The State Of Mobile Banking, 2015

Landscape: The Mobile Banking Strategy Playbook

by Aurélie L'Hostis and Peter Wannemacher

October 13, 2015

Why Read This Report

Mobile banking continues to gather momentum across developed countries, fueled by rising smartphone use and the steadily improving supply of mobile banking from banks worldwide. We expect mobile banking to continue growing strongly over the next few years, displacing online banking for everyday tasks. To encourage and profit from that growth, eBusiness executives must use mobile to engage customers and drive sales. Many banks need to think of mobile as more than just a channel. eBusiness executives can use mobile technologies to create new sources of value for customers and use context to deliver more relevant and engaging customer experiences. This report forms part of our mobile banking strategy playbook and is intended to help eBusiness and channel strategy professionals understand the state of customer demand in developed economies, what mobile functionality banks have rolled out, and how to develop their own mobile services.

Key Takeaways

Mobile Banking Is Growing Strongly, Displacing Online Banking For Everyday Tasks

Mobile banking continues to gather momentum, fueled by rising smartphone use and the steadily improving supply of mobile banking. Consumers are progressing from simply checking their account balances or locating an ATM to more complex interactions such as transferring money and making bill payments on mobile.

Digital Banking Leaders Serve Customers In Their Mobile Moments

Banks in developed economies are offering a growing range of mobile functionality that helps customers keep track of their finances, make payments, find the nearest ATM, and research and apply for financial products on their smartphones. Leading firms are serving mobile moments throughout the customer life cycle on a range of platforms.

Digital Banking Teams Must Exploit Mobile Banking To Engage Customers

To drive customer adoption and use and increase the number of active mobile banking users, digital banking teams need to take a customer-centric approach to mobile banking -- with the implementation of personalized mobile banking services -- and use the full potential of mobile to keep customers engaged.
The State Of Mobile Banking, 2015
Landscape: The Mobile Banking Strategy Playbook

by Aurélie L’Hostis and Peter Wannemacher
with Benjamin Ensor, Jacob Morgan, Oliwia Berdak, Rachel Roizen, Alexander Causey, Cody White, and Nicole Lesperance
October 13, 2015

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This analysis is based on ongoing conversations and interviews with eBusiness and channel strategy executives responsible for mobile banking. It also uses data from Forrester’s Consumer Technographics® surveys.

Related Research Documents

2015 Global Mobile Banking Functionality Benchmark
Build A Strategic Plan By Designing For Bank Customers’ Mobile Moments
Follow Best Practices To Encourage Mobile Banking Use
The Mobile Banking Imperative
The Current State Of Mobile Banking

Customers are in the midst of a mobile mind shift. As a result of their perpetual mobile connections, they expect immediate access to relevant information and services when they reach for their phones, in what Forrester terms a mobile moment. In this report, we look at the state of customer adoption of mobile banking and the offerings from leading firms, focusing on the developed economies of North America, Europe, and Asia Pacific.

Customer Adoption Of Mobile Banking Is Growing Strongly

Mobile banking continues to gather momentum, fueled by rising smartphone use and the steadily improving supply of mobile-optimized banking worldwide. We surveyed US and Western European online adults in Q1 and Q2 2015 about their interest in and use of mobile phones for a range of banking tasks like checking a balance, transferring money, and paying a bill. We found that:

›**Mobile banking use keeps growing.** Among US online adults, 36% are active mobile banking users, up from 13% in 2011. Mobile banking use is lower in Western Europe, with 25% of online adults using mobile banking at least once every three months, up from 9% in 2011.

›**There are substantial national differences.** There are big differences in adoption rates across countries: While overall mobile banking use in Australia, the Netherlands, Sweden, and the US is approaching half of all online adults, Canada (30%), the UK (25%), and Germany (19%) are lagging behind. There are also big differences in the proportion of individual banks’ customers who use mobile banking, with direct banks naturally having more mobile banking users than most multichannel banks.

›**Tablet banking use is decreasing in the US but still growing in Europe.** Among US online adults, 17% are active tablet banking users, down from 19% in 2014. Tablet banking is higher in Western Europe, where 13% of online adults are active tablet banking users, up from 11% in 2014.

›**Mobile banking users are typically young and wealthy.** In both the US and Europe, mobile banking users are typically younger than the average online adult (see Figure 1). They are more likely to be well educated and work full-time, as well as to have a slightly higher income than the average US or European online adult. In Europe, men are slightly more likely to use mobile banking than women.

›**Many factors influence mobile banking adoption.** A wide variety of factors influence consumers’ likelihood to bank on their smartphone and help to explain the differences in adoption between countries and among individual banks. These factors include mobile Internet adoption, availability of affordable data plans, smartphone ownership, privacy and security concerns, the availability of traditional banking channels like branches and ATMs, and individual banks’ efforts to promote mobile banking use.
Privacy and security concerns still deter some consumers from using mobile banking. In Europe, for instance, three main reasons still keep online adults from using mobile banking: 33% of those who have mobile phones but don’t use mobile banking say they do not like banking on a mobile phone; 32% don’t believe it is safe or secure; and 30% don’t trust banking on a mobile phone. However, people had similar concerns about online banking 15 years ago.

