

May 3, 2017

Mobile Doesn't Matter!

Kevin Moland, AAP

Director of Product Strategy for
Enterprise Payment Solutions
Jack Henry and Associates



Objective

“If you change the way you look at things,
the things you look at change.”

– Dr. Wayne Dyer

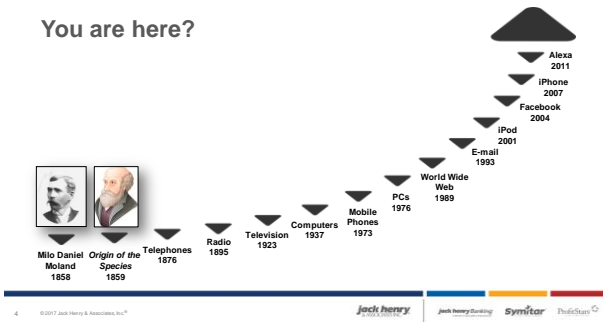


Agenda

- You are here?
- Some “Next Big Things”
- What does it all mean?
- Q&A



You are here?



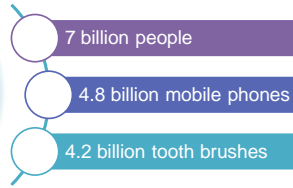
You are here?



You are here?



You are here?



7 © 2017 Jack Henry & Associates, Inc.[®] An Increasingly Mobile World Part 1: The Mobile-only User, Stormhold Digital, November 2015

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You are here?



Every minute, there are three times as many smartphones being activated as there are babies being born.

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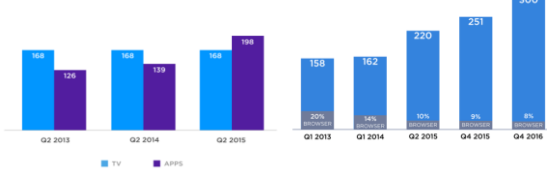
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Going mobile

Time Spent in Mobile Apps and on TV
US DAILY AVERAGE IN MINUTES



US Daily Mobile Time Spent



FLURRY

9 <https://techcrunch.com/2015/09/10/a-consumers-now-spend-more-time-in-apps-than-watching-tv/>
<https://techcrunch.com/2017/03/30/a-consumers-now-spend-5-hours-per-day-on-mobile-devices/>

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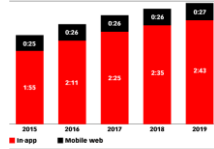
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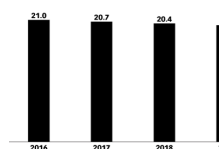
Going mobile

Average Time Spent per Day with Mobile Internet Among US Adults, in-App vs. Mobile Web, 2015-2019
hrs./mins.



Note: Ages 18+. Time spent with each device includes all time spent with that device, regardless of ownership; for example, 1 hour of multitasking on an app while on the mobile web is counted as 1 hour for apps and 1 hour for mobile web.
Source: eMarketer, April 2017
223408

Average Monthly US Smartphone Apps in Use, 2016-2019



Note: number of unique apps that have been launched at least once per month per smartphone app user of any age
Source: eMarketer, April 2017
223404

<https://www.emarketer.com/Article/Marketer-Unveils-New-Estimates-Mobile-App-Usage/1015611?ecid=NL1001>

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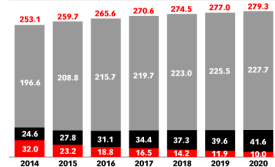
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US Internet Users, by Device, 2014-2020
millions



Note: individuals of any age who access the internet via desktop/laptop and/or a mobile device (browser or app) at least once per month; *includes feature phones, smartphones and tablets
Source: eMarketer, Feb 2016
224727

<http://www.emarketer.com/Chart/US-Internet-Users-by-Device-2014-2020-millions/185811>

