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## Key Trends Impacting Mobile Banking

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# Game changers

The digital revolution has the entire financial marketplace in a state of transformation. In particular, the industry is experiencing phenomenal growth in mobile users. It's impacting the way consumers research their choices, access their products, and how products and services are delivered and purchased. To compete and move at the speed today's consumer demands, banks and credit unions must now offer easy-to-use, indispensable mobile app experiences.

Added to this movement is a new generation of companies and leaders who are reinventing the rules of financial services. They're using new technology and work practices to serve customers whose lives are increasingly oriented around their mobile devices. In this highly competitive market, it's clear that banks and credit unions must embrace mobile banking wholeheartedly to better serve their customers and empower their staff.

There are many trends in digital banking—some newer than others—dramatically impacting the operation of financial institutions this year. Here's what you need to know in order to stay ahead of the game.

## Trend 1

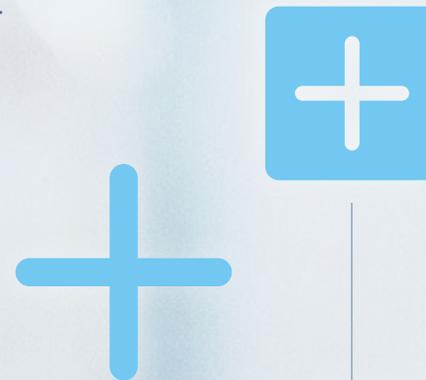
Removing friction from the customer journey

## Trend 2

Introduction of "optichannel" delivery

## Trend 3

The "platformification" of banking



## Trend 4

Expansion of digital payment

## Trend 5

Executing on innovation



# Trend 1:

## Removing friction from the customer journey

The rise of mobile devices has dramatically changed consumer's behavior. With the ability to be online constantly, people can access information and data like never before. Whether it's checking their account transactions or setting up an investment portfolio, people now expect to handle their financial affairs as easily and conveniently as they manage email and share photos of their lunch.

With the phenomenal growth of digital banking, banks and credit unions must engage consumers at every stage of their purchase journey—not just because of the immediate opportunities to convert interest to sales, but because the customer's journey greatly influences the decisions they make. Simplifying the consumer's life not only creates opportunity—it also breeds loyalty.

So how do you create that great customer journey? It's all about UX—user experience. In this case, less is more. Banks must not only create a digital service and experience based on the customer buying journey, it must make that journey as simple, fast, and easy-to-use as possible. Consider the amount of information required to

open a new account or how often the average customer or member accesses their accounts. The digital customer—especially the digital native—expects an optimal experience that should be reflected in all digital channels, no matter what the task.

To compete and move at the speed today's consumer demands, banks and credit unions must offer easy-to-use mobile app experiences. The Temenos Infinity Retail Banking Solution delivers a unified, personalized customer experience across any digital channel—phone, tablet, desktop or wearable. And it enables your customers to perform all essential banking functions without ever visiting a branch.

