

The huge growth of smartphones and tablets challenges FS companies to devise comprehensive app-development strategies. For both existing players and emerging brands, says Mubaloo's MARK MASON, 'the financial industry will never be the same again'.

# Apps an opportunity too good to miss



- App development is led by burgeoning mobile usage
- Multiplying opportunities to improve internal comms
- We may need to separate private and business devices
- Key questions about secure, scalable app hosting
- Comparative merits of native vs. web app experience



Something remarkable happened in the IT world in Q4 2010: UK sales of smartphones outstripped PCs. While this wasn't exactly a fanfare moment, it drew a line in the sand and pointed us to a business future very different to the one we recognise today.

The rapid growth of smartphones has prompted many financial service companies to evaluate how they'll begin to integrate apps into their marketing plans. Research suggests that half of mobiles are now smartphones with Internet access – and within 18 months, that will have increased by 50%.

Some financial service organisations have forged ahead, with varying success. NatWest's banking app launch in November 2009 signalled a new generation of apps to communicate with financial customers. It generated more downloads of the iPhone app in the first day than all their previous wap-based customers since that service launched. That success caused their registration servers to crash, generating some criticism. But, despite the apparently limited launch functionality, nearly two years on, it's still No. 2 in the app charts and continues to have regular improvements in functionality.

It's clear that consumers are now using smartphones and tablets to check their bank accounts, credit card statements and move money between accounts. For higher net-worth individuals, there's a strong desire to use these devices much as they would a laptop, but they want to do it on the fly, in the taxi, on the train.

Driven by this demand – 17 million tablet sales in 2010 are expected to grow to 57 million this year and 171 million next – we've had several discussions at Mubaloo with wealth management companies about arming their financial planners with iPads. The companies want to use the devices to assess risk profiles, set up portfolios and deliver contracts. Time will tell whether the FSA will allow contracts to be signed via these devices in future.

Another area of app development experience for us is share dealing and fund management. The spread betting companies saw the opportunity first, but now many FS companies are looking to extend access to their brands through smartphones. And, overall, they have a lot to gain from the growth of smartphones and tablets. Many are also beginning to realise how apps will be able to facilitate the day-to-day operation of a number of their internal business processes as well as their marketing.

In the last couple of years, we've worked with several large organisations developing a variety of apps to work across different parts of their enterprise to improve internal communication, collaboration, project management, business process improvement and, of course, marketing.

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A significant decision many company boards will also have to make this year is whether to support the myriad mobile devices in the market, such as iPhone, Android, BlackBerry and Microsoft Phone 7, or stick to one particular platform across the whole company. This would mean many employees having to double up on their devices – one for private use, one for business.

There are currently four major platforms to consider: Apple's iOS (for the iPhone and iPad), Google's Android, Microsoft with Nokia (or Mokia, as the alliance has been dubbed) and BlackBerry. Each has its pros and cons and market positions, and the battle for dominance still has a few years to run. Mubaloo develops on all platforms, but the majority of our apps are developed for the iPhone, iPad and Android platforms. Whilst BlackBerry is significant in the corporate marketplace, many of these devices are locked to stop users downloading apps onto them.

Another issue is security. Secure, scalable hosting is important for many apps, protecting the integrity of the data and enabling the service to adapt to varying levels of demand. Many FS apps rely heavily on specific data, sometimes at a user level, that requires retrieval from a web server. In this instance, a web service application programming interface (API) lets the mobile applications access the data. Where individual-level data is used, Mubaloo typically recommends that services are deployed behind a secure HTTPS tunnel and rely on session-based authentication at the login.

For apps used by employees across the enterprise, it's also possible to place apps onto a separate operating platform that can be controlled by the IT department. So, if an employee leaves the company, the corporate apps can be removed from their devices.

One very hot topic is the native app experience (an app that resides on the smartphone) compared to a mobile web app (that resides on the internet): both have merit for different requirements. Many companies choose native apps because they want fully immersive apps that make use of the phone's hardware features (such as GPS, camera, accelerometer). A web app or mobile website can be beneficial for standard solutions requiring a cost-effective multi-platform rollout. A number of solutions sit between these two options, drawing in the appropriate capabilities from both codes – these can be downloaded from the app stores in the same way as a native app.

It's a subjective issue which depends on several factors, so it's important to understand the relative pros and cons of each route:



MARK MASON is the CEO of Mubaloo, the UK's largest B2B & B2C app development company:  
[www.mubaloo.com](http://www.mubaloo.com)

**Pure Native Apps:** These still reflect the majority in the app store, where optimised interface design, offline functionality, integration, speed and security are all recognised as benefits. However, given the range of native programming languages for the various platforms, this means re-writing code for each platform. The variation in guidelines and device capabilities can also mean re-designing platform-specific features such as buttons and page layouts. For this reason, native isn't always the cheapest option but is widely viewed as the glossiest for user experience. For companies with strong brand equity, we'd always recommend developing native apps, as the user experience (UX) of a web app can undermine the brand.

**Hybrid Apps:** There are various approaches for producing web apps that attempt to emulate a native solution, presenting an interface that's familiar to users. Javascript frameworks are available to simulate the look and feel of a native application, so within the app, the user can be unaware of stepping between native and web screens. The time and effort spent in making these effects look and perform exactly as a user would expect can unfortunately outweigh the perceived simplicity.

**Cross Compiler Apps:** A high-level cross compiler solution can appear attractive – write once and run on many platforms. Appcelerator's Titanium, Anasca Mobile's Corona, MoSync and others have all appeared, trying to produce software that can cater for such a fragmented market. However, the breadth in handset capabilities can mean adapting to the lowest common denominator to avoid complex testing across devices.

**Web Apps:** Creating a mobile business website that's suitable to be viewed in a mobile browser is often crucial in the current cross-platform environment. Pure Web Apps are often viewed as an extension to an existing online offering, whereas apps have the potential to evolve the role and experience offered by the mobile device. With time, and the increase in bandwidths, it's anticipated that web solutions will align more closely to the native experience. But this requires a mind shift among consumers and the development community.

Clearly, many FS organisations have a great deal to gain from developing a mobile app strategy. The growth of smartphones and tablets, in and out of the organisation, is redefining the way they can communicate with their clients, suppliers and employees. Emerging FS brands, looking for a foothold in new markets, will be the early adopters of these new devices, and they'll benefit from the new audiences they attract. The financial industry will never be the same again.

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