**FIGURE 1** US And European Mobile Banking Users Are Typically Young And Wealthy

<table>
<thead>
<tr>
<th></th>
<th>US</th>
<th>Europe*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>51%</td>
<td>55%</td>
</tr>
<tr>
<td>Mean age</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>High education</td>
<td>50%</td>
<td>49%</td>
</tr>
<tr>
<td>Employed full-time</td>
<td>56%</td>
<td>56%</td>
</tr>
<tr>
<td>High household income</td>
<td>37%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Base: 22,021 US online adults (18+) who are mobile banking customers
Base: 6,362 European online adults (18+) who are mobile banking customers

Customers Use Mobile Banking Primarily For Information And Routine Tasks

People use mobile banking first and foremost for day-to-day banking tasks like checking their account balance or a recent transaction or for transferring money between bank accounts. With digital touchpoints gradually replacing the branch as the hub of many customers’ relationships with their banks, fewer people are going into branches to conduct routine transactions. Although mobile banking use differs substantially by country — and bearing in mind that some banks offer more functionality than others — overall:

› **Mobile banking is displacing online banking for everyday tasks.** The simplicity, immediacy, and context of mobile banking mean that it is slowly but steadily displacing online banking for routine banking tasks like checking account balances, viewing transaction histories, making money transfers, and paying bills.  

› **Consumers most often use mobile banking for information.** In the US, the most popular mobile banking activities are checking an account balance, viewing a recent bank transaction, and transferring money between bank accounts at the same firm (see Figure 2). In Europe, balance checking, followed by viewing or checking a recent bank transaction, and receiving an SMS alert are the top three most popular mobile banking activities.  

› **Consumers are increasingly using their mobiles to transfer money.** A growing number of people are using mobile banking to transfer money between their own accounts at the same bank, transfer money between their own accounts at different banks, and transfer money to others. US mobile banking users are more likely to use transactional mobile features than their counterparts in Europe.  

› **A growing number of consumers are using their mobiles to pay bills.** Mobile bill payment is increasingly popular. In the US, 35% of mobile banking users have viewed or received a bill using their device, and 16% of them have added a new bill payee directly on mobile. Meanwhile in Europe, where bill payment is typically more automated than in the US, only 24% of mobile banking users have paid a bill using their device.  

› **A smaller proportion of consumers use mobile money management features.** One in five mobile banking users in the US and 16% of mobile banking users in Europe are using money management features such as goal setting and budget trackers on their mobile devices.  

› **Consumers are more likely to use tablet banking to pay bills and research products.** While activities that require little more than a few clicks and a glance at the screen are often conducted on smartphones, customers are slightly more likely to use tablets for more complex tasks that take a bit longer, such as paying bills; using money management features; and researching, applying for, or buying financial products (see Figure 3).
FIGURE 2 US And European Consumers Use A Broad Range Of Mobile Banking Functionality

US consumers use a broad range of mobile banking functionality

“Which of the following banking activities have you done on your mobile phone in the past three months?”

- Checked my bank account balances: 80%
- Viewed a recent bank transaction: 52%
- Transferred money between bank accounts at the same firm (e.g., checking to savings): 45%
- Deposited a check: 42%
- Viewed or received a bill: 35%
- Set up or received account alerts (e.g., balance, payment, fraud): 34%
- Sent money to another person: 29%
- Paid bills at a biller’s own website (e.g., insurance company, phone company): 28%
- Viewed a copy of my paper account statement online: 28%
- Transferred money between bank accounts I own at different firms: 26%
- Paid bills at a bank’s or credit union’s website: 25%
- Viewed a check I wrote in the past: 22%
- Changed personal information (e.g., address, phone): 22%
- Accessed money management tools (e.g., reporting, goal setting): 20%
- Paid bills at a portal or non-financial site (e.g., Yahoo, MSN Money Central): 19%
- Added a new biller (for bill pay): 16%

Base: 3,015 US online adults (18+) who are mobile banking customers (multiple responses accepted)

FIGURE 2 US And European Consumers Use A Broad Range Of Mobile Banking Functionality (Cont.)

2-2 European consumers use a broad range of mobile banking functionality

"Which of the following banking activities have you done on your mobile phone in the past three months?"

- Checking my bank account balance: 78%
- Viewing or checking a recent bank transaction: 53%
- Receiving a text-message (SMS) alert (e.g., balance alerts, security alerts, etc.): 40%
- Transferring money between my own accounts at the same bank: 32%
- Looking up the location of a bank branch or ATM: 30%
- Transferring money to others (e.g., family/friends) via their bank account: 27%
- Paying bills: 24%
- Getting in touch with customer service/an account manager: 23%
- Transferring money between my own accounts at different banks: 20%
- Setting up or managing alerts (e.g., balance, payment, or fraud alerts): 20%
- Transferring money to others (e.g., family/friends) using an email address or mobile number: 18%
- Topping up my mobile phone credit: 17%
- Using money management features (e.g., budget tracker): 16%
- Researching financial products: 15%
- Changing my personal information (e.g., address, phone number): 11%
- Buying or applying for financial products: 9%

Base: 5,614 European online adults (18+) who are mobile banking customers (multiple responses accepted)

Source: Forrester's European Consumer Technographics® Financial Services Survey 1, 2015
**FIGURE 3** US And European Consumers Use A Broad Range Of Tablet Banking Functionality

3-1 US consumers use a broad range of tablet banking functionality

"Which of the following banking activities have you done on your tablet in the past three months?"

- Checked my bank account balances: 73%
- Viewed a recent bank transaction: 46%
- Viewed or received a bill: 42%
- Transferred money between bank accounts at the same firm (e.g., checking to savings): 37%
- Viewed a copy of my paper account statement online: 34%
- Paid bills at a biller’s own website (e.g., insurance company, phone company): 32%
- Transferred money between bank accounts I own at different firms: 31%
- Paid bills at a bank’s or credit union’s website: 28%
- Sent money to another person: 27%
- Viewed a check I wrote in the past: 26%
- Set up or received account alerts (e.g., balance, payment, fraud): 24%
- Changed personal information (e.g., address, phone): 23%
- Accessed money management tools (e.g., reporting, goal setting): 22%
- Deposited a check: 20%
- Paid bills at a portal or non-financial site (e.g., Yahoo, MSN Money Central): 18%
- Added a new biller (for bill pay): 17%

Base: 1,297 US online adults (18+) who are tablet banking customers (multiple responses accepted)

Source: Forrester’s North American Consumer Technographics® Financial Services Online Benchmark 1 Survey, 2015
**FIGURE 3** US And European Consumers Use A Broad Range Of Tablet Banking Functionality (Cont.)

