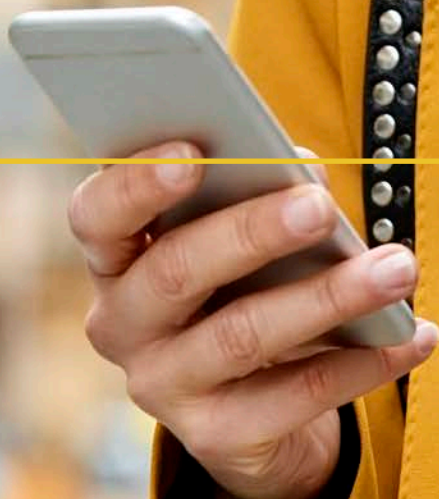


**MX**<sup>®</sup>

# Mobile

is Changing How

People Interact with  
the World



# Mobile is Changing How People Interact with the World

**194B+**  
Global App Downloads  
in **2018** An increase  
of **35%** from **2016**

exceptional customer experiences in ways that attract and retain customers using technologies that jive with how people interact with the world around them today. When it comes down to it, financial institutions will have to develop digital strategies that build personal and meaningful relationships with customers that go well beyond transactional communication.

The truth is, mobile isn't just a simple tool that financial institutions can add to their strategy—it's much more. Mobile is fundamentally changing the way people navigate the world around them, and it's impacting every part of their personal lives. In 2018, "global app downloads exceeded 194B, [an increase of] 35% from 2016."<sup>1</sup> More specifically, in the financial industry, "global downloads of finance apps hit 3.4B in 2018, up 75% from 2016."<sup>1</sup> And overall, the actual time spent on apps "globally grew 50%"<sup>1</sup> in that same time frame. And in markets like the "US and Canada, the average user spent nearly three hours a day in mobile apps in 2018."<sup>1</sup>

In today's mobile-first world, financial institutions must find new ways to incorporate their offerings and products into people's everyday lives. As the use of mobile continues to skyrocket, financial professionals will need to redefine (again) how they can consistently deliver

What's more, "a growing share of Americans now use smartphones as their primary means of online access at home."<sup>2</sup> Today roughly one-in-five American adults are "smartphone-only" internet users... [and] more than nine-in-ten Millennials (92%) own smartphones, compared with 85% of Gen Xers, 67% of Baby Boomers and 30% of the Silent Generation."<sup>3</sup>

According to a Mobile Banking Study by Citi "apps for mobile banking have become some of the most widely used by Americans. The survey...found that...31[%] of consumers use their mobile banking app the most, behind only apps for social media (55 [%]) and the weather (33 [%])."<sup>4</sup> Furthermore, "Eight out of 10 consumers (81[%]) are now using mobile banking nine days a month, on average, while nearly a third (31 [%]) mobile bank 10 or more times per month."<sup>4</sup>

Seniors, like younger generations, are also enjoying the benefits that mobile has to offer. A recent Pew Research Center survey found "that seniors are also moving towards more digitally connected lives. Around four-in-ten (42%) adults ages 65 and older now report owning smartphones, up from just 18% in 2013."<sup>5</sup> And perhaps, unsurprisingly, "Gen Z spends 20% more time and engages with their most-used apps 30% more often than the rest of the population."<sup>1</sup>

**3.4B**  
Global Finance App  
Downloads in **2018**  
A Massive Increase of **75%**  
from **2016**



Today roughly one-in-five American adults are “smartphone-only” internet users.



# The Mobile-First Revolution

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Mobile devices are used to do just about everything, making them an integral part of every industry—and it's now reached well into the banking world. Today, 45% of consumers interact with their financial institution via digital channels only”<sup>6</sup> And it's projected that “within five yrs, 88% of all interactions will be mobile.”

