Money on the move
Why the financial sector should deliver more mobile experiences
With the rise of mobile banking, consumers are more open to the idea of managing their money from a mobile device than ever before. For those marketers and businesses operating in the financial services sector, this shift in mind-set from face-to-face banking to faceless (digital and mobile) represents an ideal opportunity. Savvy financial organizations can reach customers in new settings, to build rich, omnichannel brand experiences and, ultimately, to open up a new avenue for sales.

With these mobile opportunities, however, come some potential risks. Unlike more traditional retail businesses, which have been able to move into the ecommerce environment with varying degrees of success, those selling financial products and services woefully lacked a smooth transition to the mobile space.

A combination of strict regulation and consumer privacy concerns mean that financial brands must be extra cautious in their approach. Many consumers are still wary of making significant investment decisions via their mobile devices – whether it is buying insurance, applying for a loan, transferring money or signing up for a new credit card.

This report explores why businesses in the financial sector need to strategically enable customers to manage their money on the move. The report is based on consumer behavior research, the views of marketers and consumers and a review of the mobile approach of the UK’s top financial services providers.

**Methodology:**
This report incorporates a benchmark study of the mobile apps of the UK’s top 20 financial services.
Who’s managing their money on the move?

Across all demographics, consumers are using mobile devices to purchase financial services and to manage their accounts for things like: viewing debit transactions and bank account statements, paying bills and mortgages, reviewing credit card rewards, sending money to friends and family, and online investing. These are tasks that consumers of 10 years ago would have never considered doing on a phone.

Two-thirds (67%) of people in the UK use smartphones to manage their finances, with Londoners the most likely of any region (74%).

Nearly half (49%) of UK consumers manage their finances via a smartphone on a weekly basis, and a third via a tablet. Looking at day-to-day use, 14% of UK consumers now organize their daily finances via a smartphone, while 8% use a tablet device.

In a typical week, women appear to be much more prolific when it comes to managing their finances on the move, with over half (57%) making finance-related transactions via their smartphones, compared to 45% of men. Yet in contrast, men are more likely to manage their financial goods or services on a tablet than women (31% versus 26%)

The age factor

As is perhaps to be expected, there is a sharp correlation between age and use of a mobile phone to manage money and make financial purchases. Younger generations have grown up with the expectation of managing all aspects of their daily lives via apps and portable devices, and their demands for financial services are no different.

The group most likely to manage its money and make financial purchases via a mobile device is 25- to 34-year-olds, closely followed by 16- to 24-year-olds. In contrast, older generations appear more skeptical, with many still preferring to make financial purchases in-person or via a computer at home.

While it could be assumed that the youngest generation is the most mobile savvy, our findings suggest that 16- to 24-year-olds simply aren’t making the same level of financial purchases. Consumers in their late 20s and early 30s are much more likely to buy insurance, invest in stocks or purchase financial services.

The sharpest decrease in mobile use is between the 35- to 44 and 45- to 55-year-old age brackets, with a clear generational gap emerging and a sudden drop in mobile usage of 18%.
Location, location, location

As the young people of today quickly become the money-conscious consumers of tomorrow, financial services providers should expect to see the shift toward mobile purchasing as the “new normal.”

As mobile increases for young people, it is likely we will also see a decline in demand for face-to-face interaction, with ever-fewer financial purchases being made in-store. In the last 12 months alone, both Lloyds and NatWest have closed more than 100 branches across the UK, choosing instead to promote and support their products and services online and via their mobile apps.

While many businesses have been keen to save costs by moving online, it is important that companies do not forget the value of face-to-face interaction and positive customer experiences. Rather than seeing mobile as a whole replacement to traditional storefronts, consumers expect an increasingly omnichannel approach, with 22% now using their mobiles as a supplementary part of the offline shopping experience.

According to our research, geo-targeting will be a major part of this approach, with 48% of marketers saying that they either already incorporate, or plan to incorporate, location-based technology into their promotional strategy. This will be especially important for financial services organizations, with many cautious consumers using their phones to browse for options, but still not wanting to commit to a decision without a face-to-face discussion.

Responsivity over apps

In reviewing the top 20 biggest financial services providers in the UK, Episerver’s research found that 19 now offer fully responsive, mobile-optimized websites.

This focus on responsive designs rather than mobile redirects provides both an improved user experience and greater SEO value, making it a clear move for any business or retailer looking to take a mobile-first approach.

While mobile responsiveness is high, the adoption of mobile and tablet applications is slow. As it stands, 55% of the leading financial product and services providers offer an iPhone app, while only 40% have an app for iPad; the figures are similar for Android, with 50% having a smartphone app and 40% having a tablet app designed for the Android OS.
While it could be said that finance brands are lagging behind when it comes to apps, the reality is that providing an app is only necessary if it benefits the user experience.

