

A woman with dark hair, wearing a yellow top, is smiling and looking at a smartphone held in her hands. A young girl with dark hair, wearing a blue and green patterned dress, is leaning over her shoulder, also looking at the phone. They are in a bright, modern interior setting. A semi-transparent dark blue box with a light blue arrow pointing down is overlaid on the right side of the image, containing the title and subtitle text.

# Mobile Deposit Consumer Survey

Keys to Adoption — Engagement,  
Experience, Education



Growth in mobile adoption is great news for financial institutions. The technology is one of a handful in a wave of digital advancements that both engages account holders and decreases costs for financial institutions. Mobile banking in general appears to be on the way to becoming a “new normal” for account holder interaction with financial institutions, and mobile deposit continues to grow in popularity as well. But mobile adoption is not growing as fast as one would expect.

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## Why is adoption so s-l-o-w?

Harland Clarke's mobile banking and mobile deposit survey was designed to provide some answers to this question. We heard from 4,600 consumer respondents about their perceptions, preferences and barriers pertaining to mobile banking and mobile deposit. What we learned points to enormous opportunity for financial institutions, specifically in terms of mobile deposit. Among our findings:

**Everyone's a prospect.** All ages and usage levels are interested in mobile deposit, which was ranked as a "most valued feature" across the board. For this reason, engagement with all account holder segments is a must.

**They don't know what they're missing.** Convenience and simplicity drive usage. It seems that once consumers see how easy it is — actually experiencing the app — they embrace the value of mobile deposit. Otherwise, they're comfortable visiting an ATM or branch.

**Change is hard.** Barriers to mobile deposit usage are complicated. They are more emotional than logical, and seem to be driven by confusion about how the feature works and fear regarding security. As with

the introduction of all disruptive technology, education reduces confusion and anxiety.

As you'll see, a little over a third of our respondents are using a mobile banking app on a smartphone or tablet at least three times a month, and only half of those users are taking advantage of mobile deposit. What this points to in the most direct and conclusive way is that mobile deposit needs a nudge — a push, even.

Mobile deposit is worth your effort. For financial institutions, the savings are huge — mobile deposit costs financial institutions just \$0.08 per transaction, versus \$.80 at an ATM and \$8 via teller.<sup>1</sup> For account holders, the convenience of mobile deposit can't be overstated.

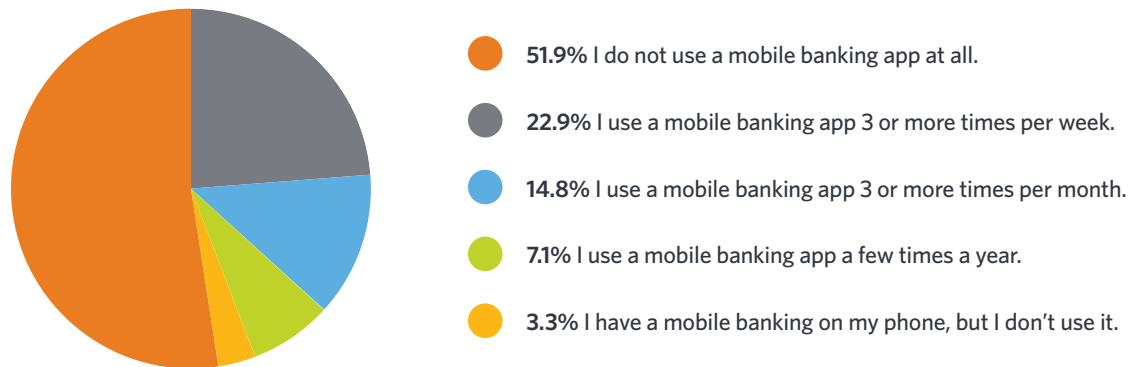
In other words, mobile deposit is an unequivocal win-win. It is rife with opportunity, but adoption won't happen on its own. Engaging and educating account holders, and giving them a no-risk incentive to try mobile deposit, will let them experience its convenience and allay their security fears.

Explore this report to assess your mobile opportunity — then go seize it!

<sup>1</sup> JLL Research, "Branch Banks: Navigating a Sea of Industry Change," 2017.

## Mobile app usage: Lots of room for growth

### Which response best represents your use of a smartphone or a tablet with a mobile banking app?



Only about a third of respondents are using a mobile banking app on a phone or tablet with some regularity — a minimum of three times a month. This means, despite the fact that 77 percent of Americans now have a smartphone,<sup>2</sup> two-thirds are not using mobile banking at all or are only using it a few times a year.

