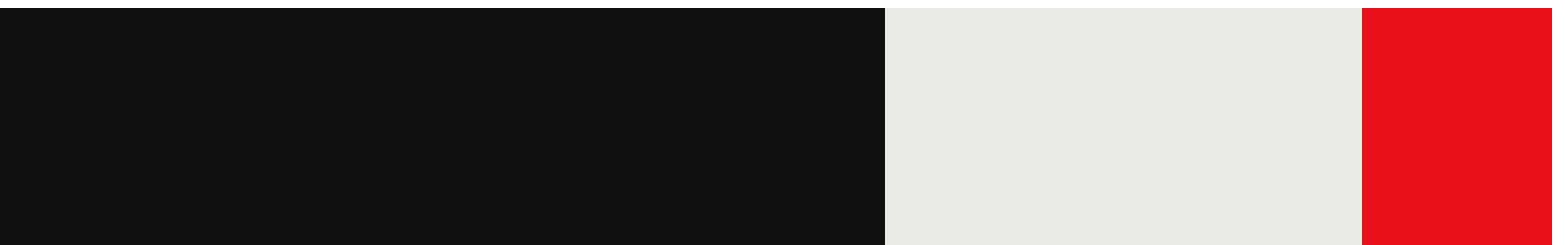# The Banking & Payments Show: Who won our mobile banking app benchmark?

Audio

In this podcast episode, host Rob Rubin, alongside our analysts Lauren Ashcraft and Maria Elm, unveil the findings of EMARKETER's latest mobile banking app benchmark report. They

delve into the frontier of banking technology, spotlighting the breakthrough features that are shaping the industry this year. The discussion pinpoints the five key features that consumers consider indispensable and unpacks the potential game changers that may take center stage in the future of mobile banking. The episode also introduces a new segment titled "Who Ranked Best," where the team provides a detailed ranking of the top 10 banks, with an in-depth analysis of what sets the top five apart. This engaging conversation is packed with vital information for both consumers and industry professionals looking to stay ahead in the dynamic world of mobile banking. Tune in to explore: - The cutting-edge features that are redefining user experience in mobile banking apps - Consumer favorites: The top five features you should look for in your mobile banking app - The future of mobile banking: Innovations that are on the horizon - Exclusive rankings: Find out which banks are leading the mobile banking sector in "Who Ranked Best" - Expert commentary from Rob Rubin, Maria Elm, and Lauren Ashcraft, providing in-depth analysis of the report's results.

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Episode Transcript:

Rob Rubin:

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Today is March 5th, 2024. I'm Rob Rubin, head of business development at eMarketer, and your host. Today, we're going to discuss the results of our most recent mobile banking app benchmark report. For this conversation, I invited our senior analyst in banking and author of the report, Maria Elm, and banking analyst, Lauren Ashcraft to join me. Hi, guys. How are you doing?

Lauren Ashcraft:

Doing great. Great to be here.

Maria Elm:

Hey, Rob.

Rob Rubin:

We're happy to have you guys. Maria, this is your first time on the show.

Maria Elm:

It is.

Rob Rubin:

So I wanted the audience to get to know you better, so I was going to ask you a couple of questions, and because we're talking about mobile banking benchmark, I want to ask you, "Do you use mobile banking yourself?"

Maria Elm:

I do, like a real millennial.

Rob Rubin:

Are there any emerging features that you use yourself personally?

Maria Elm:

I don't know. I think I'm kind of a low-tech user. I do check out some new features as my bank introduces them in the app, but they don't always become habits. For example, when they started organizing my spending by categories, I looked at that a couple of times, but in terms of stuff I use on a daily basis, it's just the basics, really.

Rob Rubin:

My bank does it too, and the categories are so wrong that it's too much work for me to fix it.

Maria Elm:

I know, and at first, you take a look at how much you spent on "Retail therapy," and you have a little heart attack, and then you realize that it's just a bunch of miscategorized stuff.

Rob Rubin:

Right? I get that all the time, and we don't write very many checks anymore, but it's not good at categorizing checks.

Maria Elm:

Right. Don't think I've ever tried the check feature.

Rob Rubin:

Writing a check?

Maria Elm:

Nope.