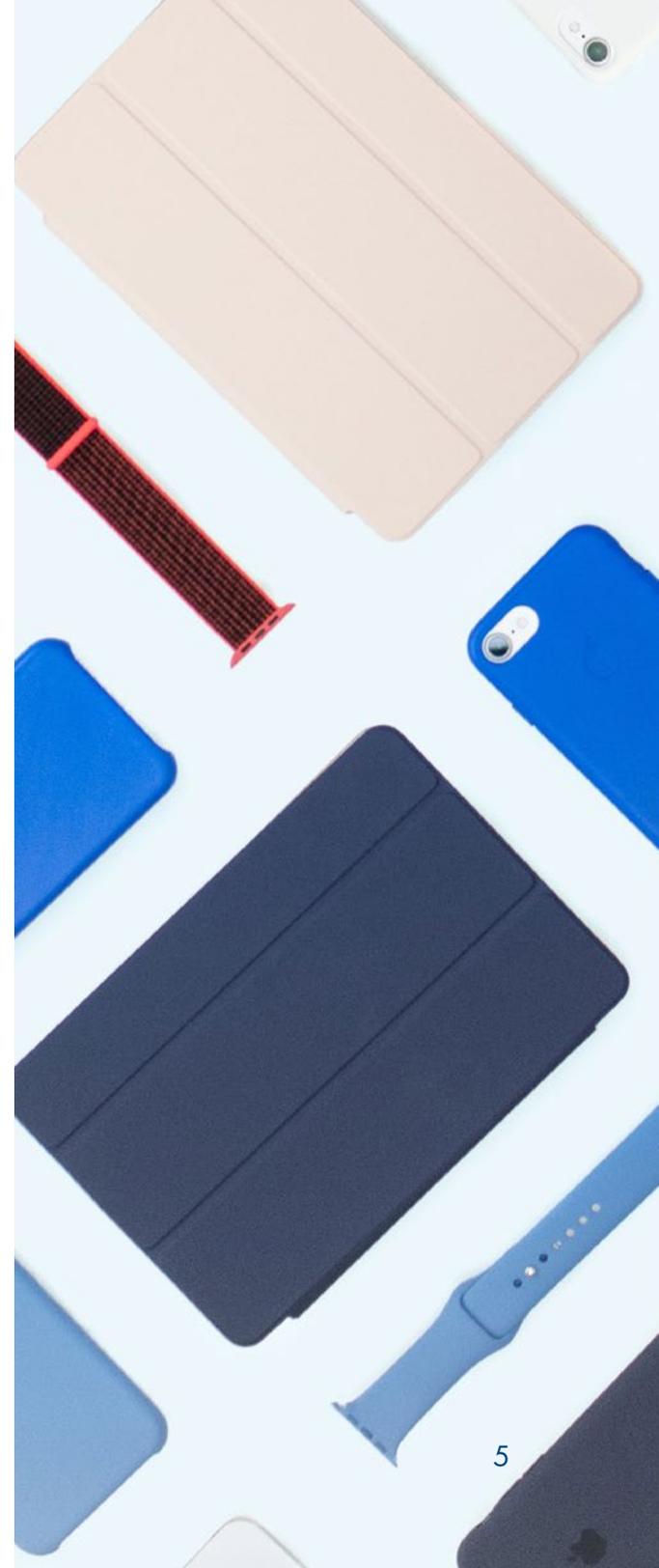
# Trend 2:

## Introduction of “optichannel” delivery

The banking industry has experienced double- to triple-digit growth in mobile banking users over the last several years. The result is a hyper-connected customer base, connecting to their financial institutions through multiple channels and devices. They expect financial services to be available and delivered to them as seamlessly as any transaction they complete with non-financial vendors. It’s not just about improving customer service—it’s about delivering both service and sales through the channel the consumer chooses to use.

This is a rapidly evolving technology that will continue to customize delivery to the consumer. Currently, there’s multichannel delivery (on multiple platforms) and omnichannel delivery (through all channels similarly), but a developing “optichannel” delivery will provide solutions using the optimum channel based on the customer’s need and preference. So rather than offering all channels for a specific solution, big data will ultimately enable an organization to point the consumer to the channel that will provide the best personalized experience.

Today, the Temenos Retail Banking Solution delivers an omnichannel experience that can be optimized based on the unique usage patterns of a bank’s customer base. All Temenos Infinity applications are designed and built from the ground up with multi-edge in mind. The Retail Banking Solution gives your customers an experience developed to 1) design a consistent, workflow optimized user experience per device, without rework, 2) minimize user input by leveraging device capabilities and 3) future-proof apps to ensure your investment never becomes obsolete.





# Trend 3:

## The “platformification” of banking

It’s generally agreed in the financial industry that fintech firms providing financial services using software will have a significant impact on the future landscape of retail banking. There’s a symbiotic relationship between the strengths and weaknesses of banks and the strengths and weaknesses of fintech, that point directly to a continuing “platformification” of the banking industry.