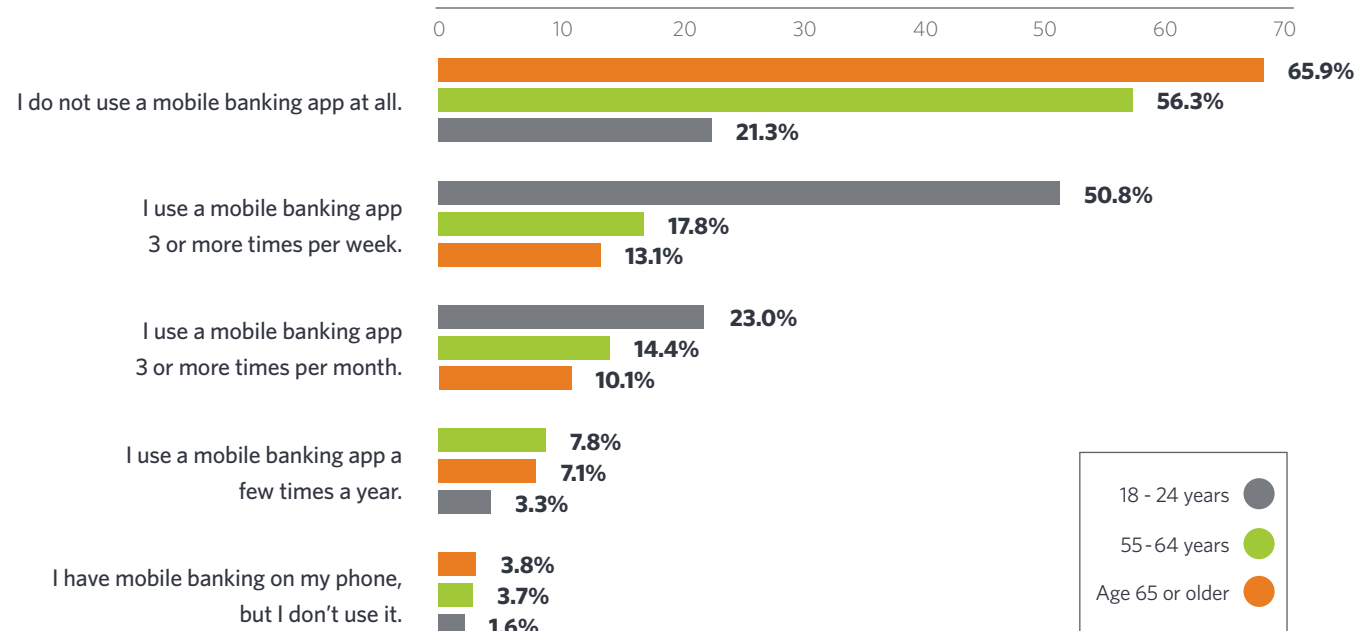
While mobile banking numbers will certainly continue to rise organically, the challenge for financial institutions is to expedite adoption by actively steering account holders to their app and encourage regular usage.

We recommend a strong, ongoing focus on engagement and education, making account holders aware of the convenience and security of mobile banking. We also recommend app enhancements to keep up with the expectations and needs of account holders, who are increasingly impatient with mediocre mobile access. Add features to make it more user friendly — and remind all account holders of the benefits of mobile banking.

<sup>2</sup> Pew Mobile Fact Sheet, February 5, 2018

## Mobile app usage: Lots of room for growth

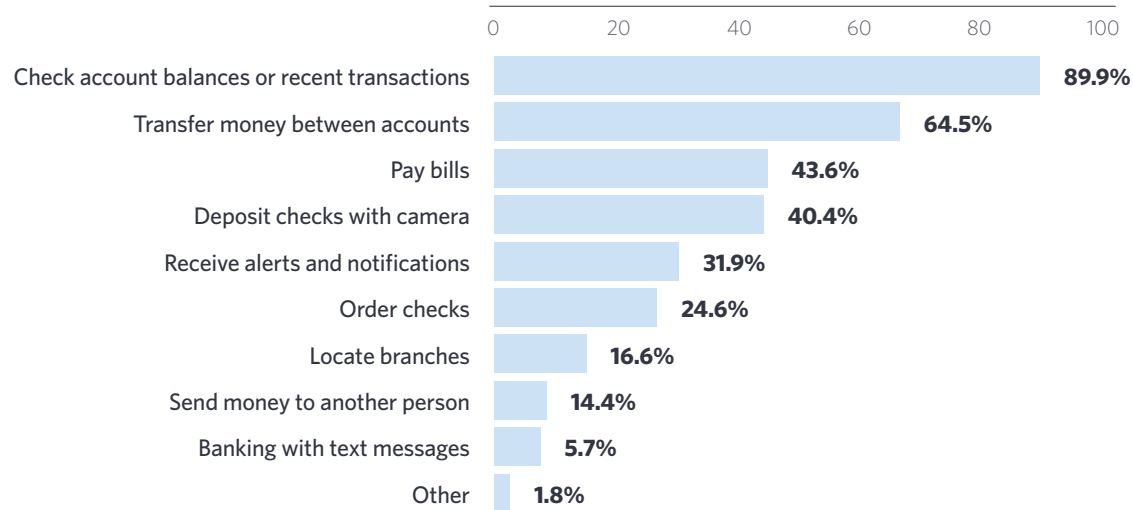
Which response best represents your use of a smartphone or a tablet with a mobile banking app?



