

Mobile Banking White Paper

May 2010

Introduction

With competition growing ever fiercer in the banking industry, providing a mobile banking service is no longer just a nice-to-have feature—it's a service that every bank must provide or risk losing customers to the competition. By 2013, TowerGroup expects over 53 million people to be using mobile banking, in contrast to just 10 million today¹. Other research firms are even more optimistic, projecting 108 million mobile banking customers by 2012.²

And it's not just a factor in retaining customers. Mobile banking has become a selling point in attracting new ones as well. According to a study by Celent, 50 percent of 18-to-25-year-olds said that mobile banking was an important factor in choosing a bank.³

With the right mobile banking solution providing the foundation for its services, financial institutions can reduce costs, mitigate fraud, improve customer relationships and increase deposits through proactive communications with their customers. For the mobile banking customer, benefits include increased convenience, more control over transactions and reduced fees thanks to real-time access to information.

But not all mobile banking solutions are the same. In fact, many current mobile banking solutions fall short in delivering what banks and their customers need. Here's why:

First, many solutions are a mere extension of the existing 'customer-reactive' channels to which customers have grown accustomed. For example, the customer must initiate contact with the financial institution by texting a balance request or viewing transaction history on a mobile browser. These reactive interactions do not necessarily reduce the bank's costs nor dramatically improve customer convenience because they do not eliminate calls to the customer service center.

¹ TowerGroup, "From Niche Play to Mainstream Delivery Channel: US Mobile Banking Forecast, 2008-13", May 2009.

² Javelin Strategy & Research, "2008 Financial Alerts Forecast", September 2008.

³ Celent, "US Mobile Banking: Beyond the Buzz", May 2007.

Second, many solutions are only available to current Online Banking (OLB) customers, automatically limiting the mobile banking option for previously enrolled users, which typically represent less than half of a typical bank's customer base. In fact, according to a January 2009 report by Online Banking Report, OLB adoption among US households has hit a plateau, leveling off at the low-to-mid 30 percent range for the last four years⁴ before various reports indicate a slight uptick to 40 percent by the end of 2009.

Third, most current mobile banking solutions lock customers into a single mobile mode—SMS messages, mobile email or a mobile web application—which can be complex and awkward. For example, if a customer receives alert notification that his account is overdrawn, he must either text a long command string to transfer funds via SMS or close the text message and login to his account via a mobile web application to transfer funds. Neither option is efficient or user-friendly—and neither encourages customer adoption.

Finally, today's mobile banking solutions typically limit customers to basic account-related transactions, ignoring the cross-sell opportunities with the wide variety of products and services sold by other departments throughout the bank. This is because most OLB and mobile banking solutions operate as 'silos' within the financial institution, with no integration, making it difficult—if not impossible—for a mobile customer to view her current account balance, schedule online bill payments, as well as credit card balance and payment information, in a single snapshot.

To reap the greatest benefits, largest customer adoption rate and highest return on investment, financial institutions should look for a mobile banking solution that overcomes the shortcomings described above. A powerful mobile banking solution for today's leading-edge financial institutions should:

- Deliver proactive, multi-level alerts to increase customer interaction and reduce costs
- Enable multi-channel enrollment to achieve the greatest adoption rate
- Allow customers to communicate across multiple communication channels, creating a seamless experience that encourages user adoption

⁴ Online Banking Report, "Online & Mobile Banking Forecast", January 2009.

- Extend mobile capabilities beyond basic account access to drive higher revenue for the bank and expose the power of mobile services to the greatest number of customers

ClairMail Uniquely Delivers Next-Generation Mobile Banking

ClairMail is the leading next-generation mobile banking solution. Deployed by six of the top 10 U.S. financial institutions, more than 161 million banking customers or nearly 53 percent of the U.S. population have access to ClairMail mobile banking services.

ClairMail is the *only* mobile banking solution that overcomes the flaws of the solutions described above and helps banks drive customer adoption, increase revenues and experience a high return on investment. Here's how:

Proactive multi-level alerting

ClairMail uniquely delivers three types of alerts—informational, actionable and conversational—to serve a wide range of customer interactions.

1. Informational alerts simply communicate a one-way message. For example, an informational alert might notify a customer that his monthly statement is ready or a payroll deposit has occurred. Informational alerts are a simple way of delivering information to customers and reducing inbound calls to contact centers.
2. Actionable alerts build on the first-generation informational alerts by adding a two-way response capability. With actionable alerts, financial institutions can generate and send critical, time-sensitive information to customers and enable them to take action—instantly—using a built-in response mechanism. For instance, if a customer's account balance falls below a certain specified amount, an actionable alert can be sent by the financial institution to the customer, allowing her to instantly transfer funds and resolve the issue by responding to the actionable alert. Or, if the financial institution detects a potentially fraudulent transaction, it

can send an actionable alert to the customer and she can then instantly verify or dispute the transaction with a reply.

