

Is your company prepared for the influence of social media and mobile?



Social media and mobile technology are enabling consumers to drive brand perceptions and reshape buying behaviors. With social media, people can draw on the wisdom of the crowd to find the best products and pricing, and rely on recommendations from their trusted network of friends. As this technology-enabled bargain hunting makes its way into everyday services such as retail banking, many businesses need to take a good look at whether they're prepared to meet the challenges.

The advantages of going mobile

Mobile technology is quickly becoming an essential way of life for many consumers, which means your investment in mobile can position you to connect with important market segments. As an example, a recent [U.S. Federal Reserve survey](#) identified a clear trend that mobile banking appeals to Gen-X and Millennial consumers. As these market segments are expected to drive bank profitability for everything from auto loans and mortgages, to brokerage and retirement, mobile banking represents the future of financial services.

Nearly 40% of mobile banking users are aged 18-29 —and this segment is expected to drive banking profitability in the coming years.

Federal Reserve, *Consumers and Mobile Financial Services*, March 2013

What are the implications for your business?

Mobile consumers expect companies to cater to their needs anytime, anywhere – and they've done their homework. Before engaging your company directly, they've probably researched Twitter, Facebook, or Yelp to find out what people are saying about your products and services, and how easy it is to do business with you. To woo this smartphone-toting prospect, you'll need to meet them on their terms.

Social media and mobile banking are transforming how we think of multi-channel marketing. To be profitable in this new environment, winners need to provide tailored offers to the right customers, at the right time, and in the right place. As an example, a home lending organization might offer a customized mortgage at their office, which has different characteristics online, and differs yet again from the offer presented on their mobile app. Furthermore, to nurture offers toward a sale, the business may need to provide flexible ways for the consumer to respond and engage the business, based on their preferred channel.

How are mobile phones changing financial services?

The Federal Reserve notes these trends:

- **48%** of smartphone owners have used mobile banking in the past 12 months - up from 42% in December 2011.
- **10%** of those mobile phone users not currently using mobile banking think they probably will use it within the next 12 months.

Source: Federal Reserve, *Consumers and Mobile Financial Services*, March 2013



How do you get started?

As mobile usage is continuing to grow daily, companies should focus on delivering core functionalities now rather than sitting on the sidelines dreaming up the perfect mobile app. To help you systematically identify and prioritize your customers' needs and desires, start by gathering and analyzing feedback from social media and other data sources.

For example, to deliver the convenience of anytime, anywhere account access, a bank's mobile app could make it easy for a customer to review their current credit card balance while standing in an aisle of new 3D televisions. In this way, mobile access to their account helps guide the customer's purchase decision, which in turn may drive revenue for the bank. Additionally, mobile apps enable the organization to capture data about the customer's financial needs, and leverage it to enhance products and marketing offers.

Where mobile and social can take you

At the leading edge, mobile apps and social media will help consumers throughout the entire customer journey. Take buying a house: they may use mobile tech and social networks to search for a home, research and apply for financing, get a referral to a moving company, and shop for furniture –all the while telling others about their journey on Facebook, Twitter, or Yelp. Innovators will build loyalty by being there every step of the way to deliver a positive customer experience.

Think about the growth potential as the popularity of mobile continues to explode. In financial services alone, a Forrester Research report, *The State Of North American Digital And Multichannel Banking 2013*, forecasts that by 2017, the number of mobile banking users will grow to over 108 million. Mobile and social technologies not only empower your organization to touch the customer more often, they enable you to gather valuable data on how customers need and want to interact with your business so you can provide better service and remain

Let's Talk

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