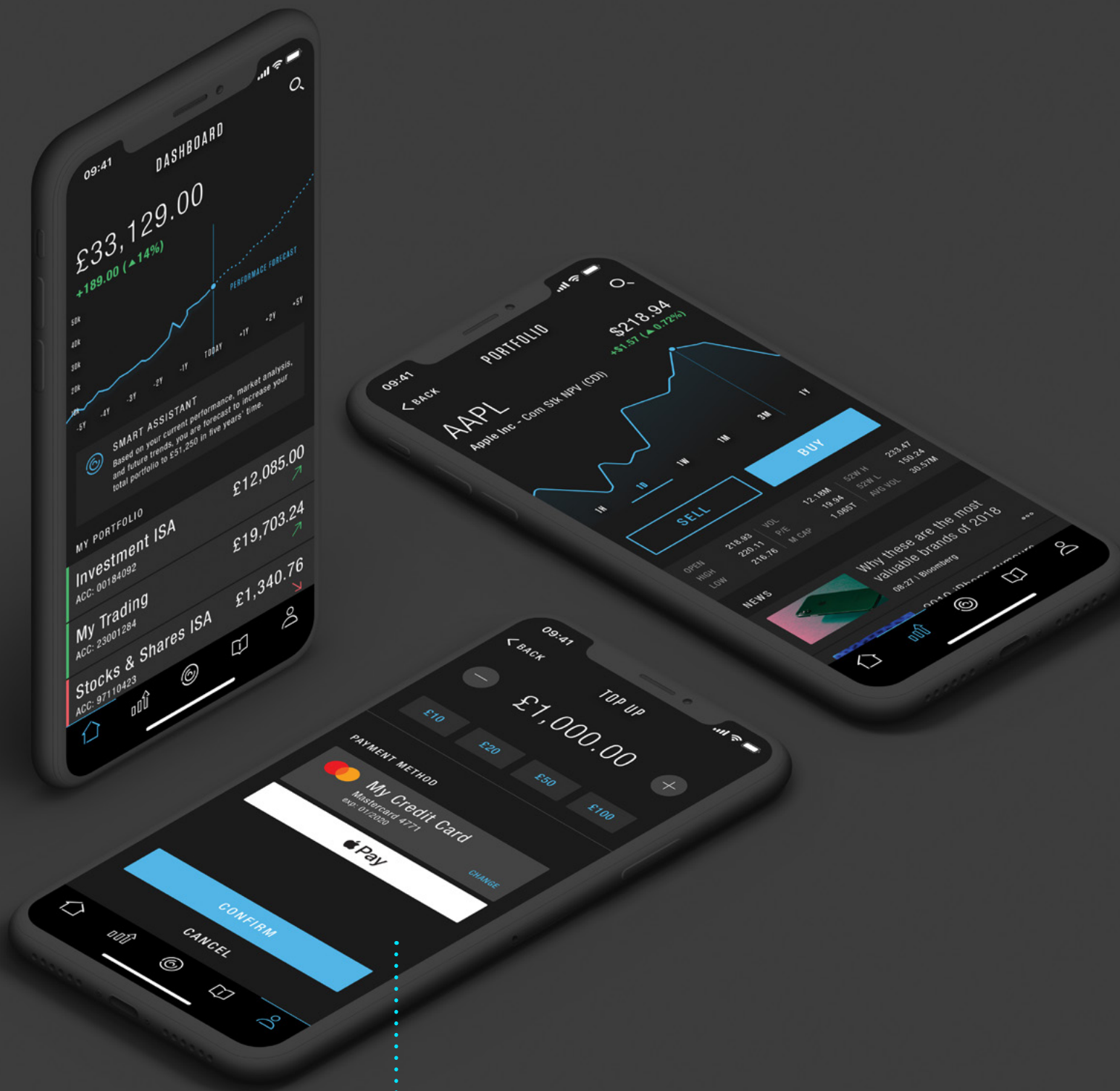
5. TRADE / INVESTMENT EXECUTION

Arguably, the most critical action you are asking your users to perform is to place their investment. Therefore, it is essential that this step of the process is one of the most seamless and simplified.

