



# Spotlight on Mobile's Impact on Loyalty



Be There Be More

FINANCIAL SERVICES

# Introduction

## Going mobile means never standing still.

That's especially true for credit unions committed to retaining the business of members looking to manage more and more aspects of their lives from wherever their daily activities take them. Remaining engaged with these members requires steadily evolving your mobile offering to provide useful new capabilities. On the following pages, you'll learn how strong this trend has become, and how solutions such as Sprig® by CO-OP, and Card Controls and Alerts technology developed by CO-OP, can help you strengthen member loyalty.



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# Mobile Insights

## TECH TRENDS: Going Mobile Makes Members Stay

Winning the loyalty of your members should be your top priority. But making this happen isn't as easy—or as clear cut—as the intention itself. As consumers live more and more of their lives online, the role of mobile in financial services is shifting along with it. Just a few years ago, going mobile was a way to surprise and delight tech-savvy credit union members. Today, mobile engagement is fast becoming the only way to serve mobile-driven consumers. If, as Woody Allen famously suggested, 80 percent of success is showing up, your credit union simply cannot succeed at winning member loyalty unless it is showing up on your members' mobile devices.

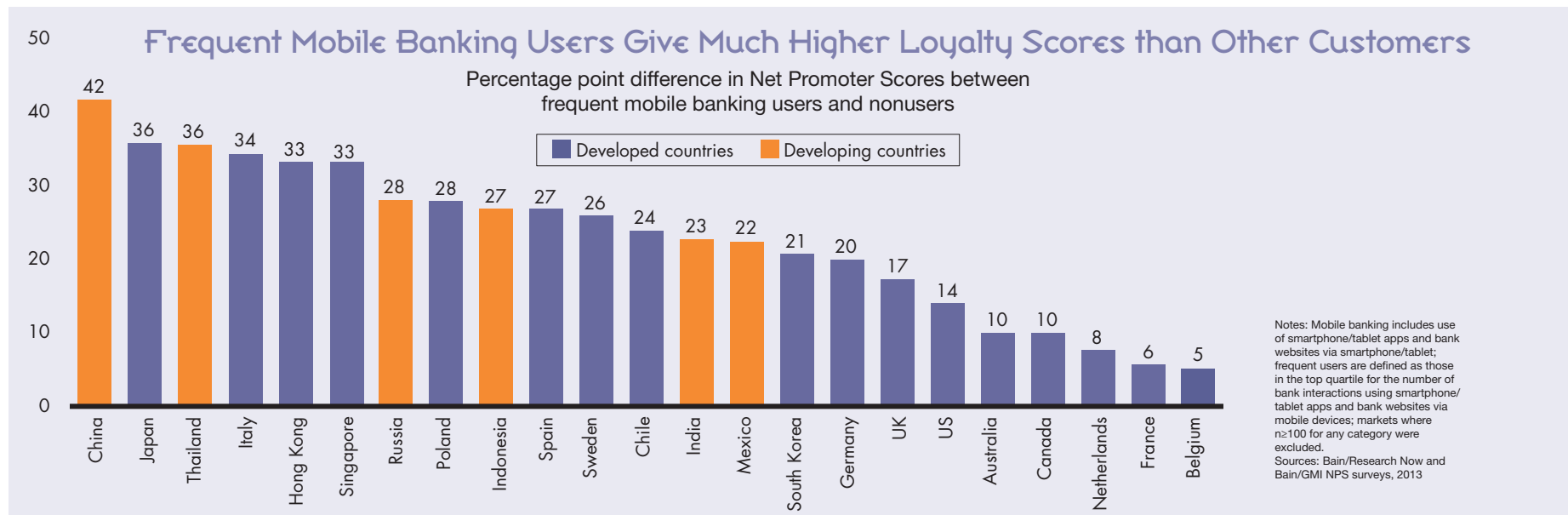
Consider:

- According to a Yodlee Interactive survey, “Mobile Banking Plays a Key Role in #1 Factor for Customer Loyalty,” **one in three mobile banking users stay because of mobile banking.**
- **71 percent of mobile banking users are “satisfied” or “very satisfied”** with their financial institution's mobile and web offerings.
- **Mobile banking users in the U.S. were more loyal** than their non-mobile counterparts—giving Net Promoter Scores that were 14

percent higher on average, according to the Bain & Company Brief, “Customer Loyalty in Retail Banking, Global Edition 2013.”

