

What banks are losing sight of in rush to upgrade mobile apps

By

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As consumers continue to migrate to banking apps, it may be tempting for lenders to focus solely on improving that channel experience. But new data suggests that consumers aren't abandoning other platforms just yet.

Smartphone apps have become the most popular way for consumers to use mobile banking, but half of those customers also access mobile banking through a browser on their phones, according to Javelin Strategy & Research.

Many bankers say they see the same pattern.

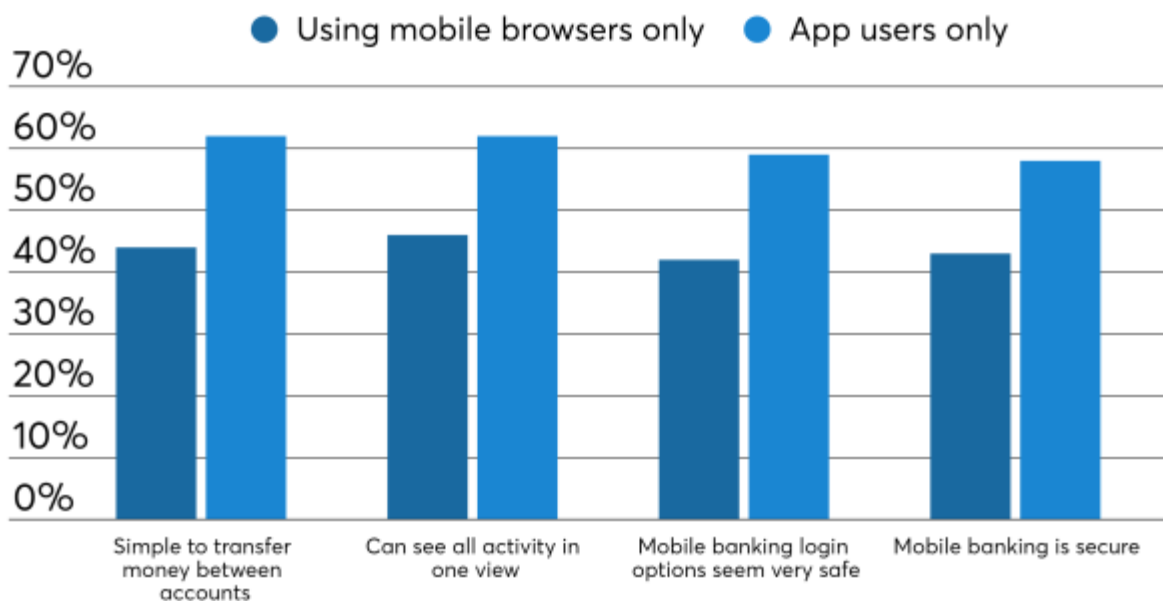
“We get customers who use the app, use online banking in the browser and call us,” said Cindy Hemeon-Plessner, senior vice president and marketing officer at New Hampshire Mutual Bancorp in Concord, N.H. “It’s pretty interesting, the same people using their same cellphone in three different ways to bank.”

Customers that only experience mobile banking on a browser are less satisfied with what they can do, Javelin found, compared to customers who only access the mobile banking through an app. By not keeping an omnichannel experience across apps and browsers, banks run the risk of alienating customers.

“We can no longer afford to ignore the online portal in deference to the app,” said Emmett Higdon, director of digital banking at Javelin Strategy & Research.

Mobile banking imbalance

A significant minority still use banks’ mobile sites and find them lacking in service



Source: Javelin Strategy & Research

For instance, the mobile banking browser offered by FIS, one of the banking industry's largest vendors, offers the same functions as its mobile app, except for biometric capabilities and remote deposit capture. But the provider still has clients that only use the company's mobile app product, said Bob Legters, chief product officer of banking and payments at FIS.

One step banks can take to balance efforts, Higdon suggested, is to stop siloing mobile and online banking development efforts and channels.

"No customer said, 'I'm going to sign in to online banking,' " Higdon said. "If I'm on my phone and go to WellsFargo.com, do I think of that? No, I just think that I'm on my phone. I'd say I logged in to mobile banking, but as bankers we would say, 'No, you didn't.' "

Partly as a response to that issue, SunTrust Banks in Atlanta over the course of a year and a half switched from two separate vendors running its online and mobile banking platforms to an in-house solution for both digital channels. The juggling act was too much, said executives at the \$205 billion-asset bank.

"You had to replicate everything across both channels," said Steven Liles, head of technology for enterprise digital channel at SunTrust. "We probably needed to be competitive and that was the fastest way to launch a competitive experience."

Now when the bank organizes its product development and customer experience teams, "we look at digital as one bucket," said Ken Meyer, chief technology officer of consumer banking at SunTrust.

“Because we own the experience, we are able to go at the pace of change,” Meyer said. For instance, “before we lagged in our ability to provide touch ID for our Android users. Now, we were able to move parallel with the market when installing face ID.”

Banks will also have to stop separately counting customer traffic in terms of online and mobile users, Higdon said, a practice across several industries that is rooted in the evolution of web-based retail.

“We’re looking at digital users, not at mobile or online users,” said Colin Murphy, vice president of product marketing and consumer adoption for digital banking at Fiserv. “Our focus is, how do we drive our technology and adoption efforts toward active digital usage?”

There’s partly a split in how banks view online versus mobile as a result of a marketing push among bankers to get customers on their mobile apps. There are obvious cost savings, for instance, if a customer is able to do most of their banking without the need for assistance from a representative.

“The beauty of the mobile app environment is a lot of self-management by the consumer,” Legters of FIS said. “They want to empower the customer to self-manage. It helps the bank get the consumer engaged and allows the consumer to do things like check their balance multiple times per day.”

But Hemeon-Plessner said that banks have to acknowledge the reasons multiple platforms are still in play for the consumer.

"It could depend on what information they are trying to get," she said. "If they have a quick question, it may be quicker for them to just call in and punch in that information, or they're sitting in a meeting and they don't want to be loud. We know for sure that we have customers who use the branch, who also call us and talk to a human, who call our 24-hour 800 number, who use the mobile app and who use mobile banking."

"Those aren't five different customer necessarily, those could be the same customer, and consistently customers use all of those services," Hemeon-Plessner added. "We definitely have customers who prefer one over the other, but we definitely have customers who use all of them depending on what's most convenient for them at that moment. Let's be honest, we know darn well that we have customers who try to login using their PlayStation."