The path from research, to selection and execution should be a logical path with minimised cognitive load. Setting alerts, limits and stops should all be part of the final execution flow.

Innovative execution paths should also be considered. For example, when sending an email with research or news which includes your top stock picks this should have deep linking capabilities, so users can select a link in news articles, taking them directly to the app and onto that stock's page – ready to be traded in a click or two.

In addition, anything that can support the user with their trading and investments will be largely beneficial and can also greatly improve the overall user experience. Chatbots or virtual assistants are great for support and proactive prompts, as well as for how-to guides. It is common, particularly within trading services, to offer news when looking at a stock or share.



Support for multiple payment types including digital wallet integration to allow for quick and simple trade execution

6. NOTIFICATIONS & COMMUNICATIONS

Notifications and alerts are important ways to keep the savvy trader up-to-date with the latest status of their holdings and the various events affecting their positions. Notifications for longer-term investment products are less frequent, but for an intra-day trader, these are invaluable for keeping them informed when events take place which impact their portfolio. These events can be market developments, technical indicators, economic announcements, reaching specific price targets, or even system outages preventing trading during certain times.

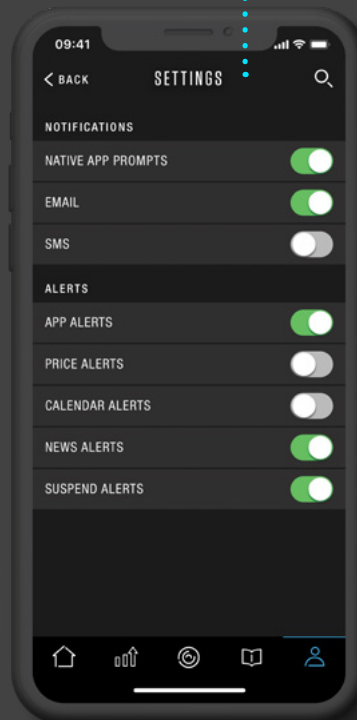
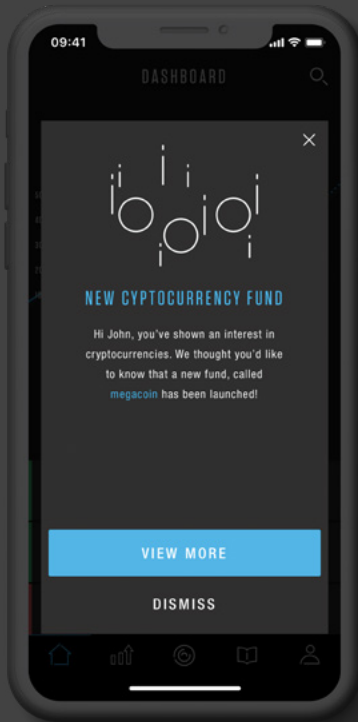
Alerts, push-notifications, emails, and in-app messaging can all be used to communicate with investors as events happen. The type of notifications, frequency, and event triggers should all be made customisable for the user. A good example of this is the CMC Markets app, which gives users the power to set a multitude of notification options as well as the events that should trigger them.

The benefits of setting up and using pro-active notifications include:

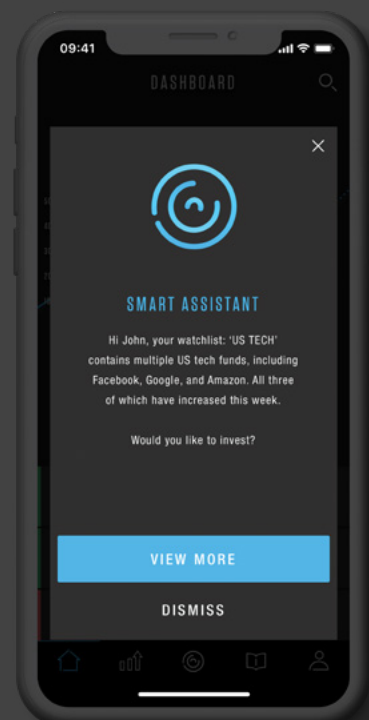
Saving time: customise your notifications to receive price alerts and then execute your trades, saving you time from monitoring price movements manually.

