

# Mobile Banking: Important Element of Multichannel CRM

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# Mobile Banking:

## Five Statements for Discussion

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- 1. Customer Benefit:**  
Customers will use mBanking for convenience at home and in the office, not primarily as „road warriors“
- 2. Business Process:**  
mBanking requires orchestration of various front end devices within one integrated CRM, not just adding a sales channel
- 3. Base Technology:**  
GPRS and (somewhat) larger screens required, don't wait for UMTS
- 4. Market Players:**  
Banks are back on stage, TIMES providers withdraw from new territory
- 5. Economics:**  
An open game ...

# Customer Benefit: mBanking as a Convenient Tool for Everyone - also at Home and in the Office

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NOT  
PRIMARYLY  
...

Banking to support  
business on the road

- pay for mobile digital content
- pay at mobile POS (taxi etc.)
- do urgent brokerage transactions



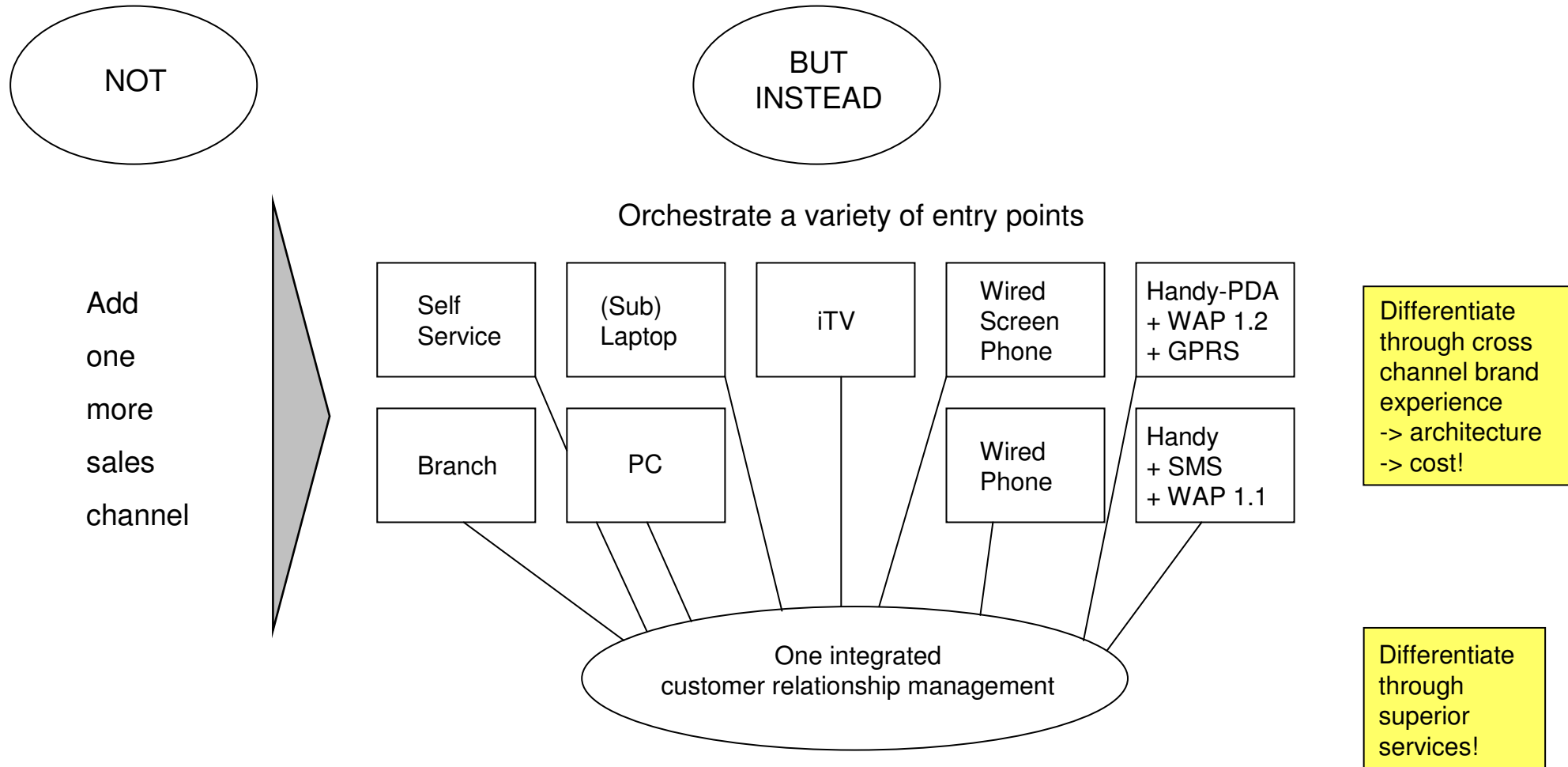
BUT  
INSTEAD

Use mBanking at home/office,  
because it is more convenient

- easier to switch on handy/PDA than PC (compete with iTV!)
- less waiting time compared to phone banking
- attractive as long as prices are not prohibitive

Expect  
10-20% of  
transactions  
on this  
channel  
by 2004!

# Business Process: Orchestrate Variety of Front End Tools



# Base Technology: We Need GPRS plus Slightly Larger Screens, Can't Wait for UMTS

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NOT

Wait for UMTS

- Bandwidth of up to 2 MB/sec
- Full screen video

BUT  
INSTEAD

Have functionality and performance of today's wired internet

- GPRS:
  - up to 60 Kb/sec (near to ISDN)
  - packet switching
  - push technology
  - always on
- Somewhat larger screens
  - minimum 240 x 160 pixels
  - color preferred

- For first customers available by end 2001
- Widely available by end 2002

# Market Players: Banks are Back on Stage

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NOT

- Telcos steal banking business
- Media companies steal banking business
- IT providers steal banking business

BUT  
INSTEAD

The grass is not always greener on the other side. Banking processes

- ... are complex
- ... are risk prone
- ... require highest security and customer trust
- ... are not as profitable as many thought

Back to the old core competencies:

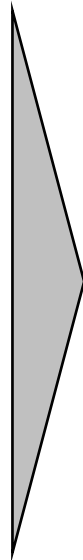
- banks provide banking content
- telcos provide access paths
- media provide marketing platforms
- IT providers deliver HW/SW solutions

# Economics: An Open Game

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NOT  
ONLY

- New sales channel requires additional investments
- New architecture requires even more investments
- Investments reduce profits



BUT  
ALSO

- Investments generate economies of scale
- Speeds up concentration process and changes industry structure
- Players may differentiate through
  - cross channel service quality
  - cross channel brand experience

May create  
new sources  
of profitability!