While online banking apps may receive regular, or even daily use, for many consumers purchasing financial products and services often represents a one-off event and – as a result – there is little need to keep an app permanently installed on their device. Where apps can prove useful, however, is in offering after-sales support and as a forum for loyalty schemes and wider content-marketing initiatives.

Companies that want the functionality of an app without having to build their own are also increasingly using progressive web apps (PWAs), which are web applications that are web pages or websites that can look like – and have the same features of – traditional mobile apps. PWAs load quickly, can be used offline, and can be easily connected with a platform that provides decoupled content management, such as Episerver CMS.

**Future finances**

While it is clear that much of the financial sector is still playing catch up with existing mobile technologies, it is still important for these businesses to look forward and consider the innovations that could benefit their brands soon – and in the years to come.

One such technology is wearable devices, which are further redefining the way that consumers spend – and manage – their money on the move. As it stands, one in seven consumers now owns a wearable device, with the majority taking the form of either smartwatches or fitness bands.

Now, with both Apple and Huawei watches offering internet connectivity without the need for a mobile phone, the number of people using these devices to browse and shop is only set to increase.

Despite this fact, our research shows that 72% of marketers have no plans to incorporate wearable technology into their approach. In the same way that mobile banking apps have driven greater consumer trust and willingness to make financial purchases on the go, the rise of similar apps on smartwatches is set to cement this trend even more.

And it is not just wearable technology set to change the financial services market. More and more consumers are growing accustomed to dealing with chatbots and virtual assistants when managing their financial services online.

Artificial intelligence (AI) chatbots, such as the popular Plum financial advice app, are already being installed by hundreds of consumers, with demand for human interaction being overtaken by a need for speed and convenience.

Despite this growing consumer demand, however, less than 40% of marketers say that they intend to incorporate chatbots into their marketing approach within the next two years – a figure that jumps to 62% in the financial sector.
Metro Bank personalizes experiences on responsive website

Metro Bank was founded in 2010, the first high street bank to open in the UK in over 100 years. As the UK’s leading challenger bank, Metro Bank wanted to transform its website, metrobankonline.co.uk, so that it accurately reflected the award-winning bank’s service offering, brand identity and vision. Using Episerver’s CMS platform, the bank’s website is now fully responsive, adjusting to desktop, tablet and mobile displays. The website can also detect user location and then deliver personalized content.

Read the full case →
Swinton launches responsive website for mobile customers

Swinton Insurance is a UK insurance provider with over 50 years’ experience in the financial sector. The company had developed a strong presence in physical locations selling insurance for cars, homes and businesses, but its online presence was spread across six different websites. Swinton decided to merge these websites into swinton.co.uk, a responsive website built with Episerver CMS. Content can now be quickly launched for customers to use while on the move, and it can be easily shared and geo-targeted in social media. 

Read the full case →
Concerns Decrease as Demand for Convenience Increase

The vast majority of consumers are turning to their smartphones and tablets to manage their money and purchase financial products and services while on the go. Over the last few years, fears related to the privacy and the security of mobile banking are lessening. Instead, consumers are increasingly expecting convenient and truly omnichannel experiences.

From small P2P payments, to credit cards, mortgages, insurance and banking, the providers of today’s financial products and services need to start thinking about a mobile-first approach. The days of mobile banking and mobile shopping being viewed as a minority activity are behind us. Today, these are very much the new normal. Very soon, wearable technology, chatbots and location-based content will change the game once again.

While it is clear that financial services providers must work to a different schedule and cannot be expected to adapt at the same rate as brands in other sectors, the reality is that the shift to new, more mobile technologies will happen with or without them.

The recent shift to responsive design is a great start, but to be innovative and keep in line with consumer demands, today’s financial services providers must take a more open approach to innovation, customer experience and, ultimately, change.

By offering seamless, mobile-first marketing approaches, companies within the financial sector can more readily meet the expectations of today’s consumers, increase engagement and ultimately provide leading experiences over other providers.

To find out more about how your organization can start benefiting from putting mobile first, visit episerver.com or contact our sales support team.
About Episerver

Episerver empowers digital leaders to easily create standout experiences for customers – everywhere they engage, and always with measurable business results. The Episerver Digital Experience Cloud™ unifies digital content, commerce and marketing in one platform, including omnichannel solutions for smart personalization and intelligent campaigns. Founded in 1994, Episerver has offices in the US, UK, Sweden, Australia, Germany, Denmark, Finland, Norway, Poland, the Netherlands, Spain, South Africa, Singapore, Vietnam and the UAE.

Learn more about Episerver’s responsive solutions: episerver.com