

Connectivity + Data + Experience = **Growth**

The Ultimate  
Guide to

# MONEY EXPERIENCE

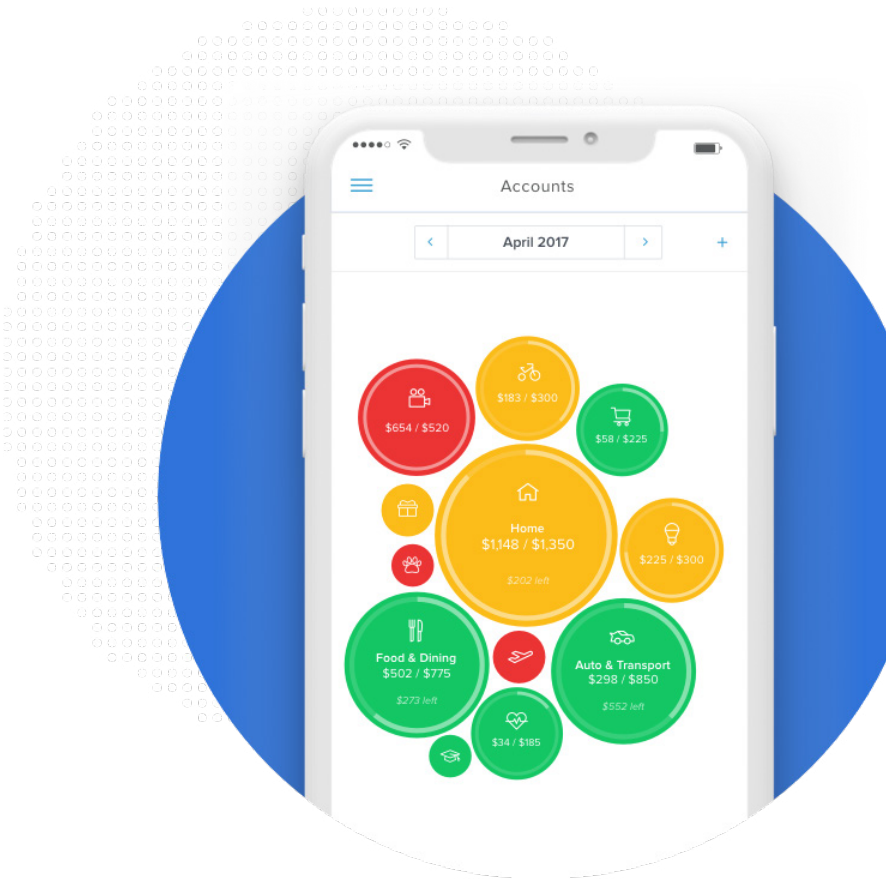
**MX**



# About **MX**

MX is the leading digital transformation platform for banks, credit unions, fintechs, and partners, built on the belief that transformational growth starts with making data easily accessible and actionable for customers. Founded in 2010, MX is one of the fastest growing fintech innovators, powering more than 2,000 financial institutions and 43 of the top 50 digital banking providers to improve the financial lives of more than 30 million people.

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Are your customers forced into the chore of managing their money, or **are you giving them an experience?**

## Defining the **Money Experience**

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No matter the details of our lives, we all want to improve our relationship with money. We look at the apps that make life easier — from ride sharing to grocery delivery — and we want the same easy, customized experience with our finances.

We all want a better money experience.

For centuries, people had to travel into a bank branch to deal with money, using paper currency in a physical location.

Now banking is an activity that happens dynamically on a smartphone. But banking on a smartphone still isn't necessarily an ideal experience. To see why, ask yourself how your customers currently interact with their money. Do they have to sign into multiple accounts to get a sense of their complete financial picture? Do they have to wade through indecipherable transaction descriptions every time they want to see their spending? Do they still have to visit a branch for simple transactions?

Put simply, are your customers forced into the chore of managing their money, or are you giving them an experience, backed by automated financial guidance and personalized nudges?

