

Future of mobility: Finance and banking report

Mobile technology is defining a new era of finance



Introduction

Financial institutions are at a crossroads. Nearly two years after a pandemic changed how they interact with customers and employees, organizations in the finance sector must prepare for what comes next. Specifically, they must determine which practices they adopted during the crisis are here to stay, and how to capitalize on the new era's opportunities while navigating its challenges.

Take the abrupt shift toward digital- and mobile-first interactions. Digital banking surged during the pandemic, as 44 percent of retail customers used their bank's mobile app more than they did pre-pandemic. Mobile deposits increased among Bank of America's business customers by 117 percent, according to Deloitte.¹ These shifts represent the acceleration of an inevitable trend in which customers seek to access services whenever and wherever they need them. That trend is here to stay: Pandemic or not, customers gain more than they lose by going virtual.

The same goes for financial institutions themselves. A report from the Bank for International Settlements (BIS) warns that large organizations that don't embrace digital transformation risk disruption from smaller providers that do.² Ultimately, digital transformation enables financial institutions to better serve customers while forcing an industry traditionally reliant on personal touchpoints to embrace virtual interactions to build trust and conduct business.

The change doesn't consign face-to-face interactions to history. In fact, in the dawning "And Era," customers and employees will move at-will between digital and in-person channels, rather than be forced to choose between them.³ This makes mobile technology with world-class security and compliance absolutely critical.

This environment constitutes the social and technological backdrop for the "Future of mobility: Finance and banking report," which identifies the challenges and opportunities facing banking and financial services in the And Era and the role mobile tech should play in meeting them.

Our research has found that mobile tech is more than another workplace tool for financial firms; it's a decisive factor in the increasingly competitive fight for talent. Employees expect to be able to reach colleagues and customers anytime, anywhere, and most are willing to switch jobs to gain access to better technology that helps them do that. At the same time, ever-evolving cyberthreats and risks posed by changing employee behaviors and attitudes are leaving IT decision-makers fighting to contain security issues.



Methodology

For this "Future of mobility: Finance and banking report," Samsung conducted an online survey of professionals from financial services and banking organizations across the U.S., including 500 IT decision makers and 500 employees.

"IT decision makers" identified themselves as making enterprise-wide tech decisions, such as deployment, budgeting or approvals. "Employees" are employed in the financial services or banking industry without tech decision-making power.

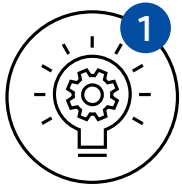
Mobile tech was referenced throughout the survey and is defined as "technology that goes where the user goes, including smartphones, tablets, wearables and laptops/Chromebooks."

The survey was fielded in September 2021 and the results have a margin of error of +/- 4.38 percent at 95 percent confidence level for each audience.

The resulting data reveals the surveyed audiences' opinions on mobile tech issues, including the impact on their jobs, customer relationships and data security.

The findings make clear the unique opportunity before financial leaders: Help define the industry's future through strategic investments in mobile tech. Companies that continue to improve their mobile tech while balancing the needs of customers and employees with organizational security position themselves to succeed in this exciting new era.

Three key findings for the finance sector

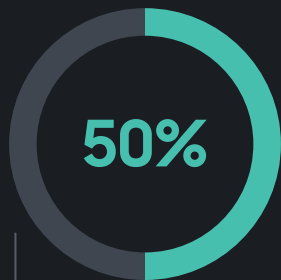


Mobile tech could make or break your talent strategy

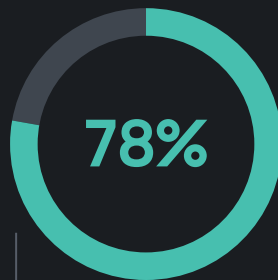
Like virtually every other industry, finance is facing a talent shortage that runs from entry-level positions to critical professional roles. It's imperative for industry leaders to understand the extent to which the pandemic reset employee expectations. Despite the finance industry's historical dependence on in-person interactions to build trust and do business, remote and hybrid work models are here to stay. This change reflects a shift in values across the broader workforce. More than half of adults who can do their jobs from home want to continue telecommuting even after the pandemic is fully over, according to the Pew Research Center.⁴ In similar research conducted in Canada by Robert Half, 1 in 3 telecommuters said they would quit rather than return to the office.⁵ The statistics suggest these aren't empty threats: U.S.

Bureau of Labor Statistics data in October 2021 showed that record numbers of people are leaving their jobs, with nearly 3 percent of U.S. workers quitting in August 2021 alone.⁶

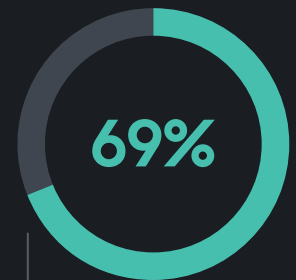
Our report supports the case that this same dynamic applies with full force to the finance sector, with a tech twist. Financial employees value access to technology that makes hybrid and remote models more seamless and productive — and nearly 7 in 10 say they're ready to jump ship to get it. Investing in mobile tech to enable collaboration and connection among far-flung team members isn't just about increasing productivity. Providing the tools that allow your employees to be as effective as possible in a hybrid work environment will be central to recruitment and retention.



of employees are unsatisfied with their companies' mobile tech



of employees have seen inferior technology hurt a customer relationship



of employees would likely switch companies for access to better technology

92%

of IT decision makers say updated mobile tech confers an advantage in recruitment



76%

of IT decision makers worry that employees will leave if not provided with the right technology





The data security perception gap is your biggest security risk

Data security is an important issue in every industry. For financial firms in the And Era, it's absolutely paramount. Ransomware attacks target finance more than any other industry: Attacks on finance companies increased by a shocking 1,318 percent in the first half of 2021, according to Trend Micro.⁷ Standing in the way of progress on this issue are the perceptions of financial organizations' own employees. While 63 percent of IT decision-makers worry about the security of company and customer data when employees work outside the office, only 6 percent of employees are concerned. Yawning gaps exist between the perceptions of IT managers and employees in many related areas — including the risk of losing or misplacing devices, the adequacy of employee

training, and fear of cyberattacks. To minimize risks, companies may need to step up efforts to improve employees' security literacy.

