Q2

The navigation revolution:

How usability research builds better experiences

When asked what sets their financial institution (FI) apart, most of your colleagues and competitors will say, "excellent customer service." But customer service is intimately tied to user experience—and FIs aren't just competing with other FIs anymore; they're competing with best-in-class UX providers across the globe.

Why does user experience (UX) matter?

User expectations have changed, and a growing number of consumers would happily bank with the entities who have set the new standards—tech giants like Google or Amazon.[1] And, while these tech providers may latch onto banks for necessary compliance infrastructure, these "utility" banks will stand to lose a significant share of profit.[2] The truth is that most consumers trust their FIs and would prefer to bank with them—assuming their UX measures up. But that doesn't happen by accident.

In this piece, we'll share some best practices for usability and navigation—and talk a little more about why UX matters to consumers and FIs.

Part I: Why UX Matters

User experience equates to customer service and no FI wants to provide substandard service. The difference is that one bad employee at one branch won't break the proverbial bank. But, considering the potential huge scale involved in your digital channels, bad UX can make a significant impact.

Even seemingly simple elements of UX design can have an enormous impact on customer behaviors. Here's a great example:

The case of the $300 million button

A major online retailer used to have customers either register for an account or log in to an existing account before checkout. From a UX perspective, it seemed like a no-brainer. Shoppers would either enter their ID and password and move forward, or eagerly sign up on the spot to make their next checkout simpler. But in reality, a lot of customers didn't remember their logins, or even recall if they'd previously registered with the site—

By replacing "Register" with a "Continue" button, the retailer's sales increased by 45%—

$300 million

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resulting in almost half of them setting up multiple accounts (some had up to ten separate profiles!). As many as 160,000 passwords had to be requested per day, and 75 percent of the requesters **never even tried** to complete their purchases.[3]

From a UX perspective, nothing about the page seemed difficult. Shoppers had two simple options: login or register (plus a "Forgot Password?" link, just in case). But by redesigning the site—replacing "Register" with a "Continue" button, users stopped getting hung up or abandoning their purchases, and continued along to checkout. Following this change, the retailer's sales increased by 45 percent—to the tune of $15 million in the first month and $300 million for the year. All because of one button. It can't be said enough: UX design matters.

It's not a differentiator, it's a door

Here's a metaphor related to FIs: Imagine an account holder driving to a branch, walking to the front of the building and not finding a door.

They may eventually find an entrance on the side of the branch and make their way in. But suppose the teller counters are placed randomly throughout the interior with maze-like queues, and bank employees stand silently, not acknowledging the customer. You wouldn't expect that customer's loyalty, nor would you be surprised when they went elsewhere— somewhere that fits their needs and expectations.

This example is a bit of a stretch, but it speaks to a very real situation. FIs want customization from their digital banking technology vendors. But differentiation for the sake of differentiation sometimes just turns the familiar on its head. It doesn't set an FI apart—except, quite possibly, in a negative way. Your mobile banking app is the digital door to everything you offer. Ignoring best usability practices in these channels is the equivalent of poor customer service.

Part II: Navigation: unsung hero of your digital branch

Navigation is the unsung hero of your website and your digital banking application. Well over 90 percent of what your users are looking for is **only accessible through your nav**. So, your site navigation choices matter—as do your naming conventions and the number of items on your nav.

If it's Bill Pay, call it 'Bill Pay'

Branding is good, to a point. But if your FI's efforts to differentiate result in a nav peppered with options like "Payment Plus Choice," "Instant Check Extra," or "Card Services Select," your account holders will likely have some trouble finding the service they're looking for. Most users are operating on common assumptions about where to find logins, logouts, and everything in between. To revisit our front door metaphor, the choices on your nav are the doors to the services your account holders are looking for. If they don't look like the right way in, users won't try them—or they may go through the wrong doors a few times and get frustrated.

Highly differentiated naming conventions can also make service calls with your digital banking vendor problematic. If you're talking a customer service agent through a problem you're having and your customized nav calls a feature "Super Saver Options," while their default screen calls it "Savings Account Preferences," you're both likely to be confused—and working through the issue may take significantly longer.

Too much of a good thing…

In the usability research world, there's something called the Hick-Hyman law, developed by a pair of psychologists in the mid-20th century. In simplest terms, it explains that an increasing number of choices will logarithmically increase the time it takes to make a decision.

So, while a robust nav with 47 choices might seem like a great idea, because it puts all the pages right up front, it will take **significantly longer** for users to scan the list and make a selection—assuming they ever make a choice. The bottom line is that nav options can't be added indiscriminately without hurting the usability of your site.

