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Mobile Banking & Payments 2.0: Creating the iPod of banking

Author: Jim Bruene, Editor & Founder,

Online Banking Report

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Abstract:

Ten years ago, online banking leapt from nice-to-have status to must-have. In hindsight, it's pretty obvious why it became so popular, but at the time there were still questions as to if and when it would break out into its own "channel," on par with telephone and in-branch delivery.

Today, we are at a similar point in the development of mobile banking. We believe the adoption curve of mobile banking in the next 10 years will look a lot like the 1995-to-2004 take-up of online banking (see report for 10-year forecast).

However, there is a huge difference. Mobile banking is an *extension* of online banking, not an entire new channel. It's really just a dumbed-down version of online banking that fits on a two-inch screen. But with voice prompts and text-to-voice capabilities, there isn't much you won't be able to do on a smartphone

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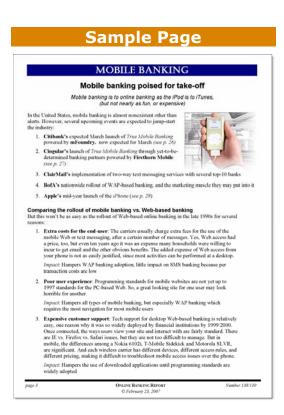
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interface. The report explores mobile banking product design, both today with simple info service, and in the future, when one-button mobile banking will be the industry standard.

We believe mobile banking and payments are at a tipping point. While they have already taken root in much of the world, North America financial institutions are finally arriving at the party, one they largely abandoned in 2001/2002 when the first generation of PDA-based banking failed to take root. This time around adoption is expected to be relatively rapid, especially with **Bank of America** and **Citibank** expected to launch mobile services in 1st and 2nd quarter 2007.

In our Mobile Banking Report, we'll look at the how the market is expected to evolve and how financial institutions should position their mobile offerings. A 10-year market forecast for the United States is included.



Company Examples Cited

America First Credit Union, Apple, ASB Bank (New Zealand), AT&T (Cingular), Bancorp South, Bank of America, Bankinter (Spain), CheckFree, Citibank, ClairMail, Clickatell, Fifth Third Bank, Firethorn Mobile, First National Bank (South Africa), Heritage Bank, Intuit, mFoundry, National Australia Bank, OCBC Bank (Singapore), Tell Me, Wachovia, Wells Fargo Bank, Yodlee