

SEB

19 Dec 2023

USER TESTING RESULTS: INSIGHTS &RECOMMENDATIONS

SEB Robo Advisory App

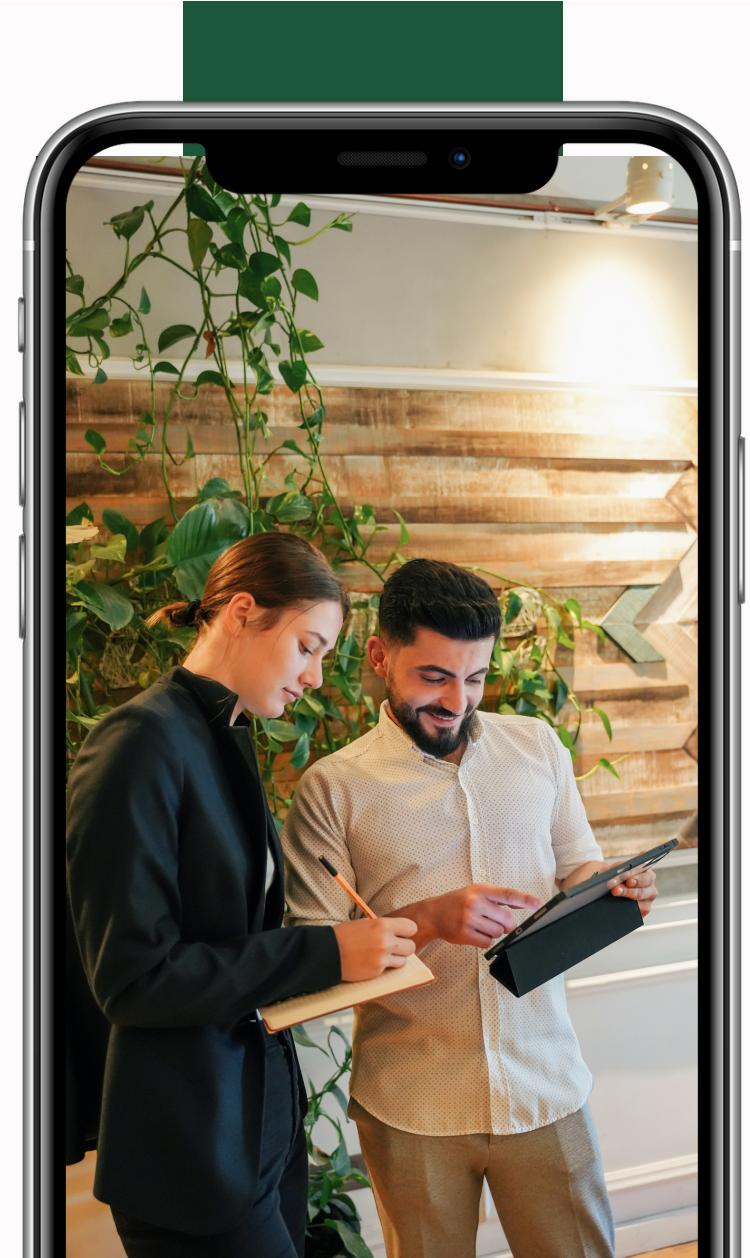
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Goal, Scope, and Objectives

Goal

Evaluate SEB Robo-Advisory System

Scope

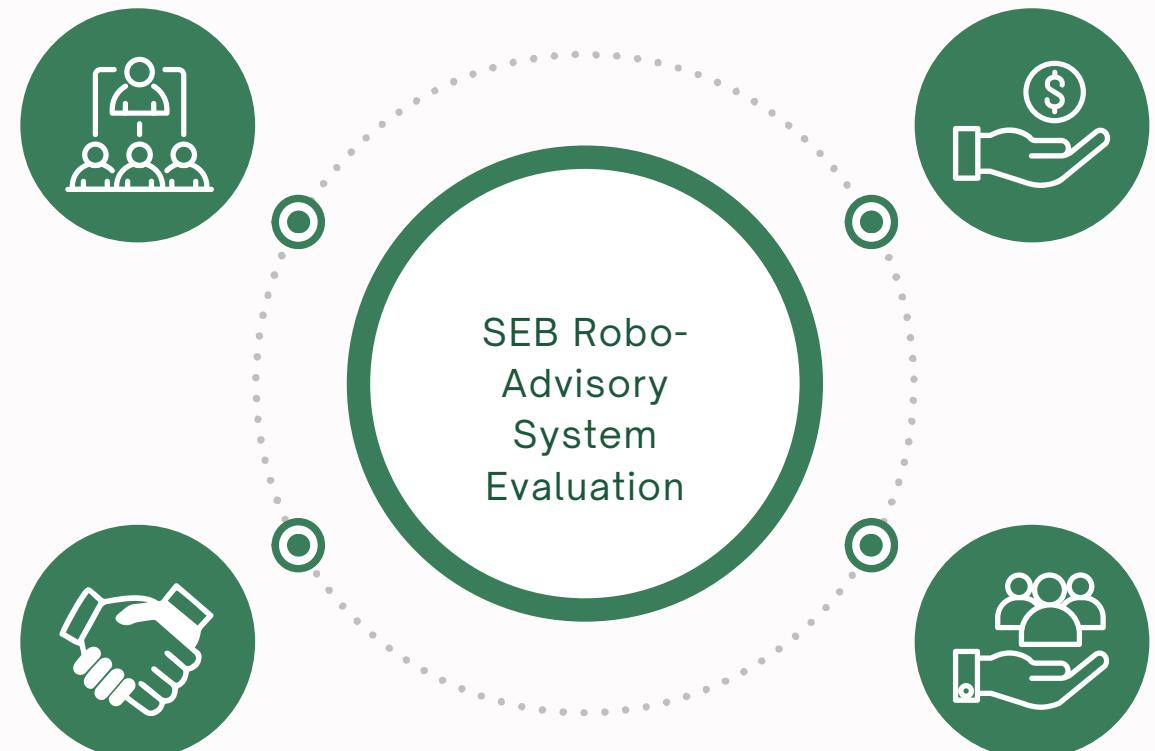
Assess the user interface and overall user experience of the robo-advisory platform.

Objective 1

Our first objective is interviewing 5 respondents from various backgrounds, observe and record their experience while they are going-through the robo-advisory.

Objective 2

After recording and observing, we are summarizing our findings and come up with points that should be developed to present better and clearer app experience



Our participants description

Quantity: 5 participants

Age: students approx. 18-25



Additional criterias: haven't used the advisory before; are not close friends/family members to each other