Fintech firms lack the scale of customers of the banking industry. With a much longer tenure and scale, banking firms also have the advantages of stability, trust, experience navigating regulations and compliance requirements, and access to significant capital.

On the other hand, banks are more constrained by legacy systems than fintech firms, stifling innovation and the ability to be agile. They also do not have the ability to recruit the level of technological expertise needed to improve products as compared to fintech firms.

Because of these complementary needs, banks and fintech startups will continue making a strategic shift away from being competitors and towards becoming a banking “platform.” This partnership with technology will reduce costs for banks and ultimately this collaboration should provide the consumer an enhanced user experience with superior cost, performance, speed, and convenience.

The mobile app is a place where multiple technologies can converge and be delivered to consumers and the Temenos Infinity platform and ecosystem positions banks to benefit from the ‘platformification’ of banking. The Temenos Infinity Retail Banking Solution provides seamless integration with banking service providers. It orchestrates workflow with multiple systems and datasets to deliver a unified user experience. It easily configures and customizes functionality to meet requirements.

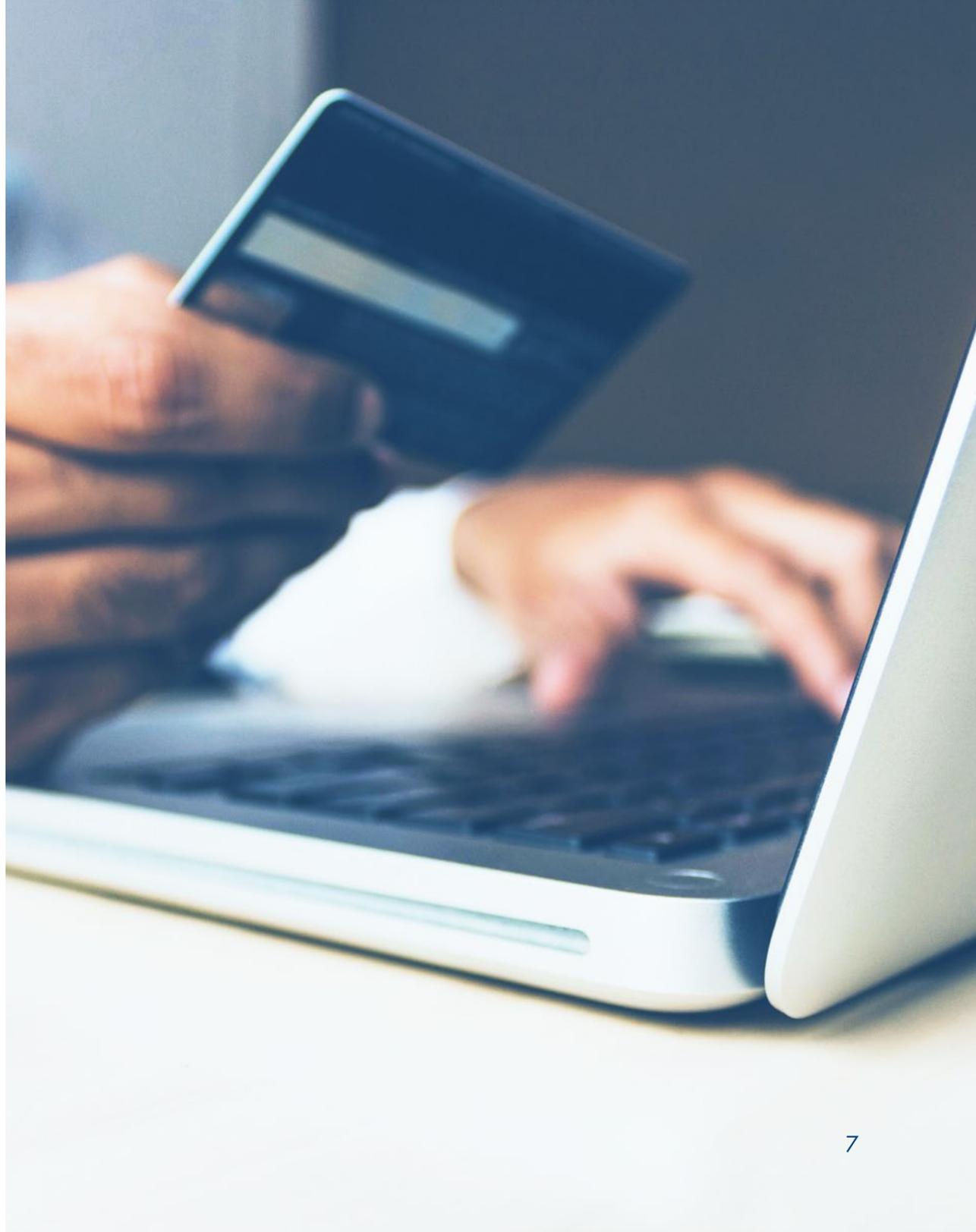
# Trend 4:

