The Importance of DEM in the Financial Services Industry
OVERVIEW

Banking, insurance, and stock trading companies that make up the financial services industry have a history of adopting the latest technology to offer innovative and secure solutions to their customers. Throughout its history, the financial services sector has been quick to implement disruptive technologies. Tech inventions and adoptions in the last seventy years include pneumatic capsules allowing for drive-up transactions, the credit card, ATMs, automatic cash counters, digital check clearing, mobile point of sale devices, and mobile payments. These digital innovations, such as PayPal launching in 1998, have revolutionized the way financial services function. We moved from physical, cash transactions to electronic transactions and digital currency.

These tech innovations add up to big conveniences for customers, making banking and financial interests easier to manage. Online financial services allow users to:

- Make online purchases
- Transfer funds
- Check account balance, request e-statements, schedule bill payments
- Analyze expenses
- Plan and track investments

What’s more, all these former face-to-face consultations and transactions can be done from the customer’s smartphone, on-demand and available 24x7. These customer conveniences, heralded by consumers, bring new digital experience concerns for the financial services industry. Specifically, a company’s IT organization is tasked with meeting digital experience expectations at scale.

DIGITAL EXPERIENCE EXPECTATIONS, CONSIDERATIONS, AND CHALLENGES

Now that customers expect access to their data in an instant and no longer rely upon bank representatives or stockbrokers to guide them through different processes, digital experience and customer experience are intertwined. Today’s tech-savvy customers expect their financial service providers to deliver an amazing digital experience. They expect instant access to their data from varied channels (website or mobile) without the need for human interaction. Financial institutions opted for rapid digitization to keep up with customer demands. This spurred development of financial websites and mobile applications that encompass traditional financial services. The different payment methods available today integrate with different application environments without compromising on functionality and performance.
The image below illustrates the shift in a typical financial institution, like a bank, from a traditional transaction model to a more digital and mobile-centric model.

**Banking Model of the Past**

**Current Banking Model**
The process of moving from the bank branch model of the past to the mobile-first model of today is thanks to digital transformation and is owned by a company’s IT organization. They make this customer-centric, digital framework possible. Because of this shift, IT leadership at financial institutions have a specific set of success considerations and concerns.

**Successful transactions**
Transactions are at the core of any application providing financial services, be it online payments, funds transfer, trading stocks, or foreign trading. Ensuring seamless and easy transactions should be given utmost importance.

**Real-time data guarantee**
Online financial transactions require real-time data. Transactions need to be accurate, dealing with real-time values to avoid discrepancies in final numbers. Customers expect the latest stock value or account details when accessing the application.

**Regulatory Compliance**
Financial institutions are subject to certain regulations that can change over time. It becomes a necessity to continually review these regulations to ensure the services provided are legal and operate following the regulations of the region or country.

**Security**
Cyber-attacks have become the norm in the modern technology landscape. The financial industry is especially vulnerable and is a constant target. Implementing the right security protocols and implementing the most effective process in managing an attack reduces the risk of data breaches.

**Customer satisfaction**
Customer experience has been at the heart of digital banking and other digital transformation initiatives. For example, most banking applications streamline processes for the consumer, eliminating in-person forms and waiting in a queue. The ease of using the application and the reliability it provides is critical to ensuring customer satisfaction and this, in turn, is key to building customer loyalty.

Key to ensuring the organization is meeting success criteria, is monitoring the reachability, availability, reliability, and performance of their end-user digital services. IT monitoring from the end-user perspective, or Digital Experience Monitoring (DEM), offers the holistic approach necessary to inform IT on all four of these principles.
MEETING END-USER EXPECTATIONS THROUGH DEM

Financial institutions have adopted innovative technology to keep up with the digital world. Financial services are readily available at your fingertips and users have instant access to their data wherever they are in the world. But unlike eCommerce applications, finance applications must adhere to stricter regulations and implement mandatory security protocols. Multiple, complex parts, including third-party and cloud services, come together to form a company's digital services and applications. Ensuring positive end user digital experience, in such a complex set up, is possible only with the help of DEM’s wide-angle view of the digital service landscape. DEM can offer financial service providers’ IT team insight into four key areas of concern.

1. **End-user experience**

As with any other application, customer satisfaction nosedives if the end-user experience isn’t positive. Users need to access the application from multiple devices and performance should be fast and uniform across different devices and geo-locations.

A slow performing app or one that’s difficult to navigate can have an immediate, negative impact on user experience. The customer will inevitably question the service provider’s reliability. Monitoring end-user experience is essential in building customer loyalty.

2. **API**

Financial service providers rely on APIs to provide extensibility, making their services compatible across multiple platforms. APIs are at the core of most of Fintech apps. These apps operate with real-time data and bring together multiple hosts which may include other third-party data services. For example, eCommerce websites offer multiple payment options integrated with the website using APIs. Performance issues with APIs can disrupt services and bring business transactions to a standstill. API performance monitoring must track every step in a transaction and essentially provide complete visibility into the API transaction.

3. **Third-party Services**

Customers expect a more personalized and intuitive platform. Such advanced features require an understanding of user behavior; financial service providers are using third-party tags to gather user-specific data. Third-party tags consume more resources by adding to the application overhead. A third-party tag that is slow to load or is experiencing technical issues will, in turn, create a bottleneck within the application. The application may slow significantly because of the third-party tag, resulting in poor end user experience.

Applications must be monitored not just for availability. Monitoring third-party tags will help in identifying performance issues quickly and reducing the MTTR (mean time to resolve). It will also make it easier to understand how each third-party tag performs and if any of these require optimization.
4. SLA Management

Financial service applications rely on vendors for services such as DNS management, APIs, third-party tags, etc. These applications could also be using SaaS. It’s necessary to monitor SLAs as well to gain total visibility into application performance. Using multiple vendors would mean multiple potential points of failure. Minimizing the chances of downtime is possible only if the SLA for each vendor is tracked and monitored for performance issues.

CONCLUSION

Financial service providers have undergone a technological overhaul in the last couple of decades. These new technologies have helped to transform the way customers interact with businesses, as well as their expectations for digital performance. At the same time, it’s the IT teams within the financial institutions who are responsible for this transformation, as well as meeting the new customer expectations. However, traditional, siloed IT monitoring methods do not meet the contemporary IT team’s needs, as they do not provide the necessary end-user perspective of performance. DEM can provide a holistic viewpoint from a company’s customer perspective, offering insight into end-user experience, API and third-party performance, as well as SLA management. This visibility will decrease MTTR, help optimize apps and services, and meet or exceed customer expectations.

catchpoint

Because the experience is the point.

Catchpoint is the enterprise-proven Digital Experience Observability industry leader, empowering teams to confidently own the end-user experience. We provide unparalleled visibility and insight into every critical system that collectively produces and delivers digital experiences to customers and employees. Business leaders like Google, L’Oréal, Verizon, Oracle, Equinix, Honeywell, and Priceline trust Catchpoint to proactively and rapidly detect and repair problems before they impact users. With the largest observability network, broadest capabilities, and highest data quality in the industry, Catchpoint is the ally you need to deliver on the unrelenting user experience expectations of today and tomorrow.

Learn more at www.catchpoint.com