The Full Value of Mobile in Financial Services

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THE **RUNDOWN**

With over a third of customers at major US banks now regularly using mobile banking, it's imperative that marketers realize the full value of this fast-evolving channel. We asked experts from Citi, JP Morgan Chase, H&R Block and CareOne (a market leading debt service provider) to share their insights about best practices. Whether it's customer-centric products, growing acquisitions, or providing seamless access to information, this is how they see the future of mobile developing in the financial services industry.

Consumer mistrust of the financial services sector has been widely publicized—the 2012 Edelman Trust Barometer ranks financial services and banking lowest on its global scale. Yet the degree of convenience, service and access made possible by mobile could begin to repair the damage.

Look at Chase: It now has 12 million customers moving $6.5 billion via mobile platforms every month, and it's not the only one posting big numbers. Mark Westerman, CMO at CareOne Debt Relief Services, oversaw the launch of the CareOne app in the summer of 2012. It acts as a one-stop overview of the customer's debt relief journey, including payment history and progress charts. Westerman describes mobile as "a big opportunity based on the early returns."

We agree, but with consumer behavior changing fast, the issue for brands is how to keep up. How do they navigate this complex ecosystem in which apps, sites and services are accessed in a non-linear way on multiple platforms, through different devices and at different stages depending on user needs?

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LESS COMPLEXITY LEADS TO **MORE CONVENIENCE**

Over a third of customers at major US banks currently use mobile banking, with 43 percent of them in the 18-29 age group. According to Javelin Strategy & Research, around half of the top 25 financial institutions in the US are now also offering more advanced features, including p2p transfers and remote deposit services – double the number doing so in 2011.

"For us, mobile is a critical channel, the fastest growing channel we have, and one that uniquely makes banking a lot more convenient," is how Robert Tas, Managing Director, Head of Digital Marketing at JP Morgan Chase puts it. The bank's award-winning app packages diverse services—notably QuickDeposit and QuickPay—with intuitive user navigation to eliminate complexity. Tas knows this kind of convenience has a real-world impact on customers: "If I don't have to get into my car and drive to an ATM to deposit a check, you could have saved me 30 minutes to an hour."

Tracey Weber, Managing Director for Consumer Internet and Mobile Banking in North America for Citi, says the cool factor of Citi's own mobile check deposit service can convert people to mobile banking as the pleasure of the experience often erases fears over security. "To be able to delight them and provide things that really add value to their lives absolutely can go a long way in how they feel about this category."

The key is simplicity. Financial services can be complex, so mobile experiences need to be genuinely customer-centric. According to Jerod Laughlin, VP of Digital and Online Marketing at H&R Block, customers don't necessarily want to *enjoy* the experience of mobile banking, they just don't want to be frustrated. That might sound straightforward, but it's something the financial services industry hasn't always been able to deliver. In fact, says Laughlin, "there are traditions of information experiences in financial services that feel like they come out of a Dickens novel."

Citi is one bank that has taken the lead in redressing user experience issues: Its tablet app replaces lists of transactions with interactive financial graphs that make the most of the device's capabilities.

IMPROVE ACCESS TO **GROW ACQUISITIONS**

Does that mean mobile signals the end of physical banking? Absolutely not. As Weber points out: "[Customers] are increasingly interacting with us in multiple channels—researching on mobile, and then converting over the phone or in-branch."

This applies to all demographics. While 18-34-year-olds are increasingly favoring mobile over traditional banking channels, Jack Stephenson, Managing Director for Mobile, Payments and E-Commerce at JP Morgan Chase, also believes younger customers still value their local branch. "We see a lot of 25-year-olds that don't even know what a check is [wanting] to come into a branch and have someone to talk to."

This access is particularly important in financial services because of trust and security concerns, coupled with the complexity of the market. Because of that complexity, finance companies in general can do a much better job selling in over the phone than they can through a website. That means thinking hard about how accessible they are to customers and employing simple but highly effective strategies like call extensions. That's not just a handy mobile feature; it's a direct acquisition tool. When Comcast launched an ad with a click to call number, they recorded a 270 percent increase in clickthrough rate on mobile search compared to desktop search, and a corresponding surge in mobile sales.

The same is true of in-store conversions, which is why brands should include location extensions as well. Radioshack found that 36 percent of clicks on their mobile ad went to a store locator, and then calculated that between 40-60 percent of these were converting to in-store visits. It's crucial to track this activity and attribute value back to mobile; otherwise you're simply missing out on the full picture.

Ultimately, it all comes back to focusing on the consumer. As H&R Block's Laughlin puts it: "Retention and acquisition are two sides of the same coin. When you focus on customer experience you achieve both of those things."

SEAMLESS INFORMATION FUELS **BETTER CUSTOMER SERVICE**

Data also plays a role in allowing financial marketers to push services rather than products. In CareOne's case, this includes recognizing where a customer sits in the debt cycle so the right message of encouragement can be delivered. Or, at a simpler level, a straightforward balance notification to nudge better behavior.

Chase also wants to get to a stage where they're actively working with the customer to help them make better decisions. That means ensuring all relevant information is served seamlessly across multiple channels. Jack Stephenson asked himself how he could educate people on how to save for the future, or on issues of financial responsibility and when to take on a mortgage, which are the kinds of questions that a lot of people put off dealing with. His team is looking hard at ways of using mobile to inform, educate and ultimately make those decisions more enjoyable. Jerod Laughlin, meanwhile, like to joke that "H&R Block won't make tax enjoyable, but we do want to make it worry free."

Still, financial services has a way to go to keep up with other categories. The mobile space moves quickly, and financial services companies can't always keep pace. But if institutions push themselves to be more agile, results will follow: Citi's tablet app, for instance, was delivered in under five months from start to finish.

Jerod Laughlin agrees that the model needs to shift to something that is leaner and more distributed, "less focused on one giant app and more on smaller executions that are needs-based. We have got to take the old models and throw them out. It seems like there's too much fear around trial and it's holding back the entire industry."

Measuring the full value of the mobile revolution will be an ongoing challenge, but one that's worth the effort. We're entering a multi-screen world, where consumers are constantly switching between devices—conducting research on this screen, converting on that one. As traditional conversion paths are becoming less relevant, the growing opportunity is to provide contextual, useful information in moments that matter. The mobile space is only going to become more important from here.