## Expansion of digital payment

The “2016 North America Consumer Digital Payments Survey” found that while the number of North American consumers who know they can use their phones as a payment device jumped to 56%, actual mobile-payment usage is steadily progressing.

There are three things consumers are looking for regarding mobile payments: simple, personal, and seamless. As the digital payment trend continues, security remains a concern to consumers.

The Temenos Infinity Retail Banking Solution enables banks and credit unions to provide personalized, differentiated mobile banking experiences. There are many ways to implement digital wallets and payments and Temenos Infinity’s open mobility platform can be customized to deliver the functionality and security users want.





# Trend 5:

## Executing on innovation

Financial institutions have to rethink how they make money today, taking into consideration consumer expectations, competition from fintech companies, and the reduction in margins. Innovation is the path to differentiation and competitiveness, but the industry traditionally has short-term focus, a siloed approach to operations, and a risk-averse culture which work against that innovation.

Start-ups—in this case, fintechs—embody the core principles of innovation. They embrace risk-taking and failure. They're agile and can pivot immediately to meet market demand. Fintech startups are making services easy-to-use and inclusive, capturing emerging markets and millennials. Because they're usually small, they can think big, but because they're small, scalability can be a challenge.

The question is whether banking can replicate the best of fintech start-ups while leveraging their customer base scale advantage to respond to a changing marketplace. Will the majority of the industry need to be a fast-follower or laggard...with the inherent risks? The challenge is the underlying conservative culture of banking,

along with access to customer data through the bank's legacy technology, the lack of comfort with being more experimental due to the risk of brand damage, and escalating research and development costs. Temenos Infinity is dedicated to innovation—in the creation of apps like the Temenos Infinity Retail Banking Solution that allow banks and credit unions to offer their customers and members innovative ways to personalize and simplify their mobile banking. “Digital delights—branches disappoint” is a common refrain in the financial marketplace today. The Temenos Infinity Retail Banking Solution is making that happen.

