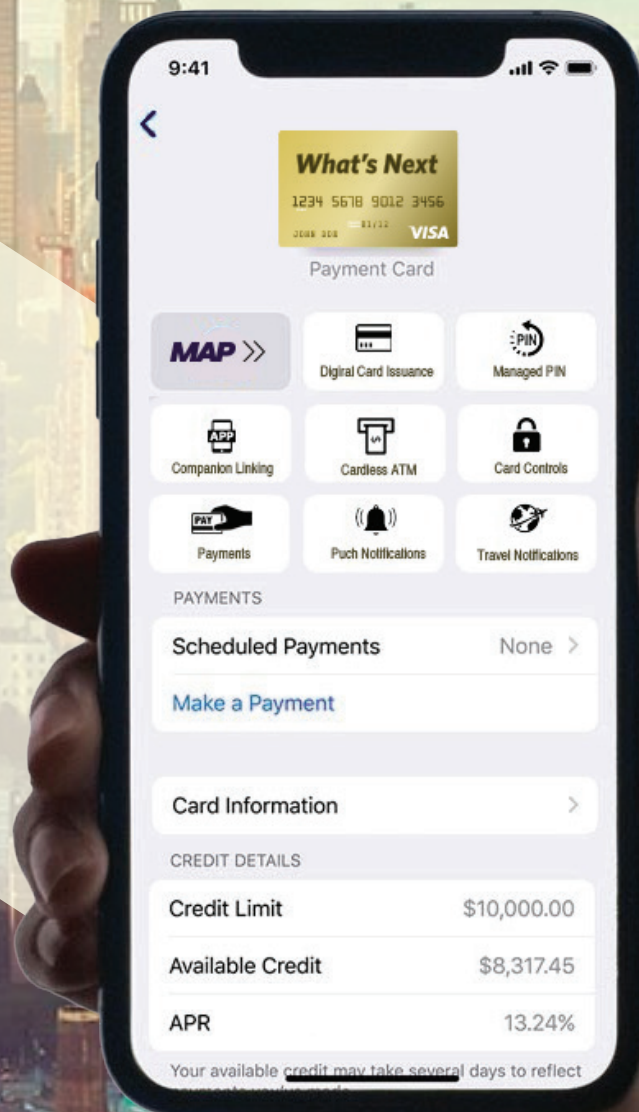


What's Next for Mobile Banking Functionality



Mobile apps have become the touchpoint of choice for the majority of credit union members to manage their finances. Mobile banking is a pervasive outlet for credit unions as 89% of members state they use mobile for their banking according to Business Insider's Mobile Banking Competitive Edge Study. Further, a massive 97% of millennials indicated that they use mobile banking.

With usage high and expectations rising, credit unions need to continuously iterate their mobile apps to ensure that mobile banking experiences are built to suit member needs. The surging demand for mobile wallets has also influenced credit unions to offer them – with over half of credit unions granting access to at least one mobile wallet. Mobile wallets offer users the ability to link debit or credit cards to their smartphones – enabling them to complete contactless payments either in-store or online.

Additionally, the growing excitement surrounding voice assistants, like Alexa, is beginning to influence another trend in mobile banking: voice banking. Siri already allows consumers to transfer money to peers through Venmo, and Alexa can pay off credit card bills. Today, 18 million US consumers have made a voice payment, and Business Insider Intelligence projects that figure will quadruple over the next five years.

Obviously, credit unions faced with rapid growth and evolving user base must contend with the shifting expectations and experience of their users. But what is next for credit unions wanting to keep pace with the mobile features being offered today? At a minimum, members want core mobile banking functionality. As reported in a recent Federal Reserve report Consumers and Mobile Financial Services, mobile banking app users require the following from a mobile banking app:

- 94% checked a balance or recent transactions
- 58% transferred money between accounts
- 48% deposited a check using the device's camera
- 47% paid a bill
- 36% located the nearest ATM or branch

But these are “table stakes” for any credit union offering a mobile banking app. Today, members want self-service and they want it on their phone which means the “app.” Mobile users spend only 14% of their time in the browser and 86% of their time in apps. That means new functionality must be in the credit union's primary app or a companion app.

Members are comfortable with companion apps, especially with functionality they see as separate from the core mobile banking functionality. For example, the Apple Wallet provides for payment functionality outside the credit union's mobile app, even though

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the member is using the credit union's card and tracking the transaction history in their credit union app.

When designing a mobile payment strategy, having the option for a companion app is important since not all functionality can reside within the credit union's app.

However, much of the current and up-and-coming functionality can be included in a credit union's primary mobile banking app depending on the mobile platform employed, the flexibility of the credit union's core banking platform and resources available from the card processor.

Some of the latest functions making it on to credit union banking apps include:

- **Card Controls** gives the member the ability to turn their card on/off from the app.
- **Cardless ATM** allows members to withdrawal cash using the institution's mobile banking app utilizing multiple authentication methods, including fingerprint, passcode and facial recognition.
- **Companion App-to-App Linking** allows the cardholder to move between the credit union's primary app and a companion app for expanded functionality and greater usability options for the member.
- **Digital Card Issuance** allows members to request and receive a new card number directly within the app. This functionality allows credit union to digitally issue or reissue card accounts into a mobile app, providing members immediate access to their card's features without the need for the physical card.
- **Managed PIN** functionality allows cardholders to update the card PIN they use for POS purchases and ATM cash withdrawal transactions directly within the app.
- **Payments** like Apple Pay, Samsung Pay and Google Pay provide members the capability of making payments with the cards enrolled within the credit union's app. Typically, the card is provisioned to a wallet – this is required of Apple Pay – but it can reside in the credit union's app for phones running the Android operating system.
- **Push Notifications** allows cardholders to receive incoming messages via the app and to be notified of delivered messages even when the app is closed.
- **Travel Notifications** allow the members to set of dates and locations of travel within the app, helping prevent mistaken purchase declines when cardholders are traveling.

The need to provide members self-service banking functionality like those listed above is only going to grow. It's not just that members want to take care of things themselves, 71% of people prefer to self-serve according to the Aspect Consumer Experience Index. And, they expect to be able to do so with minimal effort, where and when they choose.

Mobile banking must continue to evolve and respond to members' desire for self-service. This is not solely for younger generations, as 91% of Gen Xers and 79% of Baby Boomers report they want these services. With a growing appetite for mobile banking, credit union must become and remain up-to-speed on mobile market trends as a primary function of attracting and retaining members.





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