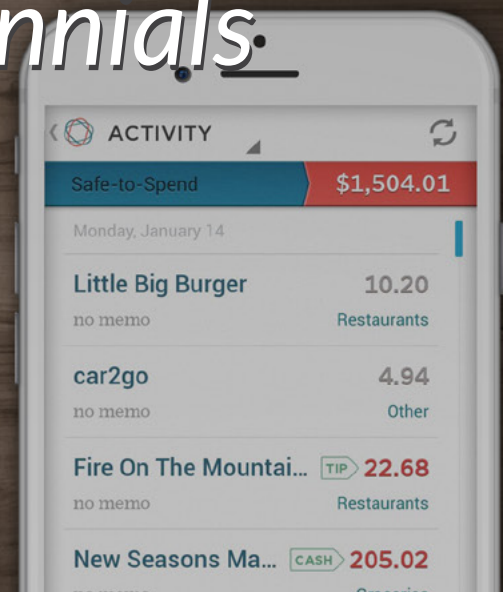

MONEY IS GOING MOBILE

*Mobile Banking Apps
Not Just For Millennials*



2015 EDITION

 Apptentive

MONEY IS GOING MOBILE

Mobile Banking Apps Not Just For Millennials

Mobile apps are a common part of an estimated [1.96 billion](#) people's everyday lives, and this number is only going to continue to grow. By 2016, an estimated [2 billion consumers](#) will have smartphones. Just as it happened with the boom of the dot-com era, life's daily tasks are now accessible via mobile apps.

One of the most important tasks we're faced with in business and in our personal lives is taking care of our finances. These days, we have several options when it comes to how we do our banking: at branches, over the phone, online, on mobile, and via mobile apps.

There have been several studies done surrounding banks and their methodology in creating mobile apps. However, there haven't been studies focused on the consumers' behaviors. In an effort to understand consumers' use of mobile banking apps, we conducted a US-based consumer survey of people 18-65 years of age. What we found might surprise you.

BANKING APP USE IN TODAY'S MOBILE WORLD

According to our research, the majority of banks and credit unions offer mobile banking apps. Specifically, **80% of respondents said their primary bank has a mobile app**. Of those whose bank has a mobile app, **69% of respondents actively use their bank's app**.

For banks without mobile apps, these numbers should demonstrate the importance of creating one sooner rather than later. Especially considering **25% of banks' customers use their app daily**, the number of touchpoint and engagement opportunities is tremendous.



In the second quarter of 2015, Bank of America increased their active mobile banking accounts by **2.2 million**, which, as they stated, reflects the changes in their customers' banking preferences. Based on our findings, this means daily customer interactions at Bank of America increased by at least 550,000, in one quarter.

In the face of losing direct in-person contact that branches present, personalized engagement has become increasingly difficult. For banks, mobile apps play a shifting but critical role in continual engagement with customers. Smartphone users spend nearly 3 hours on their phone per day, opening up a huge window of opportunity for banks to proactively engage with their customers. To further boost engagement with customers, banks can take steps towards increasing app downloads, and interact with existing mobile bankers all at once.

