

# Building for Today's Customer

6 Essential Web Strategies for Financial Services

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# Today's Modern Bankers

As the millennial generation takes its place both in the workplace and financial markets, they bring with them increased comfort with mobile devices and online channels. For a generation unaccustomed to sending handwritten letters via mail, the idea of traveling to a bank or ATM to deposit a check may seem quaint and old-fashioned.

To keep pace with changing customer expectations, financial institutions have to take stock of their online transaction and customer service capabilities. The standard for web application functionality is set by the other companies that your customers do business with — including online retailers, social networking, and other innovative online businesses. Customers would also expect a similar level of interactivity for their personal banking, handling their corporate accounts, or managing their own investments.

It's not enough to merely keep pace with direct competitors in your known market. The company that continues to earn its customers' loyalty is the one that is ready to meet their continuously escalating demands for mobility and self-service. For most financial institutions, this is going to require a significant upgrade to their websites and customer portals.



[Source: McKinsey<sup>1</sup>]

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<sup>1</sup> The Balancing Act: Omnichannel Excellence in Retail Banking

# Addressing Financial Services Realities

The financial services industry is now at a crossroads following the credit crisis, according to Deloitte.<sup>2</sup> Banks today must come out of the survival mode of recent years and shift toward new means of generating revenue by connecting with their customers. The key to the pivot in strategy is a “radical departure from a sales-and product-obsessed mindset to one of genuine customer centricity, and further rationalization of strategies to target the right markets, customer segments, and solutions”, according to the report.

Web application and portal platform options on the market today can provide valuable means to connect more deeply with new and existing customers. However, the reality is that not every popular web application platform can meet the stringent demands of the financial services environments. Financial services organizations operate in environments characterized by significant constraints and challenges:

- **Reliability and availability:** It's not enough for a financial services application to handle an application failure gracefully. Financial systems must also meet higher levels of availability and resiliency than many other web applications — people get understandably upset when they cannot access their money.
- **Security:** Online financial sites operate in a complex and dynamic threat environment. Their security should focus on prevention of malware writers and cybercriminals attempting to gain access to their systems.
- **Back-end complexity:** Financial institutions have significant investments in legacy systems. If you have grown through acquisition, these systems may come from multiple vendors. Online financial portals and web applications may need to connect users to systems from different vendors managed by different business units. Any customer self-service portal you build must work with a legacy, heterogeneous environment.

These are the baseline constraints for any web portal platform decision in the financial services industry. Once these needs are met, banks can begin to look at ways to design applications that meet both current and future customer expectations.

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<sup>2</sup> 2018 Banking Outlook





### Instances of Online Banking Trojan Infections



[Source: SecureList.com<sup>3</sup>]

## 6 Strategies for Building for the Future

Given the unique constraints of the financial services environments, here are six basic strategies for building websites that support your business objectives while meeting growing customer demands.

### 1. Present a Unified Front End

Customers want to feel like they are dealing with a single business entity. Even if your business has grown through acquisition and offers services through multiple back-end systems, the customer portal should present a single, consistent image for customers to navigate.

- Offer customers one login, with seamless connectivity to different capabilities, even if those functions are offered through different units (e.g., investments, insurance, commercial banking).
- The site should have a consistent look and feel across all of its functions, with branding that flows through the presentation layer.

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<sup>3</sup> Financial Cyberthreats in 2019



## Global Mobile Banking Users

**2.4 billion**      **3.6 billion**

2020

2024

Juniper Research forecasts that the total number of global mobile banking users will exceed 3.6 billion by 2024, a 5.4% increase from 2020.

[Source: Juniper Research<sup>4</sup>]

4 Digital Banking Users To Exceed 3.6 Billion Globally by 2024

## 2. Use Modular Design for Agility and Security

Anyone who builds and maintains high volume websites and portals knows that the work is never done — you're already working on the next iteration when you push out the current one. For this reason, most complex web applications and sites use a modular design to isolate presentation layers from transaction and integration layers. With a modular design, you can easily change the user interface more frequently than the back-end components, or work on back-end processes without affecting the customer interface.

Gain further agility with a platform that relies on open standards or [well-defined APIs](#), so that you can easily swap in or out interoperable components. This approach gives you “technological” agility — the ability to change vendors or swap out parts of the application stack without major reworking.