The learning curve: the struggle is real

It takes time for users to learn how to use new products, features, or processes. A mathematical model called The Power Law of Practice describes how learning to handle the first half of a new process goes quickly, but that last half takes a lot longer. In other words, it's not hard for users to learn enough to be dangerous—to get halfway into a workflow, for example, and not know quite how to complete their task. But to become completely proficient in a task or on a topic takes an increasing amount of additional practice.

Repetition helps, but if a task stumps your users from the get-go, they may not repeat it—or they may consistently make the same mistakes. So, highly differentiated, unfamiliar, or counterintuitive processes, navs, and names can—and do—hurt usability. Giving your users less to learn frees them up to do whatever it is they came to your site to do.

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Part III: Experience research: the evolution of navigation

Who decided what goes into your nav and where?

At most FIs, these decisions are regularly made by any number of people. It might be a project manager or anyone with admin privileges thinking, "This is the product we should promote, so I'll move it up here." Quite often, there's no comprehensive rhyme or reason to it. UX design heavyweight Jared Spool says, "Design is the rendering of intent … The designer imagines an outcome and puts forth activities to make that outcome real."[4]

If your nav is being arranged by guesswork or random selections by numerous stakeholders, your configuration probably has no real design—or intent. But, researching user behavior and application performance lets developers take a design-focused approach, building the layout of webpages, navs, and applications with the intentions and preferences of users in mind.

In a practical sense, research is design. In the same way an artist may churn through rough sketches and thumbnails of a concept before creating a masterpiece, UX designers need to find out what works and what doesn't. By putting a user interface through its paces with sample users, UX professionals can get a sense of what features and processes are in-line with user expectations and those that are counterintuitive. In other words, research reveals what design elements support the intentions of the user—to login to their banking app, make a payment, transfer funds, etc.—and which don't.

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What we're doing

Q2 is unique in the digital banking space because of our investment in UX research. We have an in-house research center and usability/UX experts who routinely carry out research on our own products' usability and visual design, as well as those of our FI partners.

There are a lot of ways to test product and application UX. The following example offers a simple, common methodology:

Imagine sitting a group of your account holders in front of a computer or mobile device displaying your digital banking application. You say to them, "You want to set up bill pay. Where would you go to do that?" Then you observe as they click into the nav. The assumption is that most of them could do it quickly and easily. But that's not always the case.

In a recent research session, Q2 posed a similar challenge on behalf of an FI. Just a little over 50 percent of the participants successfully navigated to the bill pay setup, while over 40 percent failed to locate the required page.

These kinds of results aren't as rare as you'd think, and they raise important questions. If half of those surveyed couldn't locate the proper page to set up bill pay—much less enroll—how does this impact adoption and retention? Bill pay is generally a sticky service, meaning that once an account holder enrolls, they're more likely to stay with the FI. But, if account holders can't figure out how to enroll, the FI is unable to benefit from the feature's inherent stickiness.

Recalling Jared Spool's mantra, "design in the rendering of intent," consider the desired intentions of bill pay: To create a convenience for the account holder, to generate greater engagement, to encourage "stickiness" and retention, and so forth. Without a research-supported design, a site or app will fall short of the intentions set for it. The app will essentially have no purpose.

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> —Jared M. Spool

Usability vs. usefulness

With all the above in mind, there are times when usability is essentially moot. For example, we've found that logging off online banking is consistently the second easiest task for users to perform. Regardless, we've found that users only actually log off about 20 percent of the time. The other 80 percent are session time-outs. Users typically close their tabs or switch to another app on their phone without logging off. They don't seem to care about signing out.

The takeaway here: While you shouldn't make it difficult for users to find your log off button, it may not significantly impact experience either way. But the point remains that understanding these behaviors is crucial to providing better experiences.

Proactive development

A proactive approach to usability and development can save money, time, and hassle. The normally reactive life cycle of a usability challenge can be long. It can take multiple complaints over weeks or months for a service case to gain traction and eventually make it into a development workflow. In the meantime, users may grow increasingly frustrated and your application will continue to fall behind the curve of user expectations.

Instead of letting user frustrations set the pace, it's increasingly important to work ahead of potential UX pain points, uncovering usability issues before products and upgrades are deployed. This will result in fewer usability issues, fewer complaints, and better user experiences. In turn, better experiences will help create greater online engagement, service adoption, and growth at your FI.

About Q2

Q2, a financial experience company headquartered in Austin, Texas, builds stronger communities by strengthening the financial institutions that serve them. We empower banks, credit unions, and other financial services providers to be an ever-present companion on their account holders' financial journeys— helping them unlock new opportunities, increase efficiency, and grow their businesses. Learn more at Q2.com.

Sources

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