

How can mobile empower customer retention and growth for banks?

By [François Chaffard](#)

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Globally, mobile banking users are set to exceed 1.75 billion by 2019 - that's 32% of the world's adult population - as per a report published by Juniper Research. The firm also projects the number of mobile users in the Middle East and Africa are expected to grow to 82.1 million users by 2017.



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By harnessing the extensive reach of mobile networks and the rapid penetration of mobile phones, banks have a new way to deliver banking services at a significantly lower cost, without bank branches or Internet coverage. The transition of mobile banking from a niche service for the technologically elite to a mass-market service, figures in perfectly with these rates. Essentially, mobile banking is here to stay.

Keep up, or keep out

To keep pace, banks clearly need to recalibrate their growth strategies to align with this rising trend; an increasingly digitally driven world equals customers who expect increasingly digitally driven banks. Digital bank transactions are growing as much as five times faster than those at physical branches, and the battle for new customers is now moving from the streets to smartphones. Given this, a lag in digital banking infrastructure and security could prove costly and in a recent survey ran amongst 18-25 years old, 48% said they would switch banks if they felt their mobile banking app wasn't secure.

Essentially, a bank's ultimate goal should be to improve customer experience and ensure a seamless encounter, be it at an ATM, via online banking or on a mobile device. Such a differentiation will boost customer loyalty. Otherwise, a bank may be left vulnerable to a particularly aggressive competitor.

When thinking mobile banking, ensuring a seamless encounter goes hand-in-hand with ensuring a secure transaction environment. Banks need to, of course, educate customers to be vigilant about information protection, particularly on public Wi-Fi networks. And, on their side, banks need to strengthen authentication methods.

Secure that smartphone

A corollary of the growth of mobile banking has been an increase in security threats; as mobile banking has scaled new heights, hackers and mobile fraud have swiftly followed with mobile malware samples growing by 112%, 'malvertising' being a major source. Latest surveys also show that 33% of smartphones in South Africa are not password protected while 26% of users are unaware that mobile malware exists.

In the face of this, banks are being advised to implement security measures. Customers expect ease-of-use and seamless operation, and these factors have to be combined with effective security practices.

The idea is to ensure the customer's mobile phone serves as a secure banking channel. Every service users avail of when online banking, they expect to avail of on their mobile as well, without compromising on security.

Fortunately, features such as mobile OTP token and high end software which secure mBanking applications, turning mobile phones into a strong authentication device with transaction signing functionality, can enhance the way customers are authenticated to their banking sites and applications while counter even the most advanced attacks, such as man-in-the-middle/browser, using sign-what-you-see functionality.

Maintaining a seamless experience within the mobile ecosystem should be a priority for banks stepping into or offering mobile banking; customer trust is the key to any bank's business success. Traditional banks really have no choice left: they need to offer security measures as good as or better than any in the market - and use this to earn customer loyalty, as the world makes the shift to mobile banking.

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