

# PART BROKERAGE, PART TECHNOLOGY COMPANY: AN INTERVIEW WITH FIDELITY INVESTMENTS

In 2006, Fidelity Investments virtually swept the customer experience rankings in a Keynote industry study of ten leading online brokerages. Fidelity topped the ratings for overall customer experience, brand impact, acquisition impact, and customer satisfaction, and finished number two in online adoption. *Keynote Benchmark* magazine recently caught up with two Fidelity executives to discuss some of the changes they've made that helped Fidelity move to the head of the industry. Here are excerpts from our interview with Parrish Arturi and Paul Graham, both senior vice presidents in Fidelity's retail brokerage.

**Benchmark:** Fidelity showed a significant gain in customer experience ratings from 2005 to 2006, according to a Keynote Competitive Research study. What changes has Fidelity made in the past 12 to 18 months to enhance the experience for customers and prospects?

**Parrish Arturi:** We've completely redesigned a number of sections including things like our retirement products and services area, and our Retirement Resource Center. Last year, on the retirement side we released our "myPlan" offering, which, with the "myPlan" Snapshot, in just a few questions, gives you a sense of where you stand in terms of your retirement saving. And then we also redesigned our tool called the Retirement Quick Check, that is deeper into the site and gives you more detailed view of where you stand in terms of retirement.

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**Paul Graham:** In the brokerage and trading area, we completed a total redesign of all the brokerage trading screens available for customers and prospects. And aside from all the screen and navigational changes, there is richer information about what Fidelity offers, how it can benefit you, and how to use it.

On the “how to use it” side, a new Trading Knowledge Center was launched. And in that Web site — this is all in front of the login — anyone can access fundamental information not only about how to use Fidelity's trading products but also fundamentally how to access the markets and how to use Fidelity's tools and trade smarter. We've launched 15 modules in this learning center and we'll be launching 30 more modules in the coming year.

The way the learning center is designed — it's called the Trading Knowledge Center — it's really focusing in on the way people like to learn. There's a streaming video in there. There's text. There are five different ways you can learn about the products, and strategize as well.

It's really a unique experience and has gotten a lot of great response from our customers and from prospects. And as I mentioned, it's all in front of the login.

**Benchmark:** How did you decide which aspects of the site to redesign, and what types of changes to make?

**Parrish Arturi:** Everything that we do is based on what we call “best-of-customer and representative feedback.” We think about use cases and personas and we use a whole host of different information — primary and secondary research, usability, competitive analysis — to frame up where the opportunities are.

**Paul Graham:** We do have what we feel is a very unique way to understand our customers through what we call “Value Network.” When our customers call into Fidelity representatives, we have an immediate and real-time process to take that information and pass it into a database so that we can assess customer needs and trends. We look at that information very intensively as we think about new products to launch, what things we need to fix, and get a temperature check of our customers' satisfaction.

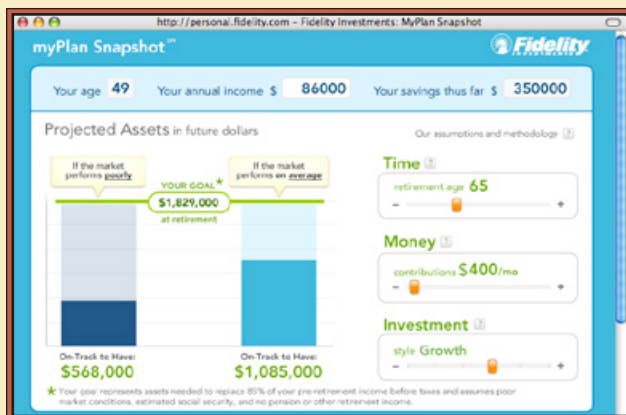
**Benchmark:** Have you been able to measure the impact of these changes? How do you track results?



Fidelity's home page gives customers ready access not only to the details of their accounts, but also to one of the internet's richest repositories of investment data and research.



Fidelity's extensive Trading Knowledge Center is a vast resource of knowledge for everyone from first-time investors to seasoned pros. Users can learn in a host of formats, from interactive videos to in-depth articles.



Part of Fidelity's "myPlan," rolled out in 2006, is a step-by-step widget that quickly assesses the state of the user's retirement savings plan — or lack thereof!

**Parrish Arturi:** Our measures of success are traditionally in terms of things like click-through, throughput, conversion rates, as well as satisfaction scores — before and after. In each of those cases when we've done redesigns, we've seen our metrics improve.