Quick response: push notifications when impactful news breaks allow you to make instant buy or sell decisions by a single click when not logged into the app.

Retain app usage: notifications are a great way to increase returns to your app and increase engagement with your user base.



Allow users to customise their notification triggers and frequency



7. PARTNERSHIPS & INTEGRATIONS

Established investment and trading companies can differentiate themselves from the competition by becoming early adopters of the latest financial technologies. Of course, building everything yourself (robo-advisers, machine learning capabilities, hyper-personalised dashboards, etc.) may be a step too far for your cost appetite, so why not form a strategic partnership with fintechs who are providing a best of breed solution in their niche offering?

Instead of viewing fintechs as competition, traditional financial institutions should investigate how strategic partnerships can be used to create an entity stronger than either individual unit could bring on their own. Benefits of these collaborations include cost reduction, quicker time-to-market, improved customer retention, and additional revenues.

UK challenger-bank Starling are huge supporters of the partnership model and have even created a 'marketplace' on their app which allows users to link their bank account to services from other fintechs – such as your pension details to your account via PensionBee or adding travel insurance via Kasko.

A recent first in the UK investment world also occurred when AJ Bell launched a Developer Hub, allowing external apps to link their services to AJ Bell's Youinvest platform. AJ Bell is also working on a project that will enable its customers to request to be able to view their bank account, pension and ISA details from external providers via their AJ Bell account.

Application Programming Interfaces (APIs) underpin both these two collaborations. APIs provide the channel to access data between partners. Allowing access to your data and transactional services via a robust API strategy will aid the execution of a smooth and secure partnership ecosystem. However, keeping and enforcing security standards is critical.

There are many benefits to this model, but primarily it allows for an open ecosystem, which is something more and more consumers are beginning to prefer. A single service that is paired with other services via APIs will allow open access, and this only helps when viewing their finances. For instance, a trading app could partner with a venture capital funding app and use their investment service within the trading app, allowing users to browse and select a start-up they wish to invest directly into. This would mean users would not need to switch between two apps. Additionally, from a business perspective, the two respected parties could work together to monetise the combined service.

• • • • • An extensive marketplace featuring partners that can further enhance the user's experience. Users can explore partners within rewards, FX, insurance, savings and investments, and cryptocurrencies to name a few

• • • • • An example of how brands can integrate with the app, allowing users to 'add' products to their marketplace, and build an app ecosystem



• • The user can then have an 'in-app' experience of another partner's offerings. For instance, transacting live FX offerings within the app

8. EDUCATION / GUIDANCE

Investing can be an intimidating and complicated experience for the first-time investor, who must navigate their way between a multitude of products, services, accounts, and fees. The novice investor usually lacks the financial literacy needed to make smart investing decisions. The companies that provide simplified service execution, coupled with best-in-class learning resources will have a competitive advantage in winning business from Millennials.

EXAMPLES OF BEST PRACTICES INCLUDE:

Demo accounts: allow your users to first invest using a limited feature demo account from which they can invest on real life products by using virtual currency. This will build up their knowledge of the markets and confidence in their abilities to execute investments using real currency. The IG Index app makes it easy for users to sign-up for a demo account by simply logging in via Facebook to create a risk-free demo account with £10,000 of virtual funds.

Features walkthrough: once your new user downloads your app for the first time, a walkthrough of the main features using pop-up messages will help introduce them to the capabilities and service features of the app. These messages can also be displayed to introduce new features whenever your app is upgraded.

Live / robo-chat: allow users to access in-app chat features to converse with either real-life customer service representatives or even bots, programmed to answer common questions. The Capital.com trading apps enables users to chat with bots using natural language processing to answer queries.

