

Gaining Ground: Winning in a Hypercompetitive Mobile-First Market



Table of Contents

Introduction.....	3
The New Mobile Imperative—the Window to the Experience.....	4
Why Current Approaches to Mobile Banking Aren't Sufficient.....	5
How Low-Code Changes the Game in Building a Banking App.....	6
Essential Factors to Consider as You Reimagine Your Approach to Mobile.....	8
Mobile=Experience=Win.....	11

Mobile banking has gone from a nice-to-have to the main customer interaction channel. One study indicates that **80% of bank customers now use mobile as their primary access method.**ⁱ

That means that merely having a mobile banking app is no longer a differentiator, but having an exceptional one is. Another study reports **over 40% of customers have switched banks because of a poor mobile experience.**ⁱⁱⁱ

Overcoming resource constraints and demands has always been the core challenge of developing a winning mobile banking app. This problem has left most organizations on the sidelines in the race to mobile app innovation.

To resolve this problem, some leading banks are now turning to low-code development platforms. These platforms, which enterprises have been using for over a decade, are now finding their way into the toolkits of leading banks and helping them change the game.

The New Mobile Imperative— the Window to the Experience

At the very beginning of the digital banking era, merely having a native mobile app or introducing new mobile functionality had the power to be a huge competitive advantage. Remember the big boost delivered to the first banks to introduce mobile deposits?

Still, the advantages gained from having a mobile banking app or specific features soon dissipated, and mobile banking became a checkbox item—just something you needed to have and just one way you might interact with your customer.

Today, that's changed dramatically. In fact, your mobile app has very likely become your customer's primary interaction channel, with one recent study indicating that nearly 80% of customers are using mobile as the primary way they access their bank.ⁱⁱ

As a result, your mobile app is now both one of your greatest customer retention risks and also one of your most significant opportunities to create competitive advantage. In a recent study, for instance, an eye-opening 43% of respondents switched banks because of a poor mobile banking experience.ⁱⁱⁱ

It's common sense. As mobile becomes the predominant channel for customer interaction, the quality of that mobile experience becomes one of the primary mechanisms by which you can differentiate your offerings—for good or for bad.

Put that all together, and it becomes clear that **mobile has come full circle.** As far from a checkbox item as you can get, it once again has the power to provide you a huge competitive advantage.

Why Current Approaches to Mobile Banking Aren't Sufficient

Your current approach to mobile app development probably falls into one of two categories: making a massive investment in building your own custom solutions or choosing instead to buy them off-the-shelf.

If you're in the first, you already understand everything we've just shared. You realize that you're competing in a mobile-first world and are creating lots of innovation around your mobile experience.

The only problem is that you're also finding that this focus on creating a differentiated mobile experience is not for the faint of heart. You're investing a ton—both in terms of capital and resources—to deliver winning mobile experiences. And it's getting harder and harder to keep making this investment pay off.

If you're in the second camp, you're using an off-the-shelf mobile experience—likely one that came with one of your core foundational applications. This is the checkbox model, and, at best, it has given you competitive parity. And no matter what, every day you fall a bit farther behind those in the first camp as they innovate while you wait for your technology provider to catch up.

Regardless of which camp you find yourself in, you face some ugly trade-offs.

You either keep investing, making it harder to invest in other areas and accumulating small mountains of technical debt as you go, or you stick with your nice and neat checkbox solution and watch your customer churn rates continually tick up.

Neither option is very appealing, and it lays bare that **the current leading options for building mobile banking apps are reaching their limits.**

How Low-Code Changes the Game in Building a Banking App

In fairness, having only two viable options in a mobile-first world—build or buy—has kept you between a rock and a hard spot. (And if you're a small bank without the resources to build, you've been pinned under the "buy" boulder.)

More recently, though, a third option has arrived that offers you the best of custom builds and off-the-shelf speed: low-code development platforms.

Low-code development platforms enable technical and business teams to come together and rapidly develop applications using a combination of graphical user interfaces, pre-built business logic, and occasionally a little bit of hand coding.

Most importantly, this approach shifts the focus from coding (and coders, who are getting harder to recruit and retain) to business logic as the source of competitive advantage. Even better, some of these low-code development platforms come with pre-built functionality and business logic for specific use cases—like mobile banking.

The net effect is that organizations can get the best of both worlds. You get the rapid time to market of an off-the-shelf solution, with all the customization to create a unique digital experience that you get from a custom build. **And you get all of that without massive resource drain and piles of technical debt.**

For example, one large national bank wanted more control over the mobile experience they were providing to their 500,000 customers.^{iv} So they used a low-code platform to build a custom banking app to replace their off-the-shelf app. And they built it in just three months.

