

TWO SIDES OF THE SAME COIN: Generation Z, Banking and personal financial management

A qualitative research by the digital experience research centre of NTT Data



users in tech

research series

Discovering and understanding the **underlying motivations** that bring people close to technology and their **behaviour** when they interact with it



we wanted to

unveil Gen Z' drivers to engage

with digital banking and manage personal

finances



by understanding

how do they feel about current


banking models and how do they

envision the 'ideal' banking model



we sat down and

had a chat with young users

- 
- Digital natives
 - 18 - 24 years old
 - Mix of gender
 - Mix of social background
 - Current bank customers



METHODOLOGY

2 focus group, 2 hours each, which triggered discussion in 4 main areas.

	PERCEPTION OF BANKING	EXPECTATIONS	SERVICES AND TECHNOLOGY	FUTURE OF BANKING
DATA POINT	Understanding which is the general perception about banking and degree of trust/distrust.	Understanding motivators and blockers regarding banking services and digital banking.	Understanding the level of awareness and perceived value that participants have around financial services and digital banking.	Understanding the ideal model of banking service , delving into the benefits and related tech.
TECHNIQUES	We completed a mood board about the essential concepts associated with banking and carried out a spontaneous brainstorming about trust in big techs and banking.	We created a collaborative user journey and mapped out the experiences of users.	We worked around different areas and asked participants to rank the main financial services and digital services associated with each one.	We co-created a Lego model with de definition of the main principles and features of the service and the ideal model of customer-bank interaction.



what we
uncovered

This is the average Gen Z

GENERAL TRAITS



- Worries about the future
- Ethical values are of utmost importance
- Social skills are not his best
- Tends to be prudish
- Wants simple and easy things
- The smartphone is 'the device'

FINANCE MANAGEMENT



- Cares very much about money
- Manages only small amounts of cash, so he needs to carefully control expenses
- Tends to belong to traditional, big banks, as his parents do
- He has two bank accounts, one only for savings. He would invest his money, but at zero risk

WHAT DRIVES HIM



- | | |
|------------------------|--------------------------|
| Safety | Transparency |
| Good client assistance | Convenience and easiness |
| Real time information | Ethical values |

WHAT HOLDS HIM BACK



- | | |
|--|----------------------------|
| Traditional bank perception (old, classic) | Lack of information |
| Lack of transparency | Payments and Fees and Dues |
| Push on selling | Rigid service offering |

I am looking for a better future for all people



This is Pablo, 23



Going further into the average Gen Z portrait, we found out that **they live in a world of duality:**

A Generation that is 'born digital', avant-garde and ultra modern and yet, heavily influenced by the post-crisis context: pragmatic, cautious, prone to loneliness and full of uncertainties.

That duality is reflected in how they manage their personal finances and how they perceive and interact with banks.

THE GEN-Z DUALITY

ADVENTUROUS

1. Are **idealists by nature**: wish to have an impact in their surrounding.
2. Want to break with status quo models: **have hope** in new banking models.
3. **Demand a deep modernization** of services: request fully digital services & communication.
4. **Want frictionless services**: demand flexibility, immediacy and efficiency.

DEFENDERS

1. **Feel helpless and frustrated: think that some things will never change.**
2. **Belong to traditional banks**: link trust to **long-track record** companies.
3. **Tend to be cautious** when moving in uncharted waters: feels suspicious about unknown features and service.
4. **Yearn for human-like bank-customer interaction**: need a truly personalized, warm experience.



1

They want to break with traditional banks, however they are remarkably suspicious about new banking models

Traditional banks –e.g. BBVA, CaixaBank - are identified as the main authors behind the big Spanish financial crisis,. New banking models – e.g. N26 - are perceived to be more 'ethical' and a better fit for the the young customer profile and needs. However, this is not enough to ignite trust.

Because...

Traditional banks have experience and long-track records. New banks, don't – they are seen as too young and lacking solid credentials. Participants feel safer with what they know but they also feel curious about new, fresh proposals.



Me gusta N26 por las transferencias y tal, pero no me da tanta seguridad como el BBVA, que es donde mis padres lo tienen todo. La hipoteca... todo.

So...

Both banking models should **show clearly their statement of purpose and capitalize what is perceived to be a 'strength'**: traditional banking being more transparent and straightforward, and new banking showing bullet-proof credentials to prove they are trustable and safe.

How to



Client testimonial
as quality proof

Leveraging trust in
'old banking models'

Reference to the
regulators as a
proof of trust.