Educational content: short videos educating users on trading and investing best practices within your smartphone app would provide a one-stop shop to educate users.

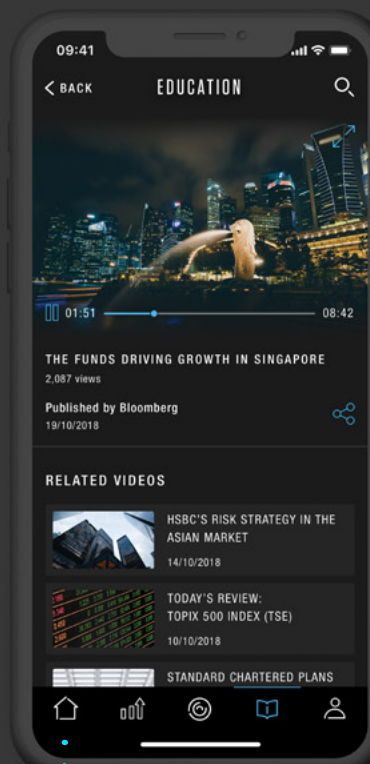
Gamification: the use of items like leaderboards, badges, missions, and levels will encourage your users to increase their engagement with your apps.

For example, in 2017, Wells Fargo launched a game called 'Retirement City' with the intention to help America's workforce prepare for a better retirement. The game blends quizzes, videos, mini games, scoreboards, calculators, an online resource library, and other elements to deliver financial wellness concepts focused exclusively on retirement.

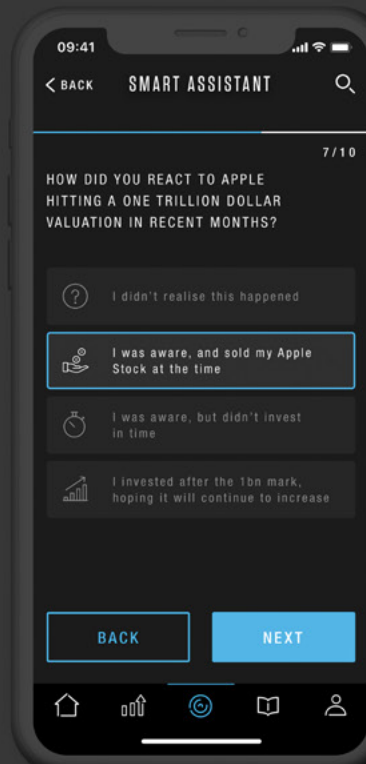
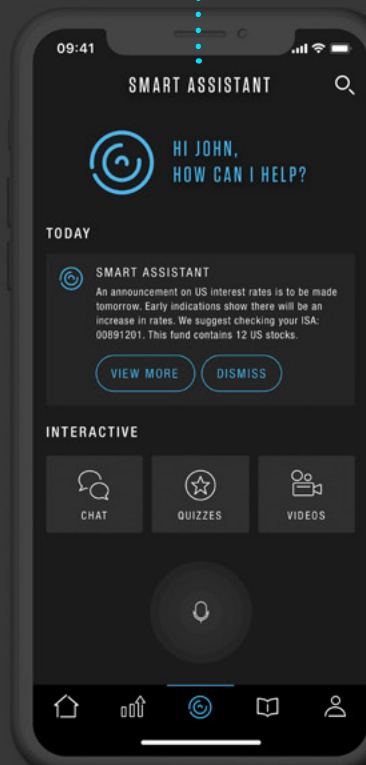
Players in 'Retirement City' pick one of 40 avatars and move through five neighborhoods on a simulated journey to retirement. Along the way, they earn badges and rack up points as they learn retirement-saving basics, make choices (pull-out-the-stops wedding or modest affair? new car or used car?) and see how life's curves (your house has been damaged by a storm and now there are repair costs) affect long-term saving.