And because low-code sits in this sweet spot of not as constraining as an off-the-shelf solution and not as costly as building your own, it becomes the logical evolution for you regardless of which camp you're in right now.

If you're already custom building your mobile apps, low-code will reduce your resource investment and technical debt and allow you to innovate more with fewer resources—all while increasing your ability to adapt to future market shifts.

And if you're in the off-the-shelf-camp, **low-code lets you break free of parity.**

You'll be able to take control of your mobile experiences without having to build all the basics from the ground up (at least if you select a solution that has pre-built mobile banking components) or to wait for a vendor to deliver an enhancement.

Most importantly, in either case you'll be able to deliver a mobile experience that truly represents your brand and allows you to differentiate yourself in the market.



Essential Factors to Consider as You Reimagine Your Approach to Mobile

When something sounds too good to be true, it often is. So let's dig in further.

Low-code development platforms are not magical panaceas that will solve all your problems. There are many reasons that using low-code for a vital function like a mobile banking app has only recently become practical.

Mobile banking apps demand the utmost levels of security, integration to legacy apps, and high levels of customization. Low-code platforms have needed time to develop to the point where they can reliably and robustly provide these capabilities.

Now that low-code platforms have matured, more and more organizations, including some of the world's largest banks, are using the best of them to develop and deliver mission-critical apps that meet the most stringent of requirements. And in some circumstances, those requirements include having pre-built components for mobile banking-specific use cases.

As you look to low-code as an enabler of mobile innovation and evaluate your options, you should look for specific markers which will help you determine the best fit for your enterprise:



Native Mobile Capabilities:

Delivering native apps on the major platforms (iOS and Android) is a must. While responsive web pages, progressive web apps (PWA), and even container apps (native apps that call responsive web properties) are acceptable in a lot of mobile situations, they will put you at a significant disadvantage when it comes to mobile banking. The stakes and expectations are just too high to deliver anything that isn't a completely seamless and intuitive experience.



Mobile Banking Components:

A key feature of using low-code to develop mobile banking apps is that you don't need to start from scratch. Look for a technology provider that provides both out-of-the-box (but adaptable and scalable) templates and other purpose-built components for mobile banking.



Mobile Banking Connectors:

Likewise, much of the mobile banking experience centers around the ability of that app to seamlessly connect to all the intricate moving parts within a bank's digital ecosystem. Building all those connections yourself will not only slow you down, it will increase the likelihood of an experience-killing miss. To avoid this fate, look for a low-code platform with premade connectors to critical banking systems. For instance, you're looking for integrations to things like payment platforms, account aggregators, geolocation services, and the like. And while the connectors to the systems you currently use are obviously the most critical, make sure you look for broad depth that can handle almost any integration out-of-the-box so that you don't box yourself in.



Mobile Banking Basics:

We already talked about the need for purpose-built templates and components, but you should also pay particular attention to the ability of the low-code platform to handle the mobile banking basics with no muss and no fuss. These basics are the foundational actions that make up the baseline and which garner you no competitive advantage. They just need to work and work well, so your provider should make this functionality as simple to incorporate as possible. This category of basics includes things like handling biometric logins using the phone's native capabilities and handling simple account management tasks like viewing account details, transfers, locating branches and ATMs, and so on. At the same time, however, ensure that while your low-code platform covers the basics, it also gives you customization options so that you can create the experience you want to deliver.



Mobile Banking Experiential Options:

Once you get beyond the basics, you'll want the opportunity to truly craft your unique mobile experience. Look for a platform that makes this as easy to do as possible by giving you capabilities that you can mix and match in whatever way makes the most sense.

Options and building blocks to look for should include:

- Person-to-Person payment capabilities
- Transaction spending categories
- Bill splitting
- The ability to leverage open banking platforms



IT-Friendly Capabilities:

While all the mobile banking components are essential, you also can't ignore the fact that your app needs to coexist peacefully with and live within your broader enterprise digital ecosystem.

Doing so will ensure that your mobile banking app is a first-class citizen in the eyes of your IT experts. To accomplish this, ensure your selected platform has capabilities that enable it to work with traditional IT oversight and tools. This includes capabilities such as the ability to fit into CI/CD pipelines, support for code repositories, and a comprehensive interface with governance and other oversight tools.



Security and Reliability:

These last items are not specific to mobile banking and could easily be the first item: if any platform doesn't deliver here, it will be dead on arrival. It goes without saying, but it won't matter how flashy your mobile banking app is if it's not secure and stable.

Look to low-code platforms that can clearly demonstrate their approach to security, scale, and resiliency.