Money management requires customers to go into a branch for simple transactions, track every expense they make, manually categorize their transactions, endlessly tweak their budget, and more. It's banking of the past, riddled with frustration and disappointment.

The money experience, by contrast, is an easy way to connect, view, and interact with money. Customers can do simple transactions directly on any device (including phone, watch, or whatever's next), see all their accounts in one place (via whitelisted connections or API connections), enjoy accurate transaction auto-categorization (backed by AI), get personalized guidance around their spending habits (with machine learning), and more.

As Ryan Caldwell, Founder and CEO at MX says, "As people automate everything, they can recover those hours and try to make those hours useful. From a financial perspective, people don't want to have to worry about it. They want to set it and forget it."

No more management. Instead, it's an experience.

The benefits of the money experience extend beyond customers to bankers as well. For bankers, the money experience is about having access to clean, dynamic user data as well as options to offer automated personalized nudges. With a 360-degree view of each customer, you can understand what your competitors are doing and adapt accordingly. Just like the experience for your customers, everything is simple and streamlined.

In the end, the true power of the money experience is behind the scenes — built on a foundation of stable connectivity and enhanced data.

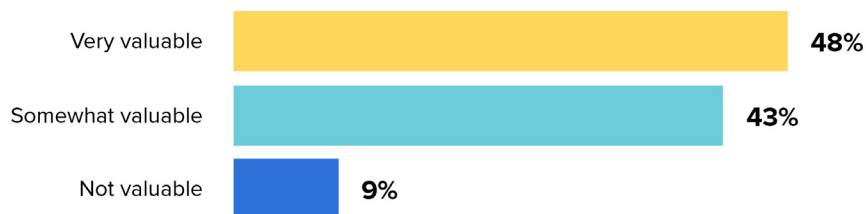


# Stable Connectivity

As part of our ongoing research about what consumers want from banks and fintech companies, we've found high demand for financial aggregation.

Specifically, we asked more than 1,000 random US consumers how valuable it is or would be to see their financial accounts in one app, and we found that 91% said it would be either very valuable (48%) or somewhat valuable (43%).

## How valuable is it or would it be to see all your accounts in one app?



MX research, survey of 1,000+ US consumers

Simply put, people want the ability to sign into a single place and see everything — checking, savings, car loan, mortgage, 401(k), etc. — in one view. They don't want to sign into a separate app or account to get a full sense of their finances. And yet we also found via our consumer research that 60% of consumers say they currently don't have this ability.

Not offering the ability to aggregate data is a major misstep for financial services companies since it means they're unable to reap a range of benefits we cover throughout this guide.

## Connectivity in **Context** —

Connectivity has traditionally relied on screen scraping — the process of gathering data from one app by inputting user credentials (such as username and password) and displaying that data somewhere else.

However, traditional screen scraping is quickly becoming a thing of the past as more organizations shift to whitelisting data aggregators and implementing direct APIs — options that bring added transparency, clear permissioning, and increased security.

“The only reason that fintechs screen scrape is because it’s the only path for them to get at that data. Once they have a more reliable, more secure and faster path, **I think they’ll abandon it overnight.**”

**BRANDON DEWITT**  
CTO and Co-founder at MX

As more financial institutions implement whitelisting and APIs, screen scraping in the traditional sense (where third parties scrape data without permission) will become less widely used. “The only reason that fintechs screen scrape,” says Brandon Dewitt, CTO and Co-founder at MX, “is because it’s the only path for them to get at that data. Once they have a more reliable, more secure and faster path, I think they’ll abandon it overnight.”

This move will also enable increased innovation since customer-permissioned data sharing is often bi-directional (meaning that financial institutions and fintech companies can share and receive data from the sources they connect with via API). Bi-directional sharing sets up all parties involved to use data in creative ways to best serve and advocate for their customers.