Location for interviews: University of Tartu, Tartu University Library

Education: Undergraduate,
Graduate



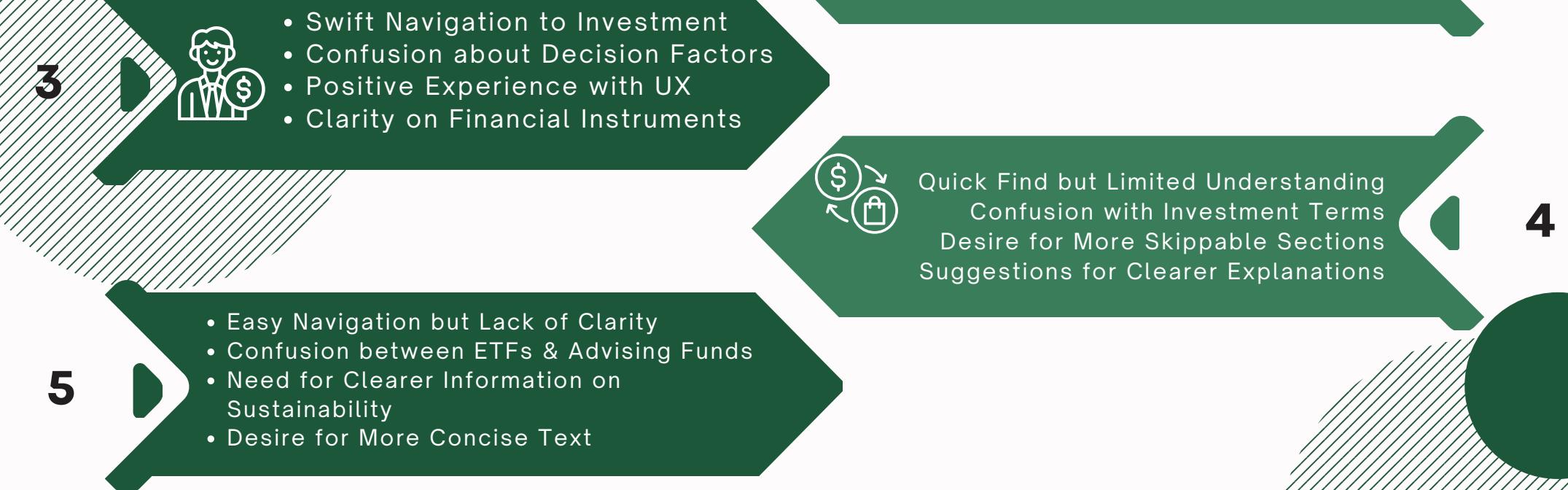
Field of studies: any (except the ones related to investments and finances, as advisory is targeted for people who are not into the subject and need a piece of advice)

Nationality: both Estonians and foreigners



Technical proficiency: the advisory has to be intuitive, only basic level of technical proficiency is needed

Some observations from user testing



MAIN PAINPOINTS OF EACH INTERVIEWEE

The second paragraph needs more clear, detailed explanations on how exactly the advice works

Is this investment right for me?

Robo-Advisor is an easy way to start investing. We will ask you to provide us with some information to prepare a personalized investment recommendation. You will only need to set-up a payment plan and our system will do the rest.

Our advice will include only a limited range of the SEB Group investment funds and should not be deemed to be dependent and thus will be subjective. More about our services, financial instruments and related risks.

Investor protection

This is an automated service and you will go through the session without our direct assistance. Also, we will not perform any periodic assessment of the advice given. If you have any questions during the session or afterwards, please contact us

Open contacts

The service is intended for private individuals in Estonia / Latvia / Lithuania only.

Start investing now

1

Confusion regarding account options - "I'd like to see marks about this portfolio and what these words mean"

Please read carefully about the provided services and make your selection

EFT portfolio

Advice on funds

ETF portfolios managed by bank

 Money will be invested in portfolio consisting of 7-10 passively managed exchange traded funds (ETFs)

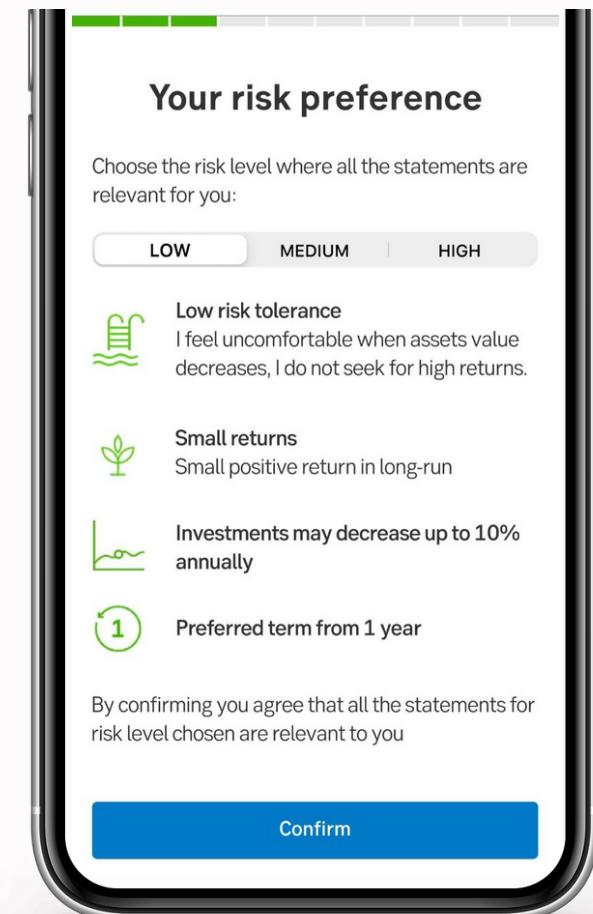
 Minimum investment amount
From 50 EUR

 Fees
xx – xx% (per year)

 Who makes investment decisions?
You will give to the bank the mandate to create and manage your securities portfolio, and to take all investment decisions related to it. You will not be able to modify the portfolio.

 Reassessment of recommendation
Based on your information bank periodically will assess suitability of your portfolio.

Challenges understanding "Risk Tolerance"



Suggestions for clarity: comparison of risk levels -
"They could explain them, dedicating a page for each risk"

2

The absence of fee-related details, raising concerns about transparency in associated costs.

Lack of scenarios was highlighted as an area for improvement

"I'd like you to elaborate on that"

The image shows two side-by-side mobile phone screens. Both phones have a top navigation bar with 'Overview' and 'Projected value' tabs. The left phone displays the 'Investment strategy' section, which includes a statement about long-term capital growth, active management, and global focus. It also shows a pie chart of portfolio composition: Equities (45%), Bonds (30%), Commodities (20%), and Other (5%). Below this, the 'Strategy type' is listed as 'Defensive'. There are links for 'Composition of portfolio' and 'Benefits of this portfolio'. The right phone displays the 'Projected investment value' section, featuring a statement about projection and future steps. It shows a slider for 'First investment from 50 EUR' set at 50,00 EUR. Below it is a slider for 'Regular monthly investment from 50 EUR' also set at 50,00 EUR. The 'Projected investment value' section shows results after 10 years: Positive scenario: 28 399 EUR and Negative scenario: 26 344 EUR.

ETF portfolio name xxxxxxxx

Overview Projected value

Investment strategy

The aim is to create long term capital growth. This fund is actively managed and has a global focus.

Portfolio consists of:

Equities (45%) Bonds (30%) Commodities (20%) Other (5%)

Strategy type Defensive

Composition of portfolio

Benefits of this portfolio

Annual costs and charges

Portfolio account administration fee: 0,42%

Portfolio ongoing fee: 0,73%

More about the fee

Projected investment value

After 10 year(s)

Positive scenario: 28 399 EUR

Negative scenario: 26 344 EUR

"You could expand on positive and negative scenarios"

"Too much text"

Is this investment right for me?

