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Financial Institutions Need Rich Internet Apps

Rich Internet Applications Better Enable Complex Financial Interactions

by **Ron Rogowski**

with Bruce D. Temkin and Steven Geller

EXECUTIVE SUMMARY

Rich Internet applications are well suited for financial services interactions that are extremely complex, rely on graphics and models, and often require data from multiple sources. Customer experience professionals at financial services institutions should identify moments of truth where RIAs can have a big impact and connect these richer experiences into the overall flow of their sites.

RIAs ARE WELL SUITED FOR IMPROVING FINANCIAL SERVICES INTERACTIONS

Financial services interactions can be incredibly complex — from analyzing investment options to building retirement plans. When firms move these interactions online, the experiences are often plagued by user task flows that require multiple, unnecessary steps.¹ That's because HTML can't provide the sophistication required to adequately support complex interactions. But rich Internet applications (RIAs) can help tear down barriers that HTML creates, providing improved experiences for prospects, customers, and even employees (see Figure 1).² And while many of the best-known examples of RIAs exist on retail sites like bluenile.com, NikeID.com, and dell.com, they are becoming more prevalent in the financial services industry. Why? Because RIAs (see Figure 2):

- **Reduce complexity.** Users frequently abandon their online account searches and applications.³ In fact, nearly 10% of Europeans who shop for financial services products online don't apply through the Web because they feel the process is too complicated.⁴ That's why RIAs like Nationwide's Navigator, which enables users to find the right balance of savings and investment accounts to suit their needs, can help (see Figure 3). The application condenses multiple account models into a single screen, provides contextual information on demand, identifies errors before a user tries to submit an incomplete form, and links to an application process.⁵
- **Enable customized graphics and models.** Financial services customers frequently have multiple accounts or funds to manage. But understanding asset distribution and risk can be tricky without the help of tools that enable users to visualize and model different scenarios. This is where RIAs can help. By combining graphical views of assets, dynamic charting functions, and expert commentary, RIAs like E*TRADE's Cash Optimizer can provide customers with a more complete view of their accounts and help them make more informed decisions (see Figure 4). These efforts would be painful at best in HTML.

Figure 1 RIAs Provide Better Web Experiences

User experience principle	HTML experience	How RIAs improve user experience
Control	Users are limited to a linear process when they use site functionality like shopping carts.	Users move back and forth between steps in a process quickly and easily.
Direct manipulation	Click and wait for a new page to download.	Users drag and drop data freely around the screen.
Forgiveness	To undo or modify actions — like changing data in multipage forms — users must back up and may lose data when pages refresh.	Users can undo actions or change data input without long waits or the risk of lost data.
Feedback	Users have to wait for page refreshes to find out whether the site did what they wanted it to do.	System response to user inputs and changes is immediately visible.
Error handling	Field validation often requires a server call. Error message windows can appear disconnected from areas on a page that require attention.	Form fields are validated in real time as users fill them in — problem areas get highlighted before the form is submitted.
Efficient task flow	Processes are broken up into separate pages with server calls in between.	Whole processes contained on a single “page” flow smoothly from end to end.

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Source: Forrester Research, Inc.

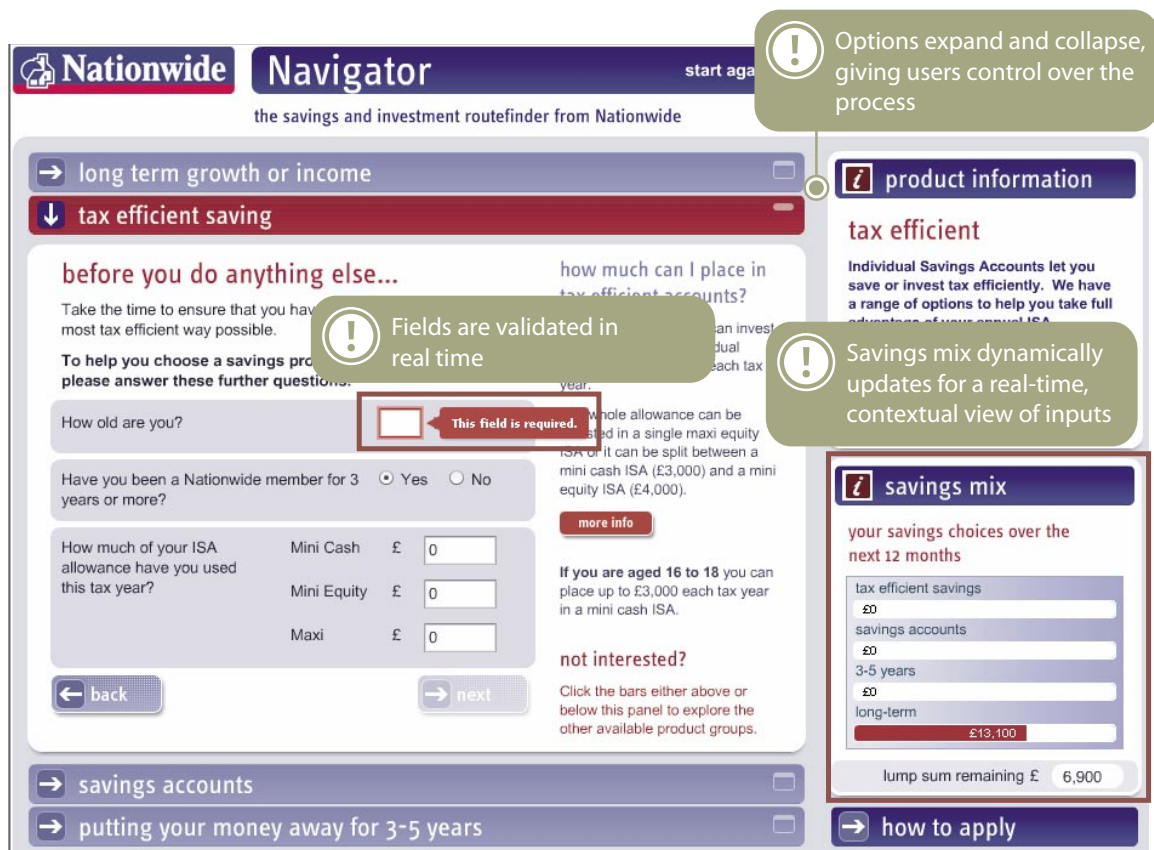
Figure 2 RIAs Improve A Broad Spectrum Of Financial Services Experiences