### European consumers use a broad range of tablet banking functionality

"Which of the following banking activities have you done on your tablet in the past three months?"

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking my bank account balance</td>
<td>72%</td>
</tr>
<tr>
<td>Viewing or checking a recent bank transaction</td>
<td>52%</td>
</tr>
<tr>
<td>Transferring money between my own accounts at the same bank</td>
<td>36%</td>
</tr>
<tr>
<td>Paying bills</td>
<td>34%</td>
</tr>
<tr>
<td>Transferring money to others (e.g., family/friends) via their bank account</td>
<td>33%</td>
</tr>
<tr>
<td>Transferring money between my own accounts at different banks</td>
<td>27%</td>
</tr>
<tr>
<td>Researching financial products</td>
<td>25%</td>
</tr>
<tr>
<td>Transferring money to others (e.g., family/friends) using an email address or mobile number</td>
<td>20%</td>
</tr>
<tr>
<td>Looking up the location of a bank branch or ATM</td>
<td>19%</td>
</tr>
<tr>
<td>Using money management features (e.g., budget tracker)</td>
<td>17%</td>
</tr>
<tr>
<td>Setting up or managing alerts (e.g., balance, payment, or fraud alerts)</td>
<td>16%</td>
</tr>
<tr>
<td>Changing my personal information (e.g., address, phone number)</td>
<td>16%</td>
</tr>
<tr>
<td>Buying or applying for financial products</td>
<td>14%</td>
</tr>
<tr>
<td>Getting in touch with customer service/ an account manager</td>
<td>11%</td>
</tr>
<tr>
<td>Topping up my mobile phone credit</td>
<td>10%</td>
</tr>
<tr>
<td>Receiving a text-message (SMS) alert (e.g., balance alerts, security alerts, etc.)</td>
<td>9%</td>
</tr>
</tbody>
</table>

Base: 3,074 European online adults (18+) who are tablet banking customers (multiple responses accepted)

Source: Forrester's European Consumer Technographics® Financial Services Survey 1, 2015
Banks And Disruptors Strive To Take Mobile Banking To The Next Level

Established banks have invested heavily in developing mobile banking to respond to customers’ enthusiastic embrace of smartphones and their rising expectations. At the same time, numerous new entrants like BankMobile, GoBank, Hello bank, Moven, Simple, and Soon are trying to win some of the same customers with mobile services that help them manage their financial lives entirely through mobile devices.

Established Banks Offer Different Flavors Of Mobile Touchpoints

To support the largest number of customers on mobile and achieve active user growth, leading banks have developed mobile banking services for customers on a wide range of touchpoints, including mobile-optimized websites and mobile and tablet applications. Facing a tradeoff between the high cost but deeper customer engagement of apps and the broader reach of the mobile Web, many eBusiness executives at larger banks have built both. Specifically, we found that:

› Most banks support two or more smartphone operating systems. The diversity in mobile handsets and operating systems (OSes) makes it impossible for digital banking teams to serve more than a fraction of their customers with a single mobile banking application. Almost all large banks now have native or hybrid apps for the two largest smartphone user bases — Android and iPhone — and many also support the BlackBerry and Windows operating systems.

› Most banks offer native smartphone apps. Native smartphone apps — installed on the device from an app store and accessible from the home screen — enable digital banking executives to use device-specific features with native look and feel to create a smoother experience for users. Native apps, however, come at a high cost, requiring complex code and expensive resource management.

› Some banks have designed apps specifically for use on tablets. With the growth of tablet use, some banks, including BNP Paribas in France and Canadian Imperial Bank of Commerce (CIBC), have designed apps specifically for use on tablets, with unique features like interactive, graphical money management displays. However — given the high maintenance costs of maintaining multiple apps — a number of banks, such as UniCredit in Italy, are using responsive web design (RWD) to cover tablet banking.

› A fast-growing number of banks offer a mobile-optimized website. When customers use a browser instead of an app, they expect to find information and perform tasks without the hassle of pinching and zooming their way through the website. Nearly three-quarters of the banks we reviewed for our global mobile banking functionality benchmark now offer a mobile-optimized website. RWD delivers optimized web experiences that work across a broad range of devices from a single code base. By deploying a single mobile-optimized website, banks can more easily, quickly, and cost-effectively reach customers across multiple devices.
A number of banks are adopting hybrid approaches. Faced with the high costs of native app development and maintenance, banks like Westpac in Australia and HSBC in the UK have developed and launched hybrid apps. Hybrid apps combine some native style features using thin native platforms that provide limited access to the mobile operating system. This allows firms to code in HTML5 and JavaScript without the high cost or specialist coding skills required for pure native apps, thereby enabling them to deliver some rich features for customers.

Leading banks are exploring the potential of wearables. Wearables enable eBusiness executives to connect with customers in their micro moments — moments that require only a glance to identify and deliver quick information that customers can either consume or act on immediately. In the UK, Nationwide Building Society lets customers who have downloaded the mobile banking app for Android access their real-time bank account information on their Android Wear smartwatch. CIBC customers can check their balance at a glance, review recent transactions, and transfer funds between accounts via their Apple Watch app.