In addition, the scope of what’s possible with connectivity has quickly expanded over the past decade as organizations can now leverage more than 50,000 connections to a range of financial institutions, fintech companies, insurance companies, credit card companies, and much more. With so many backup connections available, organizations can offer the ability to re-route deficient connections, making the experience far better even in instances where there’s still no option but traditional screen scraping.

All of this is terrific news for the 91% of consumers who value account aggregation, as well as the financial organizations that offer it.

It also paves the way for open finance.

## Open Source, Open Finance —



**90%**

**of bankers believe that open banking will boost organic growth by up to 10%.**

Financial institutions have been stuck with legacy systems, vendor lock-in, and a lack of development resources for far too long.

Thankfully, there are an increasing number of options here, including open-source software development kits (SDKs) that give financial institutions the solutions they need to easily transition away from any vendor that doesn't meet their needs so they can partner with those that do. This open-standard, open-source approach helps put financial services companies at the center of their customers' money experience.

Best practices on this front include complete client documentation, a legal framework, and premade options for user interfaces, as well as building to the latest FDX specifications and OAuth 2.0 standards.

These practices give customers the ability to see how authorized partners are accessing their data and the ability to revoke access at any time. They also make it easier to securely connect to other apps and enterprise software, enabling a 360-degree view of customer finances, decreasing the burden on IT teams, and improving the money experience for customers. In addition, they help financial services companies enjoy the benefits of modern core systems without prolonged, multi-year migrations that cripple innovation.

Finally, these practices help financial institutions and fintech companies connect their financial systems through open APIs, so they can better understand their customers, innovate faster, and be true advocates for those they serve. It's no wonder that "90% of bankers believe that open banking will boost organic growth by up to 10%," according to [survey data from Accenture](#).

# Enhanced Data

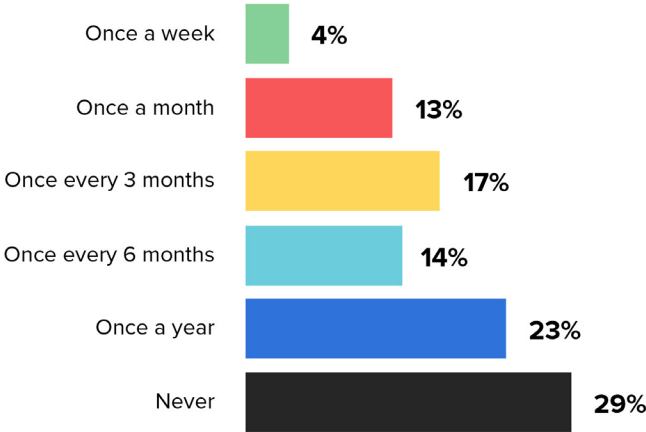
Of course, if the data you connect to is disorganized and confusing, connectivity is nearly useless for you and frustrating for your customers. Messy data erodes trust, clogs up your call center with requests for clarity, and burdens your operations teams.

By contrast, enhanced data transaction sets you up for success with whatever technology comes next, whether it be voice assistants, apps on a watch or glasses, chatbots, or the next iteration of virtual reality. In every instance, your customers want to easily and quickly access information about their transactions — something they can't do if the data they see is indecipherable, such as "OGIV89 --Wal- 987 Visa." You could offer the most intelligent chatbot in the world, and it wouldn't be much use to your customers if it fed them data like that.

That's why enhanced data is such an essential part of the money experience. Data is the oil of the digital age, empowering everything else people do online.

And yet consumers currently feel frustrated by unclear transcription descriptions, with 71% of consumers saying it's a frustration they feel at least yearly and 17% saying it happens at least once a month.

## How often do you feel frustrated by an unclear bank transcription description - such that you can't figure out what it's referring to?



MX research, survey of 1,000+ US consumers

How can you offer an ideal money experience if your customers are consistently frustrated like this?