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Investor protection

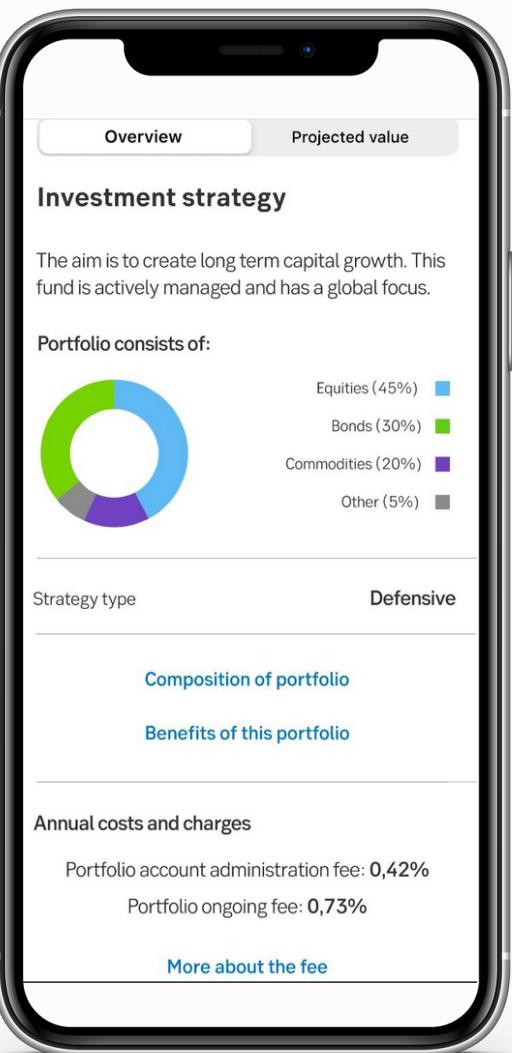
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3



More detailed explanation is needed : what "defensive" strategy type is, elaboration on fees, what they basically mean and why they are like that

"The investment goal is a redundant question"

4

"It would be better if the app allows skipping sections."

Your previous experience

Why do you have to answer these questions? i

You can continue the session even if answering "No" to these questions.

Do you have higher education and work experience in financial markets related area that allows you to understand investments?

- Yes
 No

Do you have any experience investing in financial instruments in the last 5 years?

- Yes
 No

Next

Next

"For a regular user, it should be more descriptive, what defensive means"

Overview Projected value

Investment strategy

The aim is to create long term capital growth. This fund is actively managed and has a global focus.

Portfolio consists of:



Strategy type Defensive

Composition of portfolio

Benefits of this portfolio

Annual costs and charges

Portfolio account administration fee: 0,42%

Portfolio ongoing fee: 0,73%

More about the fee

Also wants to know more about scenarios in "projected value"

"It didn't give us an approximate amount of return. What range is fluctuation for example?"

Assessment summary

Knowledge and experience with funds ✓

Investment service choice i ETF portfolio



Build wealth

Your will invest to

5

Investment period in years

5

Your financial capacity i

Medium

Suggested risk level

High

Sustainability preferences

My investments address sustainable environmental or social objectives

Medium

I confirm that the information provided to you is correct and complete

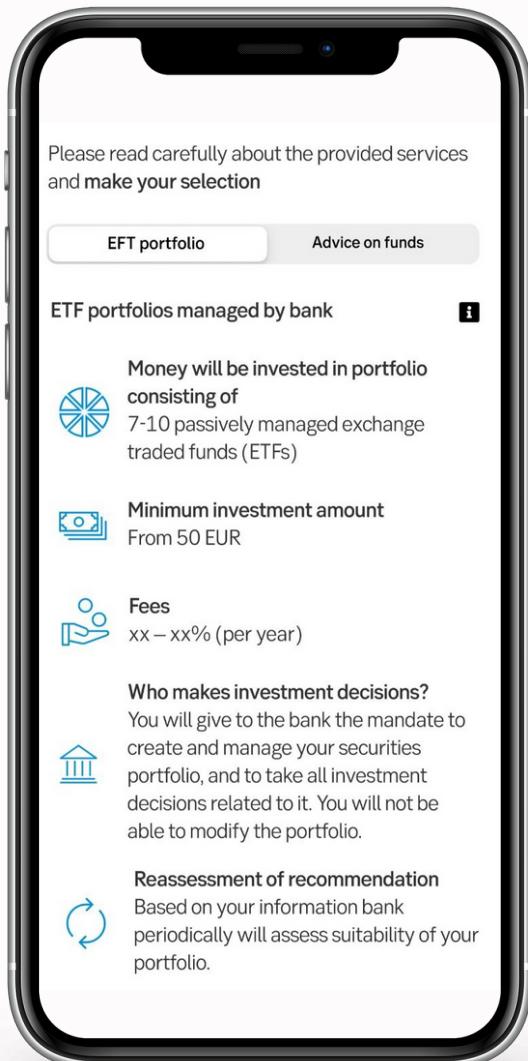
Investment recommendation with suitability report of recommended investment fund is now placed in your Internet bank in Digital documents. We advise to read it through before entering into the transactions.

Confirm

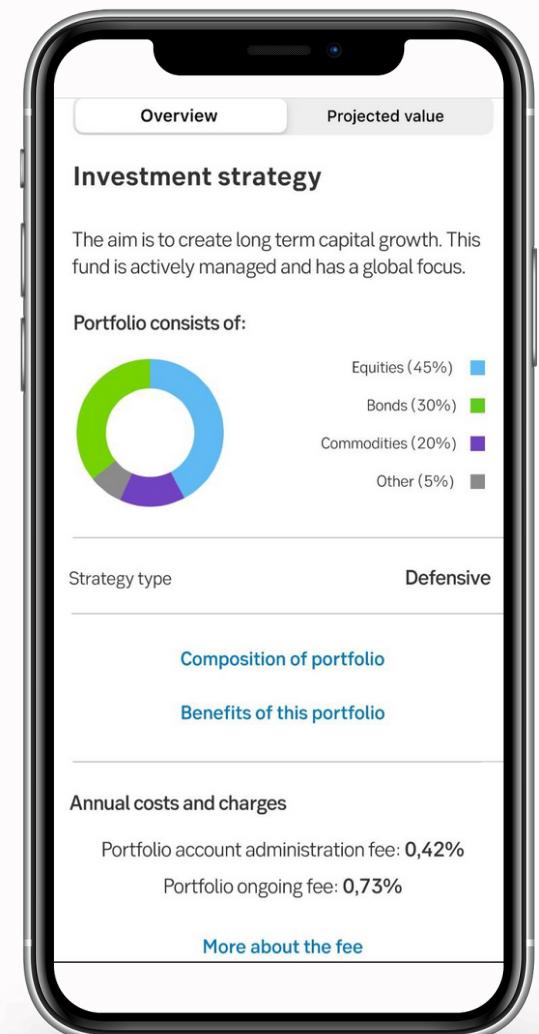
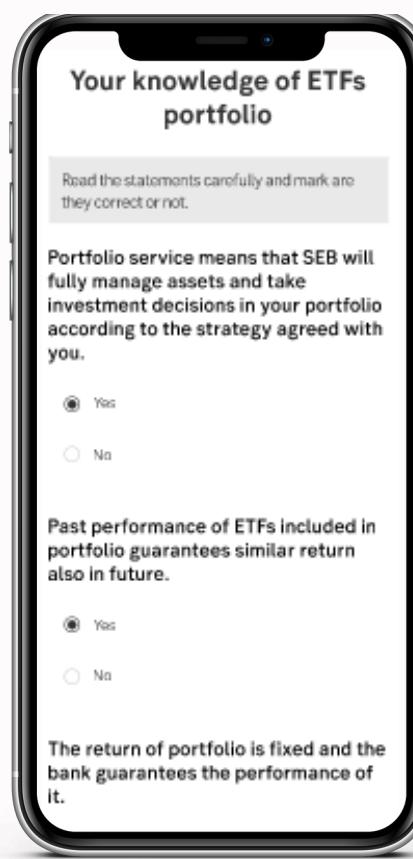
More clear explanations are needed. The person didn't understand the concept of ETF. He made a decision randomly.