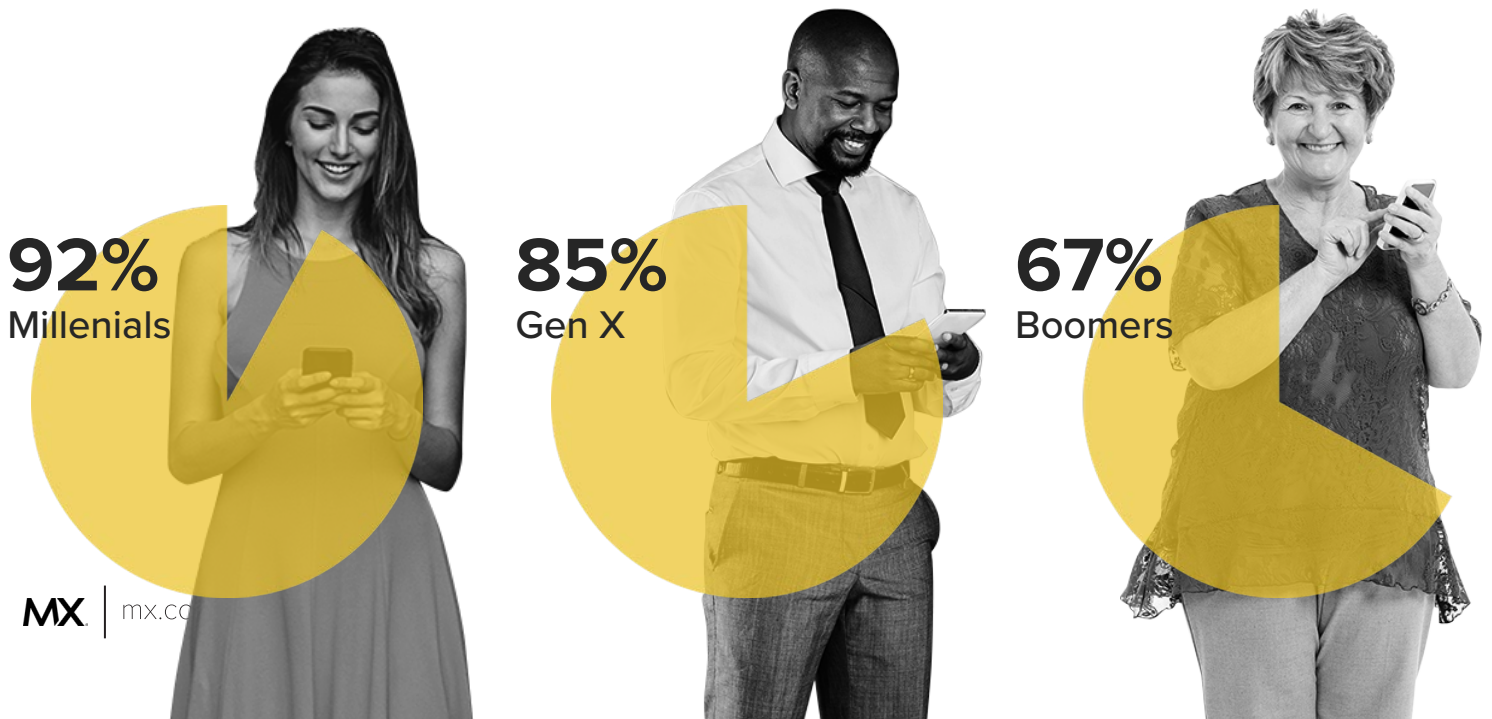
Traditional face-to-face interactions are quickly being replaced with the convenience of digital experiences. This, however, can be a win-win scenario: “Not only does this decrease friction for a consumer, it has significant cost-savings potential for banks.”<sup>1</sup> Now, financial institutions can transfer the fixed cost of maintaining physical locations, to mining their abundance of customer information to create hyper-personalized offers and products that are relevant at each point in a customer's financial journey—all at a fraction of the cost.

And that's only the beginning, “mobile can go a long way in banking the unbanked — particularly through branchless banks.”<sup>1</sup> Now people that may once have not had the option to bank, due to lack of physical branches in their neighborhoods, can have access to all the same financial information as people

in other locations—creating an equal playing field for all.

There's a lot of good that mobile can do for consumers. And as it turns out, people that use mobile banking have a higher confidence when it comes to their finances. When using mobile banking to manage their finances, people “are more confident that they know the exact balance of their bank account right now (95 [%]), than non-mobile banking users (85 [%]).”<sup>4</sup> Furthermore, “nine out of ten (91[%]) have experienced additional positive outcomes from mobile banking, including greater awareness of their financial situation (62 [%]); fewer concerns about managing their finances (41[%]) and a better understanding of the services offered by their bank (38 [%]).”<sup>4</sup>

When customers feel like their financial institution is helping them take control of their finances, they're more likely to have a positive association with that institution. In fact, 82 [%] of mobile banking users feel confident that a bank can truly help improve their state of financial wellness, compared to 62[%] of non-users.”<sup>4</sup>





**Spotify**

With 12M Users  
Rating it 4.6



**WhatsApp**

With 72M Users  
Rating it 4.4



**Uber**

With 5M Users  
Rating it 4.2



# Mobile-First Strategy Is About **Experience**

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With mobile usage on the rise, people's expectations for exceptional app experiences is also at an all-time high. Simply put, because mobile apps are so pervasive, the definition of a good banking app is no longer being the best compared to other banking apps, consumers expectations for usability is defined by consumer experiences from brands such as Spotify with 12M rating it an average of 4.6, Whatsapp with 72 Million people rating it 4.4 stars, or Uber (5 million 4.2 stars). When it comes down to it, besides the big banks like JP Morgan Chase and WellsFargo, far too few financial institutions are enjoying a world-class or optimal mobile banking solution.