MOBILE BANKING ISN'T JUST FOR MILLENNIALS

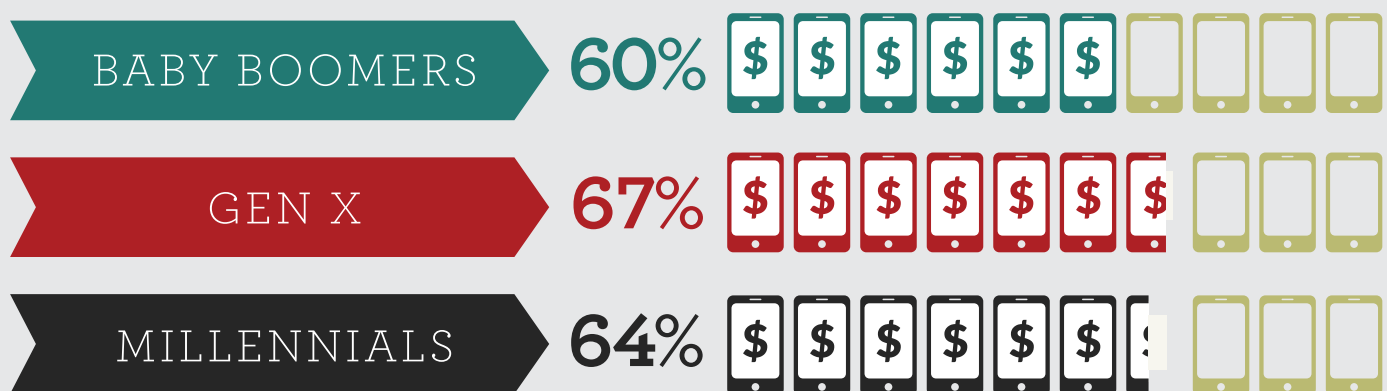
Do you think Millennials are leading the pack of mobile banking app usage? If you do, you might be surprised to find out that's not the case. Survey respondents in *Generation X are the most avid group of mobile bankers, with 67%* reporting they use their primary bank's mobile app.

Millennials are a close second with 64% reporting they use their primary bank's mobile app. not surprisingly, *59% of Millennials said mobile apps are at least somewhat important in their decision when choosing a bank.*

Here's the real kicker: *60% of Baby Boomers use their primary bank's mobile app.* Sixty percent! Frequency of use of mobile banking apps for this generation varies. *56% of them use their mobile banking app 3-5 times per month, while 11% use it daily.* Maybe even more surprising is the importance Baby Boomers place on mobile banking apps; *20% reported that mobile banking apps are VERY important in their decision when choosing a bank.*

The most shocking statistic we learned from this survey is that there is not a significant difference between how many people in the various generations use mobile banking apps. This means that all standing assumptions that mobile apps should focus on younger generations is invalid.

Mobile Banking Use By Generation



There is only a 4% difference between how many Millennials use mobile banking apps to how many Baby Boomers use them. The big takeaway here is that banks shouldn't gear their mobile app efforts towards Millennials, or any generation in particular. The numbers show that banks will be ignoring a majority of their customers if they focus on a set age group above others, no matter which way you slice it. Even banks whose customers skew towards the older generations will benefit from offering a mobile app.

LIVING UP TO EXPECTATIONS

Today's mobile bankers have certain expectations when it comes to their bank's mobile apps. The top 5 features mobile bankers expect include:

- Ability to check balances (90%)
- Ability to see charges (82%)
- Ability to transfer money (79%)
- Ability to view statements (78%)
- Ability to pay bills (70%)

Are you wondering how to take your mobile banking app to the next level? Look no further. Here are the top 5 features mobile bankers list as a nice-to-have:

- Spending analysis (50%)
- Budgeting tools (50%)
- Ability to notify bank of upcoming travel (37%)
- Ability to apply for new lines of credit (35%)
- Ability to freeze accounts (34%)

TAKEAWAYS

The use of mobile banking is becoming more prevalent as smartphone use continues to expand. Banks have more competition popping up with the introduction of online-only banks, and need to be proactive about retaining their customers and earning their loyalty. Mobile apps offer a tremendous opportunity to do just that, but banks need to go about it the right way. Mobile apps are here to stay, and banks need them if they want to stay too.