5

"What kind of types (of strategies) exist also?"

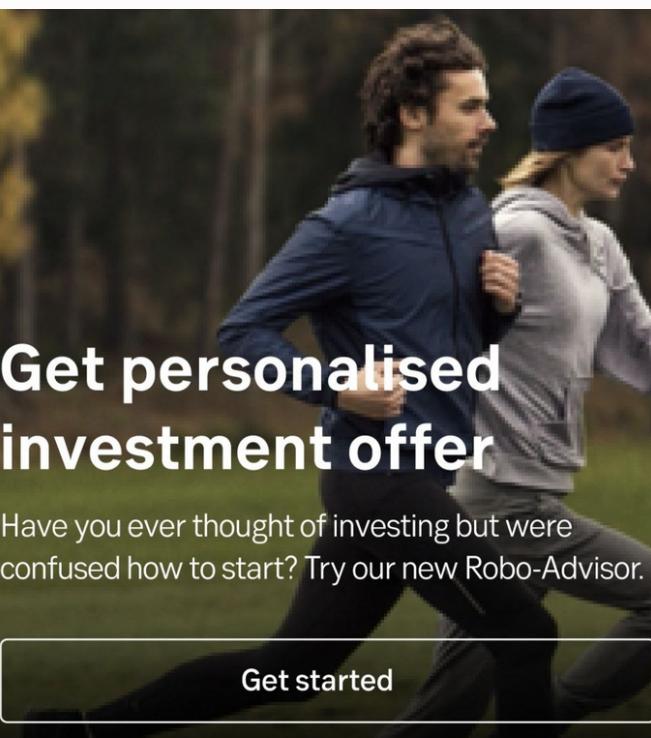


Links of past performance and returns is unclear - "For me second question is not so clear", "there is not enough explanations"



Most common painpoints

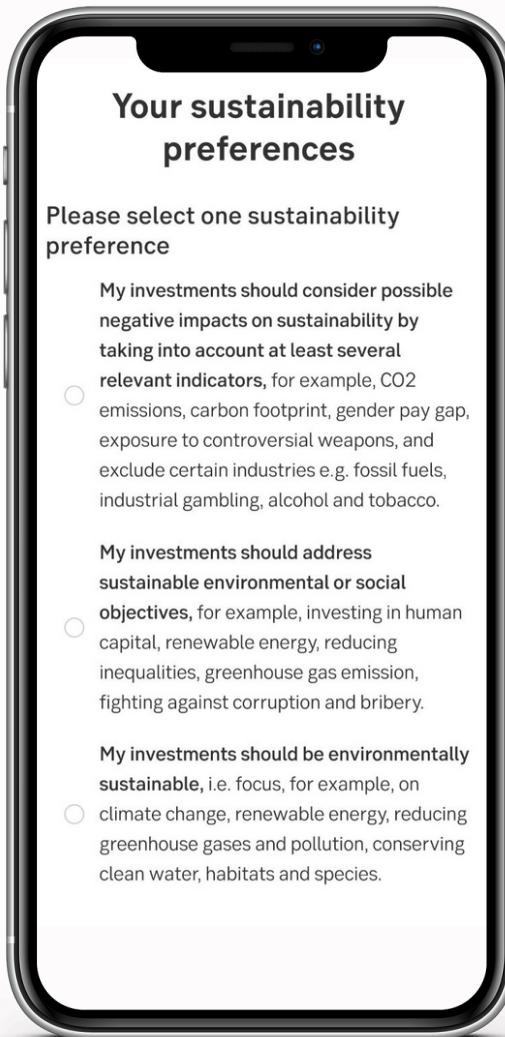
Since this button is located in the very beginning, people click on it instantly, not even reading the text - ignoring the second button



Get personalised investment offer

Have you ever thought of investing but were confused how to start? Try our new Robo-Advisor.

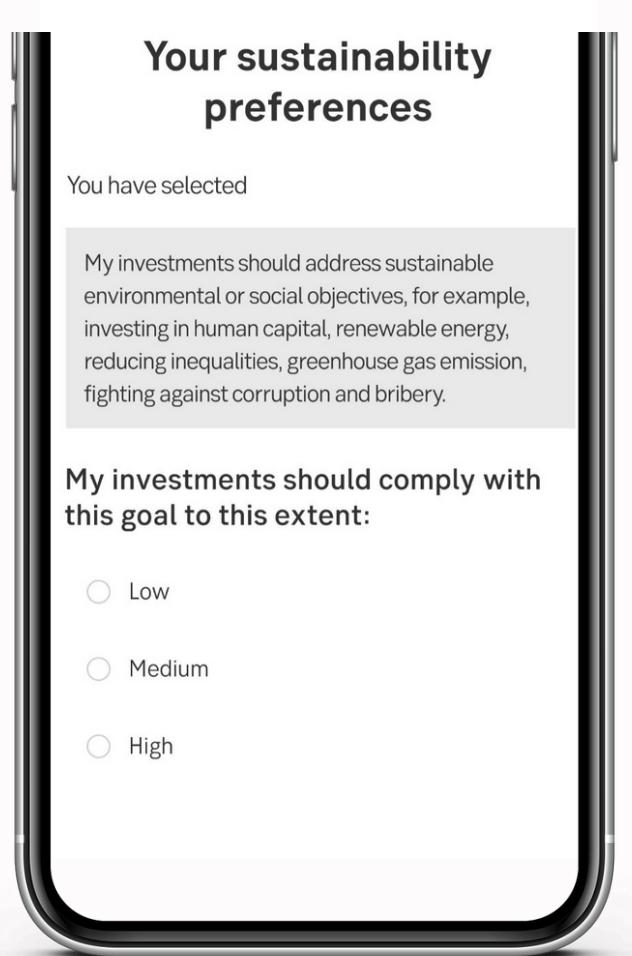
Get started



Sustainability part: “**Sustainability concept is confusing.**” Some examples was unclear (industrial gambling, gender pay gap). If the person chooses “Advise on funds” and then medium risk preference, no available investment products can be offered, why is there sustainability section at all in that case.

Still not clear why sustainability is important in context of investing

Another confusing moment



All of the interviewees thought that these “Low, Medium and High” are correlated to risk tolerance, so it is confusing, we think changing words to “Not really good, Good and Excellent” would be helpful in avoiding confusion.

Key Challenges Summary



Complex Terminology

Confusion prevailed around financial terms like ETFs, Advising Funds, and Investment Periods, impacting decision-making.



Clarity on Risk & Sustainability:

Users struggled to comprehend risk levels and sustainability factors, affecting their investment preferences.



Insufficient Information

Lack of details on fees, returns, and sustainability led to uncertainty and hesitancy in decision-making.



Text Overload & Lengthy Content

Users found excessive text and prolonged explanations overwhelming and challenging to perceive.

