

Mobile Banking Set To Soar

Contributed by eMarketer
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But financial services firms must effectively market value, convenience and security

For consumers, mobile banking is about convenience: the ability to check account balances, pay bills and transfer funds from a device they take with them everywhere.

For financial institutions, it is a means to deepen customer relationships, streamline operations and cut costs.

Several forecasts predict that by 2015, 50% or more of US mobile users will be conducting transactions from their mobile devices.

“The ubiquity of these devices offers banks an opportunity to connect with customers outside the online channel, including those who are always on the go as well as the underbanked and unbanked consumers who lack consistent Internet access,” said Noah Elkin, eMarketer senior analyst and author of the new report “Mobile Banking: Financial Services Firms Look to Cash In.”

Estimates of mobile banking adoption vary widely, although it appears to be growing at a good pace. For example, studies conducted in 2009 by Mercatus, Mintel Comperemedia and Experian Simmons put the usage rate between 7% and 11%.

However, in a January 2010 survey by Luth Research for the Mobile Marketing Association, mobile banking usage was 17% among the overall US population and 19% among mobile phone users.

A March 2010 study by OnePoll for mobile billing and message delivery firm mBlox uncovered a 25% usage rate among US mobile phone users.

Research among smartphone users reveals much more extensive mobile banking adoption.

Data Innovation’s January 2010 “Mobile Money Study” found that nearly 70% of smartphone users had accessed mobile banking, payment or financial services in the past three months.

“Smartphone users are more likely to engage with a bank’s Website or mobile application, but it is important to provide services, such as SMS banking, that engage the larger population of non-smartphone users,” said Mr. Elkin. “SMS reaches a wider audience than the mobile Web or applications, including the significant number of mobile users who have yet to trade up to smartphones.”

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