HERE ARE A FEW KEY LEARNINGS FROM THE SURVEY DATA:

- 1** *Offer a mobile banking app to retain and acquire new customers.* With 80% of banks offering a mobile app, the remaining 20% of banks are in the dust. People across generations are placing great importance on mobile banking apps in their decision when choosing a bank, and banks that don't offer an app are at risk of losing current and potential customers.
- 2** *Break down age barriers to target new customers and increase loyalty among existing customers.* There is only a 4% difference between how many Millennials use mobile banking apps, and how many Baby Boomers use mobile banking apps. To target new customers, banks should ignore traditional generational stereotypes surrounding technology adoption.
- 3** *Prioritize in-app features based on customer needs.* From our survey, customers expect to have the ability to check balances, see charges, transfer money, view statements, and pay bills as features on their mobile banking apps. Banks should conduct their own in-app surveys to understand the needs of their specific customers in order to identify immediate needs, and properly prioritize the product road map.
- 4** *Include nice-to-have features in the product roadmap to stay ahead of the game.* Understanding what features customers consider “nice-to-have” in mobile banking apps can provide solid insight into what customers will come to expect in the future. Including features that customers consider nice-to-have into the product roadmap will help banks stay ahead of the mobile game.

By proactively engaging customers through mobile apps, banks have the ability to increase customer satisfaction, drive retention, build loyalty, and show customers love. Through building personal relationships with customers, banks will understand their customers on a deeper level than ever before. This understanding allows banks to build a better product that's tailored to their customers specific needs, and will keep customers coming back for more.

HOW TO IMPLEMENT THE PROACTIVE APPROACH

There is a right way, and a wrong way to engage customers via a mobile app. Banks must be wary of interrupting their customers while they're trying to complete a task within the app. Customers don't appreciate the interruption, and usually don't respond positively. Understanding ideal moments within the app that won't leave customers feeling interrupted is crucial. These moments are called events, and provide a window of opportunity for engagement. Prompting at the right time is called intelligent prompting, and can make the difference between a glowing review and a disgruntled customer. With Apptentive's toolkit, banks can intelligently prompt customers to leave ratings and reviews, take surveys, engage in two-way communication, and send one-time Notes.

Previous research has proven that boosting positive app store ratings and reviews drives more organic downloads; only **50% of people consider downloading a 3-star app, yet 96% consider downloading a 4-star app**. Using Apptentive's intelligent ratings prompt, banks are able to turn satisfied customers into public evangelists while opening up a two-way channel of communication with unsatisfied customers. Happy customers are gently asked to leave a rating or review, and directed to the app store if they're willing. Unsatisfied customers are redirected away from the app stores, and given the opportunity to provide direct feedback to the bank about their experience; banks are able to respond back directly. Opening up this two-way channel of communication between customers and real people at the bank fosters a genuine relationship, while still building loyalty and driving retention. Customers truly appreciate not only the ability to voice their comments and concerns, but to have their voices validated and heard by their banks. It's this validation and reconciliation that leads to increased customer satisfaction.

To understand what particular bank's customers expect, and consider nice-to-have, run an in-app survey. Surveys are an important piece of the customer engagement, and product roadmapping strategy. Having hard data on the pieces of the app that need immediate attention, and what the team should focus on building next is hard to dismiss. Surveys send a strong signal to customers that the bank cares, and is working toward building a better product that will serve them better.

Furthermore, with all of the time customers are spending on their smartphones, banks have a large window to alert customers about updates within the app, or new features available, etc. By sending one-time Notes to hyper-specific customer bases within the app, banks are able to engage customers on a personalized level and drive them to use the mobile banking app more frequently.

To learn more about how Apptentive can help your mobile banking app increase customer satisfaction, drive retention, build loyalty, and show customers love, request a demo now!

About Apptentive

At Apptentive, we're the experts in mobile customer experience and in-app communication. Our in-app messages, surveys, and intelligent ratings prompts empower brands to build meaningful relationships with their customers. Integrated into thousands of mobile apps including Allrecipes, Concur, Intercontinental Hotels Group, Nordstrom, Overstock, and Urbanspoon, our software makes it easy for any company with a mobile app to grow retention, boost app store ratings, drive downloads, and earn customer loyalty. Apptentive powers millions of mobile customer conversations every month across the world.

For more information, visit us at: www.apptentive.com



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