- **52 percent** of consumers ages 26-34 **would switch** their financial institution **for access to a digital wallet**, according to global business advisory AlixPartners.
- **38 percent** of the same group **would switch for mobile P2P payments.**
- **36 percent would switch for mobile remote deposit capture.**

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But that's not all. Not only do mobile banking users love the functions they're using, but they're also inclined to want more. In a study on consumer electronics, Accenture, a global management consulting company, noted—across the board—that about one-fifth of respondents were “planning to” use a mobile device in ways that mimic a remote control: to make payments in stores (21 percent), control home audio and video systems (22 percent), monitor or control home locking systems (22 percent), monitor and control heating or air conditioning systems (21 percent), and transfer health data to a remote location (20 percent).

What does this mean for credit unions?  
Consumers are ready for more mobile utility

and the engagement that goes along with it. The greater the mobile engagement, the more indispensable your credit union becomes.

Not for nothing, the inverse must also be true: Failure to engage may simply equal failure. Credit unions that don't reach members where they live—on their mobile devices—will have a hard time maintaining that primary connection. More than half of us are smartphone users, with an additional 1 percent converting monthly, according to AlixPartners. As the mobile majority grows, both in numbers and in devotion to their devices, leaving your members without the mobile capability they expect may leave them feeling abandoned altogether.

## Get Ready, Get Fast

The takeaway is not simply that credit unions must have mobile banking. Rather, they must look constantly for new, useful ways to keep members engaged in the mobile space.

Increasingly, this means taking the lead. Waiting to see whether your members want remote deposit capture, P2P payments or mobile card controls may mean watching as they adopt this technology elsewhere. With it, they engage with someone else's financial services.

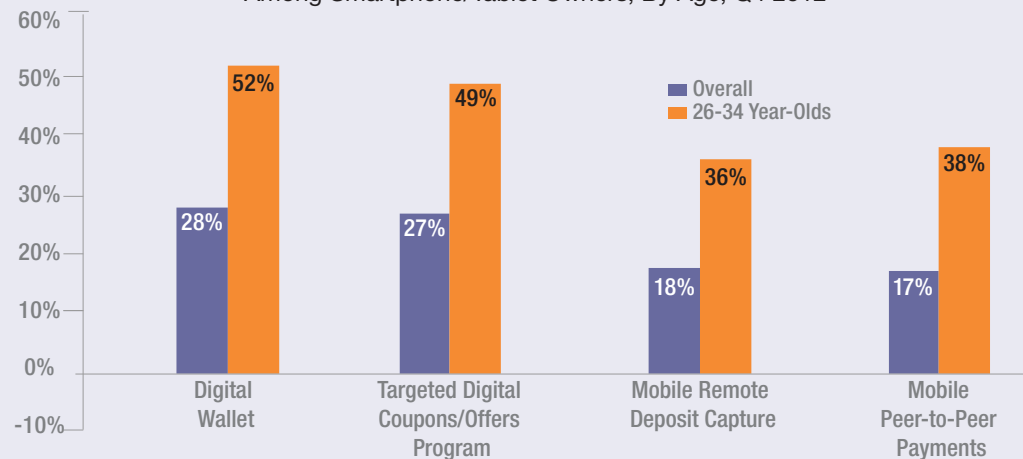
Becoming a mobile leader requires a change of outlook:

1. Stop thinking of yourself as a lagging indicator. Strike while the technology is hot.
2. Keep engagement in focus. Technology must inspire your members to pick up and play.
3. Choose partners intentionally. As technology proliferates, so does the potential for multiple platforms, interfaces, features and vendors. Simple is better.

