

The future of banking is mobile

According to the Oxygen8 report based on the survey on Mastering Multichannel Journeys, banking is the second most popular category in mobile technology usage, having amassed 17.6% of all votes.



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It appears that the functionality of accessing a bank account has clearly hit a chord with UK mobile users, even though as a service, banking only comes 14th in terms of the UK's most popular service on mobile, with 57.9% of mobile users actually using their mobile device to bank. Tony Smith, CEO at Oxygen8 South Africa says, "South Africa is showing progress on this front, with the number of online mobile and computer banking users at 38%, according the report by research firm, [Columinate](#). The survey also revealed that computer, mobile phone and tablet had 30% users, while banking on a computer only (24%) made up a small portion.

Users trusting mobile devices

But banking's role in the path to mobile engagement and payment is critical. When MobileSquared - leading provider of intelligence on the mobile sector - first looked at mobile engagement in 2011, the most trusted brand was the mobile operator because it held the billing relationship with the consumer.

The fact that now there are fractionally more people banking on their mobile phone than there are gaming - the 15th most popular mobile service - reveals that 57.9% of mobile users trust their mobile device to control their own personal finances, and that is the first step in encouraging mobile user to conduct mCommerce and mPayments. Once they trust their mobile device to conduct their personal finances, they become significantly more likely to make purchases over their mobile device.

Banking is evolving

"The power of mobile cannot be underestimated, attributable to the fact that many people in South Africa remain unbanked, and a large percentage of the population owns a mobile/smart device. We have seen how M-Pesa has taken off in East Africa, and once regulations are cleared in South Africa, we'll see more of this form of banking. It is also evident in how banks have evolved, from transacting inside the bank, to ATMs, to the ability to send money to a mobile number. The future of banking is mobile," opines Smith.

According to Mobilesquared, 46% of mobile users in the UK are making at least one purchase every quarter via their mobile device, and more than half of those mCommerce/mPayments users will spend more than £10.

In fact, the research reveals that of those 46% of users, more than half are making at least one purchase per month via their mobile device. Clearly there is a lag between adopting mobile banking and transferring that trust into mCommerce/mPayments, but as the number of people using mobile banking increases, so too does the pool of potential mCommerce/mPayments users. The following statistic predict the global adoption of mobile to become the preferred method of transactions:

- 28% (4.7 million) of smartphones users buy through their mobile phones
- By 2015, the value of global mobile transactions will reach \$1 trillion, growing from \$241 billion in 2011
- 38% of adults say their mobile phone is more important than their wallet

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