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## How to Win with Mobile

Tips and Trends to Help Citi Digitally Transform and Deliver a Multichannel Experience

**KOFAX**



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## Go Mobile First, Mobile Now

Customers demand banks interact with them differently—increasingly through mobile devices and with a seamless anytime, anywhere experience like Amazon or Google.

Mobile allows banks to unite disparate products and services into a single, consistent channel for customers. But most banks have miles to go in terms of providing 1-click, 1-second transactions that engage and satisfy their customers.

Learn why and how to adopt the “mobile first, mobile now” imperative to satisfy and engage customers who demand a unified experience—whether they’re opening an account, applying for a loan, paying a bill or depositing a check.

**1 second = the new minute in a 1-click world**

<sup>1,2</sup> PYMNTS, Mobile Banking Users Want More Control – But At What Cost?, 2019



### Untapped Opportunity

Only **1 in 4** banking customers use a mobile app to open a new banking account...<sup>1</sup>

Yet...**78.1%** of consumers use mobile apps to check account balances.<sup>2</sup>



# The Landscape?

Before we go further into mobile technology, it's important to note significant events occurring in the financial services industry today.

## Branch

Reinventing  
the Branch Experience

# 55%

of customers use mobile banking  
2 or more times per month,  
compared to just 28% who use  
the branch 2 or more times.<sup>3</sup>

## Relationship

Going Beyond  
Financial Transactions

# 69%

of consumers want their  
entire financial lifecycle  
on digital channels.<sup>4</sup>

## Data Protection

Making the Most  
of Consumer Trust

# 86%

of North American and 81%  
of global customers trust their  
bank to protect their data.<sup>5</sup>

## Millenials

Winning a New Generation  
of Customers

# 43%

of Millennials abandon mobile  
banking activities because  
the process took too long or  
was too complicated.<sup>6</sup>

<sup>3</sup> Deloitte, Accelerating Digital Transformation in Banking, 2018

<sup>4</sup> Oracle, The New Digital Demand in Retail Banking, 2018

<sup>5</sup> Accenture, 2019 Accenture Global Financial Services Consumer Study, 2019

<sup>6</sup> Javelin, Translating Information into Action, 2019



## Mobile is the Channel of Choice

Mobile phones are essential in society today – from checking email and downloading apps to searching for products and services. And consumers increasingly demand immediate access for transactional needs, especially when it comes to banking services.

### Mobile Usage is Still on the Rise

#### Growing Global Smartphone Installed Base

**2015 - \$3 billion<sup>7</sup>**

**2023 - \$3.9 billion<sup>7</sup>**

#### At Least Monthly App Usage

194 billion mobile app downloads in 2018, up 35% from 2016  
3.4 billion global downloads of finance apps in 2018 – an increase of 75% from 2016.<sup>8</sup>

#### At Least Weekly Mobile Usage

The average user spent 3 hours per day on mobile in 2018  
Time spent on financial apps increased by 65% in 2018 for all users worldwide (except China) <sup>9</sup>

<sup>7</sup> Forrester, Forrester Analytics: Mobile, Smartphone, And Tablet Forecast, 2018 To 2023 (Global), 2019

<sup>8,9</sup> App Annie, The State of Mobile in 2019 – The Most Important Trends to Know, 2019

<sup>10</sup> The Street, Big Banks' Shift to Digital Could Bring These Significant Shareholder Benefits, 2018





# Mobility in Banking Matters to Your Customers.

## Mobile Onboarding

Your customers increasingly expect to open an account or apply for a loan anytime, anywhere. Here are a few ways to ensure that process is simple and secure:

- Your customer snaps a photo of their ID with a smartphone. Mobile capture technology extracts the data and prefills the form to simplify and speed up the application process.
- Mobile ID verification reduces the risk of fraud by ensuring the ID (driver licenses, passports, etc.) is real and unaltered.
- For added security, facial recognition technology validates the applicant is the true owner of the ID.

The result? Fast, secure onboarding for your customer. And a reduced risk of fraud and better Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance for your bank.

## Automatic Bill Pay

When your customer takes a picture of a bill with their mobile camera and uploads it, your bank can extract essential data to make or schedule payments.

## Convenient Check Deposit

For those customers that don't want to visit an ATM or a branch to deposit a check, mobile check deposit takes friction out of the process.