Main Recommendations Concluded from Feedbacks

01



Clarity on Investment Terminology

02



Streamlining Text for
Conciseness

03



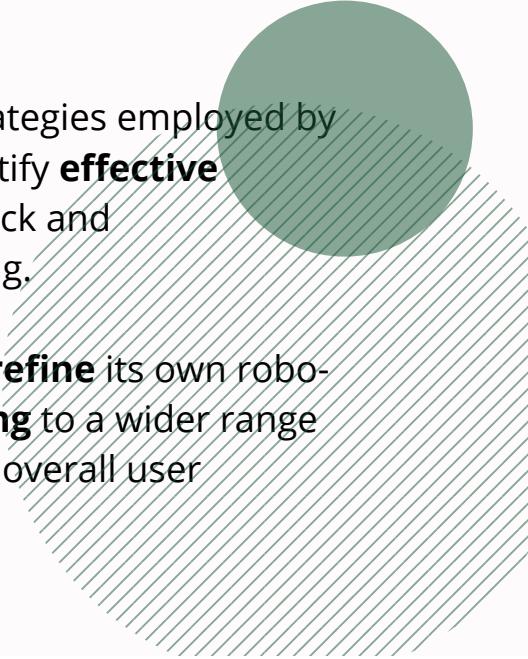
Enhanced Information
on Fees & Returns.

04



Improved Explanation
of Sustainability

BENCHMARKING



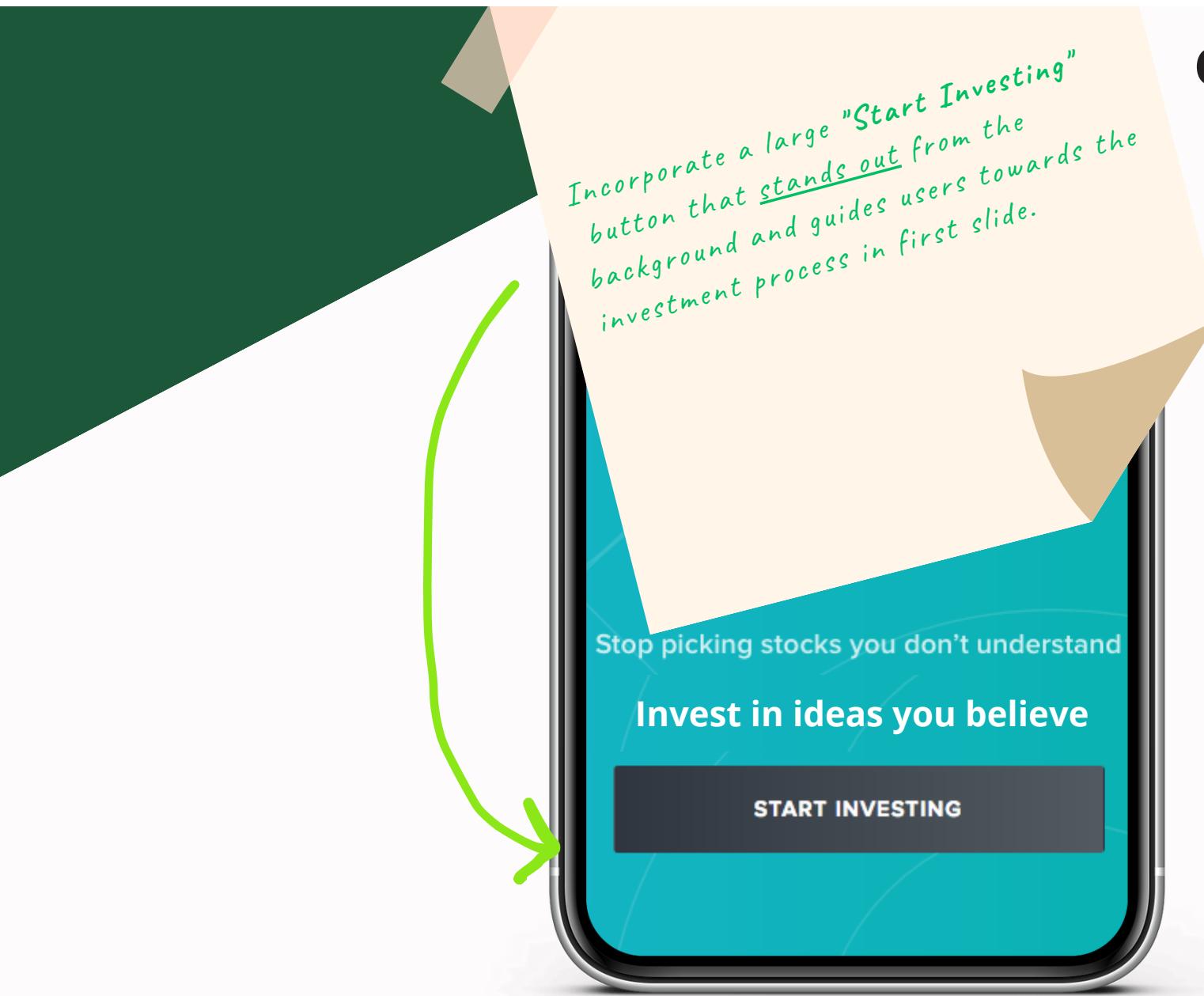
Betterment, Ellevest, Wealthfront, SoFi Invest, InvestSuit, smallcase, and Vanguard Personal Investor were selected as benchmarking examples for the SEB Robo-Advisory System due to their recognized prominence in the **robo-advisory industry**. These companies have a proven track record of success in providing *user-friendly, transparent, and cost-effective* investment solutions.

Their innovative approaches to investment education, personalized guidance, and sustainability-focused investing make them valuable sources of inspiration for SEB's own robo-advisory system.

By closely examining the features and strategies employed by these leading robo-advisors, SEB can identify **effective solutions** to address the common feedback and recommendations identified in user testing.

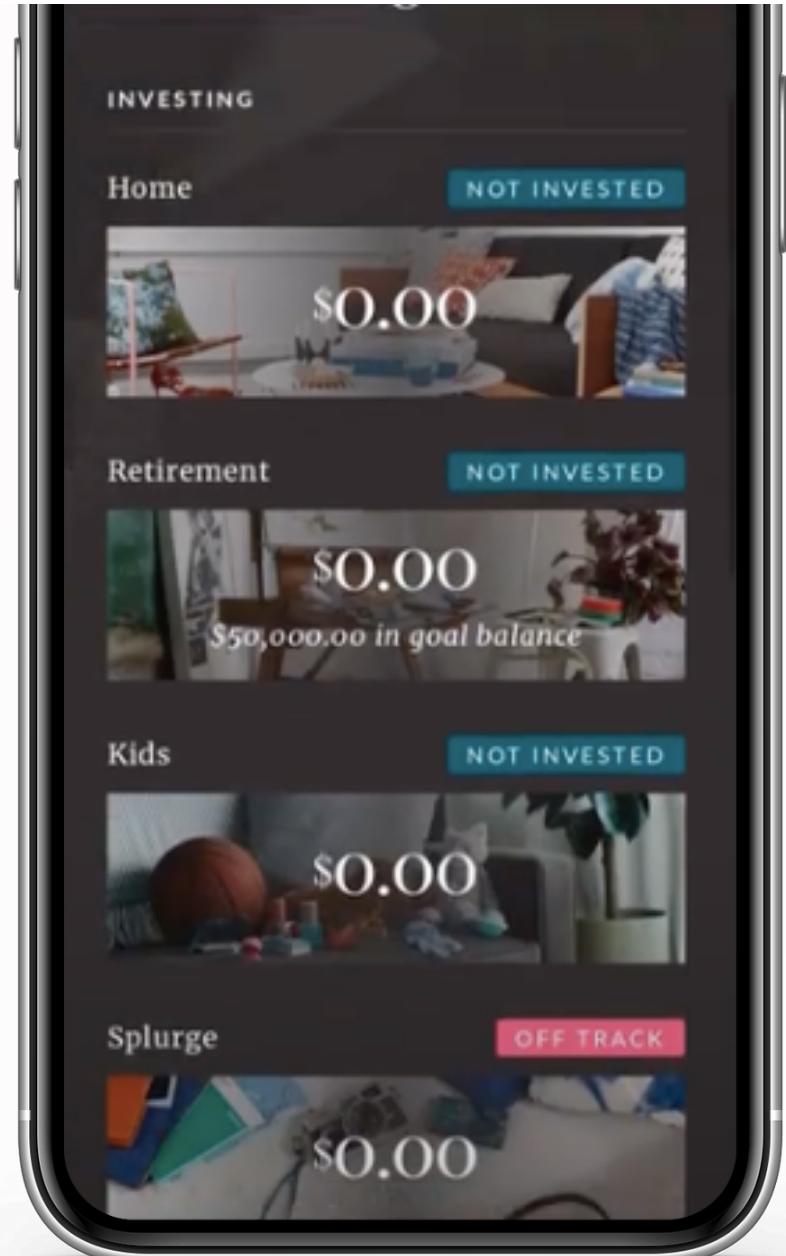
This benchmarking process will help SEB **refine** its own robo-advisory system, making it **more appealing** to a wider range of investors and ultimately enhancing the overall user experience.