The answer hinges on your ability to follow best practices around cleansing, categorizing, and augmenting your data. Here are critical questions to ask yourself as you look to offer enhanced data:



## Cleanse

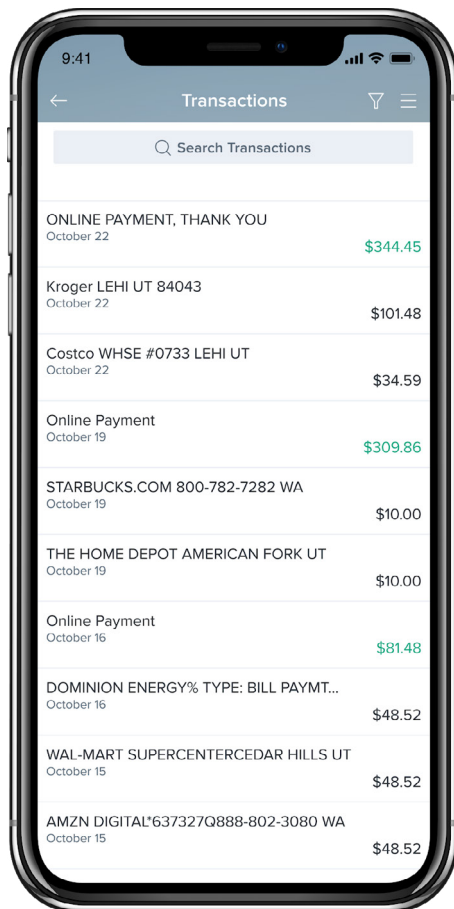
- Do your customers immediately know which vendor a transaction description refers to?
- Can they see a logo of the vendor to help them quickly make the association between their purchase and the vendor more?
- Can they visualize the vendors they purchase from in a way that's simple for them to understand their trends?

## Categorize

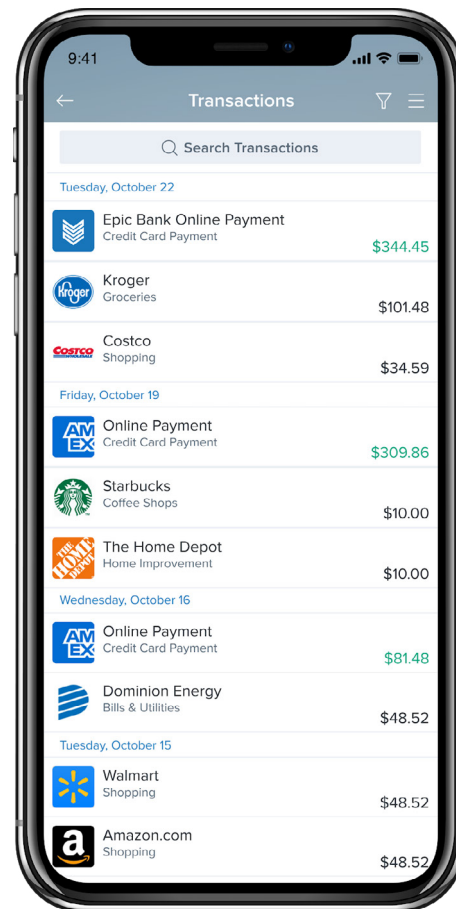
- Do your customers have the ability to see their transactions automatically categorized?
- If they do, are transactions categorized as "miscellaneous," or are the categories actually helpful?
- Can they see their spending patterns by category, and is the process at least 95% accurate?

## Augment

- Can you easily tell how much money your customers are sending to your competitors from their accounts with you via bill pay, credit cards, a loan, etc.?
- Do you give them location data in a way that's easily accessible?
- Do they have the ability to see transaction type (bill pay, point of sale, online payment, subscription, etc.)?



**STANDARD**



**ENHANCED**

“If you don't have good data and analytics capabilities, what good will an AI-first strategy do?”