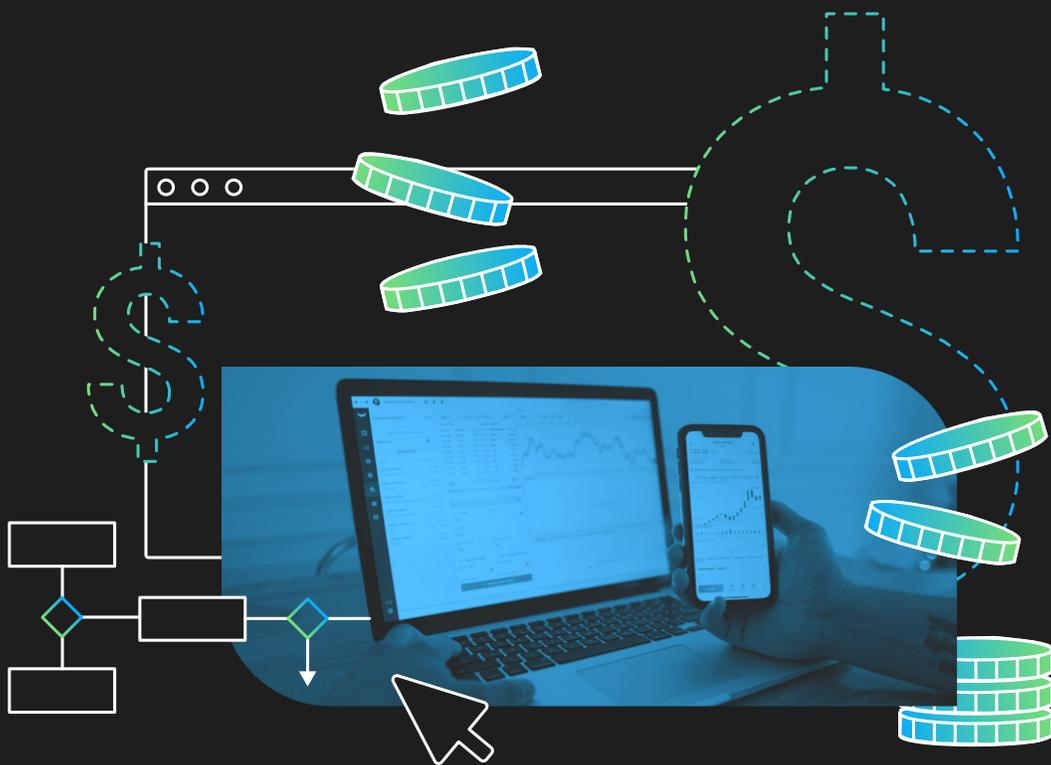
Mobile = Experience = Win

Today, mobile is synonymous with the customer experience.

This is particularly true when it comes to digital banking. And make no mistake: the data shows that digital experience is now driving competitive advantage. The days of checking the mobile banking box are over.

The innovation and experience you deliver in your mobile banking app will dictate your overall competitiveness in the market, which means that your choice of development approach matters more than you've probably imagined. And it's why leveraging low-code may be the only option that delivers lower development costs while giving you control of the mobile banking experience.

Each day, your customer is going to pick up their phone. The app you deliver will be either your greatest risk or your greatest opportunity to seize competitive advantage and build long-lasting relationships with your customers. Putting yourself in the best position for success is critical.



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About Mendix

Mendix is a leader in low-code enterprise application development and also a leader in Gartner's Magic Quadrant for **Enterprise Low-Code Application Platforms** and **Multiexperience Development**.

The Mendix platform is widely recognized for its best-in-class ability to modernize core systems, improve operational efficiencies, digitize customer engagement, and rapidly launch new products and business models. These strengths enable enterprises to accelerate their digital transformation journey and stay competitive in their target markets by using the Mendix platform to build customized solutions.

Read more about the **Mendix platform** and how it can drive your organization forward. Speak with a **Mendix representative** to learn how your business can start today.

Endnotes

ⁱ Yuen, Meaghan. "State of Mobile Banking in 2022: Top Apps, Features, Statistics and Market Trends." <https://www.insiderintelligence.com/insights/mobile-banking-market-trends/>.

ⁱⁱ Ibid.

ⁱⁱⁱ Published by Statista Research Department, and May 31. "Main Reasons for Switching Financial Institutions According to Mobile Banking Users in the United States as of September 2021." <https://www.statista.com/statistics/1286016/main-reasons-for-switching-bank-usa/>.

^{iv} Sorrentino, Carina. "Rabobank IDB Delivers Web and Native Mobile Banking Experiences." Mendix. Accessed July 25, 2022. <https://www.mendix.com/customer-stories/rabobank-idb/>.