## 3. Leverage Existing Systems

Financial institutions are often early adopters of technology for competitive advantage. As a result, most have significant sunk investments in existing systems and application stacks.

In building web applications and portals, look for solutions that let you tie together and take advantage of these different components—even if they come from different vendors. Middleware often fills the “integration layer” role in financial institutions. The portal solution should be able to work with any of these integration layers, so you don't have to “rip and replace” existing infrastructure to move forward.

## 4. Implement Mobile and Omnichannel Strategies

There's no ignoring the uptake of mobile devices. Your customers are carrying powerful smartphones and tablets, connected to fast data networks. They expect to be able to use these devices for financial transactions. Recent years have seen a sharp upward trend in online banking transactions over mobile devices, for example, and the trend will only continue as tablets and smartphones proliferate.

There are many ways to support mobile customers.



Responsive web design is an essential first step—creating websites that automatically adjust based on the browser’s capabilities and size. Design mobile optimized websites so people can use the mobile browser on their phones or tablets and still have a good experience on your website. Preview and test every page and function on mobile browsers.

**But increasingly, banks must also be able to provide a seamless customer experience across all channels, whether on a mobile device, desktop, or in-branch.** If banks do not offer a seamless experience in the way customers want to be able to access and manage their personal finances, then they will lose customers and slow new customer growth.

Omnichannel gives banks the ability to operate in a customer-centric way, providing a consistent experience across all channels, and delivering offers that they are more likely to accept. It allows banks to reach customers anywhere, anytime at the moment of need and personalize on all fronts.

**[Learn more about what’s needed for banks to make the shift to omnichannel >](#)**

## 5. Personalize the Online Experience

Customers also expect personalization in their interaction with your business. The personal touch needs to extend beyond actual face-to-face interactions to online ones.

- Offer customers the ability to customize their own sites — for themselves or their customers/users.
- Give people a personalized lens into their portal by offering dynamic page content based on the user’s profile.

For example, a banking consortium offers its member banks a common portal for its tellers to use to access shared mainframe resources. But rather than presenting a generic login screen, each member bank customizes the portal for its tellers. The banks get the look and feel of a custom teller solution using back-end technology resources pooled across the consortium of banks.

## 6. Experiment with Web Engagement

Forward-thinking companies are taking personalization a step further with web engagement — providing personalized information based on customer behavior both on and off the site. Many businesses are just starting to exploit the potential of web engagement to differentiate services and drive new revenue streams. Personalizing based on historic site behavior and current device: If a customer pays the same set of vendors through online banking every month, list those vendors first when the customer logs in via a mobile device.

Personalizing based on current behavior and customer profile: When a customer logs in to pay a credit card bill, a banking site can simply accept the payment. However, if the customer has a mortgage in good standing with the institution and a high FICA score, the website could also proactively offer a pre-approved home equity credit line with a credit transfer from the credit card.

Extend the online experience beyond the web: An investment customer researches advisory services and equities on the website and then requests an appointment with an advisor. The “engaged” website can send the advisor information about the customer’s past research on the site to better prepare for the meeting.

## Choosing the Foundation Technology

As banks set out to create digital touchpoints to meet current and trending customer expectations, they have to make a foundational decision about which technology to use.

In order to create a differentiating application, some custom development will still be required, even from an out-of-the-box solution. The larger question is: which technology platforms should you use to make your development investment go as far as possible?

Many different interests will weigh in on this decision:

- Existing investments in Java applications and in-house employees with Java skills.
- The “hot” newer technologies for web application development include Ruby, Python, and Scala.

- Developers and vendors pitching frameworks to streamline the development process.
- Technology vendors that want customers commit to their entire solution stack, of which portals and content management are distinct parts.

In choosing an architecture and platform, financial institutions need to balance customer expectations and time-to-market demands with potential performance, security or availability risks and long-term agility. In assessing possible alternatives, be sure to consider the following factors.

## Summary

Many businesses in the financial services industry are looking for ways to better serve customers with innovative online services and self-service capabilities. Before you set out to build the new application, consider carefully what platform you should use. The decision you make today will not only affect the current application development efforts, but also support your ability to continue to change and adapt going forward.

If one thing is certain, it's that the technology environment will continue to change — shaping subsequent customer expectations. In choosing foundation technologies to address those needs, businesses need to find ones that provide long-term agility and flexibility, while meeting immediate needs for performance, reliability, and integration.

## Moving Forward

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