These three imperatives work together. Taking a leadership position in the mobile space means rapid adoption of multiple technologies, understanding how to evaluate and deploy these new ideas, and managing vendors as never before. Most credit unions do not have the practical ability to create their own mobile solutions. At the same time, bringing on board a slew of vendors and their attendant systems to handle one-off solutions quickly sours the party.

### Likelihood of Switching Primary Banks to Get Access to Each Service

% Extremely Likely or Likely to Switch Primary Banks Among Smartphone/Tablet Owners, By Age, Q4 2012



Source: AlixPartners *Mobile Financial Services Tracking Study* Q4 2012 (Mobile P2P N=2,052, Mobile RDC N=2,052, Digital Wallet N=1,080), AlixPartners *Financial Services Digital Couponing Study* Q4 2012 (Targeted Digital Coupons/Offers Program N=2,033)



## Plugging It All In

Never has it been more vital to work with partners who understand mobile consumers, your technological infrastructure and needs, and how credit unions work. Innovation must be manageable.

At CO-OP Financial Services, the goal is to provide member credit unions with the mobile tools they need to keep their members engaged. That includes mobile ATM and Shared Branching locator apps with record-setting usage. Remote deposit capture. And—starting in early 2014—me-to-anyone mobile P2P via Sprig® by CO-OP and the remote Card Controls and Alerts technology developed by CO-OP.

With the newly-updated Sprig mobile iPhone and Android app, members will be able to monitor account balances across multiple credit unions, make real-time P2P transfers within CO-OP's shared branching network and pay anyone in or out of network using a new M2A feature. This new iteration of Sprig provides even more of the mobile features members expect, and it does so without a major outlay of credit union resources. Sprig by CO-OP is designed to work seamlessly with CO-OP Shared Branch technology.

Card Controls and Alerts is a brand new mobile solution (coming soon) that enables members to “remote control” their card accounts using a mobile device. With Card Controls and Alerts members can:

- Turn cards on and off
- Set spending, transaction or geographical limits
- Receive instant fraud alerts
- Respond in-app wherever they are

Card Controls and Alerts is an easy add for users of CO-OP's debit and credit processing.



## Launch And Go

Both Sprig and Card Controls and Alerts continue CO-OP's process of placing and keeping member credit unions top-of-screen for mobile-minded consumers. This means offering the baseline products and features members want, along with an evolving array of new solutions designed to keep your members connected.

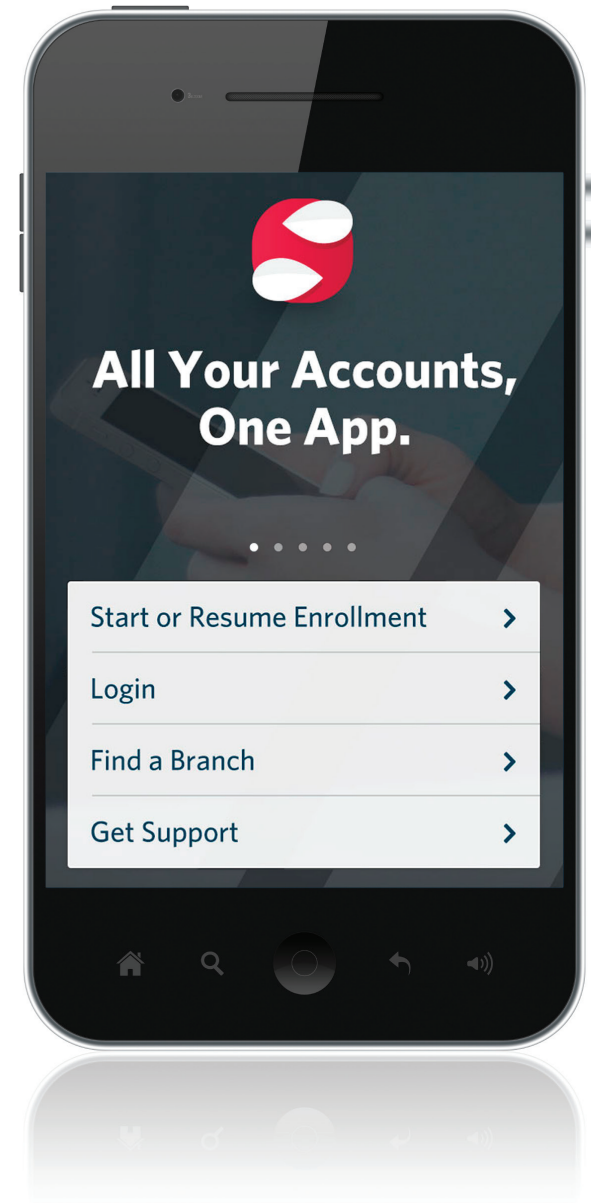
Going forward, it's the combination of innovation and access that spells the difference—both for credit unions and their members. Solutions that simply launch and go pave the way for greater usage, more transactions, deeper engagement and loyalty.