Today, when people are considering a mobile app: only 15% would consider downloading an app with a 2-star rating, 50% would download a 3-star app, and a whopping 96% would download an app 4-star app.”<sup>7</sup> No matter which way you cut it—app ratings matter. And the fastest way to high app ratings is with a simple and intuitive app experience. If an app is hard to use or clunky, people are likely to switch to an institution with a better interface. In fact, in the last year, 26% of people moved banks because of the mobile experience.<sup>8</sup> And while there may be many reasons for customers to leave an institution, the lack of a great mobile banking app is a factor in more than a quarter of all those who left their incumbent bank.

However, having a great user experience is only the beginning. Apps are growing in capabilities and complexity with features like use of voice to buy products, send money to friends, or pay bills estimated to increase to 31% of US adults by 2021 according to this BI report. For example, one of our clients, Mercantile Bank of Michigan, used our data cleansing solution to enable conversational banking via chatbots, enabling their customers to easily track transactions, pay bills, and understand their financial information at a glance.



“ As technology becomes more deeply intertwined with people’s daily lives, the traditional banking model is becoming less and less relevant. ”

# What Financial Institutions Can Do to **Stay Ahead**

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As technology becomes more deeply intertwined with people's daily lives, the traditional banking model is becoming less and less relevant, "so much so that 91 [%] of mobile banking users prefer using their app over going to a physical branch, and 68 [%] of millennials who mobile bank see their smartphones replacing their physical wallets."<sup>4</sup>

And it's only going to get harder to keep up for financial institutions from here. There's a massive complexity with the smartphone evolution with a huge variety of vendors and models entering the tech space. And as the desktop continues to lose relevance, we are on the cusp of a tsunami of wearables and IoT, requiring a faster iteration and a flexible API framework in order to stay ahead.

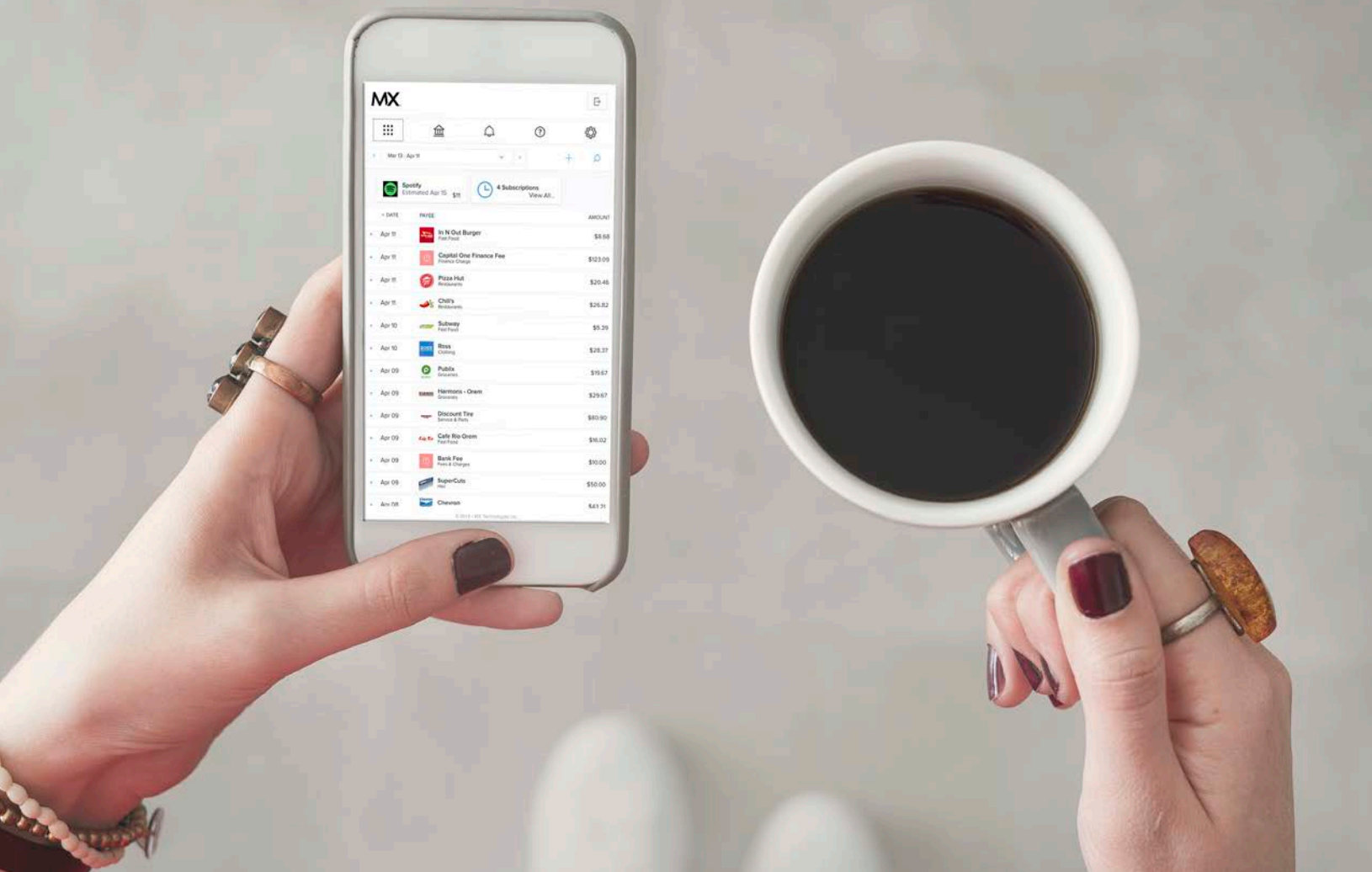
Furthermore, there's massive disruption in the financial industry from the fintech space. In fact, "2018 marked a turning point for fintech apps, with many making a move into consumer banking. Venmo announced a debit card with a mobile app-only application process and Revolut secured a European banking license and plans to open checking and savings accounts, as well as retail and business lending options."<sup>1</sup>

