



# Mobility as Part of the Overall Business Strategy

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# Agenda



- U.S. Landscape
- Business Benefits
- Technology Trends

# U.S. m-Banking Landscape

## U.S. consumers rapidly adopt new technology

### Online channel projections were modest

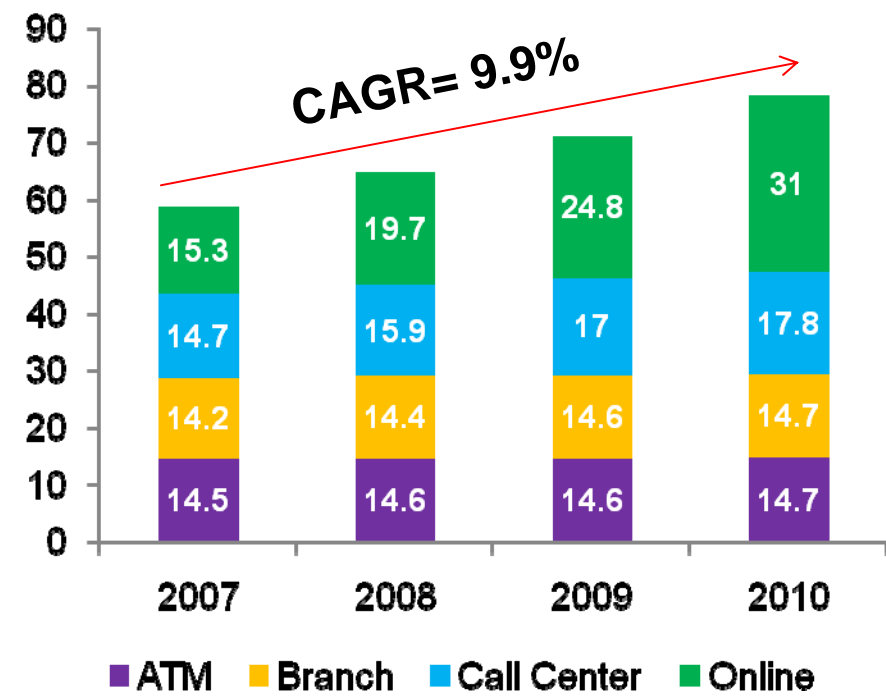
- 2002 Estimate \$2.5B
- **2007 Actual: \$15.3B**

“Adoption is going strong, outpacing growth rates for every other method of retail banking delivery”

Source: TowerGroup (June 2007).

### U.S. Banking Transactions

Transactions (In Billions)