Leading Banks Are Tailoring Services To Individual Customer Needs

Until recently, mobile banking users were typically early adopters of new technology, keen to try out new things. As mobile banking use becomes mainstream, later adopters are likely to be less sophisticated mobile users. Leading banks no longer assume that one size fits all. Instead, digital banking teams at leading banks are starting to make use of customer context by:

Taking a segmented approach to mobile banking. Akbank in Turkey has begun segmenting mobile banking customers, limiting the functionality it offers to new mobile banking users and offering more extensive functionality to heavy mobile banking users through its Akbank Direkt Plus service.

Developing different interfaces for small and medium-size enterprises (SMEs). Small business owners have remained an underserved segment until recently. More and more banks have now built separate apps for SMEs. Leading banks like Akbank and İşbank in Turkey have started offering different interfaces in the same mobile app to cater to the specific needs of SMEs. To reach Akbank Direkt İşim (“My Business”) and manage both their personal and business transactions on a single platform, Akbank’s small business customers can log into a separate tab on the Akbank mobile banking app that gives them access to a different interface with additional functionality tailored to (but not restricted to) small business owners.

A String Of Mobile-Centric Banks Aim To Win Customers By Creating Differentiation

The mobile mind shift has inspired a generation of new digital banks like BankMobile, GoBank, Hello bank, Holvi, Moven, Simple, and Soon that use mobile technologies to offer their customers simple, convenient, and more compelling customer experiences combined with relevant guidance and advice. These mobile-first banks aim to win customers with better digital customer experiences than those offered by established banks by:
 › **Serving customers largely or entirely through mobile touchpoints.** Instead of mobile being a channel, mobile is *the* channel. Mobile-first banks have embraced “the mobile mind shift,” promising that their services will be available on any device, in context, anytime, anywhere. Japan’s Jibun Bank pioneered the mobile-only model in 2008, enabling the entire life cycle of a banking relationship, from account opening right through account closure on a mobile phone.

 › **Using context to anticipate customers’ needs.** Mobile-first banks are taking advantage of context — the sum total of what they know about a customer at the moment of engagement — to offer personalized mobile banking features that predict customers’ needs and expectations based on their context. Moven’s mobile banking app, for instance, uses real-time contextual insight to encourage customers to save when their balance is unusually high, to discourage impulse purchases, and to provide emergency funds directly on a mobile phone or Apple Watch.

 › **Putting money management at the heart of what they do.** Instead of money management being a separate service, offering valuable insight into customers’ financial lives is the core of mobile-first banks’ proposition. Simple helps customers manage their cash flow with tracking and budgeting tools, including a “safe to spend” balance that shows customers exactly how much money they have left. Similarly, Moven gives its customers a simple traffic-light picture of their financial health on its app home page.

### Banks Use Mobile To Serve Customers Throughout The Life Cycle

Mobile moments are the new battleground. Serving customers in their mobile moments demands a new approach to mobile banking. Shrinking or squeezing an experience designed for the PC onto a small screen fails to take into account the needs of customers on the go. Instead, the immediacy, availability, and context of mobile devices gives digital banking teams the opportunity to simplify tasks and help customers make better decisions throughout their journeys and even through the course of the day. Leading digital banking teams address customer needs in mobile moments throughout the customer life cycle (see Figure 4).
FIGURE 4 Banks Should Meet Customer Needs With Mobile Throughout The Customer Life Cycle

Mobile moments are present throughout the customer journey

- Use money management tools
- Receive relevant offers
- Research financial needs
- Receive an alert
- Discover brand
- Research product details
- Seek advice
- Compare financial products
- Look up interest rates
- Get in touch with customer service
- Decide which product is best for me
- Register for digital services
- Research product details
- Check account balance
- Read ratings and reviews
- Make a payment
- Buy a financial product
- Change personal details
- Get a quote
- Deposit a check
- Set up and manage alerts
- Buy a financial product
- Log in easily and securely
- View a past transaction
- Pay a bill
Discover: Introduce Your Brand Through A Range Of Mobile Platforms

Today, mobile financial services strategies remain largely focused on serving existing customers. But as mobile touchpoints displace PCs, branches, advisors, and agents as the hub of many customers’ relationships with their financial firms, digital teams are starting to use mobile to introduce the brand, promote products and services, and acquire new customers. eBusiness executives at some banks see an opportunity to connect with consumers in the “discover” phase by:

› **Manufacturing mobile moments to introduce the brand.** eBusiness executives are drawing on the appeal of games to introduce their brands via mobile apps. Westpac in Australia has launched a fun, family-friendly mobile app called Pay Pig, which helps children to learn the value of earning and saving (see Figure 5). In the UK, Santander has launched a standalone app designed for groups of people to manage money together in the form of a “digital” cash kitty operated through a user’s mobile device.

› **Helping customers with the need that precedes the financial product purchase.** For many prospects, the purchase journey starts well before they identify the financial product they need — such as when they begin searching for properties or looking for a new car. Leading banks use smartphones to engage customers early in the purchase cycle. For example, Credit Union Australia’s AutoMate mobile app helps customers find a car, not just a car loan. The Commonwealth Bank Of Australia (CommBank) Property guide mobile app uses augmented reality to help consumers find their new homes, and in New Zealand, Kiwibank’s Home Hunter app also helps prospects to find the right property.

› **Providing easily digestible information about financial products on a mobile site.** Few consumers will download an app to look at the financial products and services a bank offers, so mobile sites are key platforms to engage prospects. Société Générale in France offers extensive product research tools as well as calculators on its mobile-optimized website. mBank in Poland also invites prospects to explore its financial products portfolio through the visual design of its mobile site (see Figure 6).

