



REGION FOCUS: GLOBAL

Banking in a Mobile-First World and Embracing Digital Transformation



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Abstract

Consumers are increasingly using their mobile devices to make purchases and conduct other transactions. Millennials are leading that trend, from a demographic perspective, as they use their mobile devices for almost everything. Banks that want to remain relevant in the future should be planning a mobile-first strategy — if they haven't started already. In a mobile-first world, customers expect the convenience and ease of access that mobile banking offers. They want quick and secure transactions, accessible from the location and device of their choice. Similarly, bank employees also expect a productive experience to ensure customer satisfaction.



Banks that want to remain relevant in the future should be planning a mobile-first strategy

In a highly regulated industry, IT decision makers at banks must balance the need for security, data privacy, and compliance with the desire to provide a mobile infrastructure that meets the rapidly evolving demands of customers. These foundational elements also present challenges. As transaction speed increases and transaction types are increasingly using remote technologies, like mobile, the need to balance compliance and privacy needs, transaction speed with fraud and other suspicious activity detection create a challenge for banks with respect to technical capabilities and business priorities.

This paper examines the driving forces behind customer expectations and explores how mobility can meet digital transformation goals for banks, while maintaining digital trust and security.



Accelerated Adoption of Mobile Banking Driven by Consumer Preferences

The banking industry is quickly changing to a fundamentally digital-first business, and in many areas this means mobile first. The transition from in-person visits to web banking and now mobile to interact with customers represents significant disruption and rapid technological transformation.

According to IDC's 2021 Consumer Banking Channel Preference Survey, 93% of consumers and small business owners in the U.S. owned a smartphone, and 68% used their mobile devices to conduct banking transactions weekly or daily. Moreover, 82% of U.S. consumers reported that the experience of conducting even complex transactions on their mobile devices, like opening new accounts, was "very good" or "excellent."



of consumers used their mobile devices to conduct banking transactions weekly or daily.

Source: IDC's 2021 Consumer Banking Channel Preference Survey

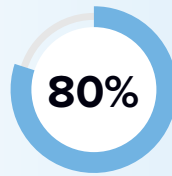
The general adoption of mobility is driving a larger trend of an expanding ecosystem of devices and operating systems from which consumers and businesses can choose. IDC expects banking customers will expect physical branches to adapt to the customer's interaction preferences. Customers will demand consistency across channels — mobile, online, and physical.

The challenge for IT decision makers at banks is how to strategically align their mobile strategy with customer preferences using an open but secure infrastructure that maintains privacy and compliance.

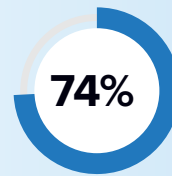
Boosting Employee Satisfaction with Mobile Device Choice

Many bank employees, especially younger staff, embrace a mobile-first approach to managing their finances. Personal choice and mobile-first often go hand-in-hand, which is particularly true with respect to Bring Your Own Device (BYOD) policies in the workplace. 94% of organizations that deploy personally-enabled mobile devices give their employees a level of choice regarding what corporate-liable (CL) device they use for work (source: IDC U.S. Enterprise Mobility Decision Maker Survey: Devices, September 2022).

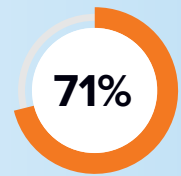
The **three most common choices** granted to employees are as follows:



Device make



Device model



Device OS

Business leaders understand employees want a voice with respect to which device they use to do their jobs. According to U.S. IT decision makers, improved employee satisfaction ranked higher than improved worker productivity as the most important benefit organizations hoped to gain from current and future mobile hardware deployments. Additionally, diverse mobile programs are more resilient to shifting market conditions. This is especially important for banking relationships with small businesses or wealth management/financial advice, where the line between business and personal use of mobile devices is quickly disappearing.

New Digital Priorities for a New Era: Digital Resiliency and Mobile OS Diversity

Mobile OS diversity and willingness to open IT environments to new technologies has significant benefits. When the global supply chain was in upheaval, it became very difficult for businesses to acquire the technologies needed to maintain business continuity. The supply chain disruption was particularly disruptive for banks and their customers.

Businesses that had standardized on a particular mobile OS or set of devices that were in high demand and low supply struggled to acquire the devices they relied on to run their business. The immediate need to enable entire segments of the workforce to work from home was unlike anything IT departments or the global technology supply chain had faced previously. As a result, IT departments resorted to the rapid expansion of BYOD programs, as well as deployments of a variety of new mobile devices.