# Temenos Infinity Retail Banking Solution

Bank on the future with great mobile banking experiences

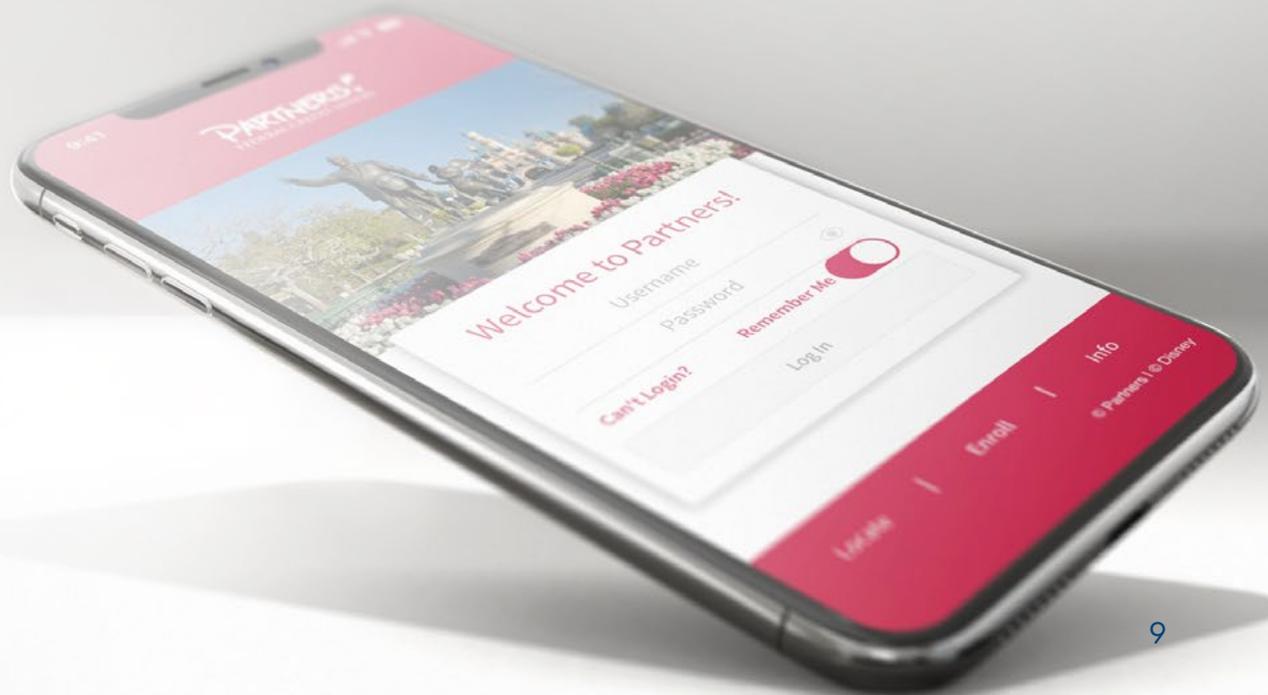
Temenos Infinity's proven experience with many of the world's leading banks—serving over 30 million mobile banking users—enables delivery of best-in-class, multi-edge mobile applications rapidly, efficiently, and securely. With the Temenos Infinity Retail Banking Solution, you can deliver a unified and personalized customer experience across any mobile, tablet, desktop, or wearable device—anywhere, anytime.

By partnering with Temenos Infinity, clients have access to deep industry experience, strategic consultation, and best practices for developing, deploying and managing mobile banking solutions.

The Temenos Infinity Retail Banking App was scored as leading or best practice by the Centric Digital® DIMENSIONS™ digital intelligence platform. Temenos was recognized as a leader in the IDC Marketscape: North American Digital Banking Customer Experience Platforms 2019 Vendor Assessment. Temenos was named a leader in The Forrester Wave™: Low-Code.

Development Platforms for AD&D Professionals, Q1 2019. Temenos Infinity empowers our customers to create experiences that matter. From delighting consumers to supporting partners and employees, our apps and enterprise application development platform give enterprises the

efficiency and flexibility of the broadest possible device and OS compatibility. Evolve at the speed of mobile technology and compete in mobile time with Temenos Infinity.



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DIGITAL BANKING  
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Temenos AG (SIX: TEMN) is the world's leader in banking software. Over 3,000 banks across the globe, including 41 of the top 50 banks, rely on Temenos to process both the daily transactions and client interactions of more than 500 million banking customers. Temenos offers cloud-native, cloud-agnostic and AI-driven front office, core banking, payments and fund administration software enabling banks to deliver frictionless, omnichannel customer experiences and gain operational excellence.

Temenos software is proven to enable its top-performing clients to achieve cost-income ratios of 26.8% half the industry average and returns on equity of 29%, three times the industry average. These clients also invest 51% of their IT budget on growth and innovation versus maintenance, which is double the industry average, proving the banks' IT investment is adding tangible value to their business.

For more information, please visit [www.temenos.com](http://www.temenos.com).