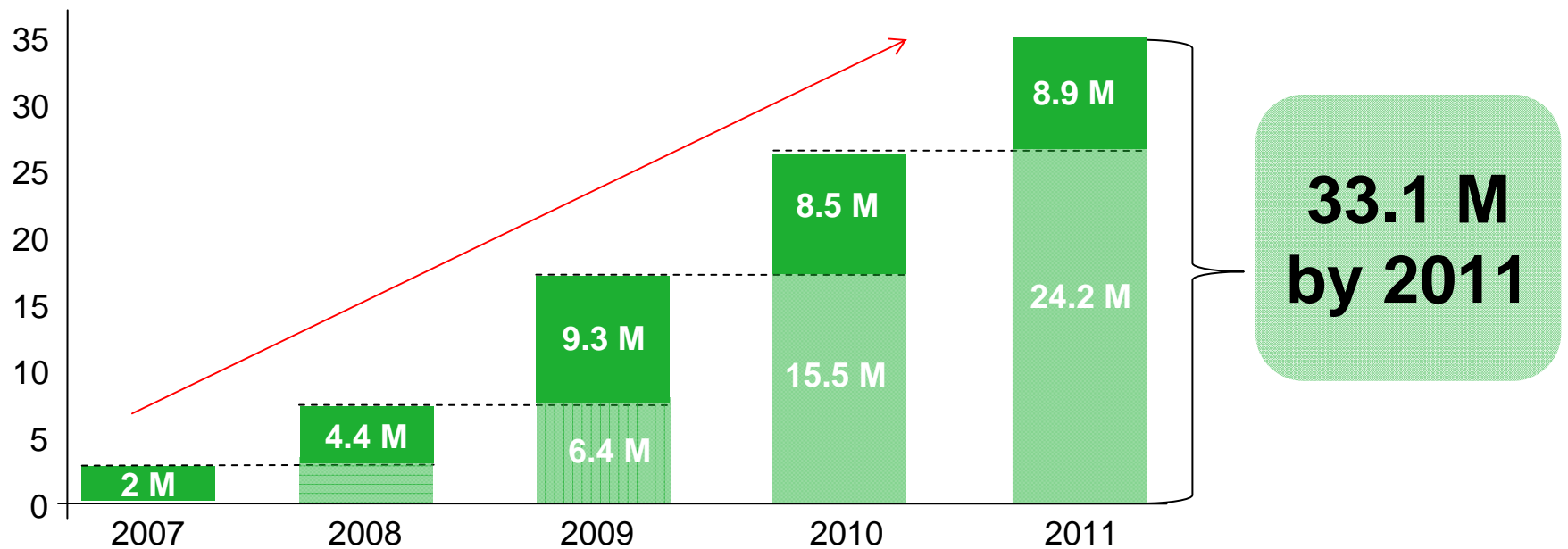


# m-Banking Adoption Prediction



## U.S. consumers will rapidly adopt m-Banking

U.S. m-Banking Consumer Users (in Millions)

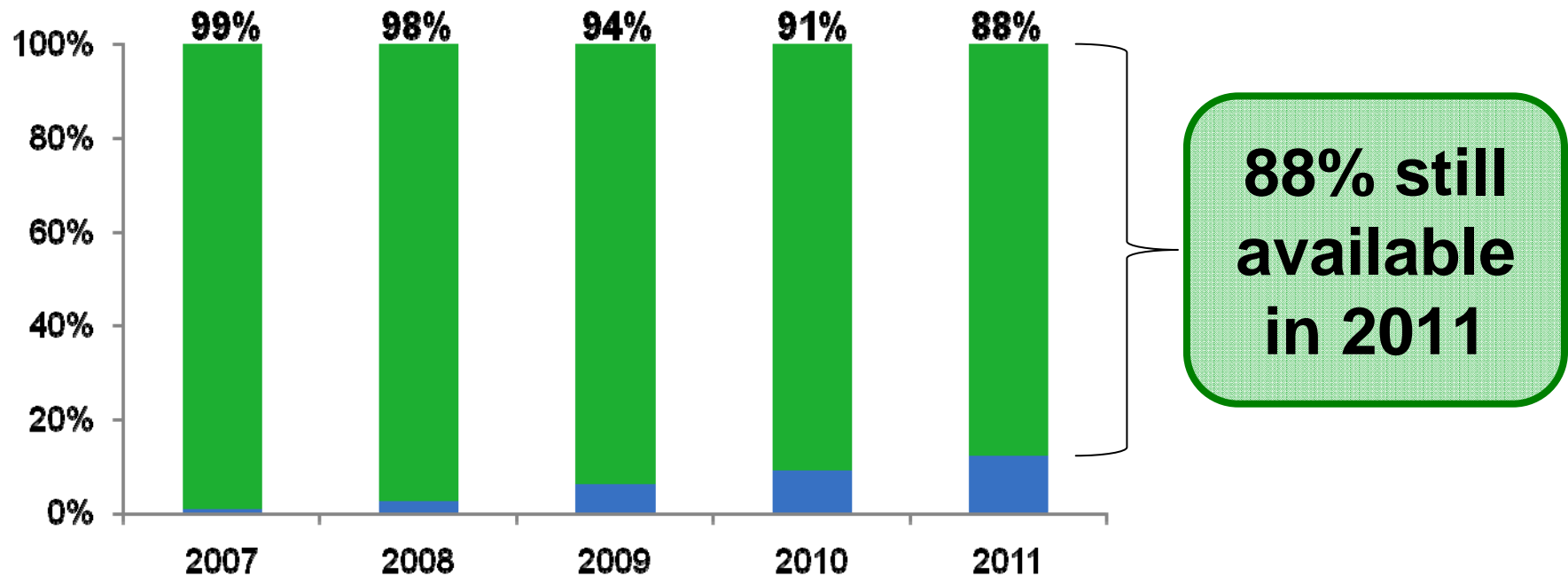


Source: "U.S. Mobile Banking: Sedate Growth, Disruptive Potential," Mercatur Advisory Group (May 2008).

