



# A view on the future

April 2004

# Who are Nationwide?

## ▶ Mutual ownership

- 11m members
- Member owned
- Returned circa £3bn to members since 1996

▶ c700 branches

▶ c200 branch agencies

▶ 3 contact centres

▶ Web banking since 1997

## ▶ Full range of personal financial products

- Savings
- Mortgages
- Insurance
- Banking & Credit cards
- Investments
- Financial planning

▶ Total Assets £100bn

▶ Processing in excess of circa 2 m transactions/day

# Some Context

- ▶ Financial Services is a commoditised market, so the differentiators become Trust & Customer Service and that also implies Quality & Customer Choice
- ▶ That means you need a user experience strategy, just like you need a marketing strategy
- ▶ Usability is probably the most significant element in creating and informing that strategy, along with Market Research

# Design The Customer Experience

- ▶ Invest in Usability at early stages
- ▶ Get your employees onboard
  - They have the power to make or break it
  - Educate the why and the how
  - Change and encouragement programme
  - Sell them the benefits
  - Incentive schemes - it's in our performance agreements

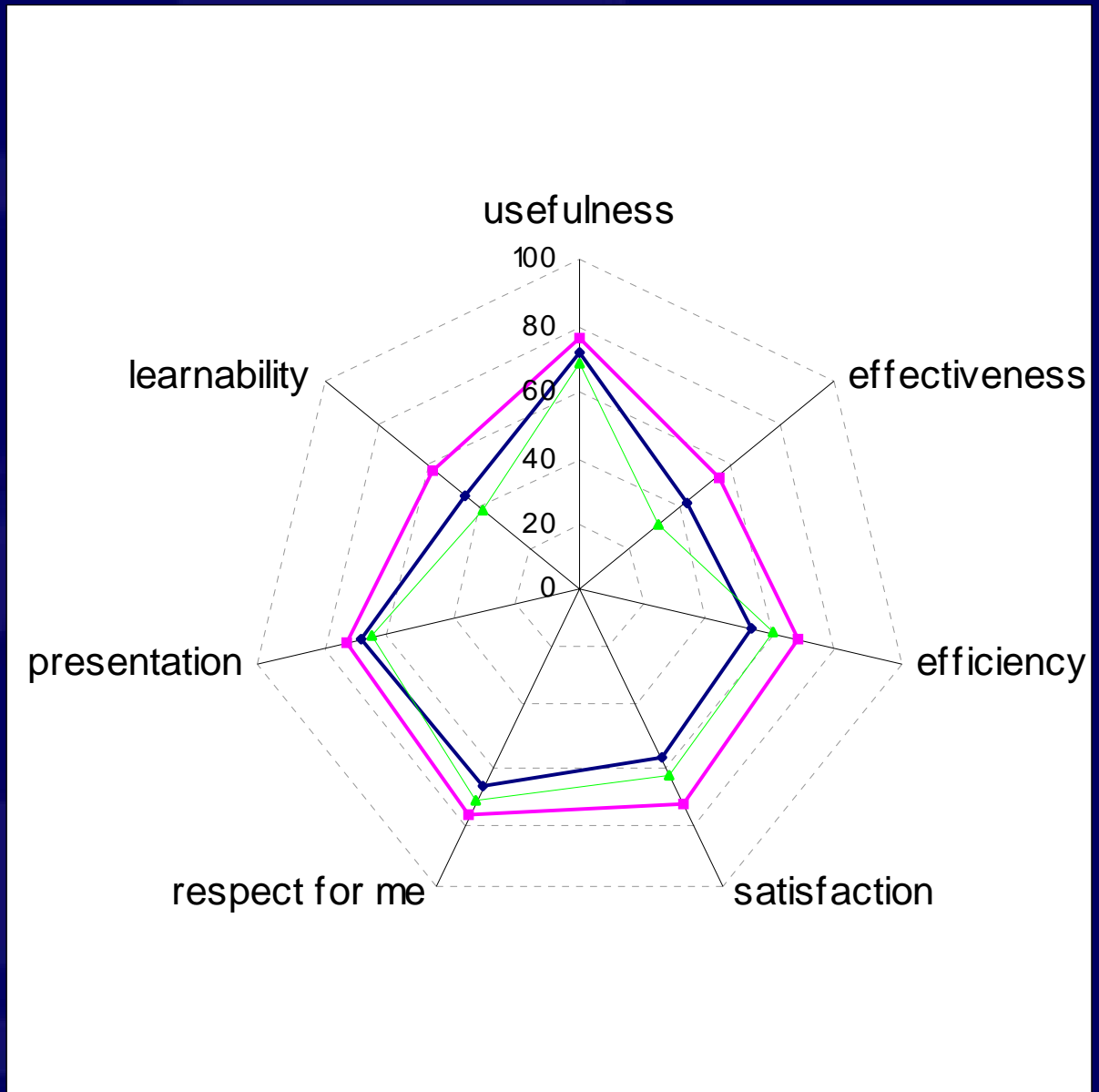
# The 7 perspectives of Usability

- ▶ Usefulness
- ▶ Effectiveness \*
- ▶ Efficiency \*
- ▶ Satisfaction \*
- ▶ Respect
- ▶ Presentation
- ▶ Learnability