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**22% of customers use a mobile banking app more than 10 times per month.**<sup>14</sup>

**Mobile is the most used banking channel by Gen Z and Millennials.**<sup>15</sup>

**1 in 3 Gen Zers with a loan used an online lender—2.2 times more than in 2018.**<sup>16</sup>

**More than 85% of payments and transfer services are completed through mobile and online services.**<sup>17</sup>

<sup>14</sup>Deloitte, Accelerating digital transformation in banking, 2018

<sup>15</sup> Oracle, The New Digital Demand in Retail Banking, 2018

<sup>16</sup> PWC, 2019 Consumer Digital Banking Survey, 2019

<sup>17</sup> American Bankers Association, Survey: Online, Mobile are Most Popular Banking Channels, Branches Remain Popular, 2018



## Mobile Banking Adoption is Increasing Too

The majority of customers' mobile banking interactions involve routine transactions. That includes:

- Checking account balances
- Finding a nearby branch or ATM
- Transferring money
- Paying bills

**44% of consumers say they'd use mobile apps more if they could use it for more of their regular banking transactions.<sup>11</sup>**

### It Starts with Mobile Onboarding

The ability to enroll for mobile banking and open an account with a mobile device is gaining traction. The onboarding process must be smooth and simple to avoid drops and secure to avoid fraud.

In one survey, 71% of banks supported mobile banking enrollment. Sixty-eight percent supported single sign-on (SSO) credentials for online and mobile banking.

There's still progress to be made: Only 29% of all respondents supported the ability to open a checking or savings accounts through the mobile channel.<sup>12</sup>

<sup>11</sup> Deloitte, Accelerating digital transformation in banking, 2018

<sup>12</sup> The Financial Brand, Banking Providers Fail to Sell Benefits of Mobile Banking and Payments, 2018



## We're in the Moment of Now

Banks must transform their operations to remain competitive in this environment, and mobile represents a real opportunity for business growth. Today's on-the-go customers demand mobile access to take care of what they want, when they want.

## Moments in the Mobile Journey

### #1 Discover

- Research financial needs
- Explore brand

### #2 Explore

- Research product details
- Compare financial products
- Look up Internet rates
- Decide which product is best for me
- Read ratings and reviews

### #3 Ask

- Seek advice
- Look up location of a branch ATM
- Get in touch with customer service

### #4 Open an Account

- Apply for financial product
- Buy a financial product

### #5 Use

- Deposit a check
- Change personal details
- Set up & manage alerts
- Pay a bill
- Make a payment
- Check account balance
- Register for digital services
- View a past transaction
- Log in easily & securely

### #6 Engage

- Use money management tools
- Receive an alert
- Get a quote

## Identify the Banking Mobile Moments

“Mobile moments,” as Forrester calls them, are those instances where we pull out a mobile device to get what we want immediately and in context. Google also calls these micro-moments: critical touch points within today’s consumer journey that, when added together, ultimately determine how that journey ends.

Globally, mobile-first customers give almost 50% higher loyalty scores to their primary bank than people with low digital behavior do.<sup>13</sup>

**Leading banks serve customers in these critical mobile moments throughout the customer lifecycle.**

<sup>13</sup>Bain & Company, In Search of Customers Who Love Their Bank, 2018





## 4 Trends That Make Mobile Business Critical For Banking

### #1 Mobile increases profitability.

Mobile account opening is now an imperative for banks as part of any digital transformation initiative. And when banks accelerate their digital transformation, they are more likely to excel in loyalty. According to Bain, US banks with a high Net Promoter Score had net interest income growth of 13% from 2014 through 2017, compared with 5% for laggards and 6% for banks with a middling Net Promoter Score.<sup>18</sup>

### #2 Mobile drives operational efficiency for an organization.

Mobile functionality, such as turning a smartphone into a document and ID scanner with character recognition for improved accuracy, reduced friction and risk management, is replacing the slow, error-prone desktop processes at many banks and credit unions.

Adoption of a mobile-first strategy will help you reduce operating costs and increase efficiency and customer satisfaction in key ways, including:

- Accelerated onboarding
- Increased straight-through processing
- Reduced exceptions and more efficient handling of exceptions

<sup>18</sup>Bain & Company, In Search of Customers Who Love Their Bank, 2018

### **#3 Mobile improves customer engagement and builds trust.**

Mobile allows customers to engage at their convenience, via their preferred channel—easy, simple and fast.

Customers also want to know that you're committed to protecting their interests. Mobile ID verification and facial recognition technology helps reduce the chances of fraudulent account opening. It also gives banks, payments processors, and money transfer platforms the ability to meet Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance requirements and reduce risk.

Furthermore, mobile alerts that are actionable can help customers avoid fraud, cash shortfalls, unauthorized overdrafts and unpaid bills.

### **#4 Mobile is expected by today's customer.**

Customers seek convenience and want ready access to apps that their phones use.