Uses	Benefits	Examples
Product finder	Allows for dynamic sorting and ability to see “in-between” states by adding and removing options with each click instead of requiring a page refresh.	Citibank’s Credit Card Finder (www.citicards.com) Fidelity’s mortgage search (www.fidelitylabs.com)
Modeling tools/calculators	Enables users to model multiple scenarios and see the effects of changing a single variable.	E*TRADE’s Cash Optimizer (www.etrade.com) H&R Block’s Refund Estimator (www.hrblock.com) Nationwide’s Savings Navigator (www.nationwide.co.uk) Intelligent Finance’s Offset Mortgage Calculator (www.if.com)
Integrated data views/mashups	Allows customers and information workers the ability view and manipulate views from multiple data sources.	Bank Of Tokyo–Mitsubishi’s BizStation FOREX trading platform (not publicly available) Deutsche Bank’s Portfolio View (not publicly available)

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Source: Forrester Research, Inc.

Figure 3 Nationwide Navigator Helps Users Find The Right Mix Of Accounts

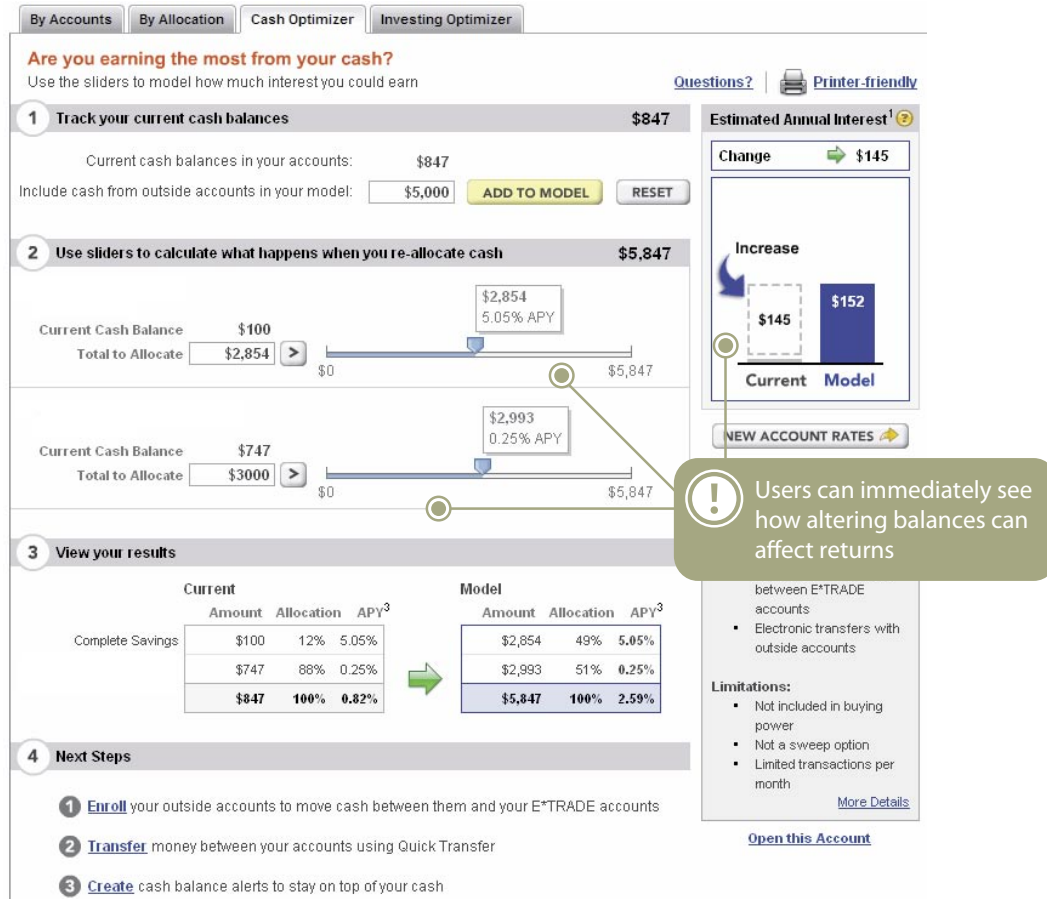


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Source: Forrester Research, Inc.

