



Overhauling Mobile Banking for Small Business

Moving Beyond Consumer-Focused Features

15 December 2016 By: Ian Benton, Jacob Jegher

Smartphone and tablet use has finally become the norm for small businesses, and more than half of all business owners have adopted mobile banking. But most of today's small businesses are monitoring and managing their money using a mobile experience that is stuck in the past. That represents a critical and timely opportunity for banks and credit unions to develop a mobile offering designed to meet the specific needs of the highly lucrative small business banking market. In this report, Javelin examines the current state of the mobile channel in handling the banking and payments tasks of small business customers, outlines eight areas of opportunity for immediate development, explores the specific roles of smartphones and tablets, and discusses strategies for encouraging holdouts to try banking through a mobile device.

Key questions discussed in this report:

- How many small business owners are using mobile banking, and how does it relate to online banking, branch, and other channels?
- What kinds of transactions are customers conducting on smartphones vs. tablets, and what are the optimal roles of those devices?
- What mobile features would have the greatest impact on helping customers monitor and manage their money and increasing engagement with the FI?
- How can banks and credit unions shift expensive branch transactions to digital channels by encouraging holdouts to try mobile banking?

Companies Mentioned: Amazon, American Express, Apple, Capital One, Chase, Google, Microsoft, PNC, RIM, Wells Fargo

The small business data in this report is based on information collected in a random-sample panel consisting of 1,000 small and micro businesses in a February 2016 online survey. Javelin defines microbusinesses as those with annual revenue between \$100,000 and \$1 million and small businesses as those with revenue between \$1 million and \$10 million.

The consumer data in this report is based on information collected a random-sample panel of 10,639 consumers in a May 2016 online survey.

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javelinstrategy.com

inquiry@javelinstrategy.com

925.225.9100