› **Introducing their services through videos on mobile.** Banks have started to use a mobile device’s ability to play high-quality video to help prospects discover what services they provide. BBVA in Spain promotes its digital wallet via a video on its mobile website. In the UK, Santander promotes its SMS alert service through a video (see Figure 7).
**FIGURE 5** Westpac’s Pay Pig App Helps Kids Learn The Value Of Earning And Saving

Source: Westpac mobile app

**FIGURE 6** mBank Lets Prospects Explore Its Financial Product Portfolio On Its Mobile Site

Source: mBank mobile website
Explore: Make It Easy To Research And Compare Financial Products On Mobile

While most customers remain more likely to research financial products on their PCs or tablets or in branches than on a phone, increasing numbers are looking for product information on their mobiles. Digital banking teams at leading banks are helping prospects and existing customers explore financial products in detail and providing helpful guidance by:

› **Delivering the information customers are looking for quickly.** The small screen of mobile devices can only show a limited amount of information. Many banks optimize pages for mobile to support the research process, providing a good search tool to help customers find what they are looking for when they visit a mobile banking app or mobile website. Banks like Bank Millennium in Poland help customers explore their banking needs and choose the right product based on their life stage, priorities, and goals (see Figure 8).

› **Offering in-app product calculators.** A growing number of banks provide mobile-optimized calculators to help customers find out how much interest they could earn from a savings account or help them calculate the monthly repayment of a mortgage or a personal loan. For example, Santander in the UK offers a helpful mortgage selector tool with embedded product comparison tables in its app.
Helping customers compare products. Many buyers of financial products are looking for product comparisons. Westpac makes it easy to find information about the bank’s products in-app, both before and after login; the app even prompts users to rotate their phone to view a side-by-side comparison of products. Capital One in the US also helps customers compare products side by side by guiding customers from its app to a product comparison tool in its mobile website (see Figure 9).

FIGURE 8 Bank Millennium Helps Customers Explore Their Banking Needs On Mobile

Source: Bank Millennium mobile website
Buy: Convert Sales By Offering Convenience And Reassurance

eBusiness executives can take advantage of mobile to make it as easy for customers to buy financial products. Digital banking teams are helping customers apply for products and are increasing their bank’s overall conversion rates by:

› **Making it easy to apply for a simple product or account directly via mobile.** Bank of America lets customers apply for a range of products entirely via mobile. Customers of CaixaBank in Spain and Garanti in Turkey can get a loan directly on mobile and need only select the loan amount and term to apply. mBank in Poland lets customers open a new deposit in just two steps with a simplified product application. Halifax in the UK offers a mobile mortgage agreement-in-principle tool so that prospective homebuyers can receive an instant lending decision in less than 15 minutes. Soon in France lets new customers scan their ID and use a digital signature to open an account (see Figure 10).

› **Offering human assistance through mobile.** Some banks offer immediate assistance through tools such as video chat, click-to-call, or click-to-chat to customers who are researching and applying via mobile. When BNP Paribas customers research products in the app and wish to apply for a product within the app, the firm invites them to use the mobile chat feature (see Figure 11).
Making it easy to switch to another touchpoint. Not all customers complete a purchase process that they started in their mobile banking app, often hesitating at this stage because they want to think through their choice or talk to someone. CommBank, National Australia Bank (NAB), and Westpac in Australia all let customers apply for a range of banking products through their mobile banking apps within minutes. Customers can begin a prefilled application within the smartphone app, save the application for later, and retrieve and finish it online or through the call center if needed.
eBusiness executives at leading banks enable customers to perform routine banking tasks in mobile moments by:

- **Letting customers quickly see their balance without the need to log in.** A growing number of banks, such as AIB in Ireland, ING Vysya Bank in India, and Commonwealth Bank of Australia, make basic balance information available before login. Standard Bank customers in South Africa just have to swipe the login screen to the left to get a peek at their latest balances. Banks like Garanti in Turkey, Société Générale in France, and Westpac in New Zealand use cash-tank displays, which discreetly inform customers about their available balances.

- **Making it easy to register and log in.** Leading banks are trying to make the mobile banking login process as painless as possible, without compromising security. Leading banks do this by using multifactor authentication the first time customers use the app and then letting them use a simplified login subsequently. Many banks in the US and Canada have started offering fingerprint authentication on their mobile banking apps, using Apple's Touch ID for iOS apps. In the US, USAA customers can log in to their app using their fingerprint, face, or voice.
› **Making it easy for customers to transfer money.** Rather than expecting customers to remember sort codes and account numbers, a growing number of banks, like Spain’s BBVA, the US’s Wells Fargo, and Australia’s ANZ, now let customers send money using just a phone number or email address. CommBank lets customers make payments using Facebook profile names. The Royal Bank of Canada lets customers set up new recurring payments, while Westpac lets them arrange future-dated payments directly in the app.

› **Making bill payments easier.** Handelsbanken in Sweden, Rabobank in the Netherlands, and U.S. Bank make it easy for customers to pay a paper bill by taking a picture of it. Bank Millennium in Poland and Wells Fargo let customers scan a QR code to initiate a bill payment. Chase in the US has a payment activity log showing money received, money sent, requests received, and requests sent. A number of banks, like Westpac in Australia and Lloyds in the UK, let customers add a bill payee directly in the mobile banking app. Turkish banks Akbank, Garanti, and İşbank all let customers select a payee from a list of preselected billers in the app.

› **Simplifying deposits.** Banks are combining phone cameras with optical character recognition to allow remote deposit capture (RDC). Today, US banks including Chase, Citibank, Capital One 360, USAA, and U.S. Bank offer RDC, along with a few banks elsewhere, like Spain’s Banco de Sabadell and Canada’s CiBC.

