

Sold! Cross-Selling in the Mobile Channel



Beyond increased customer retention and acquisition, reduced channel costs, and an uptick in revenue-enhancing activities, financial institutions have an opportunity to generate additional value from the mobile channel by cross-selling their own products as well as third-party products. Using the right tools and technologies, financial institutions can sell these product types via the mobile channel to grow both wallet and market share.

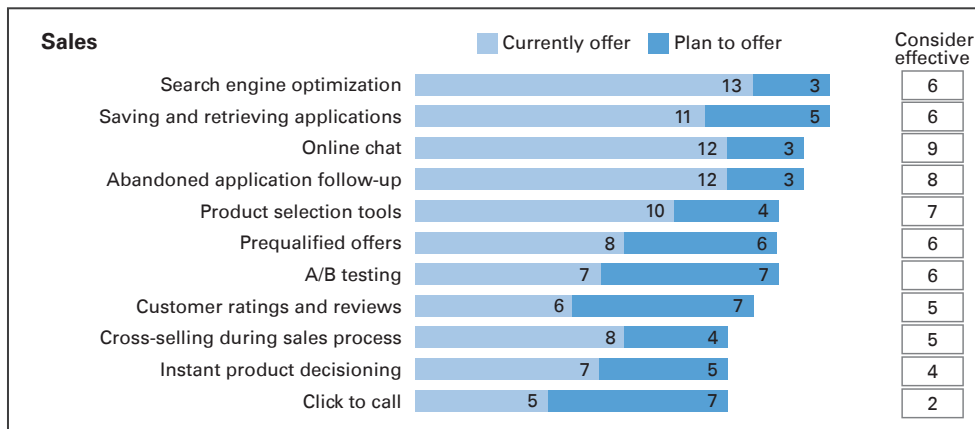
Advertising via mobile has seen explosive growth. Of the \$116 billion spent on Internet advertising globally in 2013, 11 percent occurred on mobile, representing a 47 percent increase over the previous year, according to PWC Global Entertainment and Media Outlook, 2013.

While other media use is declining, mobile media consumption is rising. For instance, Facebook reports that in the U.S. alone, 38 million users only visit the site through mobile. The shift in consumers' media consumption to mobile creates a tremendous sales opportunity that some social media sites and retailers are capitalizing on. Facebook reports that about 45 percent of its revenue in the third quarter of 2013 came via the mobile channel.

Yet while many retailers and social media organizations are leveraging mobile as a sales channel, most financial institutions aren't doing the same. Even some of the largest banks worldwide don't use mobile sales features such as "click to call" or instant product decisioning (see Figure 1). Financial institutions are missing the chance to increase revenue, boost wallet share, and build stronger

Figure 1: Digital Channel Mobile, Online and Sales Priorities

Base: 19 North American banking eBusiness and channel strategy professionals.



Source: Forrester Research, Inc., 2013.

relationships by leveraging mobile to sell their own products and third-party merchant products.

Enabling Tools and Technologies

A mobile selling strategy demands the right tools and technologies. Financial institutions that are ready to capitalize on this opportunity need to consider the following as enablers of their sales initiatives via mobile.

In-Session Banner Ads

In-session banners promote a product or service while you're transacting other business. While transferring funds via mobile you might see a banner asking if you'd like to open a credit card account. The Bank of Ireland uses this technique so successfully that it garnered a 2014 Retail Banker International Award for Best Use of Digital Marketing. The bank delivers dynamic messages that enable customers to learn more about a product, click-through to call the bank, or view external offers (see Figure 2).

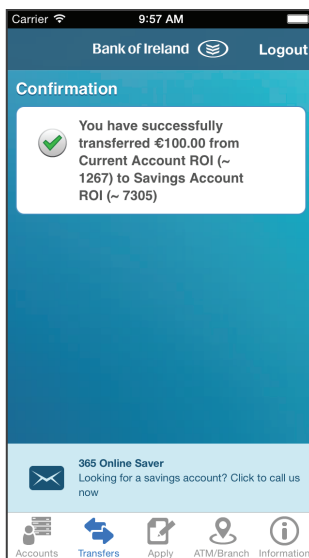


Figure 2:
Bank of Ireland
In-Session Banner

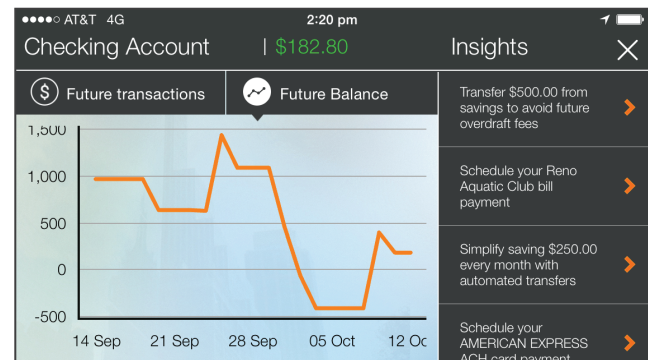
An example of an in-session banner promoting savings accounts.