01 "Invest" Button Visibility



02 Goals Options Clarity

Create clear and concise descriptions of the different financial goals, including comparison tables to highlight the key differences. The screenshot was taken from Ellevest app.



03 Risk Tolerance Explanation

Offer a personalized risk assessment questionnaire that guides users towards the most suitable investment risk profile. The screenshot was taken from "Wealthfront".

What level of risk suits you best?

Sure, everyone wants to maximize their returns — but not everyone's comfortable with the ups and downs that come with long-term investing. Whether you like to play it safe, take big bets, or both, how do you get the highest return for your comfort zone?

Take the quiz!

High risk/High return

Low risk/Low return



Provide a breakdown of fees in a transparent and easily understandable manner.

(In SEB's website we can find following, however in the prototype, we do not have it.)

In this case, it would be better if robo advisory had this kind of calculator for fees, and total amount:

Integrated Financial Advisory Fee Calculator

Investment Portfolio Value (\$):

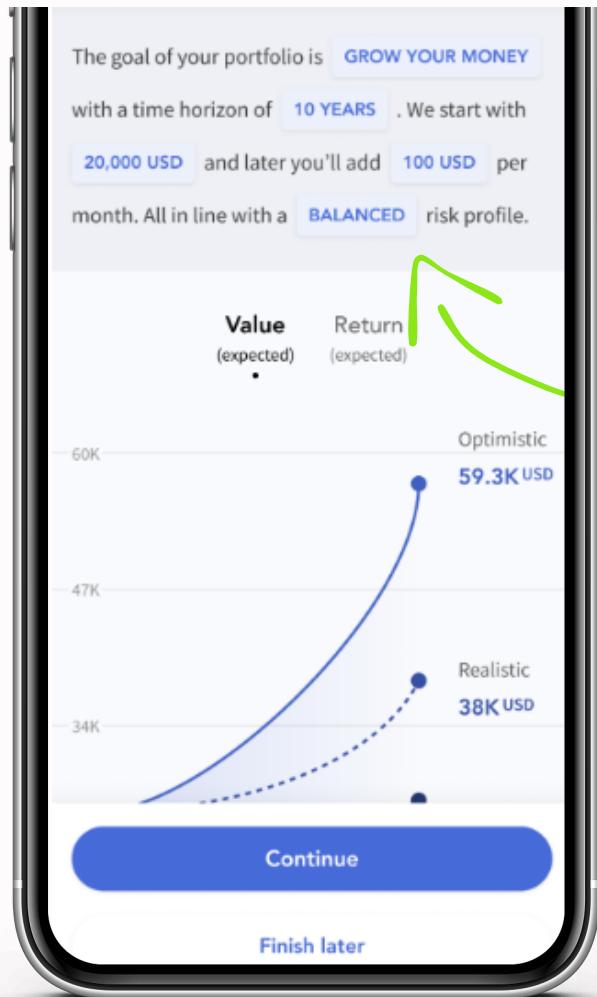
Calculate

Sensible Financial Annual Fee (\$):

Sensible Financial Annual Fee (%):

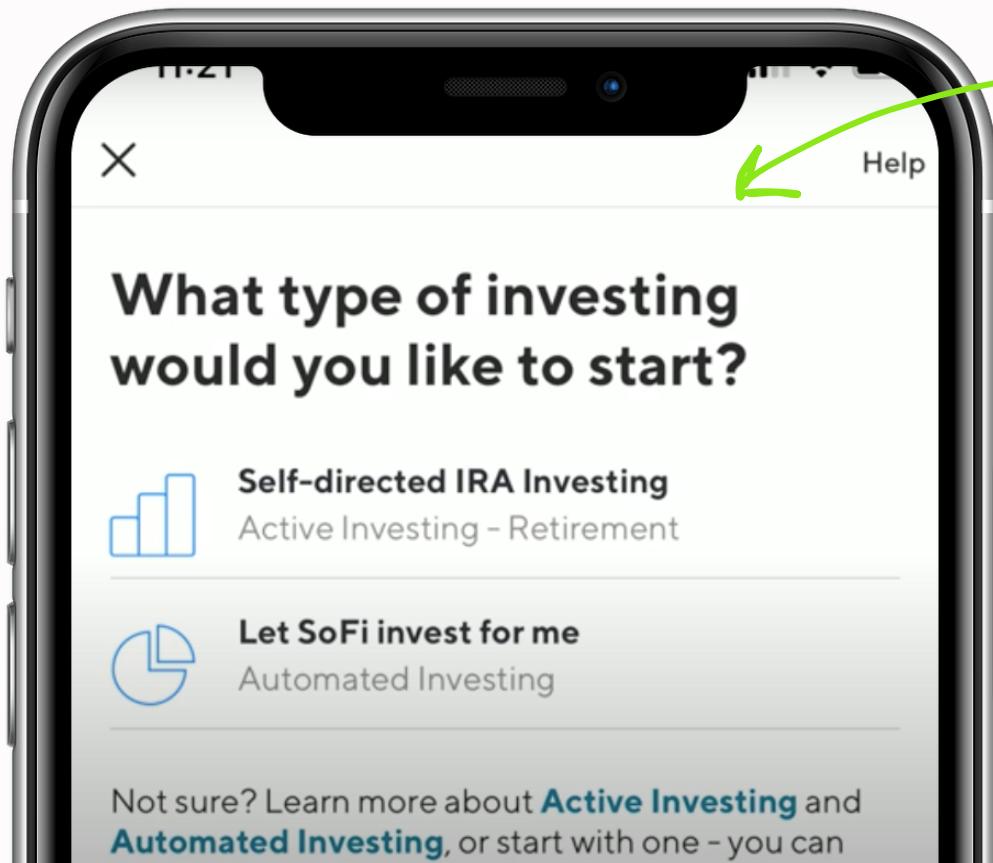
04 Transparent Fee Display

05 Projected Returns Feature



As we see the risk level is also considered in Investsuit's robo advisory. We think the robo-advisory can also adapt this feature within its app.