**Tu dinero más seguro que
en un banco**

[Descubre más →](#)

Trabajamos con una Entidad de Dinero Electrónico regulada por el Banco de España. A diferencia de un banco, el dinero depositado en nuestras cuentas ni lo prestamos ni lo invertimos. Está 100% disponible en todo momento.

How to

Services "as you want" conveying a new, fresh approach to banking

Security system details, aimed at gaining confidence.

Seguridad - como tú la quieres

CONGELA Y DESCONGELA TU TARJETA

Si pierdes o extravías tu tarjeta, congéjala dentro de la aplicación y nosotros te enviaremos una nueva. Si la encuentras de nuevo, simplemente descongélala desde la app.

CONTROLA EL FUNCIONAMIENTO DE TU TARJETA

Toma el control de tu cuenta y desactiva cosas opciones como pagos contactless, pagos con tarjeta, pagos online o retiros en cajeros automáticos, todo desde tu app.

SEGURIDAD BASADA EN UBICACIÓN

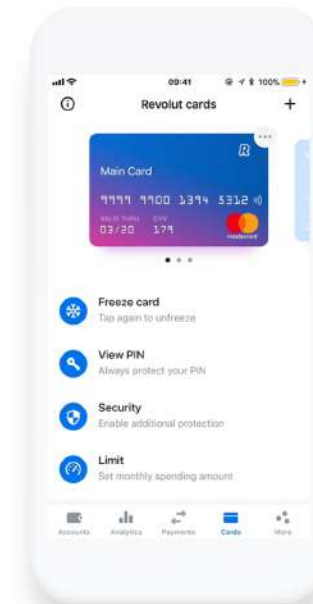
Activa la seguridad basada en la ubicación y, cuando tu tarjeta se utilice en una localización diferente a la tuya, bloquearemos automáticamente todos los pagos y te lo haremos saber.



Presentamos Revolut Metal

Una tarjeta metálica contactless que ofrece hasta el 1% de reembolso, un servicio de consejería personal y mucho más.

Bájate la App

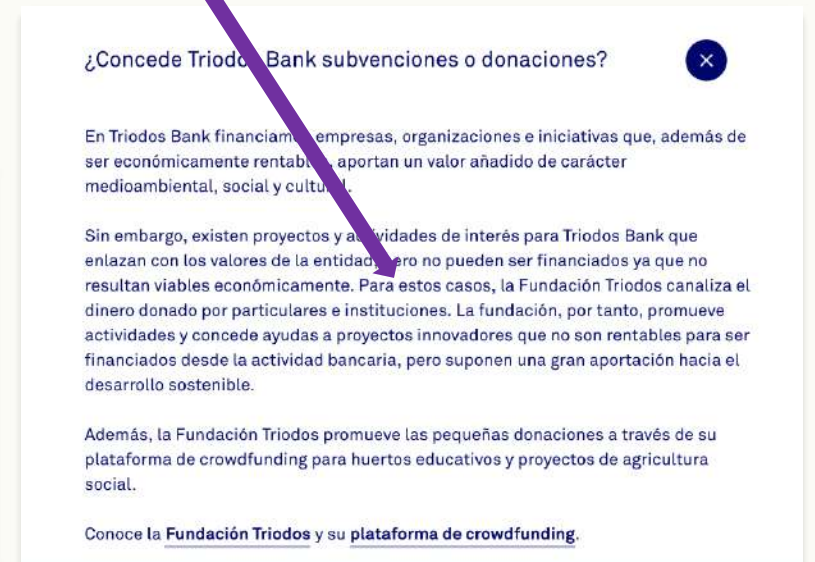
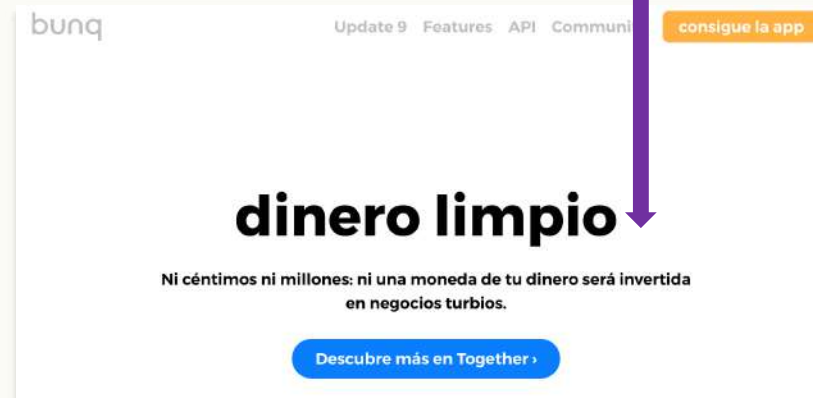


How to



Include accessible information about who are they supporting

Include ethical funding actions and explain their value



2

They do not commit with any bank.