Rob Rubin:

There is a difference in generation. Before we jump into it, I want to explain how we do our mobile banking benchmark. We've done it now for seven years. The way it works, as you and I were just talking about emerging features, the first thing we do is we develop a list of novel or emerging features. So the list isn't static year over year, like many benchmarks, and this year, we identified 35 emerging features, for example, real-time external transfers as an emerging feature.

Once we develop the list of emerging features, we field the survey to ask consumers how valuable those features are to them. We ask other questions too, by the way. This year, nearly 1,900 U.S. consumers completed our survey. Now, in part two ... Really, part three.

So first, we developed the list of features, then we see how valuable they are to consumers, who are mobile banking consumers, and then we audited the top 10 banks to see if they have those novel or emerging features, and I want to point out that we're not evaluating the quality of their execution and offering those features, we're really just doing an inventory as to whether they have features that these consumers find valuable. So we rank the bank's mobile apps based on how important each of those features were. So if a bank had a feature that consumers didn't think was valuable, then when we put it in the rankings, it didn't give them a lot of points, but if they had a feature that the consumers think is really valuable, then they get a lot of points for that. So for today's episode, let's first discuss the emerging features in this year's benchmark, and then in who ranked best, we'll discuss how the banks ranked overall. So let's get right into it.

First, 35 features is a lot. So did we organize them in any way?

Maria Elm:

Yeah. So the categories stay constant year over year. I don't think they've changed over seven years, and that's always security and control, account management, alerts, transfers, customer service, and digital money management.

Rob Rubin:

So I hope everybody now understands how we did the benchmark, and I want to jump right in to, "Which categories are most important? Which ones have the features that consumers like the best? Which one falls to the bottom?"

Maria Elm:

So year over year, really consistently, security and control is the most important category for consumers, and I think that's just kind of self-explanatory. If you think about the fallout of something happening, if there's a security breach at your bank, the results are really catastrophic. So it's pretty clear why security and control would always be front of mind for customers, no matter what else is happening, and some of the other categories do shift around in ranking a little bit year over year. So for example, in our latest benchmark, customer

service dropped to the bottom. It came in sixth, after digital money management, and this year, we also saw alerts and transfers increase in importance for consumers.

Rob Rubin:

I wonder if all of the publicity around real-time transfers and real-time payments and things like that had an influence. Lauren, have you done any research in that area?

Lauren Ashcraft:

Not on that, but I did want to say with alerts, there's been a lot of publicity around all of the breaches, and within my personal circle, a lot of people are getting letters saying that their data's out there. So that could really play into why alerts are so important these days, is people are worried about if things are happening in their accounts without their knowledge, or if they're getting close to certain goals.

Rob Rubin:

I think my industry affinity, like I'm in this business, so I think everybody must know about real-time payments, but nobody knows because it's not really offered that widely. Forgetting category, what were the top five emerging features that consumers value most?

Maria Elm:

I think for the second year in a row, alerts for, if your social security number is breached came out top by quite a wide margin. Again, that's definitely information you don't want getting out there. So I think pretty consistently, we'll see this one coming, if not top, then definitely in the top five.

Lauren Ashcraft:

And I noticed in your report, it said Gen Zers call that feature extremely valuable, so I think that you're right, it'll continue to grow in importance.

Maria Elm:

Yeah, and I mean, thinking back many, many years to when I just became an adult and had to manage a bank account suddenly for the first time, it's like as a really young adult, you're going to be a bit uncertain on your feet, you're going to want to be extra cautious. So, to me, it makes sense that that generation does put more emphasis on that feature, definitely. And

looking at the other features that came in the top five this year, we have electronic direct deposit set up.

Rob Rubin:

Hasn't that been a feature forever? Like how is that emerging? I've had my direct deposit go into the bank.

Maria Elm:

Yeah. Well, if you read it off the page like that, then it sounds really table stakes, but I think the nuance here is that you can set up a deposit from within your mobile app. From my perspective, that should also be a table stakes feature by now, but it's taken the industry a little while, so that's why we have it down as an emerging feature.

Rob Rubin:

I feel like Citibank had that a million years ago.

Maria Elm:

Well, some got there a lot faster than others. That's what I'll say.