› **Offering customers self-service options.** Bank Millennium in Poland, Branch Banking and Trust (BB&T) in the US, and Barclays in the UK all let customers report a lost or stolen card through the app. CommBank and Westpac in Australia and ICA Banken in Sweden offer preventative fraud features, such as letting customers disable cards in certain regions or for certain types of transactions. USAA in the US and Lloyds Bank in the UK let customers put their travel plans into their apps to help spot unusual account activity and prevent their card from being blocked mistakenly when they’re traveling abroad (see Figure 12). İşbank in Turkey lets customers order a new card directly in the app. Most banks offer some mix of balance and transaction alerts, and banks like Chase in the US, CaixaBank in Spain, and NatWest in the UK let customers manage their alerts directly in the app.

› **Enabling customers to make mobile contactless payments in-store.** Several banks, like BBVA in Spain and Intesa Sanpaolo in Italy, enable mobile contactless payments through separate mobile payment apps. Bank Zachodni WBK, CaixaBank, and mBank have integrated mobile contactless payments into their main mobile banking app.
Ask: Answer Queries On Mobile Devices

Digital banking teams can use mobile to help customers answer their questions by:

- **Providing a virtual assistant that can interact with voice commands.** Some banks, like ING Bank in the Netherlands and Ally in the US, have introduced a virtual assistant that lets customers ask questions or initiate transfers and payments through voice command.

- **Offering human help via secure chat or video banking.** Leading digital banking teams make it easy for customers to reach human help whenever they need it. BBVA in Spain offers its “Gestor BBVA Contigo” service directly in its mobile banking app, letting customers contact their personal advisor via email or phone, thus combining remote, personalized financial advice with digital banking. TSB Bank offers its mobile banking customers assistance via secure chat. New Zealand’s Kiwibank offers click-to-chat through its iPhone app. USAA’s mobile banking app goes one step further by enabling customer service representatives to see what customers were looking at and doing prior to them tapping the button to start a conversation. mBank in Poland lets customers schedule a video banking appointment through their mobile app. Bank Zachodni WBK, also in Poland, offers a video banking service through its mobile app.

- **Helping customers find branches and ATMs.** Taking advantage of phone hardware features like global positioning system (GPS) locators, most banks help customers locate the nearest ATM or branch in their mobile banking apps, and some, like Royal Bank of Canada or Akbank in Turkey,
help users find the closest branch or ATM with augmented reality. Banks like Bankinter in Spain, NatWest in the UK, and PKO Bank Polski in Poland offer cardless cash withdrawals, using mobile banking to generate a code that customers can either use themselves or send by SMS to friends and family to withdraw cash directly from an ATM.

› **Letting customers set up branch appointments.** DBS Bank in Singapore lets customers who intend to visit a branch see how crowded the branch is, and it sends them a text with a queue number prior to their visit. Some banks, like ING in Belgium and BMO in Canada, offer branch appointment scheduling directly in the app.

### Engage: Use Mobile To Deepen Customer Engagement

To drive customer adoption and usage and to increase the number of active mobile banking users, digital banking teams need to take a customer-centric approach to mobile banking — with the implementation of personalized mobile banking services — and use the full potential of mobile to keep customers engaged. Digital banking teams are trying to create new value for customers and deepen customer engagement through mobile by:

› **Sending customers alerts and notifications.** Many banks offer alerts that are triggered by either an account balance threshold or individual transactions. Actionable alerts can help customers avoid fraud, cash shortfalls, unauthorized overdrafts, or unpaid bills, thus increasing customer advocacy. Lloyds Bank and Barclays in the UK offer alerts that notify customers when an overseas transaction has taken place.

› **Personalizing the mobile banking experience.** A number of banks, like BNP Paribas, let customers personalize their profile by adding their picture on the landing screen of the mobile banking app. In the US, Chase changes the pictures on the login screen based on a customer’s location and the time of day. Soon lets customers personalize transactions with pictures and location information (see Figure 13).

› **Making customers personal offers in context.** Some banks have started using data analytics to better understand their customers’ current needs and anticipate future ones. CommBank cross-sells to existing customers by making personalized product recommendations in its app (see Figure 14). Garanti in Turkey and CaixaBank in Spain show sales messages based on customers’ financial situation, such as a preapproved cash loan in the event of an anticipated cash shortfall or to customers with a critically low account balance.

› **Helping customers understand their finances.** Some banks offer money management tools to help customers understand their finances and make better decisions about borrowing, spending, and saving. BNP Paribas in France lets customers see and track categorized income and expenses with interactive graphics. Postbank in Germany gives customers a budgeting tool to help them control their spending, and it sends alerts to those who exceed their budget. Customers of South Africa’s Standard Bank can see how they’re progressing against their saving goals directly in the
mobile banking app. In the US, Capital One has embedded a credit score monitoring tool in its mobile app so customers can see their current credit scores and simulate how their actions could impact their credit score, helping them maintain and improve their credit standing.34

› **Encouraging customers to save with gamification.** Nationwide’s opt-in Impulse Saver feature prompts customers to regularly save money by letting them transfer small amounts of money to a preselected savings account with a couple of taps, with no need to log in. USAA’s Saving Coach app uses gamification and a virtual assistant to help customers save: It gives customers a personalized plan to reach their savings goal and automatically moves the money between their checking and savings accounts (see Figure 15). First Direct’s Saveapp helps customers see where they can save money on their day-to-day spending (see Figure 16).