They quickly shift from one bank to

other, but they yearn for a bank in

which they can believe.

Young customers show **no loyalty** towards banks - they don't have a solid attachment with banks as their parents used to do. For them, banks are the same as phone operators; interchangeable companies whose only differential factor is price and fees.

Because...

They are very price sensitive, so most do not count on long-term contracts such as mortgages or loans.

They need to be offered convenient and ever-improving services to stay loyal to just one bank.

Harsh task, as they reveal they don't like being attached to anything.



Estoy muy bien en mi banco de siempre, pero si hay otro que me ofrece mejores condiciones, pues me voy. No quiero sentirme atado.

So...

Engaging with young costumers by counterbalancing their volatile behaviour through advantageous **and flexible service packages** - taking permanence contracts out of the equation. Also, by **attracting them** through peer recommendations and references, e.g. **popular ratings**.

How to

Service popularity rating

The screenshot displays the Monese website's pricing section. At the top, there is a navigation bar with the Monese logo and menu items: Features, Transfers, Business, Pricing, and Help. A location selector shows 'EU (EN)'. Below the navigation, a 'Most popular' badge is positioned above the 'Plus' plan. Three pricing cards are shown: Starter (€0/month), Plus (€4.95/month), and Premium (€14.95/month). Each card lists various services and their associated fees. The Plus plan is highlighted with a green border and a 'Most popular' badge. The Premium plan is highlighted with a purple arrow pointing to it from the right. A grey arrow points from the Plus plan to the Premium plan, indicating a progression or comparison.

Plan	Monthly Fee	Contactless debit card	ATM cash withdrawals	Foreign currency exchange	Instant top-ups	Cash top-ups
Starter	€0/month	€4.95 one-time fee, optional	€1 each	2% fee (€2 minimum fee)	0.35% fee (minimum)	Post Office 2% fee (€2 minimum fee)
Plus	€4.95/month	FREE	6 FREE monthly	0.5% fee (€2 minimum fee)	0.35% fee (minimum)	Post Office €1 each
Premium	€14.95/month	FREE	UNLIMITED	FREE	FREE	Post Office FREE

Modular services and detailed description of their advantages

Service package detailed benefits

How to

Payments and fees according to multiple options of service and products & dynamic pricing

Prioritize digital interface via Smartphone

ESTÁNDAR	PREMIUM	METAL
€ 0 /m	€ 7,99 /m	€ 13,99 /m
<ul style="list-style-type: none">✓ Cuenta corriente gratuita en el Reino Unido✓ Cuenta Euro IBAN gratuita✓ Tipos de cambio interbancarios✓ Transferencias bancarias en 24 divisas gratis✓ 200 € Sacar efectivo en cajeros (o equivalente) sin comisiones	<ul style="list-style-type: none">✓ Cuenta corriente gratuita en el Reino Unido✓ Cuenta Euro IBAN gratuita✓ Tipos de cambio interbancarios✓ Intercambio ilimitado en 24 monedas fiduciarias, sin límite mensual✓ 400 € Sacar efectivo en cajeros (o equivalente) sin comisiones✓ Seguro médico en el extranjero gratis✓ Retraso de equipaje y seguro por retraso de vuelo✓ Envío internacional express gratis	<ul style="list-style-type: none">✓ Cuenta corriente gratuita en el Reino Unido✓ Cuenta Euro IBAN gratuita✓ Tipos de cambio interbancarios✓ Intercambio ilimitado en 24 monedas fiduciarias, sin límite mensual✓ 600 € Sacar efectivo en cajeros (o equivalente) sin comisiones✓ Seguro médico en el extranjero gratis✓ Retraso de equipaje y seguro por retraso de vuelo✓ Envío internacional express gratis

Bájate la App



3

They believe that banks hide information and communicate badly. However, they have resigned themselves to the fact that banks 'are not transparent'

Gen Z wants everything crystal clear They demand all the **terms and conditions** and the acronym-system of banking in a **natural and plain language**, accessible to them.

Because...

Young customers feel uncomfortable about the terms and concepts used in banking and unprepared to deal with them. They feel that they use complicated language on purpose to conceal product drawbacks.