**RON SHEVLIN**

Managing Director of Fintech Research at Cornerstone Advisors

Enhancing transactions this way — through cleansing, categorizing, and augmenting — is critical to your future growth. As Ron Shevlin, Managing Director of Fintech Research at Cornerstone Advisors, asks, “If you don't have good data and analytics capabilities, what good will an AI-first strategy do?” You have to lay the right foundation with data before you start dreaming of an advanced user experience.

In addition, it's worth noting that a small difference in accuracy can have an enormous impact on the return of investment. For instance, if categorization accuracy rates are 95% and a consumer has [840 transactions per year](#), then they'll have 42 indecipherable transactions. If that results in two calls they have to make per year, it'll cost you roughly \$8 per individual annually (at an [average cost of \\$4 per call](#)). That sounds insignificant, but at a scale of 100,000 customers, it can add up to a cost of \$840,000 per year. By contrast, having an accuracy rate of 99% cuts that rate dramatically, resulting in a far higher return on investment.

95% Accuracy	
One Individual	
Transactions Per Year <sup>1</sup>	840
# of Transactions with "Bad Data"	42
Number of Calls Per Year (Est. 5%)	2.1
Cost Per Call <sup>2</sup>	\$4
<b>Annual Cost Per Individual</b>	<b>\$8.40</b>

99% Accuracy	
One Individual	
Transactions Per Year <sup>1</sup>	840
# of Transactions with "Bad Data"	8.4
Number of Calls Per Year (Est. 5%)	0.42
Cost Per Call <sup>2</sup>	\$4
<b>Annual Cost Per Individual</b>	<b>\$1.68</b>

Entire Organization - est. 100,000	
<b>Annual Cost</b>	<b>\$840,000</b>
<b>Total Number of Bad Transactions</b>	<b>4,200,000</b>

Entire Organization - est. 100,000	
<b>Annual Cost</b>	<b>\$168,000</b>
<b>Total Number of Bad Transactions</b>	<b>840,000</b>

<sup>1</sup> CB Insights <sup>2</sup> Bain

The truth is that enhancing data is not only the right thing to do by your customers. It's also a sound business investment. As Michelle Evans, Forbes contributor, writes, “The ability to make sense of the avalanche of data will be what distinguishes the winners from the losers in the next decade.”

We will start to lose people if we can't give them a comprehensive and more specifically personalized experience. **And that's where data comes in.**

**STEPHANIE MAXWELL**

Vice President of Digital Channels at Alaska USA

## **Analytics** and Marketing

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With a foundation of stable connectivity and enhanced data, you can know your customers. You can also set up simple dashboards so you instantly know how you're losing or winning wallet share and wallet share to competitors and how your current offerings are performing. In addition, by viewing real-time customer financial data, you can deliver hyper-personalized experiences that increase engagement and grow share of wallet.

Imagine a digital billboard that tailors its content for each person who drives past it. It advertises loans only to people who want loans; it advertises term deposits only to people who want term deposits, and so on.

Any marketer could immediately see the value of such a billboard. As ad man Howard Gossage said, "The real fact of the matter is that nobody reads ads. People read what interests them, and sometimes it's an ad." Targeted advertising is the best way to match the interests of your prospective user.

While this hyper-personalized billboard hasn't been created yet, targeted advertising is a reality in the digital age. Stephanie Maxwell, Vice President of Digital Channels at Alaska USA, says, "We will start to lose people if we can't give them a comprehensive and more specifically personalized experience. And that's where data comes in."

With the right technology, you can put raw data to use, including data around account balances, account types, interest rates, transactions and transaction amounts. Then you can put all of that data to use by putting it in a marketing platform where you can create ads that change depending on who's looking at them. That way your customers who don't have loans will see ads for loans, and your customers with high checking account balances will see ads for term deposits.

