

MOBILE MONEY

Smartphones and tablets have already changed the way you work. Now, they're changing the way you bank with us.

Photo by Bernhard Lang

WHEN APPLE RELEASED THE FIRST IPHONE IN 2007, phones became much more than phones. Now they're also Web browsers, stock tickers, televisions, digital cameras, GPS systems, gaming consoles and more. Their latest role — facilitating financial transactions — is perhaps the most anticipated yet.

“People have started to realize that what they have in their pocket is an instant, constant connection to their bank,” says Niti Badarinath, Senior Vice President of Mobile Banking for U.S. Bank. “With the exception of getting cash, you can do many common banking activities with a mobile device.”

Mobile banking is now the preferred banking method for 6 percent of consumers, according to an August 2012 survey by the American Bankers Association. While that may seem like a small percentage, it's an increase of 100 percent since 2010.

“Given the growth rate of mobile banking, many clients will connect to their bank with their mobile device more than any other channel within the next 18 to 24 months,” says Richard Crone, Founder and CEO of Crone Consulting LLC, a San Francisco, CA-based consultancy that specializes in mobile payments.

Following is a look at the functionality available through banks today and what is on the horizon.

MOBILE BANKING: TODAY

Today's tech-savvy consumers expect to have their entire suite of banking services mobilized, and U.S. Bank is working hard to provide that. “We launched our first mobile Web product back in 2008 and released a downloadable mobile app in

2009,” says Chris Peper, Vice President and Mobile Channel Manager for U.S. Bank. “In 2010, we started enhancing key functionality for our clients.”

That includes mobile person-to-person payments, mobile bill pay and remote check capture,* enabling clients using the U.S. Bank Mobile App on iPhone, iPad, Android and BlackBerry devices to:

- See current balances, transactions and deposits
- Pay bills and set up regular transfers to savings
- Send money by email or text to anyone in the United States*
- Make deposits with a picture of their check*
- Receive automatic account and transaction alerts
- Find a local branch or ATM

Mobile access even expands to the point of sale with the U.S. Bank Card App, which allows clients of select retail partners to apply for a co-branded credit card via their smartphone while they’re shopping. “When they’re approved, we digitally issue the card directly to the client’s phone so they can use it right then and there at the checkout counter,” says Dominic Venturo, Chief Innovation Officer, Payment Services for U.S. Bank.

MOBILE BANKING: TOMORROW

As impressive as today’s mobile banking capabilities are, consumers can soon expect an even more exciting mobile banking evolution.

“We see mobile pushing the financial services suite down to what we call the point of presence,” Crone says. “It will deliver financial services, advice and functions when you need them, where you need them and for what you need them. It’s something financial institutions could not do before because they did not have a continuous, always-on connection with the customer; with a mobile device, they do.”

U.S. Bank is testing the next phase of mobile banking with its pilot U.S. Bank Find US+ App. The app enables phones, when pointed in a specific direction, to display a computer-generated graphic for each branch or ATM, as well as its address, hours of operation and distance based on the user’s GPS location. Each graphic is color-coded to reflect whether the location is open, closing within an hour or closed. The app provides the best route for getting to the ATM, recognizes when the user arrives at the destination and asks if additional information is requested.

“Imagine you’re a business traveler who ends up in Chicago and wants to find an ATM or a branch,” says Venturo. Instead of trying to decipher a two-dimensional Google map, you use your smartphone to get turn-by-turn directions in your physical environment.

Using the same technology, U.S. Bank hopes to offer clients preferred pricing and deals near their GPS location — for instance, access to airline mileage clubs or virtual offices for business travelers.

Get Connected

Connect to U.S. Bank online and on the go:

Internet Banking: Check your balance, review transactions, transfer money, pay bills and deposit checks.*

U.S. Bank Mobile App: Check your balance, review transactions, send money and make deposits.*

U.S. Bank Pay A Person App: Send or receive money via this app to anyone with an email address or a mobile phone number.

Mobile Web: Access online banking from your phone without downloading a mobile app.

Text Banking: Check your balance, see recent transactions and find a branch or ATM. (Text “BAL,” “HIST,” “ATM,” “BRANCH” or “HELP” to 872265.)

Account Alerts: Receive instant updates by text or email regarding account balances, withdrawals and deposits, credit card purchases, payments due, credit limits and security concerns.

To learn more on how to get connected to U.S. Bank on the go, contact your Wealth Management Advisor.

“If you allow us, we’ll be able to track where you are,” Badarinath says. “If you’re close to a merchant that you like and we like, we hope to offer you discounts to go shop at that merchant.”

Tools that U.S. Bank is evaluating include:

- Specialized apps for The Private Client Reserve and U.S. Bank Small Business
- Mobile wallets that will allow clients to store and make payments with prepaid cards on their phone
- Services such as videoconferencing, which will allow clients to connect face-to-face with their advisor, whether they’re at home discussing retirement with their spouse or on a business trip inquiring about a loan

“We’re continuing to do the research and development that’s needed to provide a robust set of products and services for our clients,” Venturo says.

Clients will still be able to bank via their desktop computer or local office. “Although there are a number of low-volume, high-frequency transactions that many clients would rather do themselves — changing an address, or doing something that does not require a lot of research or consultative advice — there’s always going to be significant value-add for having the customer come in and sit down with his or her advisor,” Badarinath says. “Mobile channels are not subtracting from anything that’s already there; they’re adding additional functionality and more ways for clients to efficiently handle many financial-related transactions when and where they want to.” ■

*See disclosures on pages 2-3.