



## Waking Up Apps For Business Customers

by [Steve Brown](#)

Should you wear gloves while napping? The mom of a six year old shopping aficionado now thinks so. While she was sleeping on her living room couch, her daughter took her thumb and gently opened the Amazon app on her phone. Apparently, she couldn't rely on Santa for her wish list and ordered \$250 worth of Pok?mon gifts for herself. After receiving 13 order confirmation notices, the mom thought her Amazon account had been hacked. Little did she know the hacker was her little Pok?mon princess! What people don't know can hurt them and that is the case in banking as well.

These days it is important for banks to know the value of customer feedback around technology advancements because things are changing. Specifically, bankers would be well served to ask their business customers if they would use a business banking app and if so, what they might like to see it do.

Consumers already have plenty of mobile banking apps from which to choose, however business customers aren't yet so lucky. However, that may be changing. Santander of Boston, a subsidiary of Spain's Banco Santander, recently advertised a new app exclusively designed for business customers. This app allows commercial clients to make deposits of up to \$15,000 per day, transfer funds between commercial and personal accounts and via the quick balance feature, they can check their balances in 3 different accounts without even needing to log on.

Before releasing it, Santander tested their business banking app last July with 250 business customers. An overwhelming 95% said they were satisfied and 90% declared they would recommend it to colleagues. Based on this positive feedback, a Santander EVP decided to roll out the app for all biz customers.

This Northeastern banker may have put his finger on a real need and he isn't alone. Many of the largest banks have done so too and more seem to be considering to do so. Despite that, consider a survey by Malauzai software that finds while 67% of community banks now offer mobile apps to individual consumers, only 2% have a special app for business customers.

As with consumer, business owners perhaps even more appreciate the time savings and convenience associated with mobile apps. Today, most large banks give this customer group the capability to find ATMs, make remote deposits, approve payments and review balances.

Some would say the data shows community bankers seem reluctant to comply with the demands of commercial clients. We believe the real issue relates to what the core systems offer in this regard, as community banks can only offer what they are offered. Hopefully this is something the cores will give community bankers this year, because the stakes are certainly higher. While added security measures will be required due to larger dollar amounts, opportunity exists to better target customers with mobile offerings.

For those trying to keep track of where things stand, a quick but partial search finds the following large banks already offer their business customers an app: Santander, Wells Fargo (w/40 different functions); JPMorgan Chase (3 factor security, automatically disabled if anomaly detected); PNC (high marks for ease of use); Citigroup (allows consolidated account view even if at other banks); Silicon Valley Bank (tailored for start-up clientele); TD (check deposit, loan, credit card balances); Bank of America (already being used by 10mm customers).

Community bankers will want to keep their eyes on this area to ensure larger competitors don't sweep up most of the opportunity here. One way to start is to monitor the competition, as you talk to your customers about their expanding needs. A business app may not be needed for every bank or customer right now, but it is worth exploring, as it seems to be growing quickly.

# BANK NEWS

## **CRE Support**

Data firm Preqin reports global fund managers held a record \$237B available to invest in commercial property at the end of 2016, up from \$229B in 2015. These real estate funds point to a strong appetite for commercial real estate and provide a level of strength to the sector.

## **Logging Keys**

IBM defines keyloggers as "software designed to record the keystrokes typed on a keyboard. This malicious software is primarily used to steal passwords."

## **Digital Strategy**

A survey of digital banking experts by GFT finds the most important objectives cited in pursuing a digital banking strategy are: increase customer satisfaction (84%); increase customer loyalty, reduce churn (83%); and increase profitability (82%).

## **Millennial Update**

Research done by Bank of America Merrill Lynch finds that millennials are the #1 workforce demographic in the US and account for \$1.3T in direct annual consumer spending. Meanwhile, millennials will account for 75% of the workforce by 2025.

## **Zilch**

Research by the National Institute on Retirement Security uncovers that about 45% of all households has nothing at all saved for retirement.

## **Consumer Spending**

For those keeping track of such things, you might be interested to know that the oldest baby boomers have just reached age 70.5, so they must now begin withdrawing cash from tax sheltered retirement accounts. Over time, this process will release \$10T into the economy and the money makes its way into daily spending and eventually into the hands of heirs.

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