Jonas Ng, SVP of Digital Product at KeyBank, shares his process on this front. He says, "The core of our interaction model is not just leveraging the germane data that we have in banking: your account information or your credit score, or your demographic data. We're trying to combine that with the metadata that comes from you on an individualized, personalized level." One way KeyBank is doing this, Ng says, is by "employing a lot of things around nudge behavior and positive reinforcement goals, helping customers realize that there's a short term and there's a long term task."

Unfortunately, 75% of bankers say "they're inept at using data to build contextual product recommendations," according to the [State of Financial Marketing Report](#) from The Financial Brand. Given this, it's clear that many financial institutions need guidance to get their technology and culture in the right spot here. The benefits are more than worthwhile.



# The Money Experience

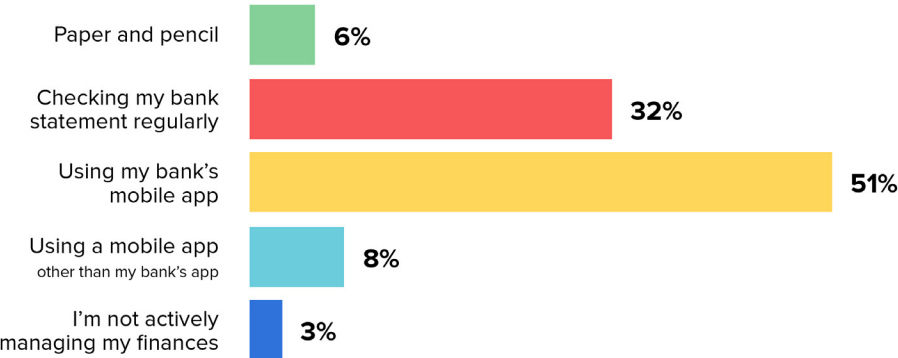
With a foundation of stable connectivity and enhanced data, the money experience is possible. It comes to life with AI-driven predictive insights and machine learning models. Instead of a chore, money becomes something relevant, intuitive, and engaging. A delightful money experience.

On this note, Amir Hermelin, Vice President, Engineering Product Design and Data at SoFi, talks about the need for “using data, not necessarily just to market and to target, but also to feed that back to the user and show them what has been collected from these different places and give them the best experience.”

MX Chief Customer Officer Nate Gardner dives deeper with this insight, saying, “The mobile experience of using a financial tool should feel equivalent to what Tesla is doing in the auto industry. Instead of just driving you from A to B, it should also watch out for your safety and give you warnings about where to turn and how to avoid accidents.”

People are set up to get this type of experience from their financial institution, given that 51% currently say they use their bank’s mobile app to manage their money — a number far higher than the percentage saying they use an app other than their bank’s app (8%) or paper and pencil (6%).

## How are you managing your finances?

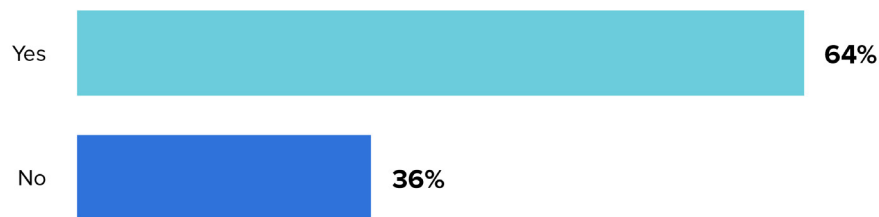


MX research, survey of 1,000+ US consumers

People are already using their bank app and want to interact with their money there. It’s just a matter of turning the chore of management into an experience where automated guidance — backed by connectivity, data, and AI — gives each customer personalized nudges to keep them on track.

After all, 64% of respondents say that if their bank or credit union offered a new app to help them manage their finances, they'd use it.

## If your bank or credit union were to offer a new app to help you manage your finances, would you use it?



MX research, survey of 1,000+ US consumers

Imagine how much that number would skyrocket if they were to see that what they had thought of as managing (budget bars, manual categorization, etc.) were actually automated?