Rob Rubin:

But so, it's the difference is electronically setting it up versus filling in a form with your bank information and giving it to your employer, which is how it works.

Maria Elm:

Not even that. I think for a lot of banks, setting up a deposit just via a website on a desktop has been around for a long time, but if you can just tap into the app on your phone and do everything entirely from there, that's what gives it the emerging aspect.

Rob Rubin:

Maybe that's more important for Gen Zers, because one thing that I've noticed is younger people don't necessarily stay in jobs as long as older people, so it's something you actually could use. Like somebody that stays in a job for 20 years only needed it once. It's not that important. What were some other features in the top five?

Maria Elm:

So coming in third, we had alerts for when you might not have enough balance left to make a payment on your account, and then we also had transactions listed in easy-to-understand terms, so just explain this one a little bit more. Sometimes you'll click into your list of transactions on your mobile app, and you get some like really cryptic company name that you don't recognize.

Rob Rubin:

Right, you get whatever came through the ACH network or whatever. Yeah.

Maria Elm:

Exactly. Yeah, yeah. So this is just like putting it in human terms so you can actually recognize the business that you transacted.

Rob Rubin:

Right, your mortgage payment.

Maria Elm:

Yeah.

Rob Rubin:

Like that kind of thing?

Maria Elm:

Yeah. And again, this is something that I would strongly argue should be table stakes, and the fact that it's still listed as a feature in our report and that it's so highly valued by customers should be telling banks something.

Rob Rubin:

Right.

Lauren Ashcraft:

We recently wrote an article about how 40% of U.S. consumers lack basic financial knowledge, so that just confirms how important using that accessible language would be.

Rob Rubin:

Yeah.

Maria Elm:

Definitely. And I think when it comes to something like your own transactions, you rightly feel entitled to be able to know as much about that as possible. You shouldn't have to try and guess what this payment was and to whom.

Rob Rubin:

Right. So what rounds out the top five then? I think we went through four, right?

Maria Elm:

Yeah. So rounding out the top five is what we were just talking about, real-time external transfers, and as you say, quite a bit of coverage recently, so that explains why it's front of mind.

Rob Rubin:

At least in the industry press. I don't know if in the consumer press, there's been a lot of coverage, but once banks start to offer that. You think the first banks that offer it are going to do it for free or it's all going to be fee-based?

Maria Elm:

I think we're likely to see a bit of a mix, but I think we'll land on free to very low fee.

Rob Rubin:

Yeah. I always think that a company, it doesn't have to be just banking, but once a company introduces something that there's enough value that they get a fee for it, it's going to be in another company's best interest to give it away. So it's always that price pressure. But I wanted to ask before we jump, were there any features that consumers didn't place high value on, but you guys actually think is going to be important to them in the future? So they just don't have the foresight that you, as banking analysts, have.

Maria Elm:

So, I don't know if it's necessarily about not having foresight. I think it's just a matter of what people have been used to and conditioned to expect. So for example, one of the least

valuable features, according to consumers in our survey, was being able to connect with a chatbot through the mobile app, and this one pretty consistently comes pretty low in terms of consumer value.

Rob Rubin:

Yeah, I remember over the years, low, low. Yeah.

Maria Elm:

And I don't really blame consumers for that, because even speaking from personal experience, I remember my first interactions with chatbots just being the most frustrating thing ever.

Rob Rubin:

Well, it was like a decision tree, right? Like, oh, you said this, so there's three responses.

Maria Elm:

Yeah, exactly. It's just scripted, completely unempathetic, completely scripted. It's like you can predict what the next thing it says is going to be. It's just absolutely useless. So I think there's just a bit of understandable bias against them, but now, a certain little thing called GenAI is happening.

Rob Rubin:

Yeah, I've heard of it.

Maria Elm:

Yeah. I bet you have, and I think that's just going to be a game-changer. I think maybe even by the time the survey rolls around next year, we're going to see that feature change in value.

Rob Rubin:

It'll be fascinating to see if the numbers go up, because I think that once consumers have a good experience with it, they're going to love it. The trouble with talking to a human is you have to debrief them in order for them to help you, but you won't have to debrief the conversational AI.