This allows players to learn retirement concepts, and benchmark themselves against other players, blending finance and literacy concepts.

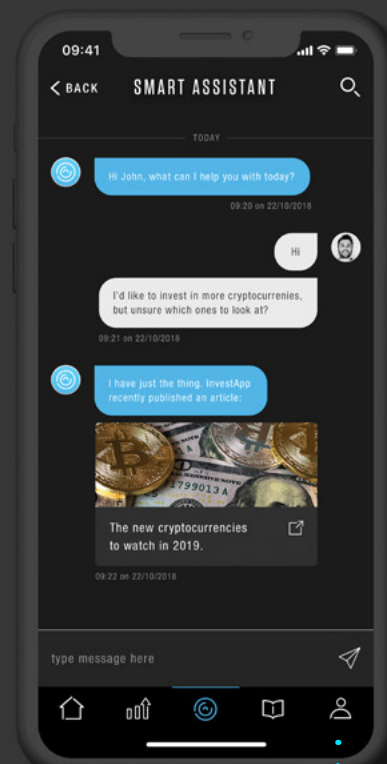
Using smart assistants to provide the entry point to chat, support, educational videos and quizzes, as well as hints and tips



Video content can enhance the educational offering of the app.



Provide smart chat capabilities based on natural language processing, offering rich, proactive experiences whilst maintaining a human touch



9. BEGINNING YOUR JOURNEY

In conclusion, there are of course many design focused initiatives, tasks and methodologies which can have a huge impact on the overall experience of customers. Some are stringent rules, others are more flexible. But there are a number of ways in which you can work toward this:



1. Incorporate **design thinking** into apps, products, websites, in fact - any consumer facing product. The key here is to have a deep interest and understanding of what your customers really want. Empathise with your customers, define their needs, and ideate by creating innovative solutions. Prototype solutions, test with your customers, iterate, and test again until you get it right.



2. **Senior stakeholder buy-in.** Empower senior management and stakeholders by training them and getting them involved in the design thinking process. Invite them to focus sessions so they can really see things from the end customer's viewpoint.



3. **Analyse key trends,** look at your competition. Look at completely irrelevant industries, because from this could stem an idea, an approach which could positively impact you.



4. Embrace **technological advances** and how they can create a positive impact – but with a human-centered approach to innovation.



5. **Be open.** Sometimes it's not necessary to do everything yourself. Why build a new service when you can integrate a partner's service at a much quicker and cheaper cost?

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Capco Wealth & Asset Management provides strategic advice to help our clients plan ahead of upcoming market trends. We help our clients develop new and innovative offerings, including their rigorous design, delivery and implementation, whilst supporting operational activities. All of this while ensuring the underlying compliance, risk and regulations are considered.

We understand tomorrow's customer and the disruptive changes the industry is facing, allowing us to design offerings that fill the gaps in the market and enhance customer experience. Our capabilities span all aspects of strategic design and delivery, operational business processes and implementation.



The Financial Advisor Platform of the Future

How to build a foundational advisor platform that powers the next wave of digital innovation



Designing Digital Experiences in Wealth

How wealth, trading platform and investment institutions can pursue innovative ways to stand out from the crowd and gain wallet share



MIMI and the Ultimate Future of Robo-Advice

How wealth managers can begin building powerful and adaptable solutions that will outperform the best human advisers



A Solution for Intergenerational Wealth Transfer

How effective financial planning can maximise the contribution of every pound in one's financial portfolio

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Our strategy team with deep domain expertise, collaborates with our clients to gain a deeper understanding of their unique business problem. The design team obtains customer insights, gathers market research, and iteratively designs/prototypes solutions. Our engineering team thoughtfully makes data-driven decisions using customer analytics as well as targeted testing. We are Capco Digital - Thoughtful ingenuity and deep domain experience.

Capco Digital helps financial services companies innovate for the future by thinking deeply about your eco-system, and designing real-world solutions using our explore, design, launch methodology. www.capco.com/solutions/capco-digital

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ABOUT CAPCO

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