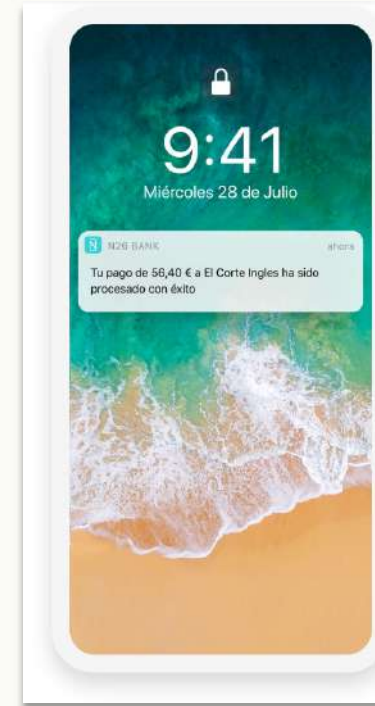


Although it seems that they are telling you everything, there is always small print.

So...

A **clear and honest communication model** is a pillar of the new banking. Explain service information and conditions in an understandable way. Talk to them them in a **common and easy language** and style, so that everything can be understood.

How to



Transparencia, ante todo. ¿No te lo esperabas de un banco?

Di adiós a las sorpresas de final de mes con notificaciones en tiempo real en todas (sí, todas) tus transacciones. Olvidate de las comisiones ocultas.

Breaking with the traditional non-transparency belief

Literally. *We don't speak in banking language and terms.*

How to

The image shows a screenshot of the imaginBank website during the account creation process. On the left, there is a sidebar with the imaginBank logo and a list of steps: 1. Tus datos, 2. Finalidad de la cuenta, 3. Confirma tu identidad, 4. Gestiona tus datos, 5. Crea tu cuenta imaginBank, and 6. Firma tu contrato. Below the steps are icons for 'Cuenta sin comisiones', 'Tarjeta de débito gratis', 'Sacar dinero gratis', and 'Descuentos en ocio y compras'. The main content area is titled 'Crea tu perfil' and includes a warning about the OM ECC/2316/2015 regulation. A box labeled '1/6' indicates the risk level. Below this, there are options to create an account with or without income, and a promotion for a 40€ cash bonus. Two purple arrows point from external text boxes to the '1/6' indicator and the 'Protected amount of money' text.

Información exigida por la OM ECC/2316/2015: Cuenta corriente
CaixaBank se encuentra adherido al Fondo de Garantía de Depósitos de Entidades de Crédito previsto en el Real Decreto 16/2011, de 14 de octubre. El importe garantizado tiene como límite 100.000 € por depositante en cada entidad de crédito.

1/6
Este número es indicativo del riesgo del producto, siendo 1/6 indicativo de menor riesgo y 6/6 de mayor riesgo.

Indicador of financial risk

Crea tu perfil
En tan solo 6 pasos únete al primer banco donde todo empieza y acaba en tu móvil.

Además, si traes tus ingresos o tu nómina, podrás llevarte uno de estos fantásticos productos:

Quiero unirme a imaginBank sin traer mis ingresos

[Si traes tus ingresos de más de 250 € al mes y cumples el resto de condiciones](#)

40 € Abono en efectivo 40€
 Quiero traer mis ingresos y recibir el abono en efectivo de 40€
[Más info](#)

[Si traes tu nómina de más de 600 € al mes y cumples el resto de condiciones](#)

Protected amount of money

How to

Cuenta Bancaria Black Metal ^{New} Planes Centro de Ayuda EN / ES Acceso Clientes