› **Offering merchant-funded rewards.** In the US, American Express customers can save by selecting offers they want to add to their card and then use their card to pay and see the savings add up as statement credit. They can also explore a map of nearby offers and get alerts on their phone so they don’t miss out on savings (see Figure 17). Similarly, Poland’s mBank uses analytics, past spending, and current location to deliver relevant, contextual, merchant-related offers, both before and after login (see Figure 18). Lloyds Bank in the UK lets customers manage its cash-back offers entirely in the app. Digital wallets integrating offers, coupons, payments, and loyalty rewards are poised to change the way consumers shop and make payments.
FIGURE 13 Soon Lets Customers Personalize Transactions

Source: Soon mobile app
FIGURE 14 CommBank Provides Personalized Offers Within Its Mobile App

Source: Commonwealth Bank of Australia mobile app
**FIGURE 15 USAA's Saving Coach App Uses Gamification To Help Customers Save**

Source: USAA mobile app
FIGURE 16 First Direct's Saveapp Helps Customers See Where They Can Save Money

Source: First Direct mobile app
FIGURE 17 Amex Helps Customers Save With Merchant-Funded Offers

Source: American Express mobile app
Plan How To Develop Your Mobile Banking Strategy

Mobile banking is not a race between banks. Digital banking teams should stop worrying about competitors and instead become obsessed about what their own customers need and value. Faced with customers’ rising expectations and with a fast-moving competitive and technology environment, eBusiness executives need to keep raising the bar to deliver great customer experiences, create new value, and engage with customers in their mobile moments. To develop their mobile strategy, digital banking teams should follow these recommendations:

1. **Start by evaluating your mobile maturity.** You should use Forrester’s mobile maturity framework to understand your current situation and plan how best to develop your mobile banking strategy. The framework helps you frankly assess your mobile commitment, support from colleagues and senior leadership, available resources, and processes. Not every company can make the shift toward greater maturity today, but each company should have a realistic plan to do so.
2. **Adopt systematic processes to perfect your mobile banking strategy.** Consider using a framework we call the IDEA cycle to help plan and execute your mobile banking strategy. The IDEA cycle highlights the need to start small and iterate through the cycle of identifying mobile moments and their associated context; designing engagement; engineering their platforms, processes, and organizations; and analyzing performance to improve outcomes.

3. **Adjust your organizational structures to support the strategy.** Forrester recommends a multitiered approach that starts with a cross-functional steering committee and a mobile center of excellence. In addition, a mobile project manager, product manager, and developers should work side by side on IDEA teams to drive ongoing innovations. IDEA teams should focus on particular customer journeys to develop and experiment with new ideas and initiatives, measure what works, and enhance or scrap what doesn’t. For example, a bank might have one IDEA team for mobile payments, another for mobile sales and marketing, and another for money management.

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Supplemental Material

Survey Methodology

Forrester’s European Consumer Technographics Online Benchmark Survey, 2015, was fielded in January 2015 to 17,000 European individuals ages 16 to 92. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus or minus 0.75% of what they would be if the entire population of European online adults (defined as those online weekly or more often) had been surveyed. Ipsos weighted the data by age, gender, and online intensity to demographically represent the adult European online population. The survey sample size, when weighted, was 17,000.

Forrester’s North American Consumer Technographics Online Benchmark Survey (Part 1), 2015, was fielded in March 2015 to 61,222 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus or minus 0.4% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 61,222.

Forrester’s North American Consumer Technographics Financial Services Online Benchmark Recontact Survey, 2015, was fielded in June 2015 to 9,717 US individuals ages 18 to 88. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus or minus 0.99% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed. Forrester weighted the data by age, gender, income, broadband adoption, and region to demographically represent the adult US online population. The survey sample size, when weighted, was 9,689. This survey is part of our North American Online Benchmark Recontact System. Respondents who participated in both of our online benchmark surveys (part 1 and part 2) are invited to also participate in a series of follow-up recontact surveys that cover topics in greater depth and detail. The data from both online benchmark surveys (part 1 and part 2) is appended to each recontact survey’s data set so that data cuts can be performed across benchmarks and the recontact itself. Ultimately, this recontact system provides a more holistic view of consumer behavior and allows for more data cutting opportunities than a standalone survey provides.

Please note that weighted sample sizes for all Technographics surveys can be different from the actual number of respondents to account for individuals generally underrepresented in either mail or online panels or because of weightings applied to make those samples representative of a country as a whole.

The samples provided by Ipsos, MarketTools, and TNS are not random samples. While individuals may have been randomly sampled from the relevant panel for each particular survey, they have previously chosen to take part in the panel. Finally, please note that respondents who participate in online surveys have in general more experience with the Internet and feel more comfortable transacting online.
The data for all online surveys is weighted to be representative for the total online population on the weighting targets mentioned, but this sample bias may produce results that differ from Forrester's mail benchmark surveys.

**How To Get More Technographics Data Insights**

Forrester’s Technographics surveys include many additional questions and parameters by which you can analyze the data contained in this report. If you wish to subscribe to Forrester’s Consumer Technographics services, please contact your account manager or data@forrester.com. If you are an existing Technographics client, please contact your data advisor at consumerdataadvisor@forrester.com. We can provide additional insights about:

- **Demographics**: age, gender, household size, education, income, financial assets, employment status, and marital status.
- **Financial behavior**: ownership, researching, and buying of financial products; use of online and mobile banking; use of and interest in payment systems.
- **Brands**: banks, insurance companies, and other financial services companies.
- **Attitudes**: technology attitudes, proprietary Technographics segments, and consumer attitudes toward financial services.

**Endnotes**

1 In Q1 2015, we asked 61,222 US online adults (ages 18 and older) about their interest in and use of mobile phones to conduct banking activities. Source: Forrester’s North American Consumer Technographics Online Benchmark Survey, 2015.