3. Conversational alerts take actionable alerts to the next level by enabling financial institutions to have interactive mobile 'conversations' with customers through interactive, multi-step 'workflows' that encourage deeper customer engagement. With conversational alerts, for instance, a low balance alert can be extended into a cross-sell opportunity for overdraft coverage or monthly automatic funds transfer service. Further, if no response is received to an initial bill payment alert, subsequent alerts can be sent closer to the bill due date, enabling payment via the mobile device—but with added convenience or expedited payment fees.

Multi-channel enrollment

ClairMail is the only mobile banking solution that extends enrollment beyond the OLB channel. With ClairMail, financial institutions can provide mobile banking to all of their customers by enabling enrollment through all of the following channels:

- Online
- Contact Center
- Branch
- Mobile
- ATM
- Interactive Voice Response (IVR)

With ClairMail's multi-channel enrollment capabilities, you can ensure that 100 percent of your customers have the option to enroll in your mobile banking service offerings, and they can do so simply and easily, improving customer loyalty and increasing your ability to generate revenue.

Triple-play convergence

Most mobile banking solutions only allow customers to interact via a single communication method: SMS text messaging, email, or mobile web. It's extremely complicated, if not impossible, to receive an alert in one channel and respond in another, sometimes requiring a series of arcane commands.

What's more, not every channel is appropriate for a specific interaction. For example, text messages are ideal for delivering alerts and issuing commands but lack robust functionality to allow users to enter a personal identification number (PIN) for strong authentication.

In contrast, ClairMail offers a streamlined, integrated customer experience. Customers can receive an actionable alert that his account is overdrawn and instantly transfer funds by responding to that alert, without changing modes.

By enabling customers to quickly and easily resolve issues and conduct transactions with proactive, conversational alerts and triple-play convergence, ClairMail maximizes adoption and usage and optimizes the customer experience.

Cross-product/cross-functional mobile capabilities

Unlike most mobile banking solutions that work in a silo within the bank, ClairMail works across multiple lines of business, enabling the financial institution to provide integrated mobile banking capabilities for all its functions and provide cross-sell and up-sell opportunities.

For example, when a customer receives a notification that her account is overdrawn and is alerted to transfer funds between accounts to put sufficient funds in the first account, the bank can provide information on overdraft protection after the transfer is completed. This enterprise-level integration across all banking functions improves the customer experience while, at the same time, providing the financial institution a greater return on investment (ROI), decreased complexity, and more opportunities to increase revenue.

Implementing ClairMail in Your Organization: Partner with Attevo for Success

Now that you've settled on the best-in-class mobile banking solution, ClairMail, you'll want to partner with a trusted advisor to implement the ClairMail solution to reap the greatest return on your investment.

Attevo, based in Cleveland, Ohio, is a global business and IT consulting firm with deep expertise deploying ClairMail mobile banking solutions. Through a strategic partnership with ClairMail, Attevo is the system-integrator-of-choice for ClairMail customers, which includes six of the top 10 financial institutions in the United States and 40 of the most forward-thinking banks worldwide.

The Attevo Professional Services Team

When you partner with Attevo on your ClairMail deployment, you get a team of consultants with a keen understanding of the business of banking as well as significant experience deploying technology solutions in the banking industry. With a deep understanding of mobile banking best practices, the Attevo team applies its knowledge at every stage of the deployment process, so you get the optimal solution for your requirements.

Each ClairMail deployment team includes:

- The **Project Manager** is the point-person for the mobile banking project, planning and coordinating the scope of staff, schedules, costs, issues and reporting. As the manager of all project activities and champion of the customer's business objectives, the Project Manager builds and manages a detailed project schedule for deliverables, inclusive of customer deliverables, and raises issues to the customer's project manager for resolution.
- The **Solution Architect** defines the software architecture for the implementation, including integration with the customer's existing back-end systems, and develops a functional specification document for the proposed ClairMail solution. The Solution Architect reviews business use case specifications and uses them to define custom web services or other integration methods that allow connectivity to and from back-end systems and provide the information that addresses the business requirements.
- After reviewing the specifications defined by the Solution Architect and providing feedback, the **Solution Engineer** implements the solution according to the agreed specification, assigned tasks and project timeline. During the implementation, the Solution Engineer performs unit testing to ensure high-quality and on-time deliverables.

- In the final stage of the ClairMail deployment process, the **Deployment Engineer** identifies the optimal network architecture for the proposed ClairMail solution, and once in place, configures and deploys the ClairMail appliance in the customer’s network according to the solution requirements. The Deployment Engineer supports the quality assurance team in performance, failover and other non-functional testing, and deploys change requests to production as needed.

Throughout the engagement, Attevo’s professional services consultants work closely with the your - house technical and business staff to achieve the optimal level of technology and enterprise-wide integration to meet your business objectives.

The Attevo Delivery Methodology

In general, full deployment of the ClairMail solution project takes approximately three to four months from inception to full deployment, depending on the level of integration required and your internal timeline and availability of technical resources. Regardless of whether the solution is deployed on-premise or as a managed service, Attevo tailors each team and project plan based on your specific needs.