It's all about getting them over the hurdle of trying it out. "Once you [as a consumer] go to mobile banking, you've gotten over that hump of trying it, and you're going to be much more likely to use it," Dan Latimore, Chief Research Officer at Celent, explains. "It's going to accelerate the declined use of branches." At that point, traditional financial institutions will start to become indistinguishable from fintech companies like PayPal — unless they lay the right digital foundation now.

"The days of financial institutions just being repositories of assets and sources of credit are gone," says Jane Barratt, Chief Advocacy Officer at MX. "We have to acknowledge that being able to have what is essentially a commodity product differentiator and being differentiated only by a brand name has transformed completely into, 'What is the experience that you are giving me?' and 'What outcome can you help drive for me?'"

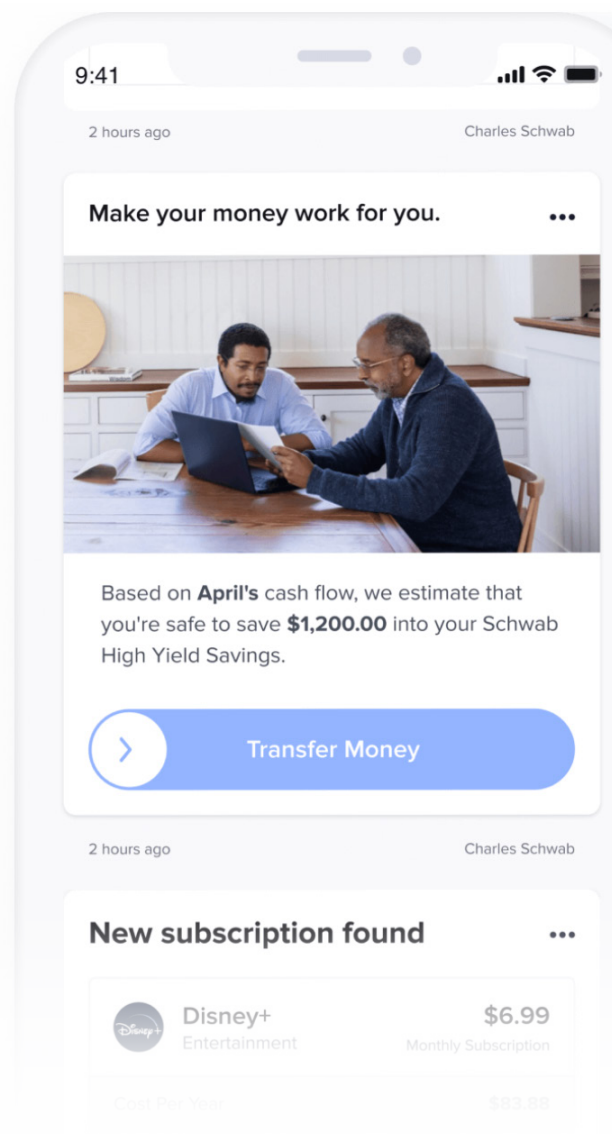
That outcome-centered focus is the heart of the money experience. Every design decision and interaction is about the outcome it produces — all with the end goal of empowering the customer to become financially strong and drive loyalty, engagement, and revenue for the brands that offer the experience.

To illustrate more precisely what this experience looks like, consider Pulse and FinStrong from MX.

With Pulse, your customers have a daily feed tailored to their financial wellness at their fingertips. Insight cards provide real-time information about a customer's finances, serving up the insights that matter most to them. And because Pulse is customized to each spending profile, customers feel more engaged and empowered to make choices that impact their financial goals.

FinStrong works in tandem with Pulse, providing customers with a financial strength score. It offers personalized feedback on how customers can improve finances, as well as a progress tracker to guide them along their financial journey. In addition, it gives users tangible next steps they can take to become financially stronger while enabling clients to build brand loyalty and engage customers as they go through their financial-health journey. Finally, clients also get a complete view of the financial health of their customers and see a break-out view based on the financial health score of the individual.