In Q2 2015, we recontacted 9,717 US online adults (ages 18 and older) as part of our North American Online Benchmark Recontact System. Source: Forrester’s North American Consumer Technographics Financial Services Online Benchmark Recontact Survey, 2015.

In a separate survey, in Q1 2015, we asked 17,000 Western European online adults (ages 18 and older) about their interest in and use of mobile phones to conduct banking activities. Source: Forrester’s European Consumer Technographics Online Benchmark Survey, 2015.


3 Source: Forrester’s European Consumer Technographics Financial Services Survey 1, 2015.


6 Source: Forrester’s European Consumer Technographics Financial Services Survey 1, 2015.
We do not believe mobile banking will replace online banking for all tasks, in all geographies, and for all customer segments. Instead, we expect that in developed economies, where smartphone ownership is already widespread, mobile banking services will gradually become the hub of many customers’ relationship with their banks.


With an app, you can offer your customers deeply engaging experiences. A mobile app is still the best way to take a photo, use the device location, receive a push notification, and provide an intuitive touchscreen interface. Mobile web interfaces are a welcome mat for anybody visiting from a smartphone or tablet.

Responsive web design simplifies many of the challenges that eBusiness teams face today with their web technology architecture by providing a single code base for all web experiences. At the heart of responsive web design lies a new feature in CSS3: “media queries.” Media queries empower web developers to apply a specific style sheet to a page based on the screen size (sometimes referred to as a viewport) of the touchpoint. Subsequently, they can support multiple touchpoints, screen sizes, and orientations from a single set of web templates simply by developing the appropriate styling conventions for each touchpoint via CSS3.

Responsive professionals embarking on a responsive web design project must be acutely aware of the biggest side effect of responsive web design — site performance. There is no magic elixir for making a responsive site fast. Responsive professionals will be dependent on the skills and expertise of their application development colleagues to assess and fine-tune the code to ensure the site doesn’t crawl to a halt.

For a guide to the right responsive web design decisions, see the “Solving The Quandary Of Responsive Design” Forrester report.

The moments that characterize the mobile mind shift are getting shorter. Simple triggers — messages, sounds, even tactile sensations — spur consumers to take action, both on devices and in the real world.


21 The Akbank Direkt Plus service is offered to customers who are either affluent, with deposits of more than TRY 100,000 or heavy users of mobile banking, based on the frequency of their Akbank Direkt money transfers and logins.


23 To learn about the leading digital banks, assess their disruptive potential, and understand how to outsmart them, see the “Disrupting Finance: Digital Banks” Forrester report.

24 The “safe to spend” balance shows customers how much money they can afford to spend based on their income, typical spending, and projections of incoming and outgoing cash flow for the entire month.

25 Forrester defines a mobile moment as a point in time and space when someone pulls out a mobile device to get what he or she wants immediately, in context.


28 An increasing number of banks, such as ABN Amro in the Netherlands, American Express in the US, Bank Zachodni WBK and mBank in Poland, Barclays and Coutts in the UK, and ICICI Bank in India, are offering video banking services in various forms to their customers. See the “Implement Video Banking to Drive Digital Sales” Forrester report.

29 BBVA Contigo was initially designed for customers who cannot or do not wish to visit a branch, and all of its customers are assigned a personal advisor they can contact via email or phone, directly and free of charge, to make inquiries or perform transactions. Source: “BBVA launches a new management service for customers that combines remote, personalized financial advice and virtual banking,” BBVA press release, November 23, 2011 (http://press.bbva.com/latest-contents/press-releases/bbva-launches-a-new-management-service-for-customers-that-combines-remote-personalized-financial-advice-and-virtual-banking__9882-22-c-91055__.html).

30 Customers who want human help can just push a button in the app to initiate a two-way chat with an agent. Any Kiwibank customer can seek human help, provided they are already registered for Internet banking. Once it receives the request, Kiwibank assigns an online relationship manager who will reply within 24 hours or set up an appointment for the customer with someone who can. Source: “Kiwi Mobile Banking,” iTunes (http://itunes.apple.com/nz/app/kiwibank-mobile-banking/id504216653?mt=8).


32 Both mBank and Bank Zachodni WBK work with Software Mind, a Polish software and services vendor, for back-end video banking service support.

33 The key driver of loyalty in retail financial services is customer advocacy — the perception on the part of customers that a firm does what’s best for them, not just what’s best for the firm’s own bottom line. See the “Customer Advocacy 2014: How US Consumers Rate Their Financial Institutions” Forrester report.

34 Source: “Capital One Credit Tracker—100% FREE,” Capital One (http://www.capitalone.com/credit-cards/benefits/credit-tracker/?Log=1&EventType=Link&ComponentType=T&LOB=Mts::L0RT6ME8Z&SubLob=&PageName=Home%20Page%20C&PortletLocation=4%3B16-col%3B5-1-1-2-1-1&ComponentName=tm-12-credit-tracker%3B
You should aspire and plan to make the mobile mind shift, even if you don’t have the resources, budget, and organization to make that shift. To understand the path to mobile maturity along with the resources, organization, processes, and budget that must be in place to do so, see the “Mobile Mind Shift Maturity Framework” Forrester report.

This report explains how to apply the IDEA cycle to transform customer experiences with mobile. See the “Mobile Moments Transform Commerce And Service Experiences” Forrester report.

A mobile strategy is no longer a simple mobile services and technology road map. A mobile strategy that includes organization, governance, and staffing combined with funding will help alleviate growing pains and enable the successful use of mobile as a customer engagement tool throughout the organization. See the “Build A Pervasive Corporate Mobile Competency” Forrester report.
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