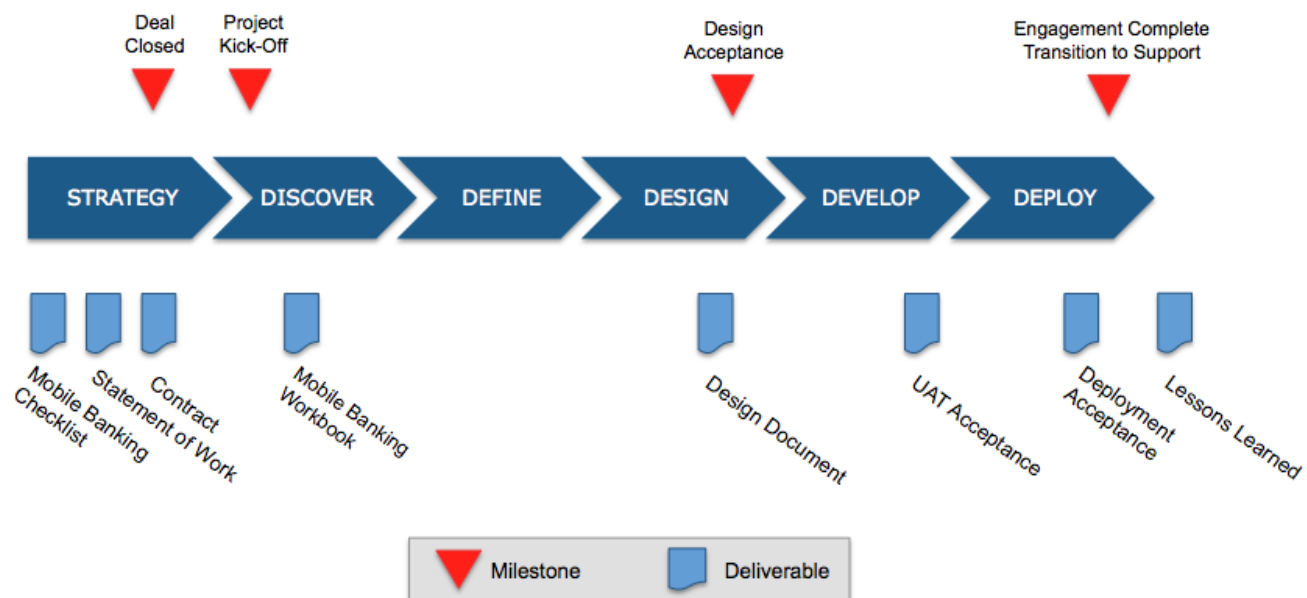


Figure 1: The Attevo Delivery Methodology

Each ClairMail project deployment is based on Attevo's unique, proven project management methodology, called **S+5D**. In short, this methodology includes the following six (6) steps:

- 1. Strategy** – In this step, the Attevo team gains a solid understanding of the contract and project scope, as well as your business opportunity, project drivers and project objectives. The team defines the project objectives and critical success factors in the context of your broader strategic initiatives and objectives.
- 2. Discover** – The team ensures project stakeholders and team members understand the project approach and objectives, and they identify and understand the business areas and processes impacted by the project. Before moving to the next stage, the team holds a kick-off presentation and conducts a short product demonstration.
- 3. Define** – The goals of this stage are to identify the technical and business requirements of the solution and develop a clear project plan that outlines how the project will be monitored, controlled and evaluated. The project schedule, staffing plan, and change management plans are defined.
- 4. Design** – Upon completion and acceptance of the project and high-level architectural plans defined in Stage 3, the team details the low-level network architecture and integration points and develops the actual solution design. In addition, marketing/branding, testing, training, deployment and adoption plans are scoped.
- 5. Develop** – In this stage, the Attevo team develops, deploys and tests the ClairMail solution in a staging environment. The team conducts comprehensive QA to ensure the highest quality solution upon production rollout.
- 6. Deploy** – The ClairMail solution is finally ready to migrate from staging to the production environment. Before full-scale roll-out of the product throughout your organization, the Attevo team launches and manages a pilot program to gauge and adjust the end-user experience. Once the pilot program is complete and company-wide adoption is in full swing, the team smoothly transitions the project to your technical support department. However, ongoing work to monitor and drive adoption continues.

Conclusion

ClairMail uniquely meets the four key requirements for a next-generation mobile banking solution. With the ability to deliver proactive, multi-level alerts; enable multi-channel enrollment; allow the seamless use of multiple communication channels; and forge enterprise-level integration points, ClairMail is the mobile banking solution-of-choice for nearly 40 of the world's leading financial institutions. Financial institutions that have already deployed ClairMail have experienced significant increases in customer adoption and usage, greater revenues through higher offer acceptance and improved customer acquisition and retention, and a high rate of ROI. What's more, they have also reported a direct reduction in operations costs and fraud occurrence since deploying the ClairMail solution.

What do all of these leading-edge banks have in common? Attevo. Through its strategic partnership with ClairMail, no other system integrator knows ClairMail like Attevo does—and no one else can give you the deep business and technology expertise you need to deploy a mobile banking solution to improve your revenues and increase customer adoption.

To reap the greatest return on *your* ClairMail investment, shouldn't *you* partner with Attevo? Call Attevo professional services today at 216.928.2800 or visit www.attevo.com.