

5 Secrets to Tap into a Gold Mine of Mobile Banking Analytics

Why are mobile banking analytics a gold mine of business intelligence and how do financial institution leaders leverage it for strategic growth decisions?

The growth of mobile banking has reached the tipping point of entering into the mainstream. In the United States, 171.5 million people have a smartphone¹ and an estimated 50% of them now use mobile banking.² It is predicted that 9 out of 10 digital banking users will also be mobile banking users by the end of 2018.³ We see evidence of that growth at FI-Mobile every month, as hundreds of thousands of consumers use mobile banking services offered by our financial institution customers.

All of this mobile banking usage captures an unprecedented amount of data about how customers and members want to bank. Yet, at a recent financial conference, when we asked a room full of professionals if they are looking at their institution's mobile banking data for analytics to inform their growth strategy and business decisions, scarcely a hand was raised.

A Gold Mine of Strategic Data

Every company has goals, which leads to the formation of objectives and a strategy to execute. Companies need analytics to measure success against the goals and to refine their strategy. A financial institution's goals may include improving customer or member service, increasing profit, and/or increasing productivity to reduce costs. Increasingly, financial institutions are approaching these goals with an omni-channel strategy that includes the use of mobile banking.

According to Accenture's 2015 Digital Banking report, the top two digital banking trends in 2015 are: 1) increased use of customer analytics and 2) expedited deployment of digital delivery.⁴

Mobile banking in particular produces compelling new consumer data never before available to financial institution decision-makers. As this data hits critical mass, financial institutions are taking notice and starting to look into how data can inform their channel strategy, digital banking plans and customer engagement models. According to Accenture's 2015 Digital Banking report, the top two digital banking trends in 2015 are: 1) increased use of customer analytics and 2) expedited deployment of digital delivery.⁴

This short paper provides financial institutions leaders with a primer for why and how to tap mobile analytics for growth.

5 Secrets to Tap Analytics for Growth

The following are considerations for why analytics are important and how to get started:

- 1. Why analytics?** Analytics is the discovery and communication of meaningful patterns in data. As Sir Winston Churchill once said, "However beautiful the strategy, you should occasionally look at the results." It's in the results that you can find data about how tactics and strategies are working, and inevitably you'll find some surprises. The data captured

Predictive analytics is the practice of extracting information from existing data sets in order to determine patterns and predict future outcomes and trends.

from the mobile consumer can help financial institutions deliver better experiences to stay a step ahead of the competition. Whatever you call it – “predictive analytics,” “business intelligence,” “big data” – data that is analyzed can provide powerful information for business decisions.

2. What does/does not qualify as analytics? The most common data points that financial institutions think of in relation to mobile banking analytics today are the number of mobile banking app downloads and the number of people logging in to the app. However, these data points do not necessarily reflect analytics that drive decisions. In contrast, the following metrics when analyzed properly can provide actionable analytics to measure or improve member service, profit and productivity/cost savings.

- **Growth trend lines** – measure growth, adoption, active use and penetration of various mobile banking services. From a marketing perspective, they serve as indicators of whether mobile banking is stagnant or growing through adoption, and of the velocity of adoption.
- **Returning number of visitors** – measures loyalty and interest in the channel.
- **Flow** – provides visibility into how visitors move around a mobile banking app and what functions they are using (e.g. start with mobile banking and typically go directly to remote deposit).
- **Geographic access** – provides data about where mobile visitors are located.
- **Service penetration** – provides information to measure the success and opportunity for cross proliferation of services and cross selling in the mobile-banking channel.
- **Promotions/shopping** – provides marketing with intelligence about the performance of campaigns, coupons and offers and whether they provide value to the customer or member.

3. What is analytics supposed to tell you? The purpose of analytics is to measure your results at any angle. When you see the picture clearly, you can measure success against the current strategy and use information to tune the strategy further.

Relating back to member services, profit and productivity, mobile banking analytics can provide business intelligence such as:

- The impact of extending promotions and offering loans through the mobile channel
- Tracking of offers that monetize the channel
- Quantification of knowledge base performance to reduce call center costs

The following is a real-world example where analytics provided a clear picture of member or customer needs and opportunities:

Geographic Analytics Data:

In the case of a Texas-based credit union, mobile banking analytics uncovered for the first time a geographic coverage gap and opportunity. The mobile analytics data highlighted that a large concentration of users were accessing their mobile banking app from the Dallas Fort-Worth (DFW) International Airport. The institution had no marketing, ATM or branch in the area and determined that it was a key marketing opportunity for expansion. Although the institution has relied on other analytics in the past, this was a new, untapped trend into which they did not previously have visibility.

In fact, 60% of smartphone and tablet users who switch primary banks consider mobile banking capabilities as “important” or “very important” to their decision.⁵

4. When should you check analytics? Before you ask “when” to check analytics is “who” should be checking analytics and analyzing data. Marketing leaders and directors of ecommerce will likely be the most comfortable with online analytics because it’s been used to evaluate marketing campaigns, online advertising, promotions, online sales and related metrics. While information technology (IT) is also a consumer of this data, their consumption may be from the perspective of the effect on uptime, app performance, etc.

Regarding when to check analytics, take a baseline as soon as possible on the key metrics outlined in #2 so that on a monthly basis the marketing leader can review and analyze data to see trends and key data points. Quickly, a few key data points will warrant presentation to the board along with recommendations that are driven by the new information. Set up weekly or monthly email triggers from the analytics platform reminding the owner to look at the data regularly.

5. What should you do with the information? The key to business intelligence is to keep asking questions with the data. Start simple and determine if there are any specific trends. Select a few key areas where the data suggests consumer preferences and then validate in other ways, such as through surveys or discussions with members. Consumers have a lot of opinions on how they want mobile banking to work for them. In fact, 60% of smartphone and tablet users who switch primary banks consider mobile banking capabilities as “important” or “very important” to their decision.⁵

Next Steps

Tapping into analytics requires being sure that your financial institution is capturing analytics data in the first place. Read: “[The Top 10 Rules for Delivering a Mobile Banking Strategy](#)” to make sure you have a platform that can capture robust analytics around all of your mobile banking services.

We invite you to talk to an expert at [FI-Mobile](#) to learn more and determine if you are sitting on a gold mine of analytics data and what you can do to leverage it for competitive advantage.

[Set a Meeting](#)

¹ Nielsen, 2014

² The Federal Reserve Gov, 2014

³ eMarketer, August 2014

⁴ “Accenture 2015 Global Digital Banking Report”, The Financial Brand, February 2015

⁵ Webopedia

⁶ Alix Partners



201 County Road 180
Leander, TX 78641

1.888.200.7801
info@FI-Mobile.com
www.FI-Mobile.com

About FI-Mobile

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