

Title : Wireless is the next step in anytime, anywhere banking

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Personal finance, technology and you \_\_\_\_\_

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# Wireless is the next step in anytime, anywhere banking

The idea that you can now bank from a wireless device is intriguing. Christine MacPherson reports.

Wireless banking is not new. A number of banks in the UAE offer some kind of banking facility via mobile phones. But banking via your PDA (personal digital assistant) is just starting to appear. And the first demonstration of its kind happened recently.

At a recent press conference to launch three new models from Palm, Habib Bank AG Zurich demonstrated three separate mobile banking technologies in a live fund transfer on the new Palm Tungsten W. A secure fund transfer via HBZweb was executed on the Tungsten's web browser showing its support for the secure 128bit SSL technology by Amer Farid, assistant vice president, Habib Bank AG Zurich.

In addition, since the accounts used also subscribe to HBZ's global event based SMS banking system (HBZgsm), a quick SMS confirmation message was also generated.

And thirdly, the Tungsten W's built in WAP browser will connect to HBZwap over GPRS service to show a statement of account reflecting this transaction as well as this unit's WTLS security capabilities.



## Will it be the next big thing?

On a global basis the answer to this is as divided as the analysts who are torn between those who think the outlook for global stock markets is good and those who think it's not.

According to one survey by American Banker and the Gallup Organisation, over 78 per cent of PDA and cellular phone users say they have no interest in wireless banking. Presently, mobile banking and other wireless financial mobile banking and other wireless financial services on a global level, are experiencing growth curves far below that of online banking via desktop PCs. The trouble, many say, stems from dashed hopes for stock market riches coupled with the uneasy acquaintance with an unproven medium. People, it would seem, just aren't comfortable sending financial information over wireless yet and that's not going to

change overnight.

Nonetheless, a growing number of industry experts are convinced that mobile / wireless banking is the mobile Net's "Next Big Thing". Charles Schwab, for example, boasts over 25,000 customers who place trades and manage their accounts via a wireless device. It offers this service because: "It's an important part of meeting customers where they live."

Indeed, despite tepid response so far, many in the industry see huge opportunities for using wireless technologies to create innovative new ways for customers to manage their personal wealth:

**WIRELESS TRADING:** while most online trades initiated by consumers will continue to be made through their desktop PCs, according to one survey by Jupiter in the US, a growing percentage of wireless trading will be composed of responses to brokers' recommendations sent via wireless SMS, email and promotions.

Clients receive secure messages with options to make a specified trade, edit it, reject it, or request a representative to follow up email notification of trade with a phone call.

Wireless will be a huge benefit to bankers who offer a very personal service to their clients who will be able to reach their customers instantaneously instead of placing calls all day. Which means they'd do better - and do more - in a lot less time.

**KEEPING ABREAST:** While investment in wireless infrastructure for supporting consumer mobile banking is down, financial institutions are deploying these technologies to keep their own brokers, analysts, researchers and other financial advisors abreast of market changes via wireless devices. As a result, brokers, analysts, researchers and other financial advisors are abreast of market changes via wireless devices. As a result, brokers can more efficiently focus on asset gathering and relationship management instead of placing calls.

**PDA POPULARITY:** Wireless Application Protocol (WAP)-based phones and PDAs are proving the most popular devices for conducting mobile banking. Many experts agree that this bodes well for organizations that position themselves for the 2.5G and 3G networks that are expected to greatly accelerate the growth of wireless financial services.

**ECONOMIES OF SCALE:** Mobile / wireless banking may prove a major benefit to smaller banks that form consortiums, similar to those that run ATMs, enabling mobile access to banking services for people on the move.

## In the UAE

Of course, profiting from the large investments necessary to enter mobile e-business will require banks to carefully define their mobile banking strategies.

Banks in the UAE need to look at numbers: people adopting these devices today, their goals, income levels and match that up with the aspirations you have for the bank. And then you've got to decide whether it makes sense to make the investments in infrastructure you need to dive into.

In the end, banks may have no choice. As competition for a seemingly dwindling number of new customers increases, wireless may prove less a differentiator than just the price of doing business.

The timing for wireless financial services may be right on target, after all, and the likes of Habib Bank may have made the right decision to take the reins first on what will become the next bandwagon.

The question is: do customers want wireless services that reach them where they are, and are meaningful and relevant to them? It probably does appeal. After all, nothing's more personal than money.

