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Banks are bottom-line driven, so if you work in the banking or finance industry, you'll want to be aware of what the top digital banking transformation trends are, how to develop a mobile banking app, and what the future of the banking industry looks like.

The experts at Blink have developed this guide to help you navigate challenges and digital trends in the banking industry. We have helped many clients in financial services grow and [reach their full potential for 20 years](#), and we will strive to help you do the same. Blink's expertise, dedication, and creativity can help your company achieve a successful digital transformation.

## Digital transformation in online banking

It is imperative that banks and finance companies understand how to prepare for the future of banking. A digital transformation in banking trends is currently underway. The following are some UX strategies that are becoming more popular:

### 1. Ensure UX offers a hybrid digital and physical solution:

Due to the growing prevalence of the internet and smartphones, many customers of financial institutions [want to do their banking online](#), including opening accounts, enrolling in services, and making transactions. Users expect the best self-service experience, which is established by features such as:

- Online forms.
- Biometric authentication.

- FAQs.
- Knowledge bases.
- Advanced scoring.
- Online advisory support.
- Step-by-step guides.

## **2. Personalize financial UX**

Artificial intelligence in predictive analytics and banking can enable a bank to craft a user experience that is pleasant for users and matches user needs. Banking AI virtual assistance that uses Internet of Things (IoT) sensors and Big Data can predict user intentions. Entirely AI-based personalization for banking is likely on the horizon.

## **3. Take advantage of micro-interactions**

The most successful banking product user interfaces (UI) take advantage of rich micro-interactions and descriptive animations. These dynamic aspects of the UI design serve both form and function, delighting users and guiding their journey through the application.

## **4. Transform into omnichannel UX**

Part of how to make banking more accessible is transforming your UX strategy into an omnichannel one. Mobile channels are dominating banking UX. Providing the best possible customer experience, however, requires implementing an omnichannel strategy.

This strategy should include solutions for responsive desktop service, major mobile platforms, wearables, virtual reality (VR) or augmented reality (AR) solutions, or the Internet of Things. An omnichannel strategy should establish an excellent banking experience across all the platforms your clients use.



## **5. Prepare for the challenge of alternative user interfaces (UIS)**

Recently, alternative user interaction platforms have been appearing, such as VR or AR technology, voice processing, and chatbots. As these platforms expand into new areas like finance and offer new abilities to users, we expect them to continue growing rapidly. For banking UX specialists, this is a challenge in the near future for you may want to prepare.

## **6. Ensure stakeholders support UX**

A user-centered approach may be new to some traditional banks and financial institutions. UX teams will need to persuade other teams and executives of the importance of their work. Switching the banking organizational culture to a new client-centric paradigm will require new ways of approaching banking UX. In the age of technology and the internet, becoming customer-centric is the best way to make banking successful.

## **7. Design banking UX for millennials**

In the next decade, millennials will be on their way to becoming the most powerful consumer group. Millennials are independent and tech-savvy, and they do not tend to be brand loyal. Instead, the experience is what matters to this consumer group. To ensure your bank or finance company can survive over the long term, learn about millennials and how to best engage with them to ensure an exceptional financial user experience.

## **8. Create a holistic UX approach**

Banking UX is about more than just designing an effective user interface. Banking UX requires competence in various areas, such as business management, financial services, digital platforms, banking technology trends, and psychology.

A UX specialist will explore the big picture of hundreds of user scenarios, understand banking service workflows, and create the user journey map. A holistic UX approach allows for integrating client needs, technological opportunities, and bank targets into innovative digital solutions.

## **9. Put financial psychology into practice**

At many banks, user research and user testing are already in practice. While this is helpful, user research and testing aren't enough. Customer feedback from interviews and A/B testing are just a part of the picture. Specialists in UX need to learn human psychology to understand how to ask the right questions, correctly interpret the collected data, and conduct the proper research.



Though testing button placements and colors may raise conversions temporarily, this will not necessarily make UX for digital banking great. Instead, you need to understand users' needs, problems, emotions, financial behaviors, and financial cognitions so you can create the financial services they are seeking.

## Trends and benefits in online and mobile banking

Understanding the trends and benefits of online and mobile banking can help you understand how to improve app UX. The following are some current trends in banking:

- **Cognitive analytics:** This new approach to discovering information is based on how the human brain draws conclusions, processes information, and codifies experiences and instincts into learning.
- **Apps:** Creating an app is an increasingly common trend among financial institutions. These apps allow clients to manage their accounts on their phones, and some also offer QR code scanning to make interacting with ATMs easier.
- **Social activation:** This refers to observations about how people share, feel, and evangelize to drive a message to their audience. Due to how widespread social media has become, companies have started investing in social media monitoring and initiating social activation via social-based communications, customer service, crisis communications, and broadcast marketing.
- **Wearables:** One of the most common banking tech trends is wearables. These devices can be worn on the body in the form of watches, jewelry, or glasses. They can also be implanted or ingested. Wearables deliver accurate, contextual information to facilitate real-time decisions.

## Common challenges to overcome during the

# digital transformation

What are the challenges faced by the banking industry? The digital transformation in banking, particularly for retail banks, has been a bumpy path.