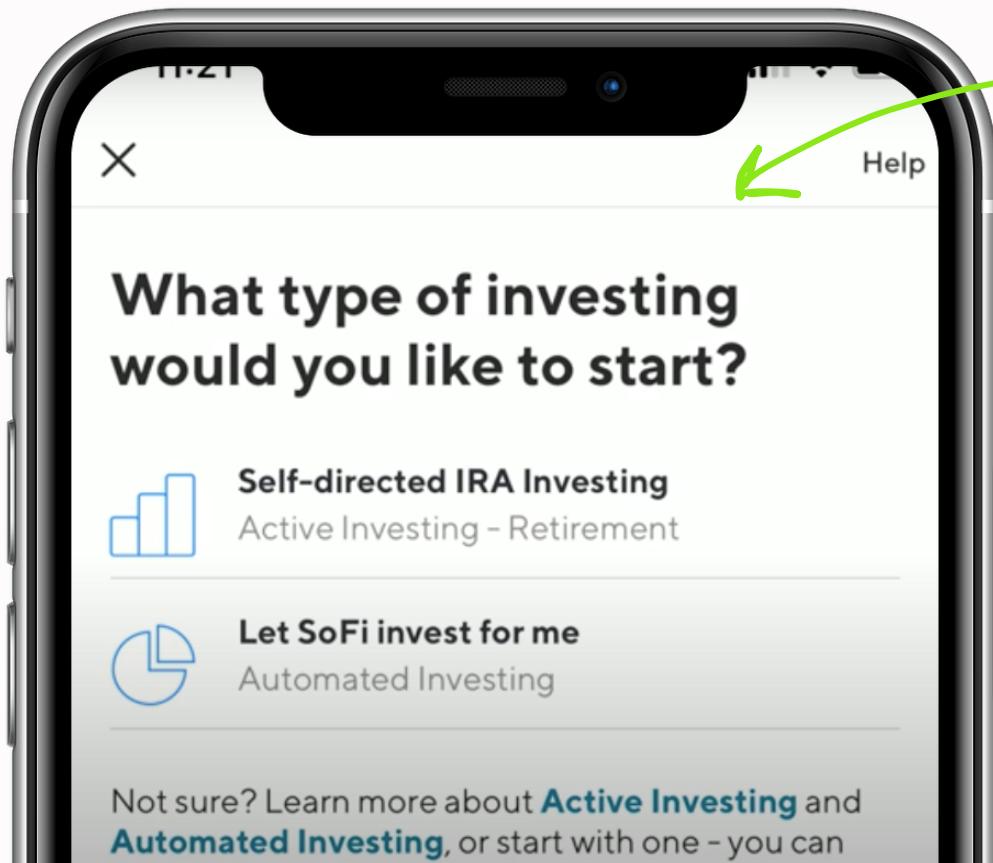
06



SoFi Invest: Offers interactive investment scenarios that allow users to experiment with different investment decisions and evaluate their impact on their portfolio.

link

06

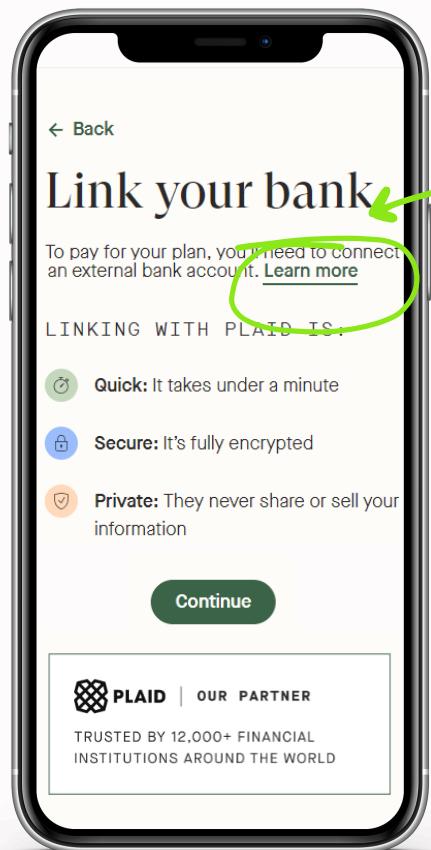


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link

Skipable Sections Option

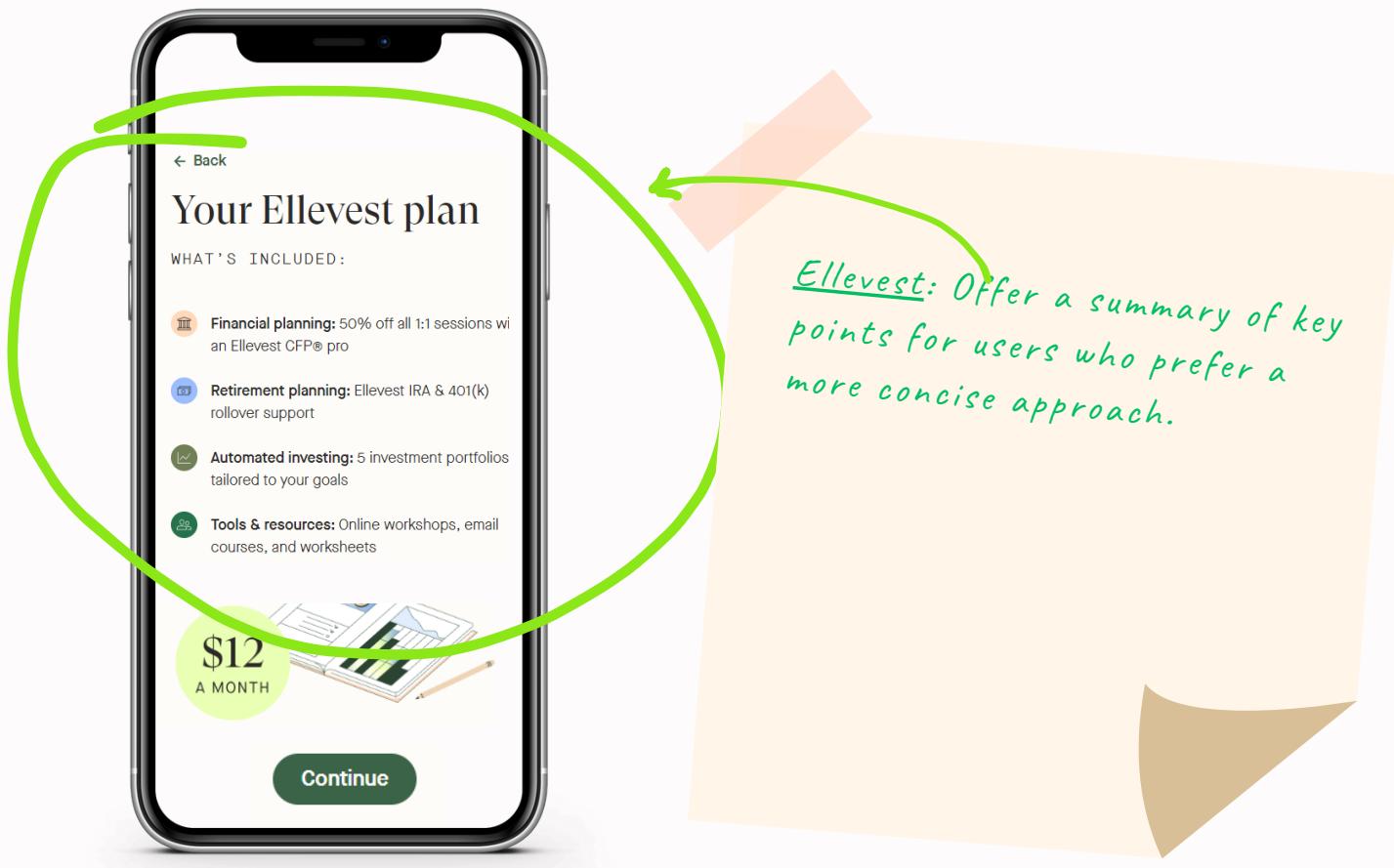
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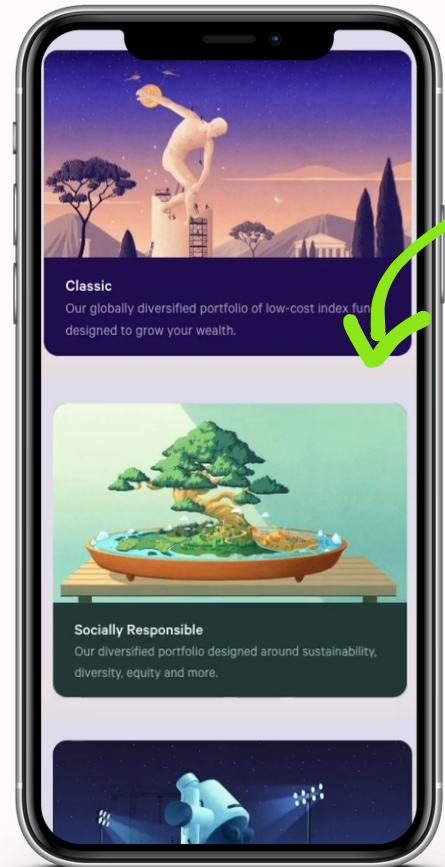
Ellevest: Provide a "Learn More" option for users who wish to delve deeper into specific topics