El primer banco del que te vas a enamorar

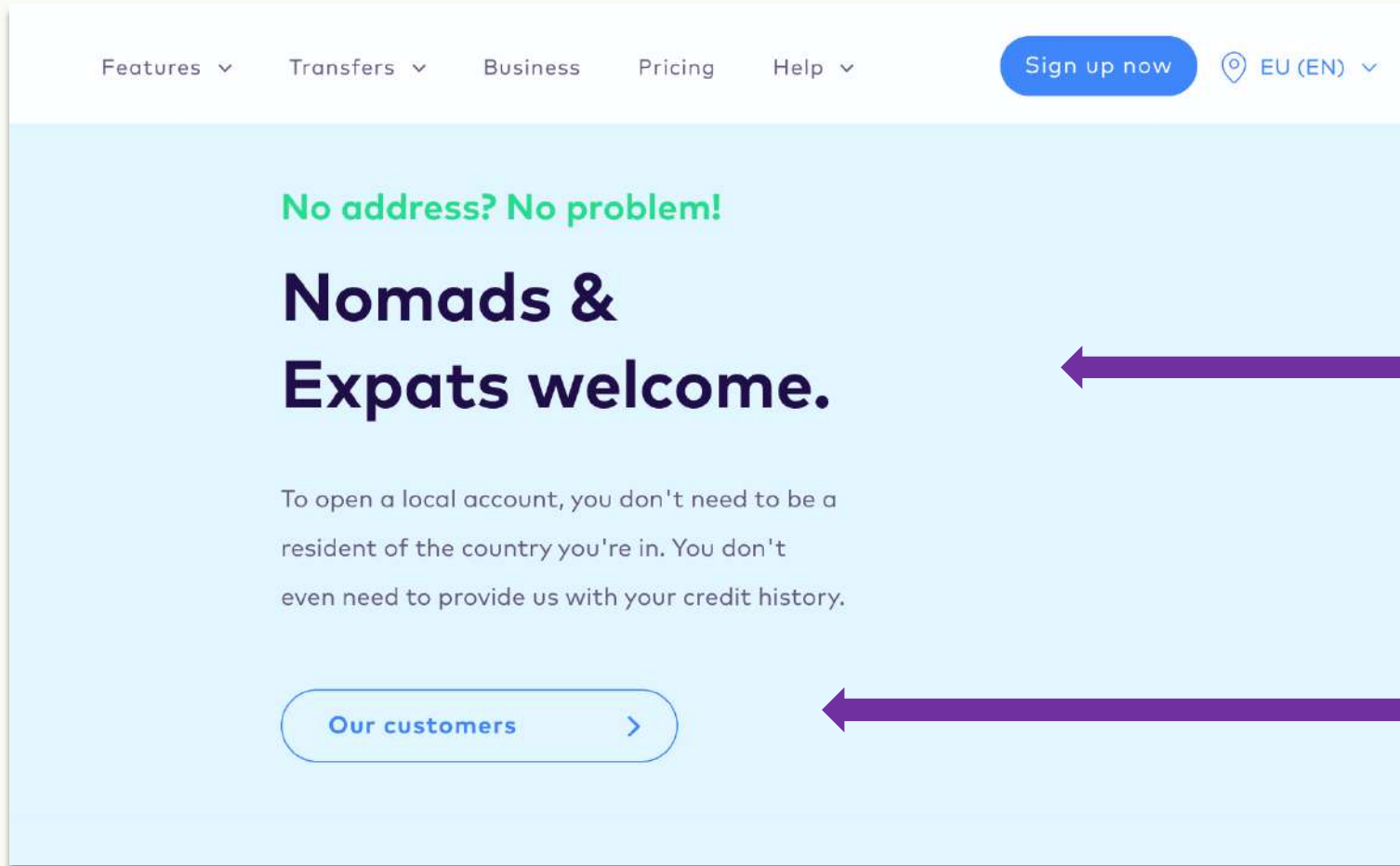
Abrir mi cuenta

Category	Merchant	Date	Amount
HOY	El Corte Ingles	27 julio	-12,95 €
	Inditex	27 julio	-30,14 €
	Juan Serrano	27 julio	7,00 €
Ayer	Sofia Rodriguez	28 julio	2.080,89 €
	Taxi	28 julio	-78,00 €
	La Tagliatella	28 julio	-47,80 €
	La Tagliatella	27 julio	-12,95 €

Direct and human approach, warm tone

Appealing, real life aesthetic

How to



Being inclusive and taking into account diverse situations

Meet other users experiences

How to

Mantente al tanto de tus ahorros

Cada vez que realices una transacción de redondeo, te enviaremos una notificación push que te dirá cuánto has ahorrado, así como la cantidad total en tu hucha hasta la fecha.



Comprehensive explanation. Giving importance to what matters

Push messages and direct communication.

Visual design. Make things easy to understand.

4

They expect full digital services
but they demand personal
communication 24/7, especially
for urgent matters

The immediate and agile response through **personal contact when there's an issue** is key as it makes them feel accompanied in the process.

Because...

They wish to digitally manage all services from the comfort of their smartphone: transferances, account managing, spending, etc, but they tend to feel apprehensive when unexpected issues arise. Thus, they need to feel fully secure and 'cared for' when something critical happens.