There is an urgent need for digital transformation in banking standards and practices. Banks and finance companies need to veer away from old approaches and reinvent new ones. They also need to invest in these technologies to successfully capitalize on and navigate the different challenges of digital banking and the opportunities that arise after changes occur, as customers are demanding better UX.

Some common challenges to overcome during the digital transformation include:

## 1. Move away from legacy systems

The modern consumer's demands are constantly evolving, and disruptions are increasing due to the rapidly emerging financial technologies. That means traditional banks are experiencing greater pressure than ever to be innovative and adaptable.

Many banks are working to become technologically savvy, and consumers today want to enjoy a banking experience that traditional banking systems don't usually offer. For example, many systems at big banks use the common business-oriented language (COBOL) programming language that has been present for decades. Legacy systems were not designed for today's connected digital environment, resulting in a much-needed refresh of back-office technology.

However, it can be daunting to transition from dated legacy systems to modern, digitally connected ones. This transition will require a significant investment upfront for the custom processes, necessary applications, and integrations with security, maintenance, and external systems. On top of these changes, staff will need to be trained and updated constantly to maximize the investment and derive the greatest possible value from it.

Newer technology is also inherently safer and in line with compliance requirements due to the availability of centralized platforms that monitor compliance and security. By evolving away from legacy systems, your financial company will demonstrate to clients that you are invested in ensuring their privacy.

## 2. Secure communications on social media

Many banks cite communication as one of their [top reasons for social media](#) use. Using social media channels helps them engage with and deepen relationships with customers. For a bank, this can be a way to introduce a social media strategy by highlighting how social media simplifies and streamlines communication with consumers. Social media platforms have a vast reach, and investing in these channels will offer increasing returns.

Of course, utilizing social media in customer communications can present some challenges in compliance and security for digital banking. Additionally, it's easy for a social media user to post something that's misguided or a violation of regulations, which means social channels are open to staff negligence or [malicious intrusions such as phishing attempts](#).

To combat this challenge, prioritize securing communications on social media channels. All communications must go through a monitoring system that detects and mitigates corporate policy violations. In the banking industry, trust is everything, and it is essential to implement user-friendly and effective controls over social media communications.

## 3. Choose digital, brick-and-mortar, or both

Despite how prolific digital technology is, many consumers prefer to conduct their transactions inside a brick-and-mortar bank. This can be a challenge to digital banking and an opportunity to find a happy medium between adopting a digital transformation and satisfying the needs of all clients.

While some clients prefer to check their account balances on their phones, others prefer to do so from a computer. While some borrowers prefer to apply for loans online, others prefer to apply in person at a local branch.

Some worry that digital transformation spells the end of brick-and-mortar banks, but this isn't the case, as many consumers still prefer to engage in face-to-face interactions when discussing financial matters. Digital technology is meant to complement brick-and-mortar banking, not replace it.

## **4. Break down silos and mitigate risks**

For a long time, banks have been siloed organizations, meaning different departments have their own goals and use disparate systems. Almost inevitably, this leads to limited scalability, decreased customer satisfaction, and stunted growth. As a result, traditional banks have developed a reputation for making it difficult for clients to receive support or apply for new services.

Information silos may pose risks to compliance and security, as there is a lack of consistency and cooperation in corporate policy-making. The digital transformation ushers in a unified platform that connects multiple departments and systems and centralizes data, effectively eliminating problems caused by silos.

## **5. Solve security issues at scale**

Beyond securing communication via social media channels, the security of data and the IT infrastructure is one of the major challenges that banks face when undergoing digital transformation. Though IT security was once relatively simple and easy, this is not the case anymore.



Today, the typical banking environment has thousands of computers and other devices in its network. When mobile, cloud, and social channels are added into the mix, the potential for attack exponentially increases. Banks need to understand how to maintain security on a large scale. Fortunately, many solutions scale to virtually any size bank by using full cloud enablement and automation that protects everything.

## **Tools to navigate these digital banking challenges and beyond**

Blink offers consulting services to help companies navigate their projects in the banking and finance industry. With knowledge and imagination, we provide high-quality [design services to clients](#) around the world. When you choose Blink, you ensure the successful implementation of your banking digital transformation project.

A technology platform can enable your organization to meet your customers' changing and future demands. Blink can bring a strong design perspective to the creation of your company's new digital platform and streamline your existing processes.

For example, if you offer loans to your customers, your platform should support the workflows involved in end-to-end loan origination, such as loan application and closing. Our project team understands the value of giving your employees a voice in the design process. We can interview and collaborate with business owners, loan officers, project stakeholders, and business analysts from the start of the project through development.

With our design solution, we can centralize tasks and loans into a work queue that offers visibility into a loan's progress and gives customers ownership during each step of loan origination. We can help you create a platform that shows only relevant tools and screens so that users can focus on their responsibilities.

We offer companies advanced, inventive UX research and design consulting by working with the

most talented designers and researchers in the industry, utilizing our design process and vigorous UX research, and encouraging experimentation, creativity, and exploration within our team.

## **Trust the experts at blink for digitization and the future of banking**

Blink is a UX design and research firm that works with companies to create meaningful experiences, brands, and products. We bring our two decades of expertise to every project, helping our clients grow and thrive. Trust the experts at Blink to set your bank or finance company up for digital success by [contacting us](#) today.