Lauren Ashcraft:

That is true. And as banks are training their AI, one thing to keep in mind is there was just this big story about Air Canada. They lost a court case against a customer because the chatbot provided some inaccurate information. They owed the customer damages in court fees, which I think equated to a little bit more than the ticket cost, but banks will be held accountable.

Rob Rubin:

Yeah.

Lauren Ashcraft:

I think this court case set a precedent for companies will be held accountable for what their chatbots say, so that's one thing to keep in mind.

Rob Rubin:

I do think that banks are going to be cautious about it, and that some banks, like Bank of America, might be ahead of the curve because they've been working at it for a while. So today, in who ranks best, we're going to look at how the top 10 banks fared. So maybe we won't look at all 10, because we're not going to have time, but let's look at who finished in the top five. Let's hear a drum roll. First, who finished number one?

Maria Elm:

Okay. So U.S. Bank came in number one.

Rob Rubin:

Okay.

Maria Elm:

That's for the second year in a row, so-

Rob Rubin:

All right, good for them.

Maria Elm:

Chase came in second, also for the second time in a row.

Rob Rubin:

Okay.

Maria Elm:

And then in third place, we've got Truist, which moved up from fourth place last year.

Rob Rubin:

Okay.

Maria Elm:

And then in fourth place, we have Citibank, which also hopped up a rung from fifth place in 2022.

Rob Rubin:

And who finished in the top five this year?

Maria Elm:

Yeah. So this one was interesting. Well, actually, I'm saying it came in fifth, but it tied with Citibank for fourth place, and that's Wells Fargo.

Rob Rubin:

All right.

Maria Elm:

And Wells Fargo moved up from 11th to fourth.

Rob Rubin:

Right. Last year, we ranked 15 banks. This year, we did just 10. So, I guess my first question, "What did U.S. Bank do well to win again?"

Maria Elm:

Yeah, it's a great question. So just to illustrate just how well it did, it scored 61 points out of 100, and that's 28 points higher than the study's overall average.

Rob Rubin:

Wow.

Maria Elm:

So that's a really wide margin. In terms of what got it to first place, it came first in the alert category, which was consumer's second most valued category this year. It also secured first place in account management, which was consumer's fourth most valued category, and it also placed quite high. It came in forth in security and control, which, as we've already discussed is-

Rob Rubin:

Was the most important one, yeah.

Maria Elm:

Yeah, yeah, yeah.

Rob Rubin:

So you mentioned ... We'll talk about who you didn't mention, but you mentioned Wells Fargo jumped from near the bottom last year to top five this year. So what did they do? Did they make a lot of enhancements to their app over the last year, or did we just cover features that they have?

Maria Elm:

Yeah, they definitely made enhancements, and just to illustrate it in terms of how they moved up the ranks, in security and control, they moved up from 12th place to seventh, while seventh is kind of not super, but definitely better than 12, and it does make a difference. And in the transfers category, they bumped up from fifth place to first place, so they won the category.

Rob Rubin:

All right.

Maria Elm:

And they did that by offering the categories to most valued features.

Rob Rubin:

Which are what?

Maria Elm:

So we talked about electronic direct deposit set up from within the app, and also real-time external transfers, and if you're a member, those are two of consumer's five most valued features.

Rob Rubin:

Right. So that's what you got to do. I noticed from the report that Chase finish number one in our security and control and digital money management sections. The next place finishers in security and control weren't even close, and also in digital money management, so it wasn't enough to beat out U.S. Bank. Why wasn't anyone else close in those categories, and what should Chase do to be number one next year?

Maria Elm:

Yeah. So I'll go category by category. So, in security and control, Chase pretty much just had sheer breadth going for it. It offered all except one of the categories features, I think, and the one feature it didn't support was also the least valued of the bunch, so it didn't make a dent in its score, really.

Rob Rubin:

All right.

Maria Elm:

And most importantly, in security and control, Chase supports the feature of alerts for breached social security numbers, so that's the most valued feature in the whole study, and it was one of only two banks to do that. The other one who supports the feature is Capital One.

Rob Rubin:

But it wasn't enough to beat out U.S. Bank?

Maria Elm:

Not this year.