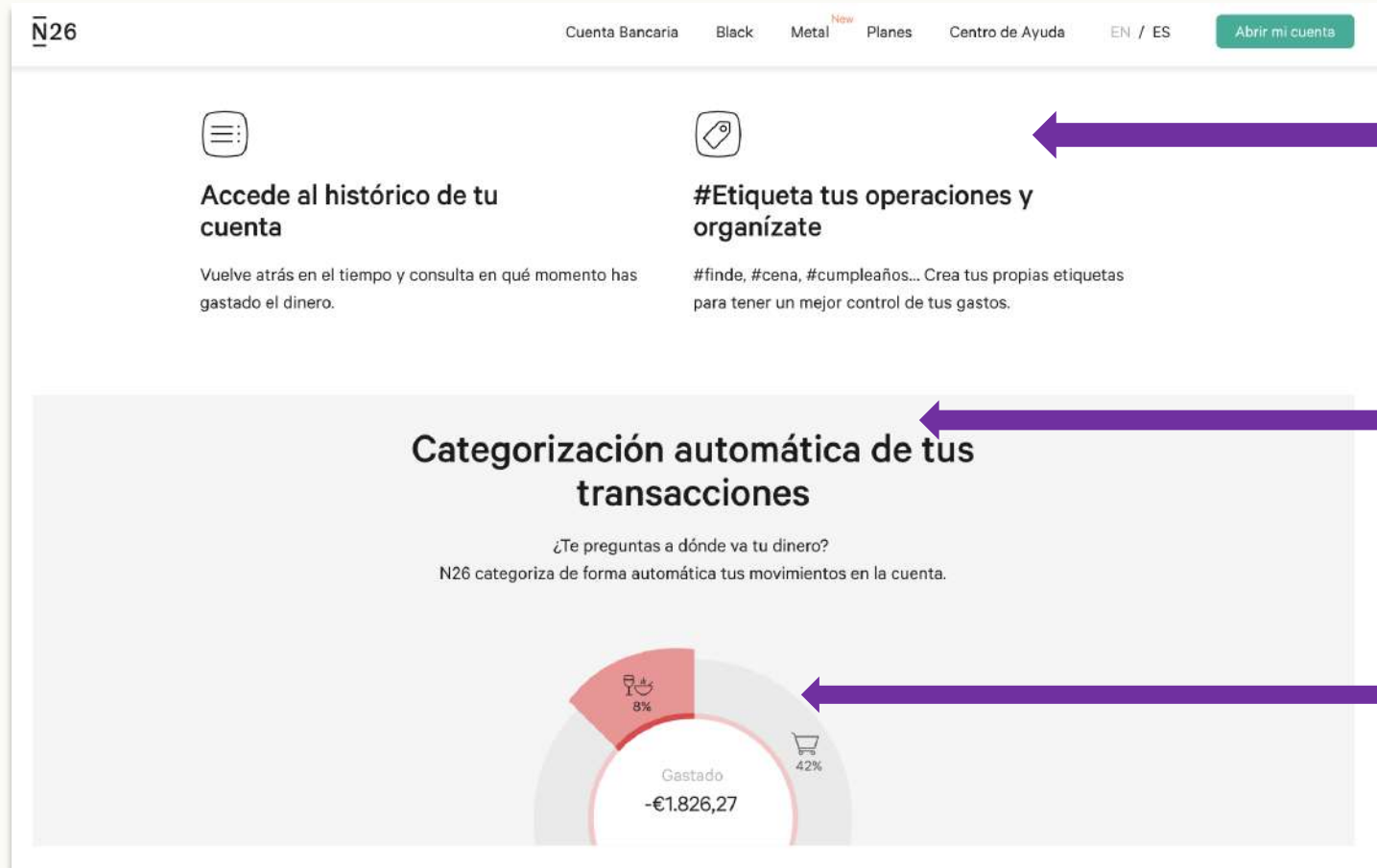


When I have a problem I prefer to speak directly with someone. I need to be sure that someone is going to fix it quickly.

So...

Stablish and design a good communication system, make them feel heard and convey a truly problem-solving attitude. They want to freely interact with digital services, but also ask things if they need it - e.g. talking with someone or something that feels human.

How to



Fully digital services, but providing support and guidance

Dashboard-style, to ease data comprehension

Visual Design for stats, to ease their own financial management

How to

Estamos a tu servicio y hablamos tu idioma

Si tienes alguna pregunta o necesitas resolver un problema, nuestro servicio de Atención al Cliente está disponible para ti. Abre un chat desde tu app o desde nuestro Centro de Ayuda cuando nos necesites.