# m-Banking Penetration Rate

## Large future m-Banking opportunity for FIs

U.S. m-Banking Penetration (in percent)



Source: "U.S. Mobile Banking: Sedate Growth, Disruptive Potential," Mercatur Advisory Group (May 2008).

# Consumers Want m-Banking



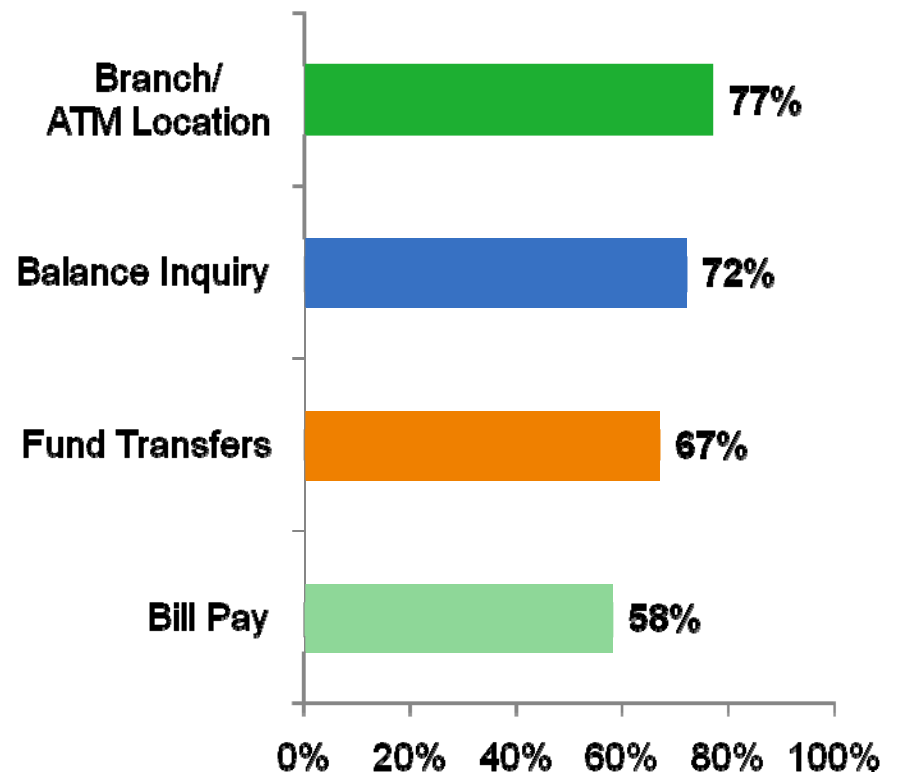
## Consumers demand

- Account access
- Mobile payments
- Fund transfers

## Consumers will switch

- Between 5% and 25% of consumers will switch for m-Banking

U.S. Consumer Interest (%)



Source: U.S. Consumer m-Banking Survey, Citibank (2007).;  
"Mobile Banking: The Second Wave Global Mobile Banking Survey 2008." mCommerce.