Source: Bank of Ireland Mobile Banking App, 2014.

Actionable Insights

Qualitative research from Fiserv shows Gen Y consumers are disappointed that banks don't use the vast information they have about them to personalize the service experience, the way sites like Amazon and Facebook do. Mobile can deliver that personalization in context by using insights about a customer's financial situation to make targeted recommendations, often called "actionable insights." If the accountholder has a high checking account balance, the message might recommend opening a savings account and moving funds for a better return (see Figure 3).

Figure 3: Actionable Insights Example



Source: Fiserv, Inc., 2014.

Static Content Pages

Links to product-specific content pages that boost awareness of products and services can be effective in selling – as long as the text and design are optimized for mobile. Consumers are willing to read far less content than they used to, and mobile's limited real estate makes extensive content even less effective. Keep mobile content as simple and concise as possible.

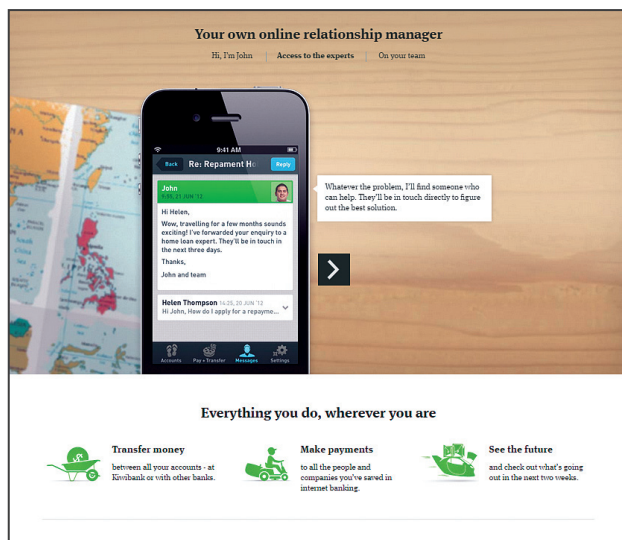
Live Chat and Messaging

Consumers are used to secure messaging and live chat through such sites as WhatsApp or Viber, so why not use these features in mobile? Because the customer is pre-authenticated within mobile banking, and your institution knows what product they want information about, your financial institution's representative has the context to provide an efficient, effective service experience (see Figure 4).

Push Notifications

Messages pushed to mobile can be highly targeted and securely actioned. If an account holder's car loan is nearing the end of its term, you can ask if they'd like details on new car loan rates. Or if you notice a customer is approaching his credit card limit, you can offer to increase it. Push notification is a game-changing technology in this regard. To learn more, see [Enterprise Alerts: The Superhighway to Delighting Customers With Timely, Relevant and Actionable Information](#).

Figure 4: Secure Messaging Example



Source: Kiwi Bank Website, 2014.

Reshaping the Experience

Just as mobile banking cannot be only a duplication of online banking, selling through mobile cannot be just a duplication of Internet or offline sales efforts. Mobile is unique in many ways, as described in [Digital Banking Personas and Insights: Fashioning a Tailored Experience](#). A mobile device sits in your pocket or purse, so it is always with you. It is aware of your location and can use this knowledge to tailor relevant messages. It is more functionally rich, combining voice, video, camera and Internet capabilities in a single device.

Mobile is also unique in its ability to bridge the gap between the physical and virtual worlds. Imagine you're in a store looking to buy a product, but want to find out how prices compare and how favorably the product is reviewed. You can use your mobile device to scan the barcode and then find prices and reviews online before buying.

With these attributes, mobile demands a different mindset about its role in the sales and marketing function of a financial institution. Organizations having the greatest success selling via mobile are those that view the channel as fundamentally different and approach it in a unique way. For instance, Amazon has employed digital

channel attributes to create a one-click buying experience that speeds and simplifies the purchase process for customers. Financial institutions should approach selling financial services via mobile from the same perspective.

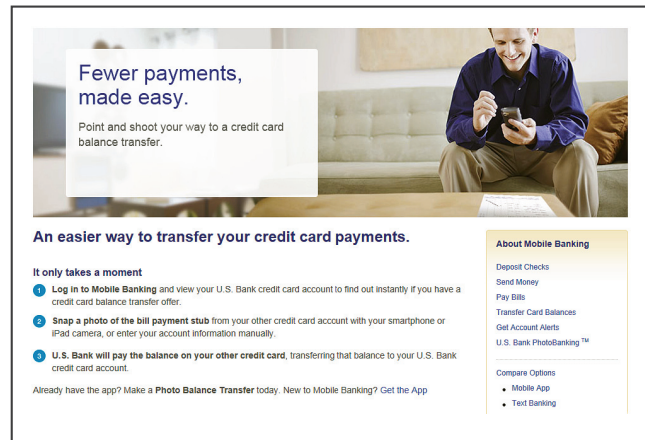
Selling Financial Products and Services

When selling their own products and services, financial institutions must adapt the experience to mobile's specific attributes. As noted in [Snacking, Lunching and Fine Dining: How Mobile is Reshaping Every Banking Channel](#), the most effective digital interactions are specialized to match the characteristics of the channel in which they're offered.