To get there, credit unions and the partners they choose must prepare to lead. Because mobile retail payments will be a critical growth area in the years to come, CO-OP has been negotiating with MCX (Merchant Customer Exchange), a network of major retailers working on a mobile commerce solution, to ensure that credit unions have a place at the table as digital wallets move into the retail space. This is an important step, but it's only one of many. Consumers are moving their financial lives into the mobile sphere; they're also looking to extend that mobile activity into an omnichannel experience, so that mobile features not only meld seamlessly with each other, but integrate with online, ATM and in-branch.

## Mobilize Me

In other words, being there for your members will, increasingly, mean being everywhere—making a check deposit by mobile phone, making a P2P payment by mobile phone, verifying its receipt online, processing an ATM withdrawal at the branch, and facilitating a mobile P2P transfer to square up a fun dinner with friends. Did your member leave her card at the restaurant? Until she knows for sure, she can turn the card off using a smartphone app.


And that's just a few months into the future. Down the road: mobile shopping, bill payment, full digital wallets and untold features still being queued up—all with the goal of greater mobile engagement. Because the more they use you, the more they love you, the more loyalty you win. Priority checked.




# At a Glance

Go Mobile. Maintain Members.

**1 in 3** MOBILE BANKING USERS STAY BECAUSE OF MOBILE BANKING<sup>1</sup>



**71%** OF MOBILE BANKERS ARE SATISFIED OR VERY SATISFIED WITH MOBILE AND WEB OFFERINGS<sup>1</sup>



U.S. MOBILE BANKERS ARE **14% MORE LOYAL** Giving their FIs 14% higher Net Promoter Scores than non-users do.<sup>2</sup>

<sup>1</sup>Source: Yodlee Interactive <sup>2</sup>Source: Bain & Company Brief

### Mobile users want more.

Asked if they would do any of the following by mobile device, here's what consumers told Accenture:

Activity	Yes	No, but planning to
Make payments in stores	45%	24%
Control home audio/video systems	35%	13%
Monitor - control home locking systems	34%	12%
Monitor - control heating/air-conditioning systems	29%	8%
Transfer health data (test results) to a remote location	30%	10%

Sample base: Respondents owning a smartphone or a tablet (7,080)  
Source: The 2013 Accenture Consumer Electronics Products and Services Usage Report

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**CO-OP helps credit unions do more with mobile—because mobile engagement builds loyalty.**

#### Remote Control for Cards (coming soon)

**Card Controls and Alerts lets members:**

- Turn cards on and off
- Set spending limits and controls
- Receive alerts in real time
- Respond instantly in-app

#### Digital Wallet/P2P

**SPRIG® by CO-OP offers members:**

- Mobile Pay-Anyone P2P
- Real-time account transfers and payments
- Mobile deposits
- Account aggregation across all credit union accounts

[CLICK HERE](#) To learn more about Sprig by CO-OP, arrange a conversation with a CO-OP Sales Representative.

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Be There Be More