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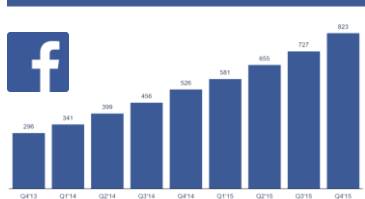
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Going mobile

Mobile-Only Monthly Active Users (Mobile-Only MAUs)
in millions



Over half of Facebook users access the service only on mobile, Venture Beat, January 2016

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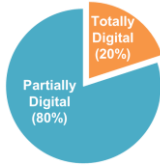
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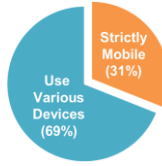
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Going mobile for *banking*

Customers/Members



Digital Users



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The Financial Brand: Digital Banking
Customer Retention Trends

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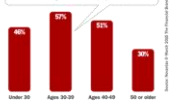
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Going mobile for *banking*

Percentage of smartphone owners making mobile bill payments



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By 2020,
1.8 billion people
worldwide will be using
mobile banking!

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<http://www.esocial.com/special-reports/digital-2016>
Mobile Payments Today/IRMG

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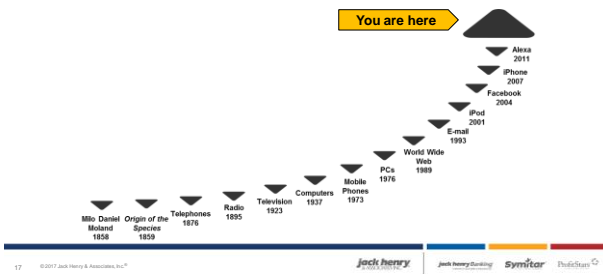
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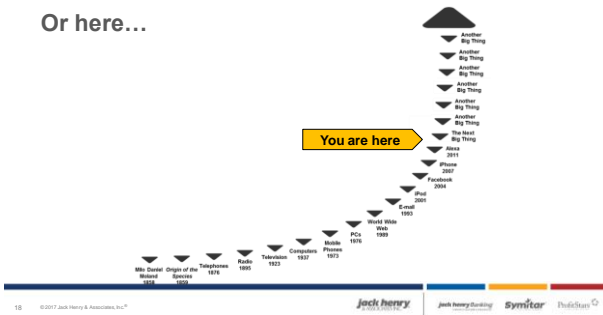
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But wait!
I thought the title
of this session was
Mobile Doesn't Matter?

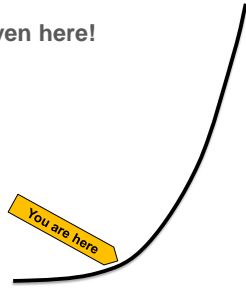
You are here?



Or here...



Or maybe even here!



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Evolutionary devices



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You are here!

The pace of technological change will continue to increase, and it will bring new and even more disruptive “next big things.”

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You are here!

**Mobile matters now,
but it will soon give way to
the whatever will follow it.**

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The next big things

“But we can barely keep up with this big thing,
why should we worry about the next big things?”

- They're inevitable.
- They're coming *soon*. (Hint: They're already here.)
- How you prepare for them will dictate whether or not you will be able to compete in the future.

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It's on!



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Macrumors.com, Apple Watch Sets All Time
Revenue Record in Q1 2017, January 2017

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Speckacles



Jack

\$129.99

ADD TO CART

Includes charging case and cable

25

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<https://www.engadget.com/2015/09/16/google-glass-project-aural>
<https://www.spectacles.com/>

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PulsePoint

It's on!