# Banks are Deploying m-Banking

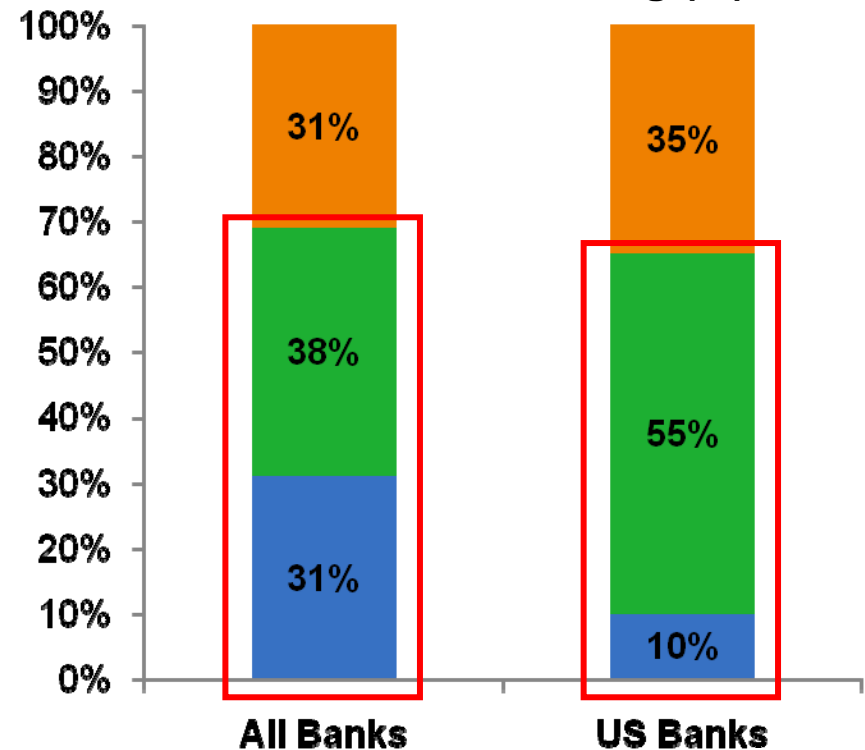
## Most banks deployed by 2010

- 70% of all banks
- 65% in U.S.

## Large future growth opportunity

- 31% of all banks
- 35% in U.S.

Banks' Plans to Offer m-Banking (%)



Source: "Mobile Banking: The Second Wave Global Mobile Banking Survey 2008," Sybase 365 (2008).

## Going mobile has tangible business benefits

**Mobile financial services foster self-service**



**Call Center  
Cost Reduction**

**Mobile financial services create stickier relationships**



**Attrition  
Reduction**

**Cutting-edge services attract new customers**

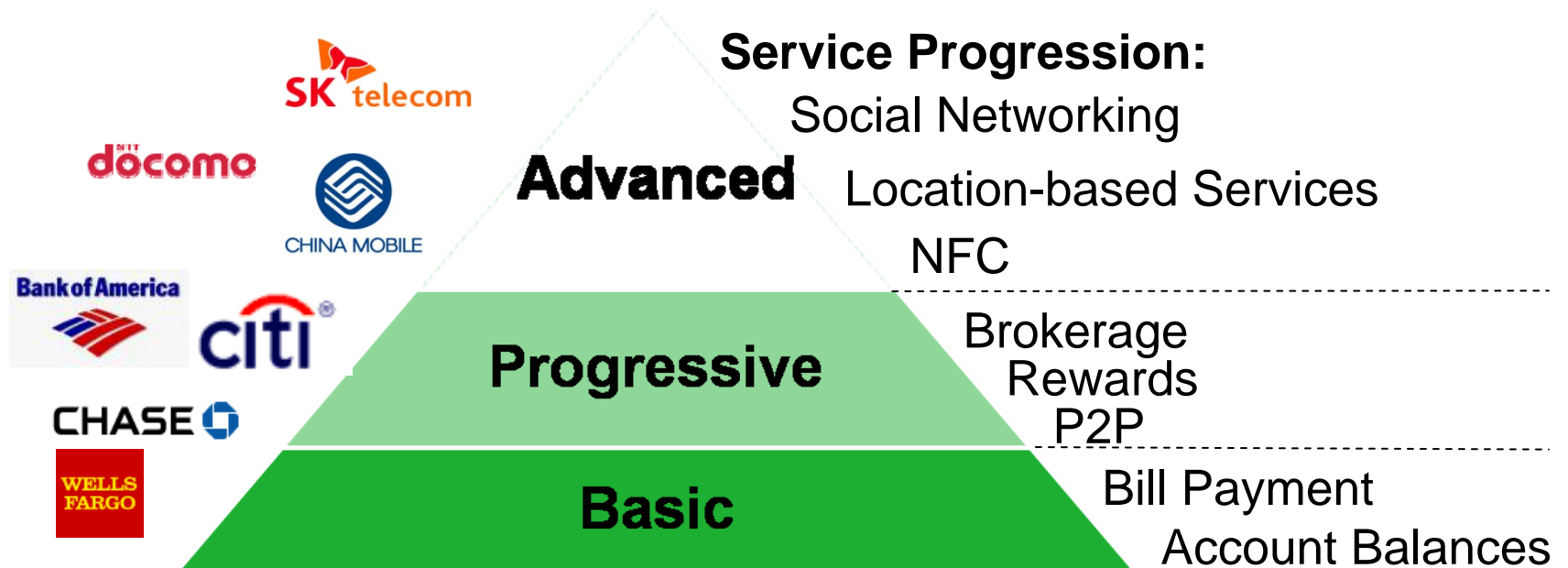


**Customer  
Acquisition**

Source: PA Consulting Analysis (2009).