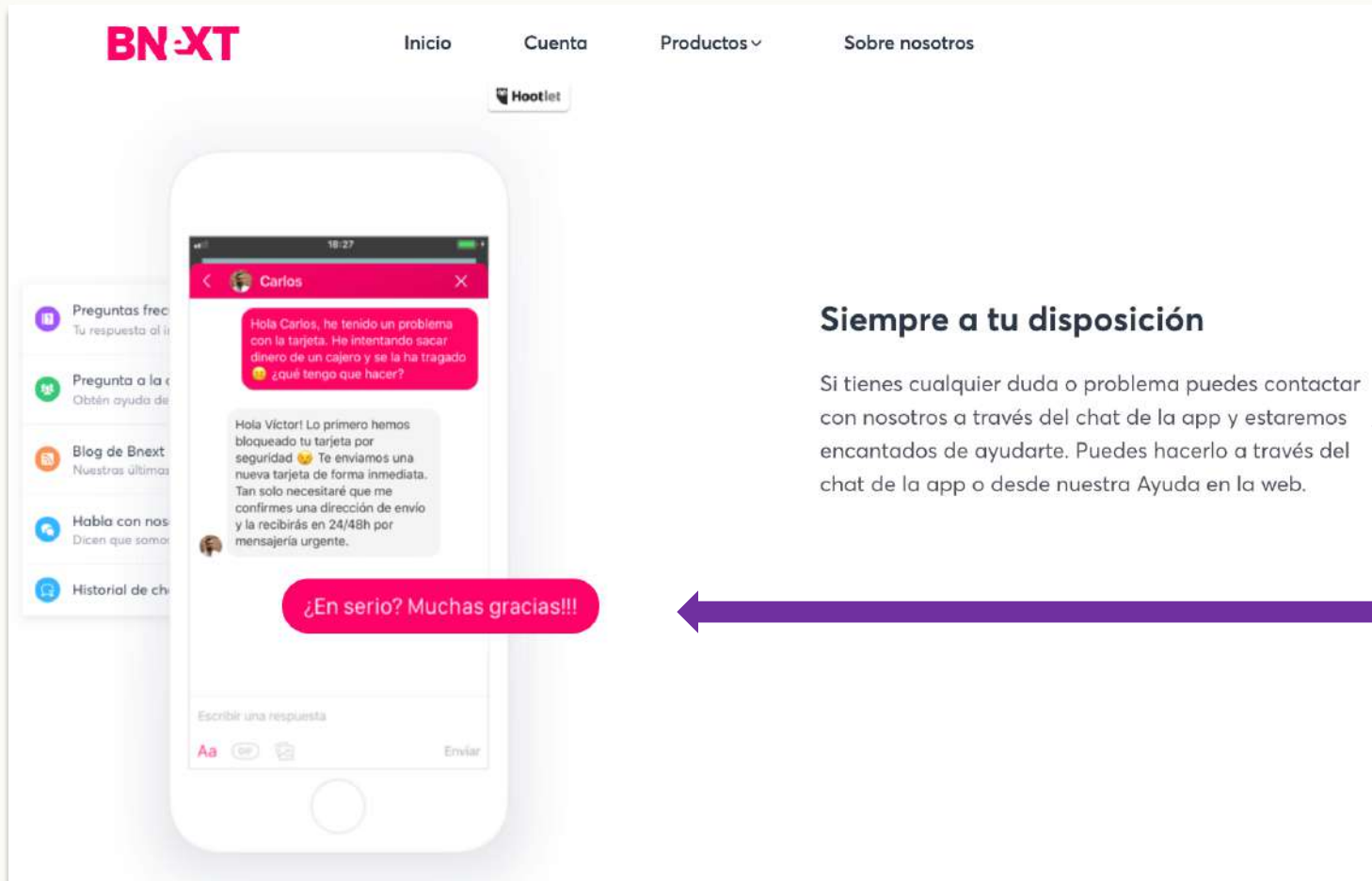
-  **Support Center**
Encuentra respuestas a tus preguntas >
-  **Chat**
Habla con atención al cliente >
-  **¿Alguna otra pregunta?**
Déjanos un mensaje >

Focus on easing communication

Putting a face to the one providing assistance

Flexibility about communication channels

How to



Siempre a tu disposición

Si tienes cualquier duda o problema puedes contactar con nosotros a través del chat de la app y estaremos encantados de ayudarte. Puedes hacerlo a través del chat de la app o desde nuestra Ayuda en la web.

