

QUICK TAKE



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ClairMail Improves Wireless Banking

Use Of Text Messaging Increases The Likelihood Of Adoption

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EXECUTIVE SUMMARY

ClairMail offers a wireless banking solution that allows registered customers to access their financial accounts using any SMS-enabled mobile device. By eliminating the need for a Web-enabled cell phone and WAP connection, ClairMail's solution has eliminated some of the key problems with first-generation wireless solutions. To drive adoption, Forrester believes that financial firms will need a strong business case showing incremental benefits to engage branch staff in sales efforts and a seamless integration of wireless functions with existing online banking efforts.

TARGET AUDIENCE

Strategy professional, channel and product management professional

CLAIRMAIL REKINDLES WIRELESS BANKING EFFORTS

We recently spoke with Joe Salesky, CEO of ClairMail, about his firm's plans for wireless banking in the financial services industry. Wireless banking died a slow death in the early part of this decade along with other technologies like eWallets, account aggregation, and online safe deposit boxes.¹ Adoption was poor, the technology was not mature, and consumers were just starting to adopt basic services like checking account balances, paying bills, and transferring funds. Salesky believes that ClairMail solves these issues because its solution:

- **Relies on SMS technology.** Gone are the days of requiring browser-enabled mobile devices or replication of online banking login procedures. ClairMail uses text messaging functionality to request and present account data and alerts (see Figure 1). Consumers just need text-messaging-enabled mobile devices — either a cell phone or a PDA — which are becoming more widely available.² Users do need to register their mobile devices, but once registered, wireless users are not required to access a specific Web page or enter existing online credentials.
- **Concentrates on a small set of transaction types.** Consumers increasingly use bank Web sites, but the functions they use have remained relatively steady — most prefer to use basic functions, such as looking up account balances, viewing transaction history, or transferring funds.³ While ClairMail's solution can handle a variety of transaction types, initial wireless transactions stress the basics — checking account balances, setting up simple transfers, and initiating preset bill payments.

Figure 1 Users Can Complete Account Transactions Through A Mobile Device

ClairMail customers can text the letters “Bal” to their bank and get all of their account balances.



Source: ClairMail

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Source: Forrester Research, Inc.

- **Offers benefits beyond transactional services.** Consumers who are not ready to access their accounts using the service can still take advantage of a unique callback feature. Customers who have a question for their bank or financial partner can send a text message saying, “Call me.” The customer is immediately put into a call queue and called back when a phone representative is available. The result? Less time on hold for the customer, reduced phone costs for the bank, and an appropriate customer service rep contacting the customer.

ClairMail Overcomes Some Obstacles, But Challenges Remain

Even with a more seamless approach to accessing and completing transactions on an account, there are still several obstacles to overcome in order for wireless banking to flourish. Financial firms that are looking to offer wireless account access to their customers should:

- **Understand the incremental benefits of wireless deployment.** There are only so many times that financial firms can go back to the “improves customer retention, reduces call volume, and improves customer satisfaction” business case. Smart financial firms will require that the wireless offering provide incremental benefits above and beyond what online banking and bill payment already offer. Bank Hapoalim’s implementation of account alerts demonstrates how that can be done for a new technology. The bank was able to prove that the majority of the benefits were derived from non-online bankers.⁴
- **Ensure the offline sales channel helps drive adoption.** A large bank that is planning on offering the ClairMail solution sees the greatest opportunity among non-online bankers and

consumers who use the call center for basic inquiry services like checking account balances. While this is an admirable goal, adoption of wireless services — especially for non-online bankers — will be a challenge and will require engaging branch and call center staff to help in sales efforts. Firms should take a page from the online banking playbook. Branch education and incentives to branch staff will be a key to success in the wireless sales effort.⁵

- **Integrate wireless access into other online offerings.** Firms that implement wireless access function in online banking by creating an isolated area called “wireless banking” risk low adoption. Wireless transactions are not a “Net new” function — just a new way to access existing functions. Firms should work hard to integrate wireless options into existing functions like alerts, account history pages, and balance summary screens.

RECOMMENDATIONS

BEFORE WORRYING ABOUT WIRELESS, GET THE BASICS DONE

ClairMail offers a good solution to the wireless problem, but financial firms need to make sure they have the basics done — and done well — on their sites before heading down the wireless path. Firms with well-integrated sites that offer functions like eStatements, robust self-service options, bill presentment, alerts, and online check images are the only firms that should consider extending those functions with wireless.

ENDNOTES

- ¹ In 1998, bank eCommerce groups were like Internet startups. Business plans were taboo — Internet time moved too quickly to take the time to justify investments — so they worked to see how fast they could launch new online services and focused on R&D efforts to discover the next killer app. The most promising candidate of 1998? Account aggregation via screen scraping. But seven years later, aggregation has been a miserable failure. See the December 16, 2005, Quick Take “[The Account Aggregation Fiasco: Lessons Learned.](#)”
- ² Date use grew significantly in 2004, as one in seven mobile phone owners now say that they use text messaging or another wireless data service. See the July 29, 2005, Data Overview “[The State Of Consumers And Technology: Benchmark 2005.](#)”
- ³ Forrester found that 70% of online consumers visited their primary bank’s Web site during the past year. Product description pages and calculators were rated the most helpful among public site functions, while account balance lookup, transaction history, and online statements received the highest marks among secure site functions. See the January 12, 2006, Trends “[Bank Web Sites Impact Customer Relationships.](#)”
- ⁴ Contrary to conventional thinking, the service proved most popular with consumers who do not use online banking, rather than with the customers who do — 78% of “Poalim on time” users do not use online banking. See the July 6, 2006, Best Practices “[Bank Hapoalim Sets The Bar For Alert Services.](#)”

- ⁵ Best practice firms have found success by using PCs in their branches to aid customer enrollment, motivating frontline employees to lead the sales effort, and offering financial incentives to spur bill pay activation. See the July 7, 2005, Best Practices “[Boosting Online Enrollment And Activation.](#)”