So, with all this in mind, what can financial institutions do to stay ahead? Well, for starters, financial professionals need to ensure that their mobile app experience is equal to, if not

greater than, the best of the best out there. Mobile is now a part of everyday life. People use their mobile devices for everything from shopping and streaming shows to reading the news and listening to music. It's such a basic and integral part of how we function in today's world, that organizations must have an exceptional mobile app in order to remain viable.

Like the online revolution, we are now at a new inflection point with mobile. In the past, having an online strategy was considered successful—and it was. Today, mobile is at the center of it all with new, and rapidly growing, technological innovations in wearables and the IoT taking the world by storm. When it comes down to it, having a mobile-first strategy is not an option, it's imperative. But not all mobile app experiences are created equal. And that's where MX can help.

**91%** mobile  
of banking  
users prefer using  
their app to going into  
a physical branch.



## How **MX** Can Help

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At MX, we help financial institutions stand out in today's world of mobile banking. Our intuitive app solutions can help you go beyond simple transactions and account management, giving you the tools you need to give customers the experience they've come to expect. We make it easy for every type of customer to interact with their banking information from all devices and channels—any time, anywhere. And we've spent a lot of time ensuring that our interface is not only sleek and modern, but also incredibly simple to use. And because our UI experience is so intuitive, you'll receive thousands of 5-star reviews, which will attract new customers, increasing overall engagement, and lead to higher brand loyalty and ROI.



No matter what your mobile app needs are, we'll work with you to make them possible. We'll create a custom-built solution—from html to a native in-app experience—depending on your specific needs. But equally as important, we can help you innovate in weeks instead of years. We believe in quick iteration, helping you stay on top of the latest trends and innovations with mobile banking—because waiting a year to add new features and functionality to your app will no longer cut it. We'll also build on top of any vendor you're comfortable with on your existing financial platform. Our technology is built to grow and scale with your business, so no matter where the mobile-first evolution leads, we can make sure you come out ahead.

If you'd like to learn more,  
visit **MX.com** or call us at **801-669-5500**.



1. <https://www.mx.com/hubfs/State%20of%20Mobile%202019.pdf>
2. <https://www.pewinternet.org/fact-sheet/mobile/>
3. <https://www.pewresearch.org/fact-tank/2018/05/02/millennials-stand-out-for-their-technology-use-but-older-generations-also-embrace-digital-life/>
4. <https://www.prnewswire.com/news-releases/mobile-banking-one-of-top-three-most-used-apps-by-americans-2018-city-mobile-banking-study-reveals-300636938.html>
5. <https://www.pewinternet.org/2017/05/17/tech-adoption-climbs-among-older-adults/>
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7. Apptentive Research
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