1st ---

2nd ---

3rd ---



# Make it a consistent experience

- ▶ Everything you do gets User evaluated. You either do it in private during development when the costs are low to modify and improve, or you do it publicly when the stakes are high & costs to modify are up to 100 times greater
- ▶ The web demonstrates this, if your site is not Usable it's ignored and that's costly. Through other channels things can still give a poor user experience, you simply may not be so aware of it. Our Usability Centre is about "making Nationwide easy to do business with"

# Auto Teller Machines

- ▶ These mean Cash and Dash in the high street, don't confuse the customer.
- ▶ Smart ATM's that do up to 90% of counter transactions have been around for a while, we call them "Fast" Machines.
- ▶ Decomposition of the component parts of the ATM holds some interesting possibilities, Teller Assist Units, Cash automation in the branch etc.
- ▶ The number of cash transactions are likely to fall rather than rise as we gravitate to card, phone and other token based payments. Leaving small value transactions and illicit activities as the biggest volumes in cash in about 10 years.

# Components - "Fast" Machines

- ▶ Cash withdrawals and credits
- ▶ Cheque withdrawals and credits
- ▶ Statements
- ▶ Bill payments
- ▶ Some administration - change PIN, etc.
- ▶ All real-time transactions
- ▶ Members can use these with cards and passbooks

# Kiosk

- ▶ Online, Phone and elements of a decomposed ATM will form the bases for these services with probably some printer capability. Located in streets, and Malls, the location issue is people need to feel safe while using, and moving away from the Kiosk
- ▶ May be used to supplement branch network where other options are not viable
- ▶ The BIG issue is, why would people use this in preference to ATM & Online/Phone services? They need to be user friendly and there needs to be a clear benefit to the customer

# Branches

- ▶ Engaging more of the senses & emotions in a less formal atmosphere, developed as psychology moves into the Branch
- ▶ Technology will have a significant impact over time, and it will disappear from direct view
- ▶ Branches won't disappear in the near future, but a significant number will relocate for access and cost reasons
- ▶ We need to make the spaces more flexible, allowing them to morph to fit customer expectation and business need

- ▶ Access from many devices not just PC, expect more “automation” of complex things like regulated advice
- ▶ Increasing role in education, to reduce the reliance on TRUST for the customer
- ▶ Security will continue to be a big issue raising the cost of this channel, making ATM's look really cheap