08

Summary



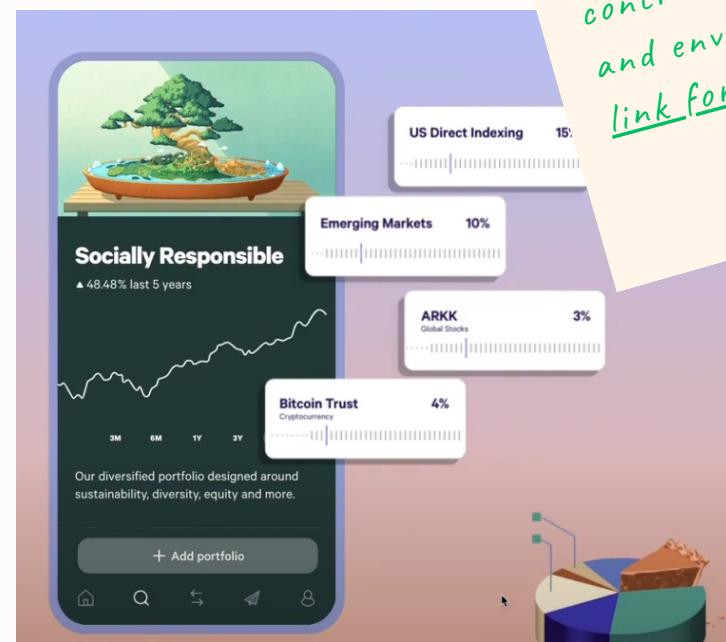
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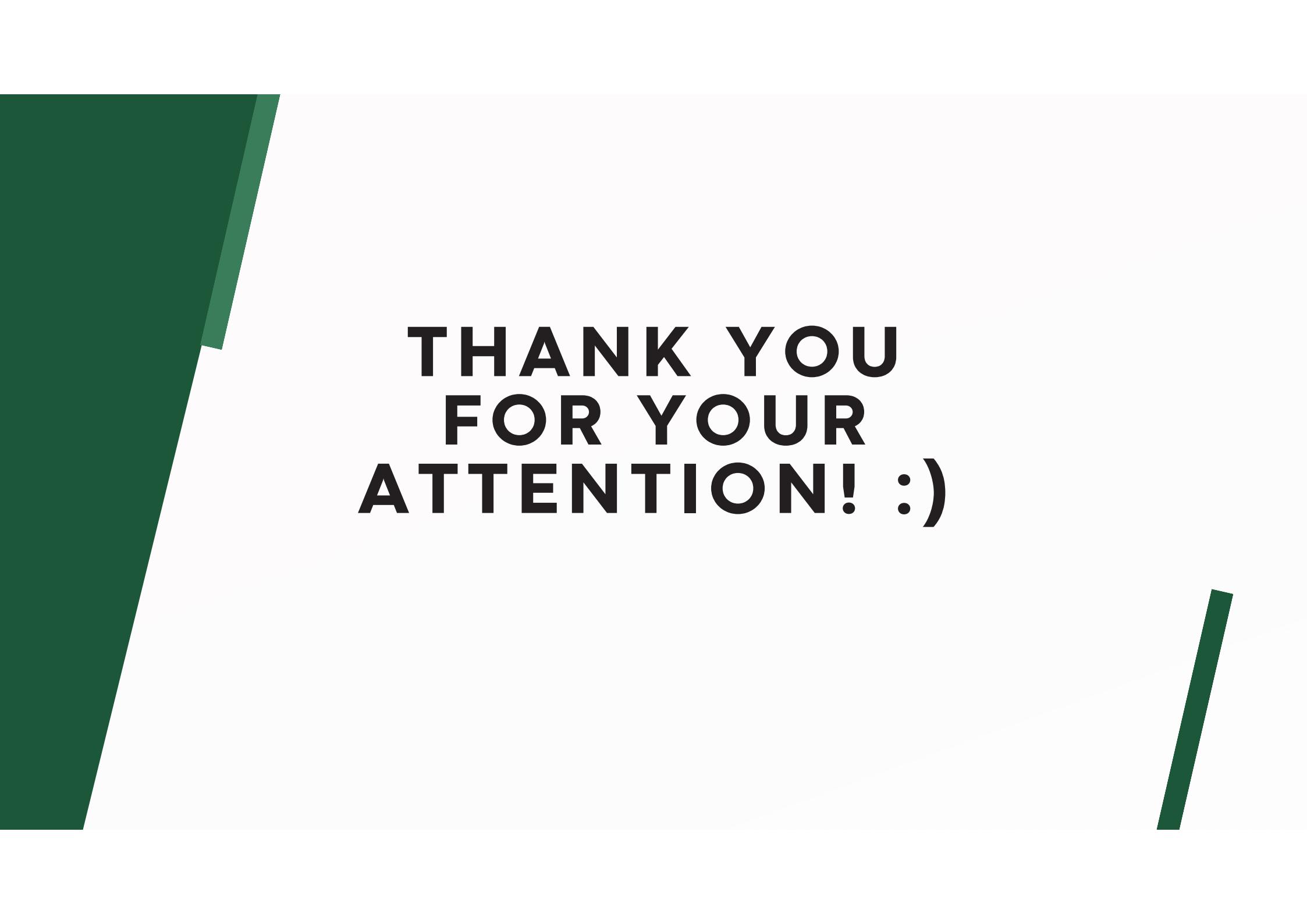


Sustainability Information Clarity

Wealthfront: Offer interactive modules that explain the principles of sustainable investing and demonstrate how it can contribute to positive social and environmental outcomes.

[link for video](#)





**THANK YOU
FOR YOUR
ATTENTION! :)**