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<https://www.vuzix.com/Products/Series-3000-Smart-Glasses>;
 Forbes, Apple AR Smart Glasses Tipped For 2017 Reveal, Paul Larkin

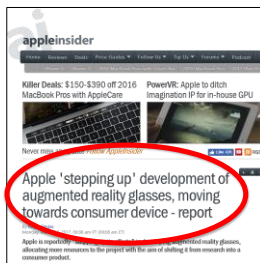
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<https://www.vuzix.com/Products/Series-3000-Smart-Glasses>;
 Forbes, Apple AR Smart Glasses Tipped For 2017 Reveal, Paul Larkin

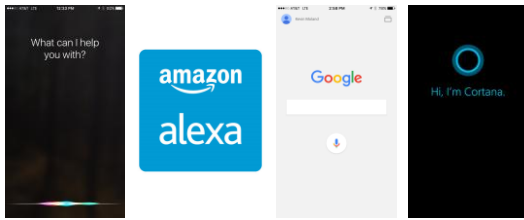
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PulsePoint

It's always on!



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It's always on!

"Alexa – What's the balance in my checking account?"



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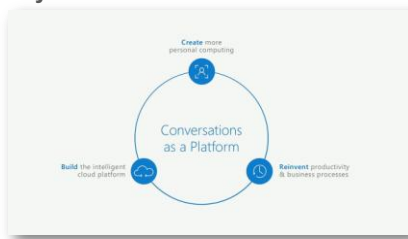
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Windows Central, Microsoft talks up 'conversations as platform', Mar 2016

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It's all around?

"More transactions could eventually pass through connected devices than smartphones. We estimate there will be 24 billion of these devices by 2020, with 5 billion of them being consumer-facing. This represents a massive expansion of touchpoints where payments could be enabled."

Internet of Things (IoT)



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Business Insider, The Connected Device Payments Report, Evan Bakker, July 2016

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It's all around?



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<https://www.amazon.com/Ozish-Buttons/b?ie=UTF8&node=1667788011>

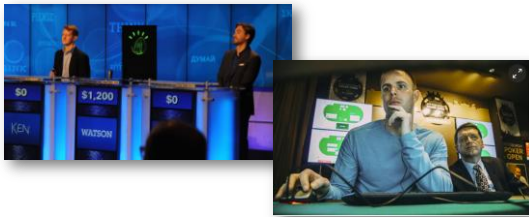
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It's like you!



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<http://www.techrepublic.com/article/watson-watson-the-inside-story-of-how-the-jeopardy-winning-supercomputer-was-born-and-what-it-wants-to-do-next/>; The Guardian, Oh the humanity! Poker computer trounces humans, Jan 2017

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It's *in* you!

**"I'm turning the
internet of things into
the internet of *us*."
- Jowan Osterlund
Biohax Founder**



34 © 2017 Jack Henry & Associates, Inc.[®] Recode, The next evolution in office working could be employees getting implanted with a microchip, April 2017 **jack henry** *jack henry banking* **symitar** *ProfitStars*

It's *in* you?

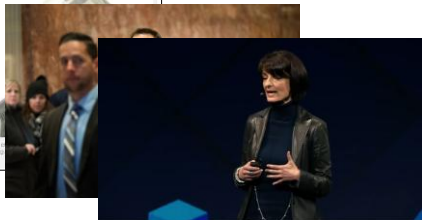


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It's *in* you?

Silent Talk Helmet

"Silent Talk" is a DARPA (Defense Advanced Research Projects Agency) initiative, funded by the government to produce a non-invasive BCI helmet that would allow soldiers to communicate silently with each other through the technology. The technology would work by detecting "eye speech" neural impulses, analyzing them, then sending the information to the receiving partner(s).



36 <http://sites.lafayette.edu/egs451-sp13-burds/military/silent-talk/>; <https://www.technologyreview.com/604254/with-neuralink-elon-musk-promises-human-to-human-telepathy-dont-believe-it/>; <https://www.youtube.com/watch?v=4CDWK6mehUI> **jack henry** *jack henry banking* **symitar** *ProfitStars*

What does it all mean?