# U.S. Market is in Early Stages

## m-Banking is rapidly evolving in the U.S.

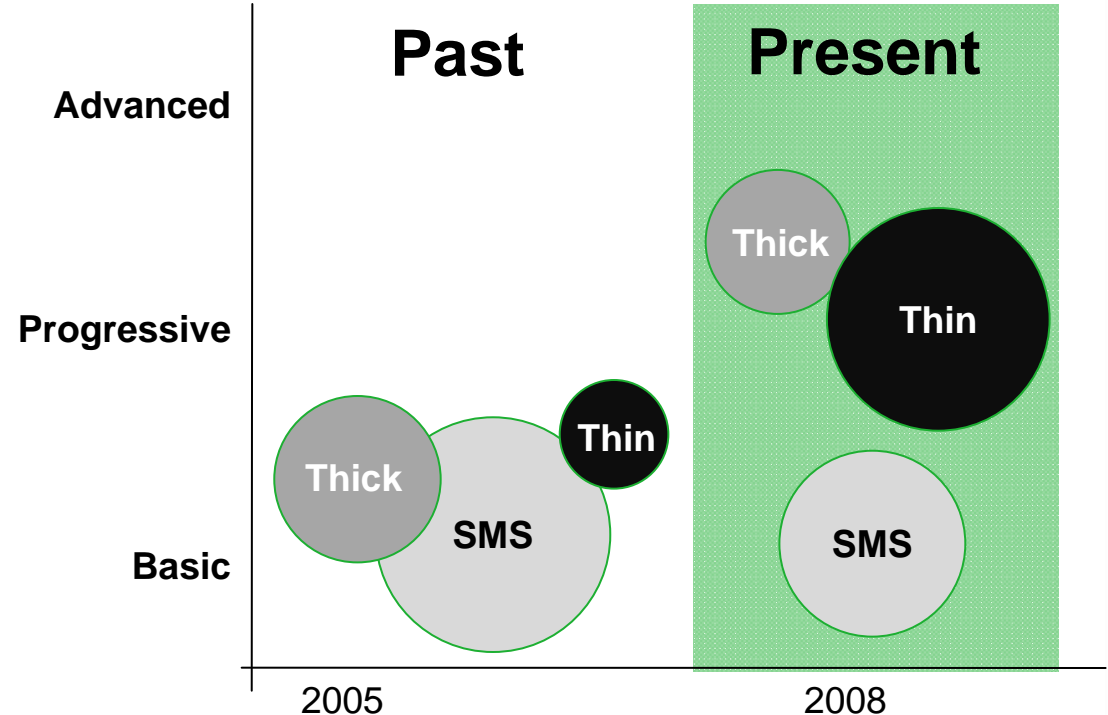


Source: P.A. Consulting (2009).

# Technology Trends

## Technology is altering consumer interest

- Thin solutions substitute for Basic Thick solutions
- Prevalence of SMS on mobile phones contributes to its usefulness



Source: P.A. Consulting (2009).

# Network Speeds Quickly Improving

## **Service providers rapidly deploy 3G**

- AT&T and T-Mobile: Rolling out UMTS/HSDPA service in top 100 markets
- Verizon and Sprint: Use EVDO RevA to entire network

## **And decide on 4G technology**

- AT&T and Verizon: Committed to LTE deployments as early as 2010
- Sprint: Currently utilizing WiMax

Source: Accenture Research 2009.