As expected, younger account holders tended to lead usage of mobile banking, while the majority of 55+ account holders don't use mobile banking at all. This is not an indication that mobile is only for the young. Of people ages 50-64, 73 percent have a smartphone, and in the 65+ crowd, 46 percent have a smartphone.<sup>3</sup> They can do it! They just need some incentive and instruction to illuminate mobile's benefits.

## Banking maintenance? Yes. Moving funds? Not so much.

### What mobile banking features do you use and consider valuable?



When it comes to mobile banking, familiarity and longevity rule. Across all age groups, our respondents were extremely comfortable with checking their account balances or recent transactions, and with transferring money between their accounts. Of course, these features were the first to be developed for mobile banking and are therefore most familiar.

But when it comes to actually moving money outside their financial institutions — more recent additions to mobile

banking — usage and perceived value drop.

For example, just 44 percent of our respondents use bill pay and consider it to be valuable, and just 40.4 percent of respondents overall said the same for mobile deposit.

We know security concerns are one reason users avoid mobile banking. But that raises some vexing questions: Why are account holders so comfortable with some features and

## Banking maintenance? Yes. Moving funds? Not so much.

not with others? Why are 90 percent of account holders using their phones to check balances but not to send money elsewhere? After all, if they've remotely logged into their accounts, they've already stepped over at least one perceived security hurdle, so what's the issue?

We believe it's two-fold. First, there are multiple steps involved with these types of remote transactions, and they seem confusing at first. For example, to use bill pay, users must set up various payees, schedule payments, set rules on timing and amounts, and so on. For mobile deposit, users must download the app, take a picture and verify the amount. It seems harder than it is — until you've done it once.

Second, changing a habitual behavior — like depositing checks via a teller or ATM — is not merely a rational decision, but an emotional one as well. It requires overcoming some natural fear and anxiety about the unknown and trusting that the transaction will happen as intended.

Consider the advent of the ATM, which was a similarly new and disruptive technology, and one that involved depositing checks outside the teller line. Account holders needed to be assured that the transaction was “safe.”

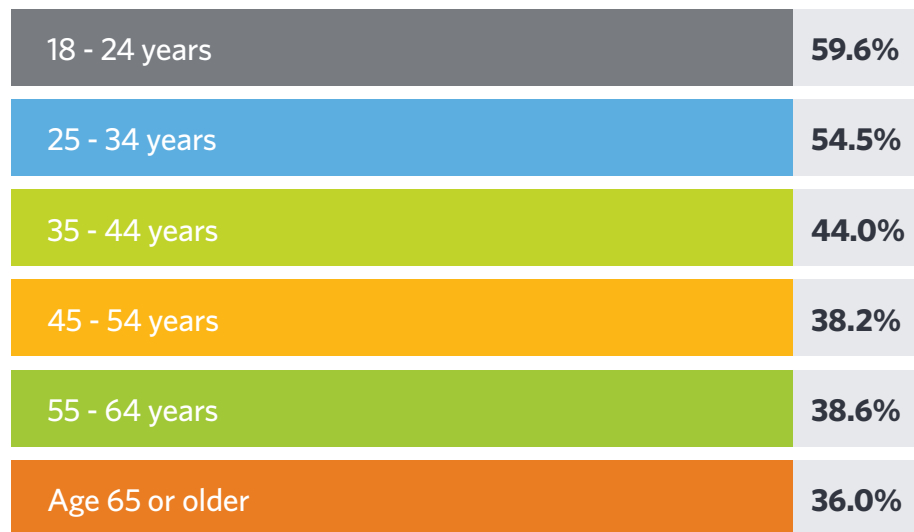
The same is true with using mobile banking to move funds out of one's account (bill pay) and into one's account (mobile deposit). The challenge for financial institutions is reinforcing the simplicity and security of these transactions. Showing an account holder how to do it during the onboarding process goes a long way toward overcoming both the perceived confusion and emotional barriers.



