

Raddon Research Insights

Grappling with Mobile Banking Engagement Issues



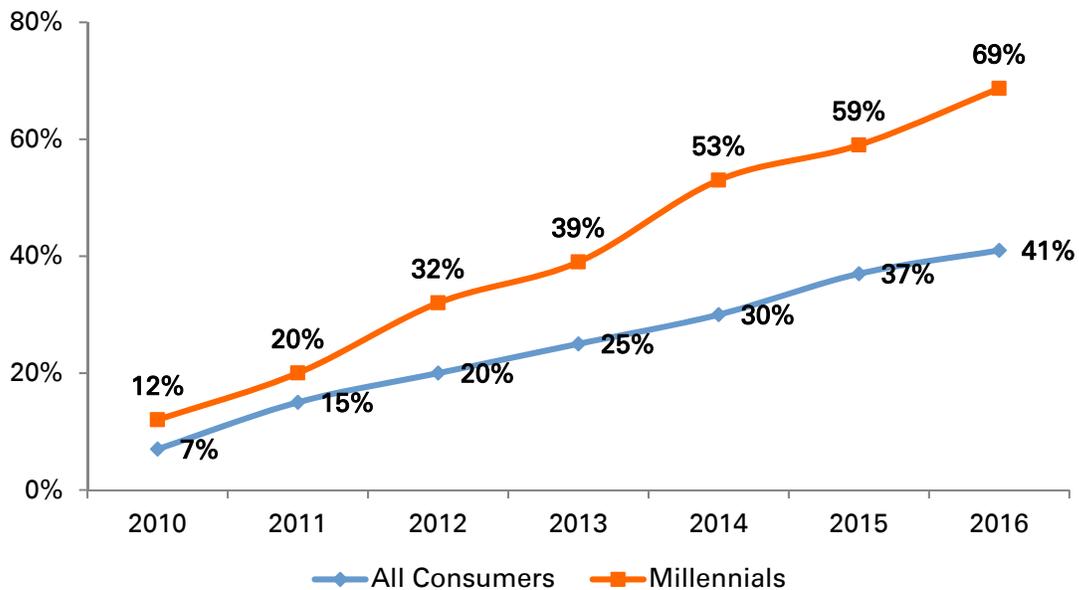
Executive Summary

Grappling with Mobile Banking Engagement Issues

As smartphones and tablets become ubiquitous, the constant connectivity afforded by these mobile devices offers consumers a widening array of capabilities and functionality. These devices are reshaping the human experience and empowering users in many areas of their lives. To name a few, consumers can now access a wealth of information; communicate across a variety of mediums – phone, text, email, instant messaging, and social media; use maps for navigation and location-based services; measure and monitor health and fitness; and shop, transact, and manage their finances anytime, anywhere.

Smart devices are enabling technology to permeate all aspects of consumers’ lives, including their finances. Financial institutions have introduced and expanded mobile banking service capabilities and adoption has soared. Mobile banking usage has grown from 7 percent of all consumers in 2010 to 41 percent of all consumers today.

Growth of Mobile Banking: 2010-2016



Source: Raddon Research Insights

Q: In a typical month, do you use your smartphone or tablet to conduct mobile banking with any of the financial institutions you utilize?

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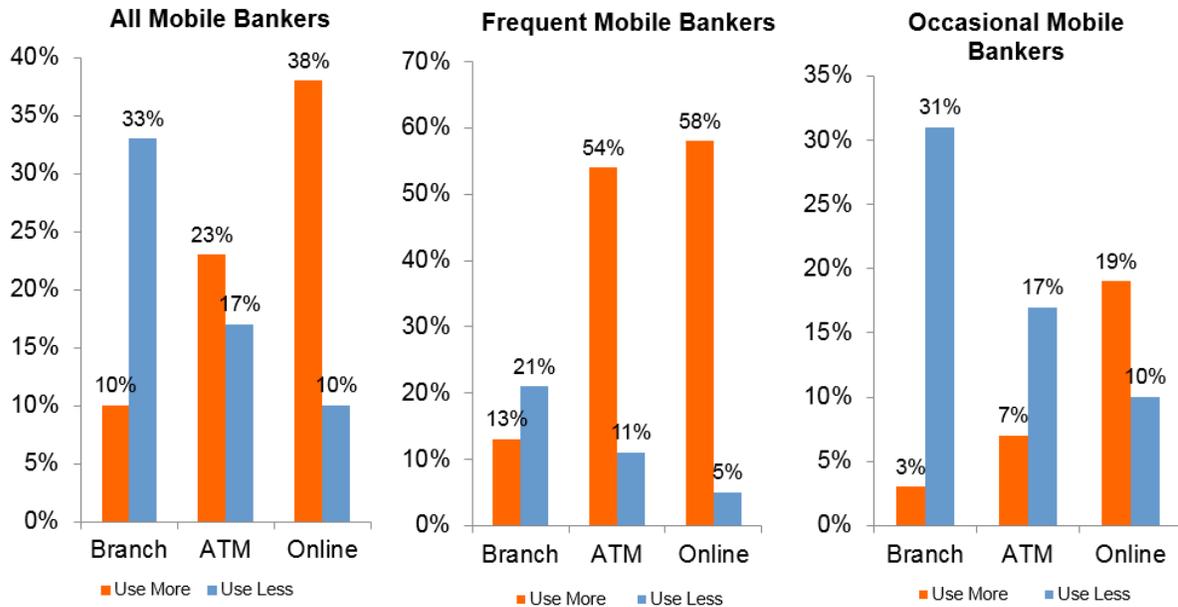
Degree of Mobile Engagement Tied to Consumer Expectations, Interactions

Mobile bankers are among financial institutions’ most engaged customers. Mobile bankers conduct more transactions each month, including debit card and online banking transactions, than non-mobile bankers.

In addition, approximately seven out of 10 (71 percent) of mobile bankers feel it is “extremely to very important” to have a branch of their primary financial institution (PFI) and access to an ATM from their PFI close to their home or work. When non-mobile bankers responded to the same questions, 58 percent found it “extremely to very important” to have a branch near their home or work, while less than one-half (46 percent) indicated access to an ATM from their PFI was “extremely to very important.”

Mobile banking has had an impact on branch, ATM, and online banking usage. Despite their interest in having a branch of their PFI nearby, one-third (33 percent) of all mobile bankers report they use branch facilities (branch tellers in the lobby or at the drive-up) less because they use a mobile banking service. Understandably, mobile bankers are conducting more electronic interactions. Nearly one-quarter (23 percent) of all mobile bankers indicate they use ATMs more due to their mobile banking use, while almost four out of 10 (38 percent) of all mobile bankers indicate they use an online banking service more.

Impact of Mobile Banking Use on Other Banking Channels



Source: Raddon Research Insights

Q: Has mobile banking changed how often you use or access the following services?

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Financial institutions should examine mobile bankers' mobile service activity to identify the type of mobile user they have attracted (occasional versus frequent). This type of analysis will help determine the investment in mobile banking service delivery that institutions may make from both a retention and a growth perspective.

Smart devices are changing nearly every aspect of banking, from how mobile bankers check their account balances to how they pay for purchases. When financial institutions understand these changes, prepare for their impact, and recognize the demographics of their end users, they will be better able to allocate appropriate resources to meet customer demands. Visit the following link to learn more about *Grappling with Mobile Banking Engagement Issues* www.raddon.com/mobilestudy.