98% of U.S. enterprise IT decision makers surveyed by IDC reported they had to purchase additional devices or services to meet the needs of remote workers (source: The State of Enterprise Mobile Devices in 2021: An IDC Survey of Devices, Decisions, and Deployments, September 2021).

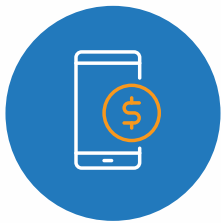
Smartphones and tablets were the top 2 most-purchased devices. Remote work, either wholly or partly, is now a permanent condition at many organizations and its effects on business and workers is a stark example of how quickly market conditions can change. This highlights the need for banks to diversify their mobile strategies to cover a broad range of mobile devices and potential scenarios.

When IT decision makers group business-use mobile devices into one OS category, they weaken digital resilience, expose IT departments and lines of business to increased levels of market disruption, and potentially lessen employee satisfaction. Now, in the aftermath of the Great Resignation, digital resiliency and employee satisfaction are more important than ever.

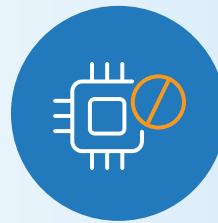
While improved employee satisfaction remains the biggest benefit of mobile hardware deployments overall in U.S.-based enterprises, according to IDC surveys, financial institutions have ranked connecting and accommodating hybrid and remote workers as their top mobile hardware deployment benefit.

Looking beyond 2023, banks need to prioritize both customer and employee satisfaction for future success. As consumers themselves, bank employees expect flexibility and choice in how they engage with mobile devices, and this expectation is increasing as hybrid work evolves. Diversification of assets is a core strategy in banking, and fostering mobile OS diversity increases employee satisfaction and helps safeguard against future market disruption.

Additional insights from the Future Enterprise & Resiliency Survey data:



Employee devices have the **highest impact on global IT budgets** due to price changes/inflation.



Worldwide finance organizations rank “not being able to get IT hardware” as the **number-one risk factor to their IT plans for 2023**.

Supporting the Flexible, Mobile-First, and Secure Bank

Flexible and secure mobility infrastructures are pivotal to the future of the physical bank. Given the financial services industry’s expertise in creating trusted environments, banks must continue being responsible for ensuring security, compliance, and risk management. And therein lies the strategic challenge for IT decision makers: how to provide flexibility and security in a modern mobile banking environment while also integrating new technologies into existing IT stacks.

Where flexible and secure mobility strategies have been embraced, unprecedented levels of worker productivity, increased communication, and cross-platform collaboration have followed, shaping modern-day business practices worldwide. The need for mobile devices certainly remains high, and U.S. financial institutions are signaling their plan to invest in mobile security and management solutions in the coming years.

Financial institutions plan to invest in:



Source: IDC U.S. Enterprise Mobility Decision Maker Survey: Devices, September 2022

IT decision makers must prioritize focus on device and application management for these mobility initiatives. Banks that aren't prepared for the logistical complexities associated with a highly mobile and decentralized hybrid workforce will certainly be challenged to manage and secure users and their devices. Meanwhile, competing institutions with established and well-managed mobile strategies will realize the value of reinforcing their environments and device management capabilities. These investments not only allow banks to scale up mobile initiatives with greater ease and make them more resilient to market fluctuations but will also align their strategies more closely to the expectations of their employees.



How Android Enterprise Can Make a Difference for Banks

Android is the world's most popular mobile operating system, with over 3 billion active Android devices worldwide. Five times as many consumer Android-based smartphones were shipped in 2022 compared with the #2 market-leading smartphone (source: IDC *Worldwide Business Use Smartphone Forecast, 2023-2027*).

