

[October 06, 2008](#)

Sybase 365 Exposes Top Myths Surrounding Mobile Banking

As Financial Institutions Implement Mobile Banking Services Consumer Education Remains Key To Widespread Adoption

DUBLIN, Calif.--([BUSINESS WIRE](#))--Sybase 365, a subsidiary of Sybase, Inc. (NYSE:SY), the global leader in mobile messaging services, exposed several myths surrounding mobile banking. The results of a recent survey ("*Mobile Banking: The Second Wave. Global Mobile Banking Survey 2008*") commissioned by Sybase 365 showed that some 34% of banks offer mobile services to customers and an additional 32% plan to offer mobile services in the next 12-24 months.

"The potential of mobile banking has been discussed for quite some time," said Matthew Talbot, vice president, mCommerce of Sybase 365. "While it has been slower to emerge in North America than elsewhere in the world, mobile banking is becoming more of a reality each day. This is largely due to technical issues around standards and interoperability being resolved and the availability of more robust technology platforms such as Sybase mBanking 365."

Dispelling the myths around mobile banking will help increase consumer uptake of services. Some of the most common myths include:

- **Mobile banking is not secure.** Misconceptions around security stem from consumers' lack of experience and geographical penetration of mobile banking services. The 2007 survey (*Sybase 365, commissioned Consumer study: "Nano-economics: Mobile Opportunities for the Financial Sector"*) revealed that 63% of European respondents; 83% of Australian respondents, and more than half of respondents from the Americas who use mobile banking services, state that mobile banking is secure or very secure. Clearly, a vital step in dispelling this myth lies in education, availability and usage. The 2008 survey found that 71% of banks are doing just that by using mobile alerts to help boost consumer confidence in mobile banking services. Customers' mobile devices can actually help improve security because they can be used as an alternative to PIN tokens for identification. Mobile alerts can also be set up to notify customers of fraudulent activity on an account, enabling a rapid response leading to increased confidence for mobile services.
- **There is little consumer demand for mobile banking solutions.** Not so. In fact, one in three mobile users said they would like to be able to deal with their finances 'on the move.' Almost one-quarter of consumers surveyed said they would consider switching banks if they were offered mobile banking services.

- **For financial institutions, mobile banking is just another way to charge customers for additional services.** Some 87% of respondents to the 2008 survey cited the reason their bank implemented mobile banking services was to improve the overall customer experience.
- **For financial institutions, mobile banking is only about cost savings.** It is true that mobile banking can lead to cost savings. The 2008 survey revealed 65% of financial institutions who focus on growth from existing customers have introduced mobile banking services to reduce customer service costs. It is important to note that many financial institutions are using mobile solutions as a way to extend customer services such as PIN reminders or dispute resolution and are recognizing mobile as a new channel to reach customers with marketing, promotions and related offers.
- **When financial institutions talk about mobile banking they're referring to the ability to check an account balance or stock prices via a mobile device.** Financial institutions are increasingly offering a wide-range of mobile services. In fact, nearly three-quarters of 2008 survey respondents said they provide customers with the ability to do money transfers and nearly 30% allow customers to do bill payment via a mobile device.
- **In terms of implementation, there are no drawbacks to using an ATM network to integrate to a bank.** This can appear to be an attractive solution, as the initial integration effort is generally a little lower than integrating to core banking. However, going this route ignores the inherent limitations of using the ATM network. An ATM network is a pull-based paradigm, which by its very nature has serious limitations for mobile banking. The heart of mobile banking is Alerts/Notifications – and these are best realized in a push-based model. Eighty-three per cent of respondents to the 2008 survey said financial institutions are looking to integrate internet and mobile banking technologies and systems. Implementations of Sybase mBanking 365™ has resulted in connectors for 11 different core banking systems, 11 middle-ware methods and 25 of the most common banking applications – making integration with a bank's core systems straightforward.

As interest in mobile banking continues to gain momentum and financial institutions undertake a variety of strategies to win consumers, Sybase 365 believes it's important to dispel the hype surrounding mobile banking in order to assess the real value mobile banking can bring to financial institutions and their customers.

Sybase is a trusted partner for some of the world's biggest banks. The company has over 20 years experience in providing integrated services to more than 200 of the world's leading financial institutions. Coupled with Sybase 365's mobile banking expertise as the leading provider of mobile services (SMS, MMS) for financial corporations worldwide, the company is uniquely placed to enable banks to realize the potential of mobile banking.

For additional details around mobile banking myths and truths, information on Sybase 365's mBanking solutions or to download a free copy of the studies quoted above, visit www.sybase.com/365.

About Sybase 365

Sybase 365, a subsidiary of Sybase, Inc. (NYSE:SY), is the global leader in mobile messaging interoperability, the delivery and settlement of SMS and MMS content, mobile commerce and enterprise-class messaging services. Processing more than 100 billion messages per year, Sybase 365 reaches more than 700 mobile operators and 3 billion subscribers around the world. For more information, visit: www.sybase.com/365.