

Bank of amazon

Is Big Tech the Future of Banking?

Amazon's Banking Services

Could grow to more than **70 million** U.S. consumer relationships over roughly five years, rivaling Wells Fargo.

Amazon has built and launched tools & services focused on:



Payments



Cash Deposits



Lending

Aimed at increasing the number of merchants and customers in its ecosystem by enabling them to sell and buy more, and reducing any buying/selling friction.

Amazon's Ecosystem

310 million
Active customer accounts

100 million
Prime customers

5 million
Sellers

12 marketplaces
USA, UK, Germany, France, Canada, Japan
India, Italy, Spain, Mexico, Brazil, & China

“Amazon is not building a bank by the traditional definition, Amazon is building financial services products to increase participation in the Amazon ecosystem”

Amazon Is Looking into Checking Accounts

Banks could lose about

\$100 billion

in the wake of an Amazon checking account launch

People who said they would definitely open the Amazon account would yield

\$72 billion

in potentially displaced deposits

Those who would open an Amazon account and close their existing account have

2.5X

larger balances on average

Amazon's Technology Advantage Is Experience

1/5th of U.S. survey respondents use voice assistants at home

1/4th would consider using voice-controlled assistants for everyday banking



“With their superior customer experience, they can sell an ever-wider range of products to their loyal customers...”

With Amazon approaching \$1 trillion in market capitalization, Davis says traditional banks and credit unions have good reason to worry. If Amazon wanted, they could become a major force almost overnight.

How Financial Institutions Can Fight Back

To remain competitive in this new financial landscape, financial institutions need to match, if not exceed, the customer value that Amazon and other big tech companies are bringing to the table. And they're well positioned to do so.

Financial institutions that use their wealth of data to delight their customers will remain relevant and win back loyalty.

SEE HOW MX CAN HELP >