## Mobile deposit = Much opportunity

### What mobile banking features do you use and consider valuable?

#### *Deposit checks with camera*

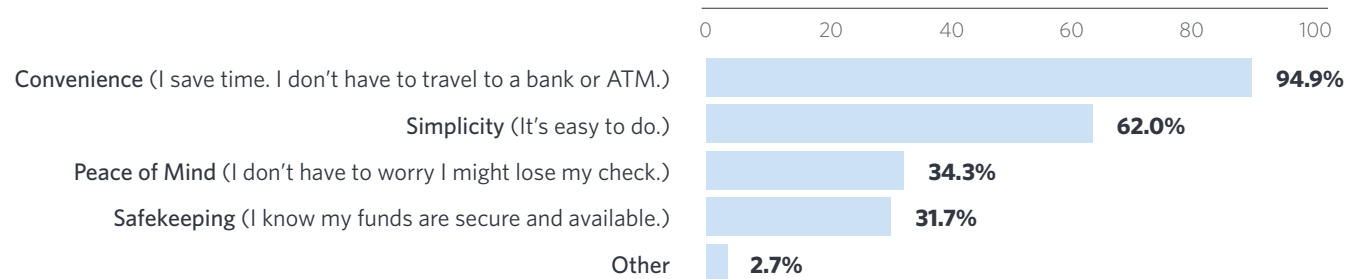


Across all ages, survey respondents ranked mobile deposit as a valued mobile banking feature. It's no surprise that younger account holders use mobile deposit more — nearly 60 percent of respondents ages 18 to 24 use and value mobile deposit closely followed by other age groups. Of respondents age 65+, a full 36 percent are using mobile deposit. Again, they can do it!



## Convenience and simplicity rule

### Which mobile deposit benefits are most valuable to you?



Of those who use mobile deposit, 95 percent chose convenience as the most valuable benefit. Not having to travel to a bank or ATM to deposit a check is extremely appealing. The simplicity of mobile deposit placed a strong second in terms of benefits — mobile deposit is easy to use.

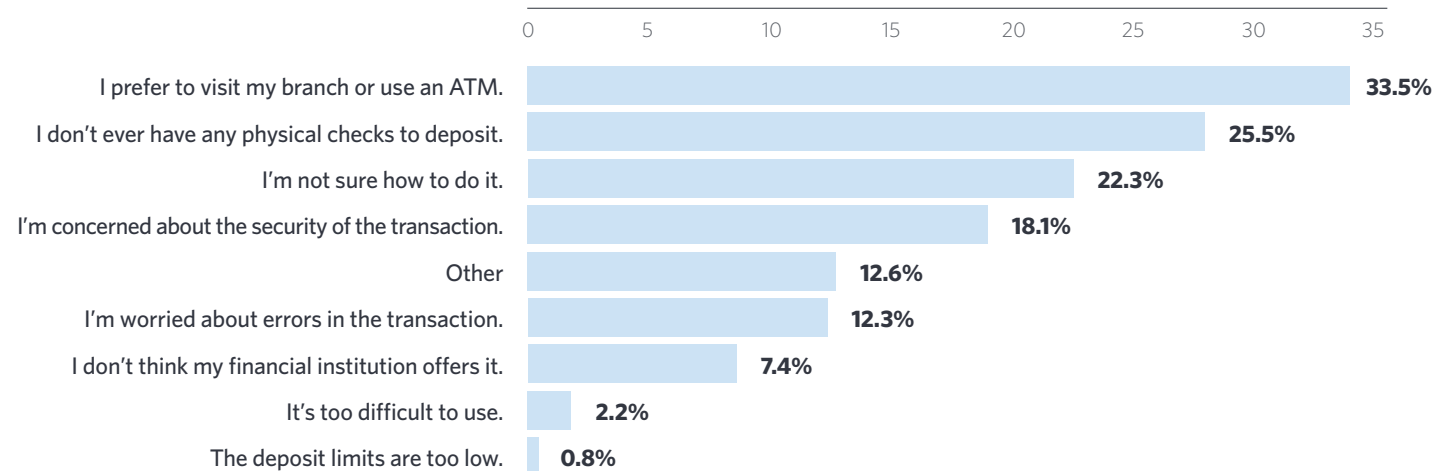
Not surprisingly, all age groups valued convenience and simplicity, so this is where financial institutions need to focus from an education perspective, preferably in the onboarding process. Disrupting the status quo and giving

account holders a reason to try mobile deposit is key to encouraging adoption and repeat usage. Once they try it, account holders are certain to like it.