As a platform, Android is well positioned to help financial institutions overcome many challenges inherent to mobility and has been designed to:

- ① **Create personalized customer experiences**
- ② **Optimize employee device experiences**
- ③ **Provide proactive, built-in, and proven device protection**
- ④ **Deploy devices with ease and wield granular admin controls to help stay regulatory compliant**

1. Create personalized customer experiences with:



Developer tools and the Android developer community to build custom business solutions



Secure technology integrations from industry-leading providers



Industry-leading artificial intelligence (AI) and analytics capabilities to deploy customer and institutional data to drive aligned interactions

2. Optimize employee device experiences with:



Wide range of smartphones, tablets, foldables, and kiosks



Digital well-being tools like Focus Mode to help employees tune out distractions, while Pause work apps mode makes it easy to disconnect from work



Android work profile separates data on a single device that helps keep work apps and data secure and personal apps and data private



Real-time insights and decision making when employees are on the go, helping them be more productive between clients, in the office, and at home

3. Provide proactive, built-in, and proven device protection with:



Multilayered security, including verified boot, device encryption, and a trusted execution environment (TEE), that has been tested and certified at scale



Intelligent threat detection powered by Google Play Protect that scans for harmful apps



Flexible and transparent operating system that builds strength through collective scrutiny, collaboration, and constant testing both internally and externally by independent third parties

4. Deploy devices with ease and wield granular admin controls to help stay regulatory compliant with:



A comprehensive set of Android Enterprise Management APIs to manage multiple use cases and management modes for BYOD, COPE, business only, and dedicated device



Secure central app management and distribution via Google Managed Play to deploy and manage employee access to white-listed apps — whether custom made or publicly available



Zero-touch enrollment* to configure and automatically deploy devices across your distributed workforce that are ready to use out of the box with device policies, apps, and configurations already established.

(*Zero-touch enrollment may be subject to reseller fees in certain countries)

Android Enterprise: Next Steps and Considerations

The following are the **5 steps** to incorporate Android Enterprise into your mobility strategy:

- 1 **Evaluate** current mobility strategy and identify gaps in deployments
- 2 **Android Enterprise** validated EMM provider to set up an initial pilot program
- 3 **Determine** the appropriate combination of device deployment modes (COPE, BYOD, single use, etc.)
- 4 **Expand** Android Enterprise beyond the pilot program
- 5 **Periodic** evaluation and iteration

Essential Guidance for Financial Institutions

For banks that can align their mobility strategy to the expectations of their workforce and implement technologies that are open, secure, and compliant, IDC believes that the benefits will outweigh any current challenges around the use of mobility.

As banks face the questions surrounding the deployment of mobility, they understand that their decisions must acknowledge some directions that they must follow:

- ✓ **Alignment with workforce expectations.** Above all else, the bank needs to track to the personal experiences, preferences, and expectations from its staff. Employee choice should be respected when possible. By doing so, banks will be providing tools that align with the workforce's day-to-day capabilities, inherently improving productivity, efficacy, and employee satisfaction.
- ✓ **Agility and flexibility.** The key to resilience in the face of market disruptions and opportunities is being able to change directions quickly and adapt to unforeseen challenges. A flexible mobile strategy allows businesses to adjust their priorities quickly and efficiently, strengthening an organization's resilience.
- ✓ **Openness.** As we've seen from the consumer market, there is no single standard that should drive mobility strategy. As the financial services moves inexorably toward open interoperability, so, too, should banks remain open to the most open technology, processes, and standards.
- ✓ **Security and risk.** Almost without needing to be said, banks must focus heavily on their ability to secure and govern any technology deployed to the staff. This is especially true in lines of business such as wealth management and investment services where many compliance requirements must be met.
- ✓ **Integration with existing IT stacks.** In 2022, U.S. financial institutions reported that the flexibility of a solution and the ability to integrate with existing IT investments are the highest ranked criteria they consider when choosing a trusted partner or prime supplier of mobile software technology. Banks should seek out technology and services providers whose solutions maximize or complement current IT investments.

About the IDC Analysts



Bryan Bassett

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Bryan Bassett is Research Manager for IDC's Enterprise Mobility: Workspace and Deployment Strategies program. Bryan's research focuses on the evolution of mobile hardware deployments in large corporate environments and the impact mobility has on modern enterprise workflows, business end-users, and intelligent digital workspaces.

[More about Bryan Bassett](#)



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Jerry Silva is Vice President for IDC Financial Insights, responsible for the global retail banking practice. Jerry's research focuses on technology trends and customer expectations and behaviors in retail banking worldwide. Jerry draws on over 35 years of experience in the financial services industry to cover a variety of topics, from the back office to customer channels to governance in the technology shops at financial institutions. His work for both institutions and vendors gives Jerry a broad perspective in technology strategies.

[More about Jerry Silva](#)

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