# Powerful Devices Drive Innovation

## Device manufacturers are increasingly deploying more powerful phones

- Multimedia-capable
- Dual-mode
- Smartphones
- A-GPS enabled

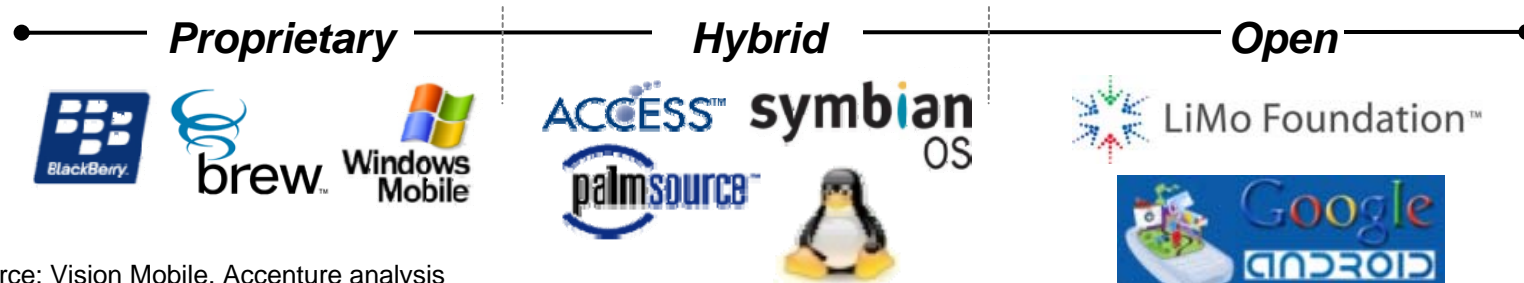


Source: Accenture Research 2009.

# Next Generation OS are Flexible

## Flexible OSs drive innovation

- Use open standards to promote **rapid development, consistency, and portability**
- Tools to rapidly create, test, and deploy new UIs
- Deep device integration available for 3<sup>rd</sup> party apps
- Available on wide range of devices and chipsets



Source: Vision Mobile, Accenture analysis

# The Next Big Thing

# App Stores will Drive Consumer Interest

## App Stores proliferating rapidly

- Apple led the way
  - Over 1 Billion downloads and 25,000 apps
- Device manufactures, software developers follow



## Consumers demand innovative apps

- m-Banking available already

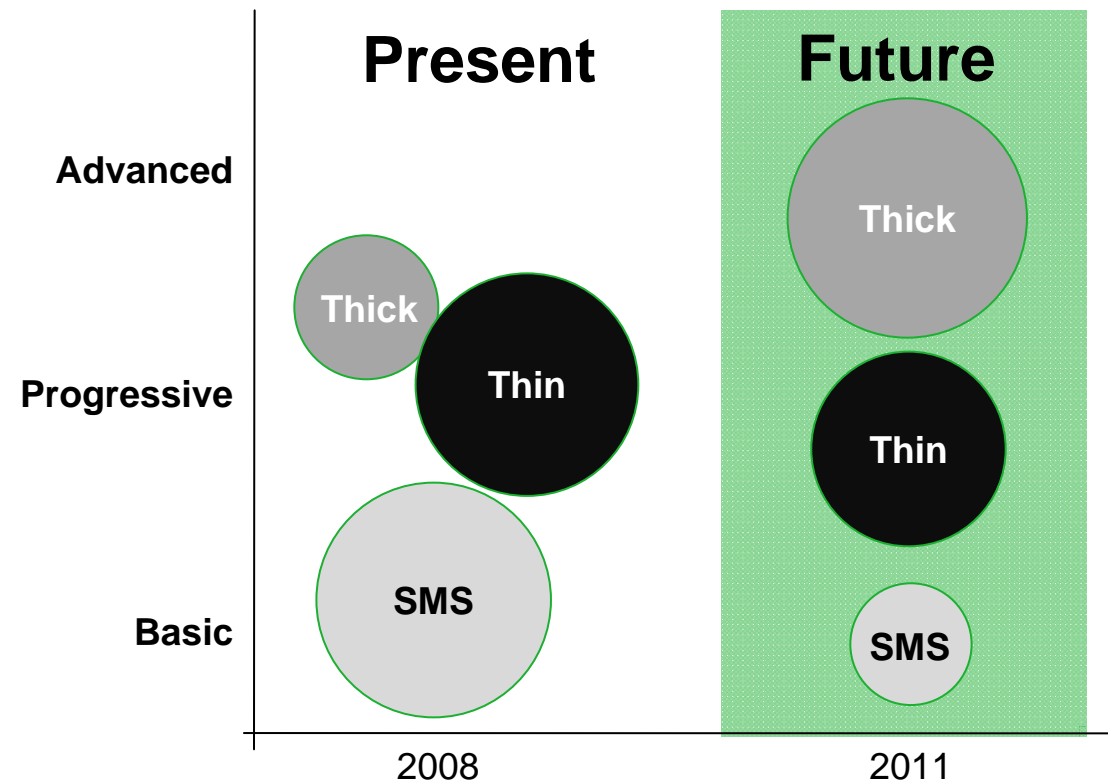


Source: Accenture Research 2009.

# Technology is Evolving

## Technology trends will continue to alter consumer interest

- Improved Data Networks
- Powerful Devices
- Flexible OS
- Robust App Stores



Source: P.A. Consulting (2009).