

BusinessWeek

ClairMail launches mobile banking app for iPhone

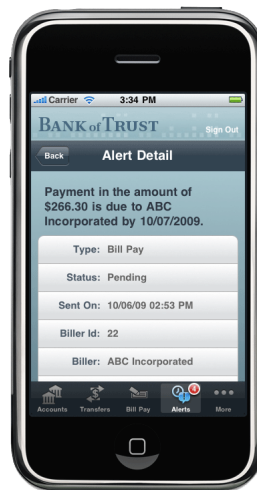
By Venessa Wong of BusinessWeek's Innovation+ Design team

Last month, I wrote about plans by banking and security products company Diebold to launch mobile banking services in the U.S. Today, Diebold's partner, ClairMail, a Novato (Calif.)-based company, announced another effort to proliferate mobile banking: Smart Client. This free application for the iPhone is now available to banks, which will offer it to consumers later this year, and aims to make it easier yet for smart phone users to register for and use mobile banking.

Under development since early this year, the app combines functions from SMS and mobile web so users need not jump between modes to complete transactions. For example, Smart Client provides alerts on users' phones when their account balance is low, and allows them to transfer funds using the app to avoid signing in to the bank's Web site

Participating banks will offer Smart Client through the iPhone apps store. A handful of the 10 biggest banks in the U.S. are expected to support it and announcements will be made later this year, a company spokesman told me. ClairMail also plans to launch the app for other smart phones, including the BlackBerry.

"Finally, financial institutions can leverage the mobile platform as an interactive channel to reach all of its customers and not be restricted by the limitations of online banking," Charles E. Ducey, Jr., Diebold's senior vice-president of global development and services, said in a release.



Javelin Strategy and Research published a forecast in September that estimates mobile banking usage in the U.S. will increase from 36 millions users to more than 99 million, or half of mobile phone users, in 2014.

The limitation: Smart Client only serves smart phone users, and the U.S. lags other markets for adoption, according to a recent blog post on marketing and media tracker

Still, ClairMail sees opportunity in the growing smart phone market and hopes new enrollment channels will boost proliferation.

Currently, most consumers register for mobile banking through their banks' Web sites but online banking adoption has plateaued. To attract consumers, ClairMail now allows registration through the Smart Client application, the bank's site, the bank branch, using mobile web, and through the bank's call center.

Red Gillen, a senior analyst at Celent, a research firm based in Boston, predicts that as mobile banking becomes more functional, it has the potential to become as ubiquitous as online banking in the near future.

This will require applications that are more sophisticated—and convenient—than existing options.

ClairMail