While messaging will be different for different demographics, the time savings and ease of use of mobile deposit are relevant to all.

## Objections demand education

**Please let us know why you do not use the mobile deposit feature within your mobile banking app.**



First, let's address the second-most-popular answer to this question, which is "I don't ever have any physical checks to deposit." We understand. Direct deposit is how many people deposit checks, and if account holders truly "don't ever" have physical checks to deposit, mobile deposit is not relevant.

But the real takeaway here is that humans generally don't like change. Change is uncomfortable. The number one answer to this question — "I prefer to visit my branch or use an ATM" — just doesn't ring true. (Who really likes going to the branch or ATM versus not going to the branch or ATM?)

## Objections demand education

When you look at this answer in the context of the others, it's really about fear and insecurity. Almost half of respondents said they weren't sure how to use mobile deposit, 18 percent were concerned about security and 12 percent were worried about errors in the transaction.

Understandably, account holders want to be "sure" when it comes to their funds. If they're not confident that mobile deposit is a sure thing, they'd rather do it the old way.

These responses reinforce the educational opportunity around convenience, time savings, ease of use and security. They also point to an opportunity for a more "emotional" and reassuring response on the part of the financial institution to address the worry account holders feel about errors in the transaction.

### Please let us know why you do not use the mobile deposit feature within your mobile banking app.

#### *I'm not sure how to do it.*

I use a mobile banking app 3 or more times per week.	22.1%	I use a mobile banking app 3 or more times per month.	21.5%
I use a mobile banking app a few times a year.	24.6%	Even those who use mobile banking regularly (three or more times a week) were unsure how to use mobile deposit.	

#### *I'm not sure how to do it.*

18 - 24 years	20.0%	25 - 34 years	15.8%	35 - 44 years	24.3%	45 - 54 years	17.9%
55 - 64 years	26.2%	Age 65 or older	23.2%	Incredibly, younger and more tech-savvy account holders also express doubts about how to use mobile deposit. More proof that you must show and tell!			

## What Does This Mean for You?

When opportunity knocks, you must answer. Our survey illuminates a significant opportunity for growth in mobile banking and mobile deposit via smartphone or tablet, but the growth won't happen on its own.

What works for disruptive technology adoption like mobile banking or mobile deposit is engagement, experience and education. Getting account holders who don't use (or rarely use) a mobile app or mobile deposit comfortable with the technology requires direct effort on your part, promoting exploration and trial.

Consider the early days of ATMs. They were often set up in branch foyers so that bank personnel could physically help account holders learn how to use them.

Mobile banking and mobile deposit require the same type of explanation and intervention. For mobile app non-users, this means helping them set up their apps, showing them how to use them, and practicing the no/low-risk "maintenance" banking transactions discussed above. This can be done any number of ways — using branch personnel to assist, sending an email with a video link, or even hosting a lunch-and-learn for the older set (don't ignore them!). It should be part of your onboarding protocol.

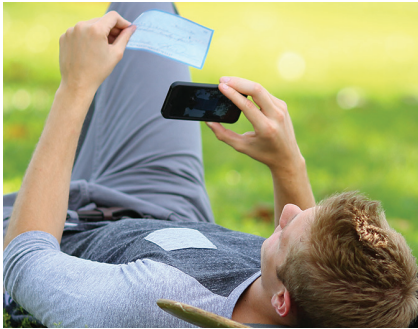
## Try It. You'll Like It.

For mobile deposit non-users, it means not only helping them install the mobile deposit app, but also promoting a very modern means of trial.

There's nothing like a personal touch. Mobile Deposit Activation from Harland Clarke enables financial institutions to send to targeted account holders a personalized, low-value check (\$1 to \$5 range) to deposit using their smartphone or tablet. Our turnkey program includes customized messaging and design by our award-winning creative team that can be implemented in under four weeks.

The program is a secure, risk-free way for account holders to see for themselves just how convenient and simple mobile deposit is. Once your account holders experience it, they are more likely to continue to use mobile deposit.

The opportunity is clear. Carpe diem!



Harland Clarke is a leading provider of best-in-class marketing solutions for financial institutions of all sizes. With Mobile Deposit Activation, your account holders can experience for themselves the ease and convenience of mobile banking, risk-free. Trust Harland Clarke to give your mobile deposit marketing a boost and grow deposits through the mobile channel.

Find out more about how Harland Clarke's check program can help your financial institution increase revenue, engage and delight your account holders.

call **1.800.351.3843**,  
email us at **[contactHC@harlandclarke.com](mailto:contactHC@harlandclarke.com)**  
or visit **[harlandclarke.com](http://harlandclarke.com)**