37 © 2017 Jack Henry & Associates, Inc.[®] Whitepaper: Open APIs: A Survival Guide for Banks D+H, March 2017

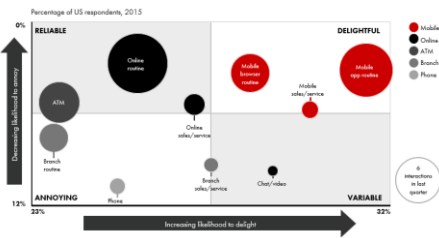
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What does it all mean?



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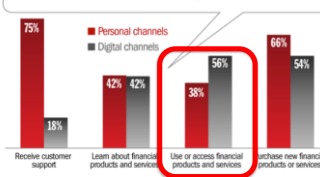
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What does it all mean?

Consumer channel preferences for various banking activities



Source: CEB Tower Group © April 2014 The Financial Brand



39 © 2017 Jack Henry & Associates, Inc.[®] Bank branch transformation begins with culture, Citigroup, February 2016; ABA Survey Online, Mobile Banking Most Popular, August 2016

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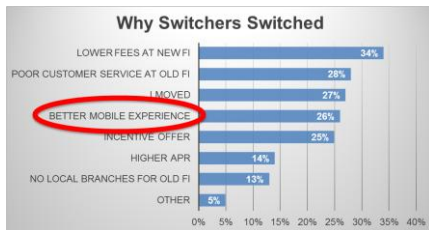
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What does it all mean?

- “Today, local banks and credit unions tout their superior customer service and attention to community causes, and consumers may say, *‘That’s nice, but I’d rather just do all my banking with whatever institution provides the best digital experience.’*”



What does it all mean?



What does it all mean?

Top 3 Banks Get Majority of New Customers

April 5, 2016 | Subscribe to The Financial Brand for Free

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'Digital convenience' helps the top three banks acquire more new checking accounts than the next 17 largest banks combined. To win the battle for a smaller number of checking accounts 'in play' requires a better understanding of consumer profiles, attitudes, behaviors and trends.

What does it all mean?



What does it all mean?

- It's not just millennials, it's also people like me!
 - 55+ small town white collar professional with great credit rating
 - Three personal checking accounts, one business checking account, and five savings accounts
 - Three debit cards, four credit cards
 - A mortgage, a car loan, and an upcoming student loan
 - Two retirement/investment relationships



It's beyond you!

Consumers and businesses will continue to adopt new technological solutions that improve their banking experience.

What does it all mean?

PSD2

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What does it all mean?

“It is clear that the momentum towards open APIs is now irreversible.”



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Whitepaper: Open APIs: A Survival Guide for Banks
Dated: March 2017

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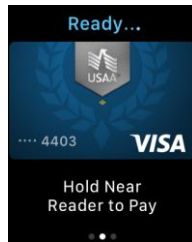
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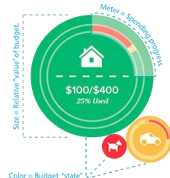
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What does it all mean?

Checking	12,256.27
Checking	296.20
Checking	542.17
Checking	24.16
Checking	1,887.64



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What does it all mean?



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What does it all mean?

**FI's can't go it alone—
they need to integrate
with Fintech providers if
they want to prosper in
the “post-mobile” age.**

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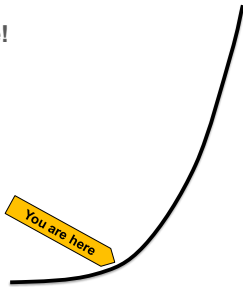
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What does it all mean?



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What does it all mean?

**The primary “people skill”
banks and credit unions should
value in the digital age is the
ability to adapt and change.**

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Takeaways

- The pace of technological change will continue to increase, bringing new and even more fascinating “next big things.”
- Mobile matters now, but it will give way to whatever’s next.
- Consumers and businesses will continue to adopt new technology solutions that improve their banking experience.
- FI’s can’t go it alone – they need to integrate with Fintech providers if they want to prosper in the “post-mobile” age.
- The primary “people skill” banks and credit unions should value in the digital age is the ability to adapt and change.

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Questions?

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