The onboarding process must be easy, frictionless and accessible—wherever customers are at the moment.

Notifications, alerts, Touch ID, mobile capture and other features are now "essentials" for customers.

**"There will be a shift from using mobile as a cost-reduction tool to a way to expand share-of-wallet and become central to a consumer's financial life."**

- Matthew Wilcox, SVP of marketing strategy and innovation at Fiserv

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**According to the LexisNexis® True Cost of Fraud report, fraud costs are nearly 2% of revenues. That means for every \$1 of fraud, businesses incur on average \$2.66 the actual loss itself.**



## Adopting the Mobile Mindset

To get started, consider focusing on deeper customer engagement.

### Three Overall Areas to Focus on:

#### Capture Low-Hanging Fruit

Drive customer awareness of the mobile capabilities that may already be available to them in order to drive adoption.

#### Leverage the Current Capabilities of Mobile Devices

Capitalize on what mobile technology has to offer to increase cost savings and security.

#### Prepare for the Future

Keep up with—and even get ahead of—the curve on mobile services, taking advantage of the digital transformation in communications and business services.<sup>19</sup>

<sup>19</sup> Deloitte Center for Financial Services  
21IDC, ICT Spending Forecast, 2018 - 2022





## Develop a Mobile Strategy

Faced with customers' rising expectations and a competitive and technology-first banking landscape, you'll need to keep raising the bar. Your mobile strategy should aim to deliver great customer experiences, create new value, and engage with customers in their mobile moments.

Forrester<sup>20</sup> suggests that digital banking teams follow these recommendations:

### **Evaluate Your Mobile Maturity as an Organization, and Make a Plan to Increase It**

You'll want to understand your current situation, commitment and support from leadership, resources, and processes, so you can develop a mobile banking strategy and create a realistic plan to move toward maturity.

### **Adopt Systematic Processes to Perfect Your Strategy**

Consider using a customer experience framework or journey map to help plan and execute your mobile banking strategy. It's best to start small and iterate through a cycle of identifying mobile moments and their associated context; designing engagement; engineering their platforms, processes, and organizations; and analyzing performance to improve outcomes.

<sup>20</sup> Forrester, The State of Mobile Banking



### **Adjust Your Organizational Structures to Support the Strategy**

Forrester recommends a multi-tiered approach that starts with a cross-functional steering committee and a mobile center of excellence. In addition, your mobile project managers, product managers and developers should work side by side on teams to drive ongoing innovations.<sup>21</sup>

**Keep raising the bar.**

## **Digital Bank Transformation**

- **Reinvent** the bank of the future.
- **Deliver** a world-class customer experience.
- **Redesign** the organization and operations of digital banking.

<sup>21</sup> Forrester, The State of Mobile Banking





## Create a Mobile Narrative

Implementing a mobile first strategy is a big undertaking for a bank but it also represents a significant opportunity. A mobile narrative can help, providing inspiration to reach various milestones on your journey. It offers tenets and keeps you motivated and on strategy.

**As an example, here's a sample narrative that you can use as a guide to create your own:**

- Mobile first
- Personalized
- Meet customers where they are, on their schedule
- Multichannel experience
- Customer delight
- Fast and frictionless
- Auto-populate with accuracy
- Transparency
- Self-service with full-service option
- Improved compliance to build trust





# Moving Mobile Forward

## What's at stake?

Your ability to remain competitive. The competitive threat from digital trailblazers like Amazon, Apple and Google-and from other emerging financial technology providers-is ever present and growing. Among Millennials, the top four banks are said to have the worst customer service, and this generation is more likely to use banking services from these FinTech giants than traditional banks.<sup>22</sup>

## What's next?

The good news is you can leverage opportunities in areas such as information management and analytics, social connectivity and scalability to transform existing business models and enhance the customer experience.

It's important to consider that mobile technologies are increasingly seen as essential components of a larger [Intelligent Automation platform](#) that empowers banks to digitally transform business areas and operations.

Using a platform of integrated, AI-enabled technologies, your bank can augment capture technology with other smart capabilities such as robotic process automation (RPA), process orchestration, advanced analytics, and mobility and engagement solutions.

<sup>22</sup> Financial Brand, Why Some Financial Brands Win with Millennials and Some Don't, 2018

<sup>23</sup> Business Insider, BANKING AND PAYMENTS FOR GEN Z: These digital natives are the next big opportunity – here are the winning strategies, 2019



Over half of Gen Z use digital wallets monthly, and over three-quarters use other digital payment apps or P2P apps in the same time frame.<sup>23</sup>



Contact us today to discuss your unique requirements and set up an assessment.



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