- **Consolidate data from multiple sources.** Whether they're processing loans or trading commodities, financial services professionals frequently work with data from multiple back-end systems. Unfortunately, internal systems often don't provide a consolidated view of this mission-critical information. Take a currency trader, for example. He's often looking at screens with rate information, charts, and news feeds. Meanwhile he's monitoring current positions in spreadsheets, and executing trades through a call center or separate application. RIAs, like one used at Bank Of Tokyo-Mitsubishi, can enable a single-screen view of scores of data sources and tie directly into a trading platform to speed transactions and reduce trade costs (see Figure 5).

Figure 4 E*TRADE's Cash Optimizer Shows Customers How To Get More From Their Money



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Source: Forrester Research, Inc.

Figure 5 Bank Of Tokyo-Mitsubishi's Currency Trading Platform



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Source: Forrester Research, Inc.

RECOMMENDATIONS

BLEND RIAs INTO THE EXPERIENCE

RIAs work best when users experience them in their natural movements through a site. And stand alone RIAs, like some calculators, diminish their benefits when they don't link to a next step like opening an account or requesting more information. In order to get the most out of RIAs:

- **Focus on the most critical and complex interactions.** Not every form or piece of functionality needs to be an RIA. Because some interactions are more important than others, financial services firms should focus RIA efforts at improving "moments of truth" — like reporting an insurance claim or applying for a loan — that affect customers' relationships with the firm and have the biggest impact on customer retention.⁶
- **Link applications to calls to action.** The ability to find the right mortgage, model retirement savings, or estimate an income tax refund are only helpful if users can actually do something with them. That's why firms like H&R Block and Intelligent Finance have tied their applications to next steps. At H&R Block, that means being able to port inputs from its refund estimator into its online tax preparation software. Intelligent Finance leads users through an education and application process directly from its modeling tool.

ENDNOTES

- ¹ Financial services customers are forced to use high-cost channels or competitor sites when application processes force them to take multiple, unnecessary steps. But when firms fix these kinds of problems, they improve business results. For example, Fidelity Investments set out to improve the process for opening a new account online and ended up with a 2% improvement in completion rates and 20% fewer incomplete or incorrect applications. See the January 11, 2007, “[Top User Experience Flaws On Financial Services, Retail, And Automotive Sites](#)” report.
- ² Broadband proliferation, consumer demand, and enabling technologies are driving increased use of rich Internet applications, providing benefits for users and companies that static, HTML sites can't. Firms have leveraged the benefits of RIAs by applying them to user tasks that demand interactivity, responsiveness, and richness. To achieve the maximum benefit, executives who are contemplating a foray into RIAs should assess their customer base and their organization's culture, skills, and process to determine how and when to deploy RIAs. See the September 1, 2006, “[Rich Internet Applications: Why And How](#)” report.
- ³ Online application abandonment is one of the major challenges facing today's eBusiness executives. And as the number of consumers who shop online for financial products continues to grow, so does the importance of the issue. What can financial firms do? To find out, Forrester teamed up with comScore to understand why consumers abandon applications, whether there are any differences between abandoners themselves, and what can be done to improve completion rates. See the August 22, 2007, “[Why Financial Shoppers Abandon Online Product Applications](#)” report.
- ⁴ A majority of European financial buyers with Net access don't buy financial products online. The main reasons are that they seek confirmation from a real person, don't trust the Web with personal details, or simply find it too difficult. Customer experience professionals can tackle each of these barriers that stop financial buyers applying online with site and cross-channel design tactics. See the June 22, 2007, “[Why Europeans Don't Buy Financial Products Online](#)” report.
- ⁵ Rich Internet applications attract site owners' attention because users like them, they enable interactions that HTML can't, and they get results. Yet many site owners considering RIAs wonder if they're worth the investment even as many who already employ RIAs struggle to assess their true value. Our research and conservative models show that well-designed RIAs can produce eye-popping results that can help prove the value of current investments and make the case for future RIA projects. See the March 12, 2007, “[The Business Case For Rich Internet Applications](#)” report.
- ⁶ Advertising can still get some consumers to buy. But marketing messages can't overcome the reality of a bad experience with an actual product or service. That's because customers are much more interested in what a firm does than in what a firm says that it will do. To tap into the power of a company's brand, marketing messages need to match the actual experiences that customers get when they interact with a company. See the January 2, 2007, “[Experience-Based Differentiation](#)” report.