Rob Rubin:

Is it just because U.S. Bank has a breadth of features that consumers value the most overall, and it's not just necessarily within the category, because if security and control is the most important category and they clean the deck with their scores, you would think that if they won that, they should win?

Maria Elm:

Yeah. So, some of it comes down to, this is going to sound really dry, but it's the truth, comes down to scoring methodology, and magic we do in the spreadsheets, but basically, all the scores just piece together into a bigger picture, so everything influences the final score.

Rob Rubin:

Right.

Maria Elm:

And just to come back to Chase, so in digital money management, I want to say, this is going to sound like a bit of a backhanded compliment, but it basically stood out against overall poor performance in the category. It was the only bank that supported more than two features in the category, and it also helped that one of those features was the ones consumer values the most, which was the ability to see recurring charges within the app.

Rob Rubin:

So what's interesting is when we first talked and we were doing our little icebreaker questions, you talked about how you saw how they categorized things. It wasn't something that you use, and I'm wondering in the money management, and Lauren, you said how there's a lot of people that don't understand, they don't have a lot of financial money management skills, is that that's actually, even if you offer those, there's the least gain to those because there's probably low engagement. In other words, nobody ever used the personal finance tools that were available. So some of the banks are just sort of de-emphasizing that category, if you look that says, "Okay, well, they were the only ones that had just two." So it seems like digital money management is being sidelined a little bit. What do you guys think of that?

Lauren Ashcraft:

There might be a little bit of cost benefit analysis going on there, but whenever you look at the subscriptions management, the ability to see recurring costs, anywhere you can get your

customers to save could mean they have more deposits, they put more into savings, they invest more with your financial institution. So seeing as that is the most important feature to add, I can really see why, because there would be a real benefit there monetarily.

Rob Rubin:

Right. And then just to finish this up, I got a question from Erica. She would like to know why Bank of America is not on this list.

Maria Elm:

Well, Bank of America is on the list to just-

Rob Rubin:

But they're not in the top five. I would argue, they spend a lot. Probably, they're top five in how much they spend on their mobile apps, so why aren't they in the top five? Did they drop this year from last year? What's going on?

Maria Elm:

They did. They were second last year and dropped down to eighth this year.

Rob Rubin:

Ooh.

Maria Elm:

And this is going to be kind of cold comfort, but as you say, they rank quite highly in terms of mobile investment, so I'd say it's not always easy to predict where consumers are going to place value. Some features stay consistently valued year over year, and those are safe bets, but as things in the economy change and consumers priorities change, so is the value they put on different features. That plays a lot into scores. I just want to emphasize that. So it's not always a matter of someone didn't do something they were supposed to be doing.

Sometimes it's just the times moved on and maybe your digital investment didn't. So one of the things that I like to think that this report helps with is just, it helps calibrate areas of investment.

Rob Rubin:

So given consumer interest, if you could spend a million dollars and build five features, which five should you build?

Maria Elm:

I don't want to be that prescriptive. I would just say-

Rob Rubin:

I do.

Maria Elm:

I'm going to be a bit more kind of big picture, and I'm going to say that just the best place to start is use our report to just find gaps where demand isn't being met. Basically, find easy wins, start with a low-hanging fruit. They'll give you a good base to build from. One of the things that I think this report is particularly useful for is just letting banks cross-reference demand against support. If you see that a feature isn't being very widely supported, you're likely to win quite a lot of favor with your consumers by being one of the first to move on it.

Rob Rubin:

Yeah. So our mobile banking benchmark certainly makes U.S. Bank and Chase happy, and Bank of America sad, but that's just the way it goes, and there's always next year. Well, this has been a great episode. I really am so happy to have you on the show. A fascinating discussion about the mobile banking report.

There'll be a link in the show notes so that you can get more information about the report. I want to first thank everyone for listening to The Banking & Payments Show, an eMarketer Podcast, and also thank you to our editor, Todd. Our next episode is on March the 19th, so be sure to check it out. See you then. Bye, Lauren. Bye, Maria.

Lauren Ashcraft:

Thanks for having me.

Maria Elm:

Bye, Rob. Thanks for having us.

Rob Rubin:

Thank you for coming. I'll speak to you soon.