"All Banking in just one Pocket"

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Over the past 20 years we have witnessed a true outbreak of mobile communications in our value chain. This accelerated growth has been dictated by the transformation of what is *interesting* into what is *useful* and, later, into what is now considered as *indispensable*. This happened in a very short period of time.

The first step was the democratization of mobile phones in the mid 90's, enabling a permanent contact.

Since then, transformations have been immeasurable, with some unpredictable changes on behalf of different agents / stakeholders.
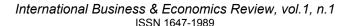
If we try to list the main achievements, we will find an endless universe of evolutions since the creation of the polychromatic screen, inclusion of contact lists and agendas, significant reductions of weight and size, exponential increase of memory capacity, creation of touch screens, introduction of several applications "extra phone" like scientific calculators, music and image readers and players with support for all possible formats, dual band, three band…

All these achievements, either small or big evolutions made by mobile phone manufacturers and operators, were possible due to the immense technological development that marks the present moment. But, more than that, it was the result of a challenging target audience, who rapidly absorbs all innovations, treating them as indispensable and demanding this constant daily innovation.

Today, we want much more out of a mobile phone than just to make and receive calls. We demand it to guide us where we want to go, to show us maps and tracks to follow. We want it to show all our contacts and scheduling, and tasks for the day, to set and call off meetings, to allow us to access our e-mail, to alert in advance for more or less important events, to give us traffic information, to play radio or the last music that we downloaded to the device, to play games, to surf the internet, to watch the news, to download all kinds of information, to take photos, to share documents, among other features.

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In short, we demand this small device that we got used to carrying in our pocket, to compile, in an organized way, all the information necessary for our everyday life, alongside with a more demanding need than with our personal or professional computer.

Currently, our mobile phones interact with our computers, not by will but because it is necessary. However, we start to witness the change of a paradigm here, by loosing the idea that this is a small device that needs the computer to be updated and gradually observing the opposite. This means that, today, it is our computer that needs to connect to our mobile phone to keep informed and know the recent updates that we made in our life. How many contacts do we create or how much information do we collect from the world and people surrounding us…?

We do not accept failures from our mobile phone, which has to be permanently updated. Every machine that takes photos with less than 2.0 mega pixels is vulgar and outdated. The range of the phone is no longer an issue. The focus is no longer on the available communication service, but on the additional head-on.
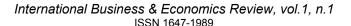
With 3G mobile phones, we definitely forget that the small device has the primary task of making and receiving calls wherever we are. We want to go shopping, to the bank, to the doctor, to meet new people, to socialize… The convenience related to a phone call is no longer an issue.

What about now?

Government's central services, with warning messages regarding taxes, collections and payments, are playing an increase attention to mobile activities. Other sectors, like marketing, advertising and banking, are particularly active in mobile channels.

During last few years, we have witnessed a significant evolution in the field of **Mobile Marketing**, with specialized software serving as databases for direct publicity purposes. The acceptance and effectiveness of this type of actions is questionable and involves revenues far behind its announced potential. However, they show trends related to new generations mobile phones and related services.

Mobile advertisement needs, in order to maximize its enormous potential, to show available products, prices, virtual shop visits, to choose, to buy and pay, without loosing the original context or without the obligation of browsing between services / sites. More than leading the client to the final news about sales or promotional campaigns, it is necessary that the publicity channel leads to the shops and allows online shopping, as in any other internet site.
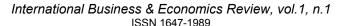
Another area where evolution has been notorious is **Mobile Banking**. Today, with our phones, we can check bank accounts, movements and wallets, make transfers and payments with the same safety, quickness and liability with which we do it in conventional computers, 24 hours a day, 365 days a year.

Some of the most recent mobile banking solutions go beyond the traditional offer. Currently, it is possible to gather applications, portfolios and payments to be made, through several banks, in one single phone application. These applications, duly accredited and certified, congregate the necessary information in one single multichannel application. With this type of solutions, classic banking services differentiation is definitely compromised. The final client is supplied with comparison tools, as well as with the flexibility and easiness in movement and decision.

This means that if we have a single generic interface to our different banks and if we do not want to be attached to the layer of each institution, we are able to navigate between institutions, perform different operations, through a consolidated and integrated interface. The concept "a bank in each pocket" (which was targeted in 2007 by publications such as "The Economist") has evolved to what we could call "all Banking in just one pocket", sooner than most people have predicted.

Financial institutions' field force is also taking advantage of mobile features. Now it is possible for a canvasser to get bigger mobility, without the need of bringing the client to kiosks (typically the ones placed in shopping malls). The minimum necessary documents (personal ID card and tax payer number) could be photographed with a mobile phone, avoiding scanners or laptops. From a technological perspective, by introducing a mobile device in this context, flexibility and mobility are increased. Financial agents, whether they are bankers or insurance agents, have now the possibility to find new approaches to clients.

Challenges and difficulties

Current mobile paradigm represents some changes in services rendered by each intervenient agent in the market (internet service providers, mobile manufacturers, content providers, mobile operators, etc…) . This fact presents uncertainty on the role played by each agent and revenue share on mobile business,

Another difficulty is the creation of multi-country applications, partly due to the amount of mobile technologies and to the stray of existing telecommunication infrastructures, as well as market laws and rules, imposed by each country, in telecommunications and banking sectors. The opportunities resulting from standardization are high. A lot has been made with the definition of common communication protocols, legislation and regulation of the activity sector, in a more transversal manner for each country.

In the Banking sector, this standardization is more visible as a result of decisions such as Basileia II, SEPA, or even DMIF.

As expected, problems regarding the safety and confidentiality of data have been brought up. However, this issue is not exclusively related to mobile banking, as it concerns to all non-physical channels.

Finally, there is the question of how the use of mobile services by banks will be priced. What should be the pricing policy regarding these services? This issue already exists for other non-physical traditional channels, but in the case of the mobile, the cost is raised with the access to data, greater than the ordinary internet access. The question is: are the banks searching to recover dividends from this channel, as a way to support its costs, and, by doing that, slowdown its diffusion?

Safira (www.safira.pt) develops IT solutions to major national and international firms. Safira builds up services like conception, management and audition to information systems in organizations. In the market since 1997, Safira has a 100 collaborators highly qualified team. 2009 study from Exame/ Heidrick & Struggles considers Safira as one of the best firms to work (second ranked among Portuguese IT firms). The firm is based on Oeiras (Lisbon) and as a division office in Warsaw (Poland).