For example, mobile is ideal for facilitating useful processes in quick, easy-to-complete steps. U.S. Bank does this effectively with its credit card balance transfer offer. A customer can use a smartphone to snap a photo of a bill payment stub from a credit card statement from another institution, upload the photo to the bank's site, and the bank will transfer that balance to a new U.S. Bank credit card account. In about 60 seconds, the customer has a better card rate and the bank has a new cardholder (see Figure 5).

Mobile's ability to bridge the physical and virtual worlds can be brought to life across financial management use cases, such as the car-buying experience. While on a dealer's lot, the customer should be able to use the mobile device efficiently to get pre-qualified for an auto loan on the spot. By providing the customer with knowledge about how much he can borrow, at what rate, and what the estimated payment would be, the institution is creating a well-informed consumer, able to make the best car purchase without delays.

Figure 5: U.S. Bank Photo Balance Transfer



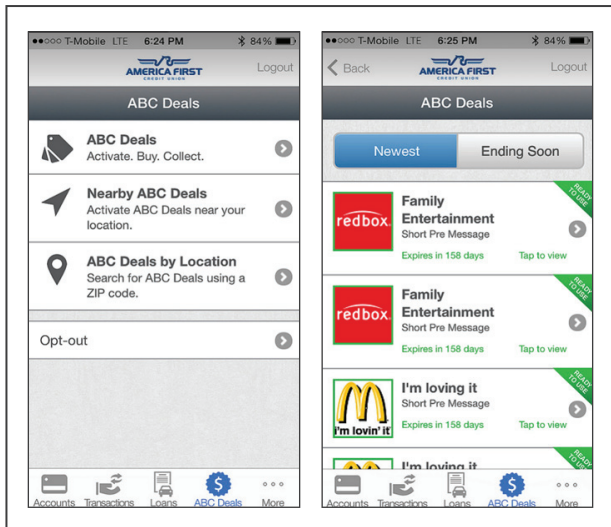
Source: U.S. Bank Website, 2014.

Selling Merchants' Products

Mobile is equally suited to selling appropriate third-party products. Consumers view their credit or debit card as part of the buying process, so it's a natural fit for financial institutions to insert themselves further into the buying value chain. Striking agreements with merchants to sell their wares via mobile is an effective way for the institution to drive greater card use, improve interchange income, and generate referral revenues, while offering customers valued discounts on purchases. This approach can be applied to products or services with a natural tie to financial services (such as insurance) as well as unrelated merchandise.

Establishing merchant-funded offers (working with network providers such as Cardlytics) enables the institution to gain all of these benefits without incurring costs associated with the merchandise discount. America First Credit Union delivers merchant-funded offers via

Figure 6: Merchant-Funded Offers Example



Source: America First Credit Union Mobile Banking App, 2014.

mobile and makes it easy for members to search for offers by category or location and obtain directions to participating retailers (see Figure 6).

It's Time to Get Started

The opportunity to sell products and services via mobile is a significant one with tremendous upside potential. But first, fundamental components must be in place.

Drive Mobile Adoption

To support an effective mobile selling strategy, it's critical to drive mobile banking adoption across all customer segments, using strategies like those outlined in [Exceeding the Mobile Adoption Benchmark: Effective Strategies for Driving Greater Adoption and Usage](#), to surpass average penetration rates.

Understand Customer Behavior

Selling via the mobile channel requires presenting the right offer to the right people at the right time, based on their needs and the offers they've accepted or declined. So building an understanding and history of customer behavior, through campaign management and analytics tools, is vital. Technologies that make it easy to add a product or make a purchase – similar to Amazon's one-click buying – are essential to driving results.

Get Organizational Support

Since selling via mobile requires input and cooperation across the enterprise – spanning marketing, operations, technology, compliance and other groups – the right organizational support and governance are required. As with any significant initiative, the support of an executive sponsor and coordinated planning across the enterprise will improve the odds for success.

Provide a Choice

Finally, while relevant offers via mobile should deliver value to customers, they must always have the choice to opt in or opt out.

Of course, all of these essential components have a cost. But in the future, the banking landscape will be dominated by financial institutions that have become effective at selling products and services through the mobile channel. Will yours be one of them?

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1002-15-27513-LACC 09/15