Always available and ready to help

Chatbot system



what now

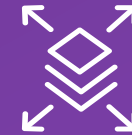
Build a new digital banking model
underpinned with 3 pillars:



Transparency



Accompaniment



Flexibility

This pillars should be translated into a human-centred design approach to their digital products



Transparency



Open & clear communication



Accompaniment



Warm & human-like services



Flexibility



Modular & Innovative Design

Build a new digital banking model underpinned with 3 pillars: **transparency, accompaniment and flexibility**

Transparency

**Clear & open communication
to connect with Gen Z' and
gain trust and loyalty**

Build a new digital banking model underpinned with 3 pillars: **transparency, accompaniment and flexibility**

Transparency

Clear & open communication

to connect with Gen Z' and

gain trust and loyalty

- ✓ Use **plain a natural language** to reach and hold them
- ✓ **Show proof** and evidence to make them feel safe & trust
- ✓ **Suggest services** based in similar customer ratings

Build a new digital banking model underpinned with 3 pillars: **transparency, accompaniment and flexibility**

Accompaniment

Enrich digital services with a human touch that makes them feel cared and supported

DEQ
ORATION

Build a new digital banking model underpinned with 3 pillars: **transparency, accompaniment and flexibility**

Accompaniment

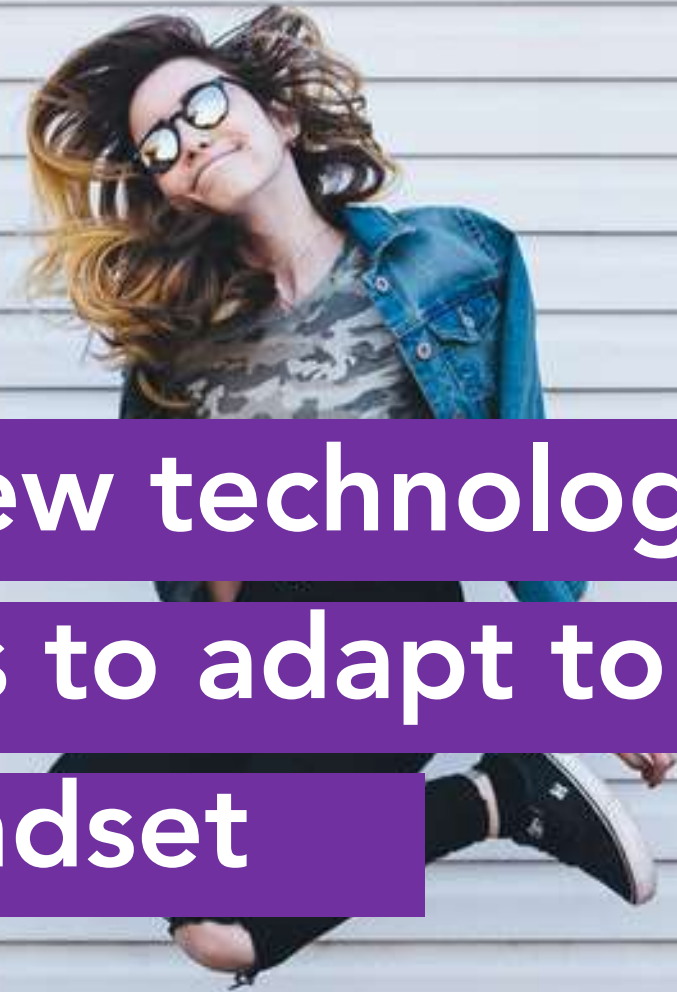
Enrich digital services with a human touch that makes them **cared and supported**

- ✓ Have **someone always available** to help - let them know that someone cares
- ✓ **Empower data visualization** to make their finances understandable
- ✓ Make **push reminders** only for what matters to them

Build a new digital banking model underpinned with 3 pillars: **transparency, accompaniment and flexibility**

Flexibility

Potentiate new technologies and digital trends to adapt to Gen Z' changing mindset



Build a new digital banking model underpinned with 3 pillars: **transparency, accompaniment and flexibility**

Flexibility

Potentiate new technologies and digital trends to adapt to Gen Z's changing mindset

- ✓ **All in 1** - one device, one application and one place to manage all their finances
- ✓ **Be modular & adjustable** - multiple service packages, no strings attached
- ✓ **Potentiate P2P** payment methods

Jorge Marquez – Head of ExD

jorge.marquez.moreno@nttdata.com

Inés Campanella – UX Lead

ines.campanella.casas@nttdata.com

Jana González – UX Senior Researcher

Jana.gonzalez.cienfuegos@nttdata.com

Thanks!

nttdata.com

2018

Digital Experience
Research Center