Exploring the Impact of Mobile Messaging in the Financial Services Industry

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In This Study

Key take-aways for mobile messaging in financial services

- Business leaders are driving new investments in mobile messaging and are closely involved in solution specification, selection, and deployment.
- Financial services is looking at mobile messaging as a key component for employee communication and contingency planning.
- Mobile messaging can improve the customer experience by engaging with customers to provide the right offer at the right time on the right device.
- Using SMS to notify customers of high-risk, high-dollar transactions is something that can solidify banking relationships.
- Maximizing investments requires integrating mobile messaging into structured business workflows.
- IT wants to bring communication channels together with a workflow engine to quickly create services and address functional needs.
- The greatest benefits: customer experience and employee relations.
Mobile Messaging Today

80% of financial service companies are currently using or plan to use global SMS with their customers and employees.

Mobile messaging gives businesses a way to enhance communications and optimize business operations. Businesses are using mobile messaging in many ways, from broadcast communications to personalized multistep interactions and workflows.

Mobile Messaging:
Short message service (SMS), multi-media messaging service (MMS), push notifications, and occasionally e-mail.

Businesses today must be engaged with over...

3 billion+
Mobile subscribers

6 billion+
Connected devices
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How the Financial Services Industry is Using Mobile Today

- Differentiating or improving the customer experience
- Attracting and retaining customers
- Meeting industry compliance requirements
- Gaining deeper customer insight
- Improving our risk mitigation
- Ensuring business continuity
- Enhancing multichannel delivery capability
- Increasing brand awareness
- Global communications
- Improving organization’s security
- Managing employee welfare & safety
- Lowering operating costs

Impact Area, n = 60
The Top Mobile Messaging Use Cases for the Financial Services Industry

Average response for stage of deployment today, on a scale of 1 to 6

1 = not yet considering, 6 = in production enterprise wide

<table>
<thead>
<tr>
<th>Use Case</th>
<th>Average Response</th>
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<tbody>
<tr>
<td>IT system status &amp; network outage alerts</td>
<td>4.2</td>
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<tr>
<td>Employee emergency alert systems</td>
<td>3.9</td>
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<tr>
<td>Customer surveys</td>
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<td>Customer alerts, updates, reminders and notifications</td>
<td>3.2</td>
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<td>Password reset</td>
<td>3.1</td>
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<tr>
<td>Company announcements</td>
<td>3.0</td>
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</table>
Enhancing Customer Experience

Customer service excellence is a competitive differentiator for top-performing businesses.

Financial services organizations believe that mobile messaging has considerable or major impact on customer experience, customer retention, and also on ensuring business continuity.

83% of financial services organizations believe that mobile messaging has a considerable or major impact on brand awareness.

- Great fit for companies with high touch business models and for those that place a premium on customer experience.
- Sales and marketing is rapidly becoming more digital and mobile, SMS is a key component of this change.
Enhancing Customer Experience

Through targeted customer promotions and product offers, bank appointment reminders, real-time alerts, bill reminders, and customer surveys

88% of financial services organizations believe that mobile messaging has a considerable or major impact on customer experience.

- Adopt a “mobile first” strategy to engage and serve your mobile customers, not necessarily through online banking solution
- Create more personalized mobile messaging and relevant promotions

47% of financial service companies consider SMS to be effective or very effective for customer surveys.
Enhancing Employee Relations

Human resources and IT are using mobile to provide employees with the necessary resources and services to achieve enterprise goals.

✓ Great fit for improving employee engagement and mitigating risk.

73% of financial service companies consider SMS to be effective or very effective for employee emergency alerts.

Financial service firms are highly interested in one-way SMS solutions, more so than all other industries surveyed.
Enhancing Employee Relations

Through company announcements, mobile workforce management, timesheet processing, employee surveys, password reset, sign in and account authentication, emergency alerts, IT system updates, escalation management.

Develop a long-term employee engagement strategy that encompasses operational communications, training, wellness, and employee appreciation.

Consider SMS, MMS, and other messaging channels as important tools in the IT toolbox to improve employee satisfaction, productivity and IT security.

Where SMS is already highly effective today.
What Type of Justification Do Most Financial Service Companies Need?

43% require ROI to gain funding

75% require that a problem needs to first be identified

33% consider the payback period to justify the investment
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Top Issues in Financial Services with Existing Vendor and Willingness to Pay a Premium for Those Issues

What are your top three issues with your current mobile messaging vendor?

- Does not offer professional or managed services
- Is not flexible enough
- Has poor customer support
- Mobile messages are not encrypted
- Lacks domain expertise in mobile
- Does not provide APIs
- Does not support the mobile messaging channels I require

Which items would you be willing to pay a premium for?

- Professional or managed services
- Encrypted mobile messages
- Customer support
- Flexibility to support planned mobile business activities
- Support for required mobile messaging channels business activities
- Domain expertise in mobile
The Bottom Line

✓ Take a long term, purpose-led approach to mobile investment.
✓ Look for vendors that can support platforms, not just individual technology or use case requirements.
✓ Look for vendors with a track record of support excellence.
✓ Form a mobility center of excellence or program office to manage the project portfolio.

In Conclusion
A company-wide mobile messaging strategy will give organizations a path to enhance the customer experience, gain additional customer insights, improve employee relations, and drive operational efficiencies.

IDC forecasts that the shipments of smart connected devices (smartphones, tablets, phablets) will increase by 44% by 2018, and organizations must adapt to incorporate mobile into every aspect of operations.
Methodology

The data contained in this InfoBrief is from the IDC Mobile Messaging Survey, which focused on understanding how mobile messaging can help organizations meet today’s pressing business challenges. Respondents were knowledgeable about their company’s needs, adoption, and use of mobile / text messaging for business operations, employee, or customer communications.

The study was conducted in 2014 with 600 respondents in the USA, UK, Europe, and Asia, in 10 industries including financial services.

Financial services includes companies that are involved in one or multiple facets of financial service including banking, capital markets or insurance.

Respondents were from all parts of the organization including operations & logistics, customer service, human resources, IT/ Security, sales & marketing, and from organizations with 500 or more employees.

This InfoBrief report highlights how mobile is transforming key business processes and the importance of creating a mobile messaging strategy.