# Direct

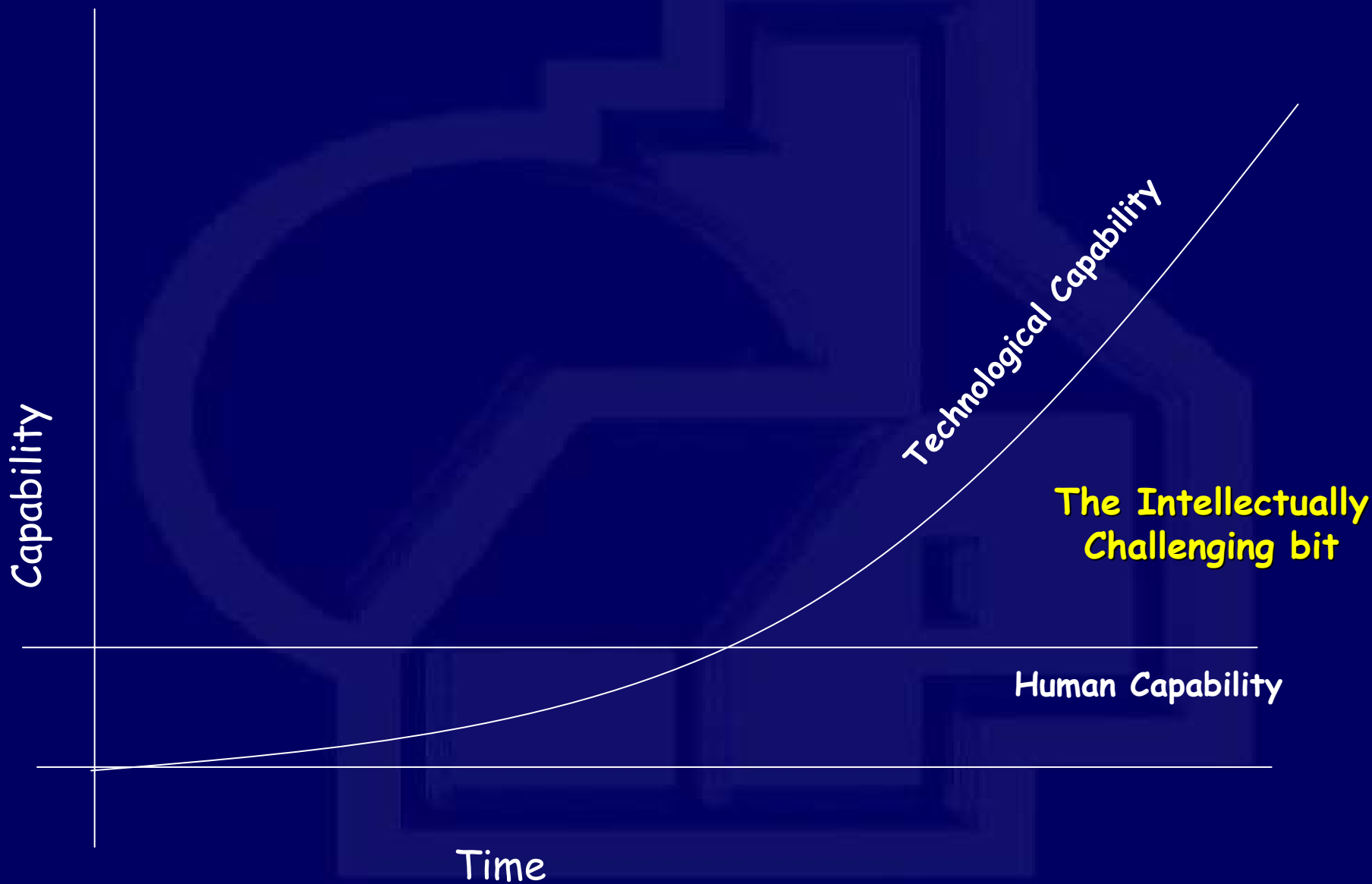
## ▶ As the Call Centre becomes the Customer Contact Centre

- You will need to be able to deal with:
  - Video calls (3Years)
  - SMS, IM
  - TTS/STT (3Years)
  - Mobile Phone as an authentication device (2 Years)
  - E-mail
  - Snail Mail
  - Screen sharing via the internet (2Years)
  - Land line Phone
- Inbound and Outbound

# Components - Remote Adviser

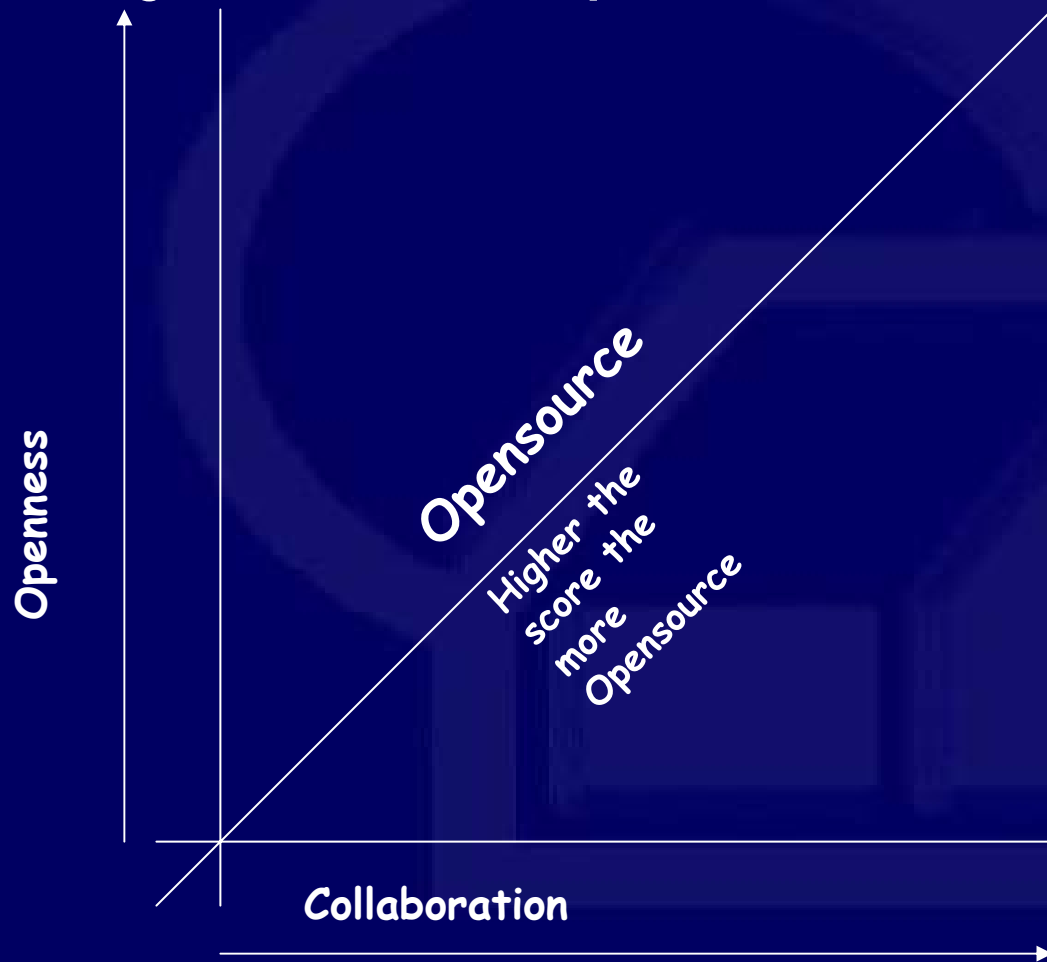
- ▶ A video conference service with data sharing
  - Face to face discussions and the ability to show information on screen (eg quotes)
  - Print and Scan information to/from customer remotely
- ▶ Permits the delivery of high quality, possibly regulated advice to all locations, including tertiary branches and remote sites and via BroadBand into the home
  - No need to retain expensive employees who are only partly utilised in certain locations
  - No need for employees to waste time travelling