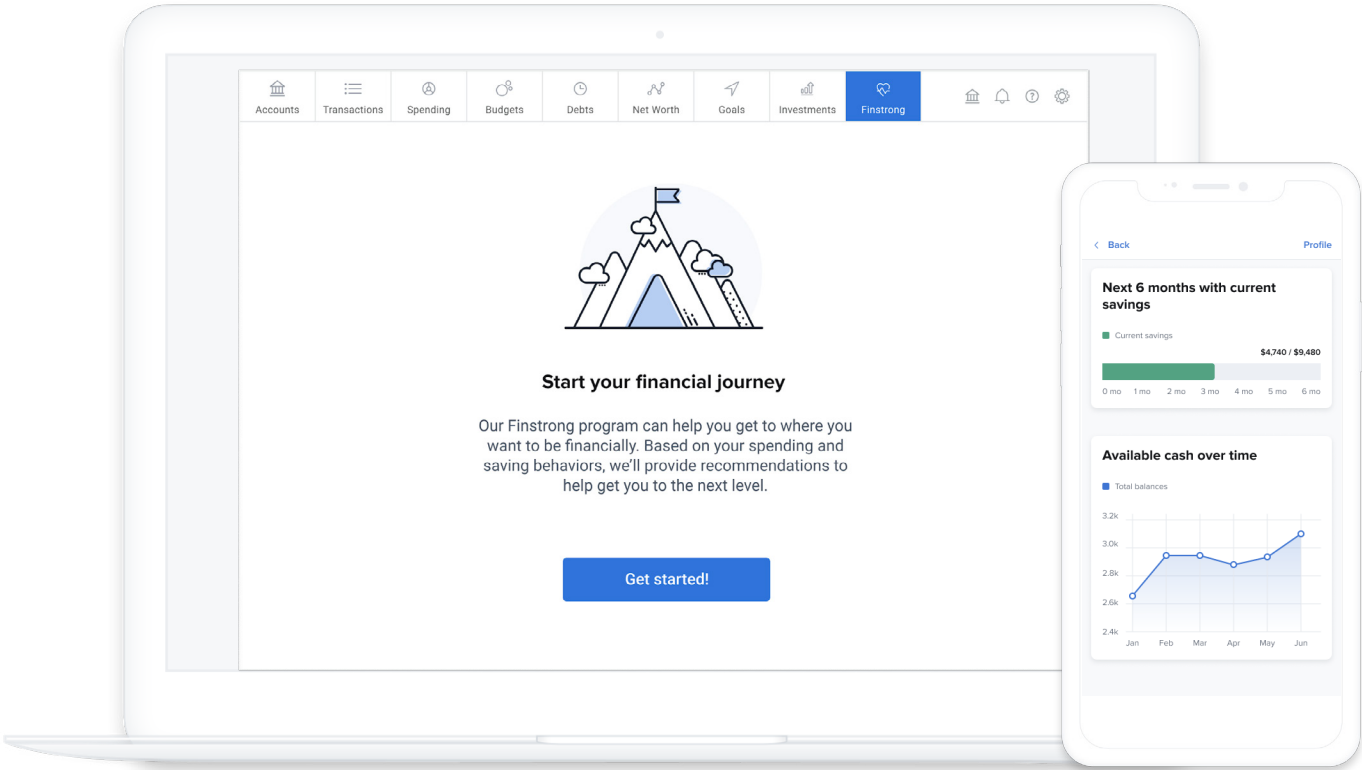
When these products are combined with a cross-platform framework built with C++ that works on any device and consistently results in 5-star ratings in the app store, clients have the edge in the future of banking.



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# Banking on **the Future**

By joining the movement from outdated money management to the money experience, you set yourself up to outcompete other players in the space and win the ongoing loyalty of your customers.







**Want to learn more?**

MX helps organizations deliver a money experience that **empowers their customers to be financially strong.**

[Request a Demo](#)

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