**Benchmark:** Clearly you've put a lot of effort and resources into the Trading Knowledge Center, setting Fidelity.com up as the go-to place to learn everything from the basics to sophisticated trading concepts and strategies. Now, outside of learning, what sort of practical functionality have you been working on for active customers?

**Paul Graham:** We've taken numerous initiatives in the Active Trader and brokerage space in the last 12 months. As one example, we've launched many new capabilities in the options marketplace. The options market is probably one of the fastest-growing markets in the industry, growing at greater than 20 percent per year.

On the research side, we launched a new sector-trading analysis capability. We already have the most independent equity research in the marketplace. And last year, we complemented that with new sector research, where you can now actually look through and learn about sectors in the marketplace, ETFs in the marketplace, as well as mutual fund sectors, all in one place.

Over the last month and a half, we launched additions to the best fundamental research in the marketplace in terms of quality and depth and breadth.

On the Active Trader side, there were enhancements in terms of performance of the product, reduced market data latency. We improved and made the applications swifter.

These were the headline highlights of 2006.

**Parrish Arturi:** In addition to all the things that Paul talked about, there are a number of other enhancements for customers on the service side, including adding check images to the site for our cash management customers, making portfolio information clearer, improving self-service capabilities, PIN reset, and making money movement easier both inside Fidelity, across Fidelity accounts, as well as to outside Fidelity accounts.

We've also been very focused on security. Last year we rolled out our Customer Protection Guarantee which says to customers, if anything happens with their accounts due to fraud or unauthorized transactions, we will reimburse them.

And it's all part of our ongoing program around driving engagement to help our customers become more and more comfortable with the Web and also understand Fidelity and what we can do for them on Fidelity.com.

# “We’re at an inflection point and we’re seeing a new tide and sea change in the technology capabilities that are being made available through the Web.”

**Benchmark:** Next topic: What about your mobile customers? What are you doing to enable customers to interact with Fidelity using their cell phones and Blackberries?

**Paul Graham:** We have a persuasive offering called “Fidelity Anywhere.” It provides the same kind of functionality that the customer would find inside the login on the Web. We see an increasing trend of customers that are actually using them not only for getting financial information, whether that be quotes or otherwise, but actually to transact with us.

**Parrish Arturi:** Just a couple of months ago, we launched a new short messaging service. It’s a technology that’s very unique because it leverages your telephone, versus a richer connection that you might need the Internet for, where you can actually receive text messages. It runs through the voice system so that you can receive alerts and text messages directly from Fidelity to your telephone.

**Paul Graham:** We’ve been well ahead of the curve in terms of wireless capabilities. As the devices increase their capacity and ability to accept richer data streams, we’re going to be able to provide more capabilities.

**Parrish Arturi:** Part of the next generation is creating wireless actionable alerts. So you’ll be able to actually execute based on the alert that we’re sending you, whether that might be to make a transaction or transfer funds.

**Benchmark:** What are the biggest challenges Fidelity is facing in the next 12 to 18 months?

**Paul Graham:** One is, new smaller competitors entering the marketplace. We hadn’t seen that in a while and they tend to be trading-oriented firms offering trading capabilities for pretty low prices. So there’s also some pricing pressures in the marketplace.

And I’d say another challenge is really technology. I really feel like we’re at an inflection point and we’re seeing a new tide and sea change in the technology capabilities that are being made available through the Web ... service capabilities that are allowing for functionality that was once required of a thick client now can be done through the Web site. More people than ever have DSL or cable capabilities.

Fidelity is a financial services firm but we’re also a technology firm. Through Fidelity Labs you can actually participate in beta format, and try new capabilities, such as visualization and other new technologies. A tremendous amount of our time is focused on technology and we have some interesting and unique experiences that are pushing the boundaries of the technology marketplace. ◀



## **Parrish Arturi**

Senior Vice President, Web Channel  
Fidelity Personal Investments

Parrish Arturi is responsible for channel oversight and management of the customer experience on [www.fidelity.com](http://www.fidelity.com), Fidelity’s primary consumer Web destination, as well as management and development of Fidelity’s wireless and automated phone channels. Arturi and his team are tasked with delivery and execution against channel sales and service goals, as well as ensuring competitive leadership and differentiation of Fidelity’s consumer offerings. Arturi holds a B.A. degree in Economics and an MBA, both from Wake Forest University.



## **Paul Graham**

Senior Vice President  
Retail Brokerage Product Development  
Fidelity Personal Investments

Paul Graham is responsible for the strategic direction of Fidelity’s retail brokerage business, and oversees all related product development efforts, in addition to Active Trader capabilities through Fidelity’s online channel. Graham holds a B.S. in Finance from Long Island University and an MBA from the University of Dallas.