# It's all getting away from us mere mortals



# Opensource Everything

It's been called the "architecture of participation" It's definitely not just software, everything from medical equipment to buildings have been opensourced.



In the software world of Linux, the code is "free" for other industries and things think of what ever the creation is as "free"

It's P2P production

# Today

- ▶ The need for ever more security is driving innovation and lifestyles
- ▶ Wireless communication technologies are changing investment decisions and breaking business models
- ▶ File exchange via the internet is breaking industry business models and creating new businesses
- ▶ Data overload is driving new ways of understanding/visualising
- ▶ The devices people carry are an extension of their personality and lifestyle

# 5 Years out

- ▶ The use of Biometrically secured devices will significantly increase
- ▶ Current bandwidth constraints will largely disappear as we all get instant availability and networked homes
- ▶ Devices won't all converge but combined devices will appear to fill niche markets
- ▶ Technology will have empowered consumers with Intelligent Agents to manage their finances
- ▶ Computer & battery components will be manufactured from materials unused today
- ▶ Power usage and availability becomes a significant political issue

# 5 Years out

- ▶ Customer's Emotional Experience becomes a key differentiator for Nationwide
- ▶ Customers will engage with Nationwide in a Multimedia way utilising more of the senses
- ▶ The volatility of e-commerce will bring about attempts at tighter global legislative controls
- ▶ Lifestyle choices begin to drive big changes in society
  - Increased homes in secure enclaves
  - Multiple careers each followed by a period of "retirement"
  - Bigger divides in society between the "haves" and the "havenots" lead to a large under-class
- ▶ Ad hoc Wireless networks compete with Internet 1

# 10 Years out

- ▶ Biological computing will be an option for businesses
- ▶ 10 Terabytes of data can be stored on a device the size of a credit card
- ▶ Everyone will have the capability to access intelligent e-services, if desired
- ▶ Voice will be the dominant interface between you and your devices
- ▶ There will be no single digital global currency for online purchases, but barter systems will proliferate
- ▶ Most things are connected wirelessly, including you
- ▶ A new Privacy industry will develop to keep your personal details away from some organisations and the media

# 10 Years out

- ▶ An aging population brings big shifts to income generating financial services, offered dynamically and individually risk priced
- ▶ Biometrically secured payments are a reality
- ▶ The failure of tighter global legislative controls, driven by the volatility of e-commerce, creates new economic models
- ▶ The majority of workers are working from non-traditional locations
- ▶ Our hunger for Entertainment will rise and rise
- ▶ DVD's will be a thing of the past
- ▶ Enjoying special occasions Virtually, will be common
- ▶ Internet 2, (with more controls) is an option for businesses

## Predicting the future is hard, but here's some clues

- ▶ Anyone know a record shop that runs a railway?
- ▶ A football club that is an ISP?
- ▶ Or a bulldozer manufacturer that sells boots?
- ▶ A supermarket that sells mortgages?
- ▶ An underwear retailer that sells personal loans?
- ▶ Or where you can pay for your parking with your mobile phone?

# Final Thoughts

We can't be certain about the future but we can make informed judgements and that means being open to new and different things.

The pace of change is accelerating, in fact it's exponential, and we must not be caught out by unexpected events.

We need to continue, scanning, seeking out wise people, tracking mentions/trends and observing to ensure our predictions are as close to reality as possible.

Computers and mankind will continue to enjoy a symbiotic relationship and more so, the more we develop together.