The perception gap may reflect a disparity in experience: IT decision makers are five times more likely to have experienced a security breach than employees. It may also reflect the uneven distribution of liability. That is, employees worry less because they feel less directly responsible for hacks. This perception, while understandable, must be overcome. Employees are on the front line of data security, particularly in the And Era, and they must be trained on best practices and stay tuned to risks.



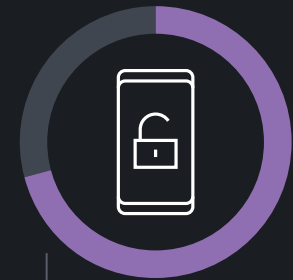
63%

of IT decision makers worry about customer or company data when employees work outside the office, but only 6 percent of employees are concerned



61%

of IT decision makers are not confident in their company's security solutions



71%

of IT decision makers fear employee inattentiveness or neglect of security best practices

75%

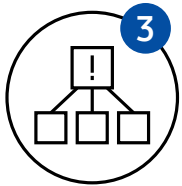
of IT decision makers worry about security risks from lost or misplaced devices, compared to only 17 percent of employees



73%

of IT decision makers have experienced a security breach, compared to just 13 percent of employees





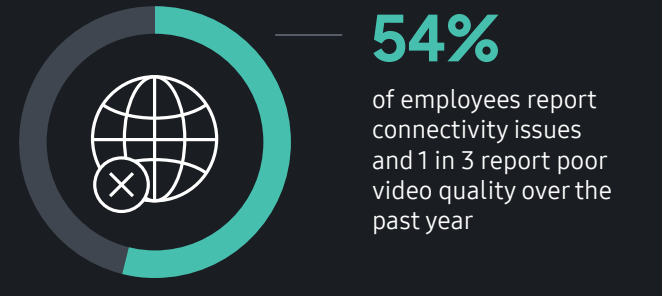
Infrastructure must be prioritized

Employees and decision makers naturally have different priorities, but one they share is mobile infrastructure, an organization’s composite of hardware, software, service and network resources. Eighty-six percent of employees and 93 percent of IT decision makers agree that their organizations need to improve infrastructure over the next five years. A majority — 72 percent — of employees say mobile tech is critical to their productivity and ability to collaborate with colleagues. That opinion is even more widespread among those working remotely, at 85 percent.

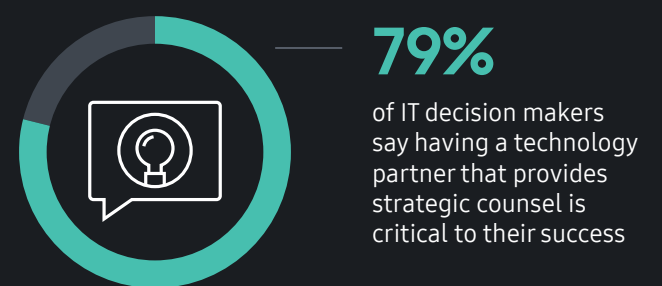
But even mobile tech that enables better work can fall short if employees wrestle daily with connectivity issues and IT decision makers fret over security. At many firms, that’s what

is happening. More than half of employees complain of occasional or frequent connectivity issues, and nearly 1 in 3 report experiencing poor video quality in the last year. Meanwhile, security is the No. 1 concern of 73 percent of IT decision-makers when investing in new software and mobile tech tools, and 61 percent say they lack confidence in their companies’ security solutions.

IDC projects that the finance industry will be the fourth-largest spender (behind manufacturing, professional services and retail) on future-of-work technologies in 2021.⁸ For that investment to enable financial firms to compete in the And Era, it must support mobile tech that enables in-depth personal connections and offers world-class security.



agree on the need to improve infrastructure at their organizations in the next five years



The bottom line for financial organizations




The right mobile tech confers a competitive advantage in the war for talent in the finance sector. Equipping employees with technology that allows them to perform their jobs better and collaborate remotely with less frustration can be a decisive factor in attracting and retaining talent.




There is no room for compromise on security. Financial organizations are ransomware's favored target, and every employee must act to minimize the risk of attacks. Achieving a high level of security will require training for employees not

only on best practices but also on why they are necessary. Both of these imperatives depend on robust infrastructure. Mobile tech tools are only as effective as the infrastructure that supports them. Technology investments must be prioritized accordingly.

We can translate these findings into three pairs of dos and don'ts that firms should heed as they develop their technology strategy for the And Era:

We can translate these findings into three pairs of dos and don'ts that firms should heed as they develop their tech strategy for the And Era:



-  **DO** consider a range of devices — laptops, tablets, foldables and others — to find the one best suited to each unique role.
-  **DO** invest in employee education on security best practices.
-  **DO** plan to keep up with continual technological advancements. Today's cutting-edge capabilities will be tomorrow's table stakes.

-  **DON'T** expect one size to fit all when it comes to mobile tech.
-  **DON'T** assume employees will care as much about data security as senior leadership and IT decision makers without specific training on the topic.
-  **DON'T** underestimate the importance of strong infrastructure in building a mobile tech ecosystem that serves decision makers, employees and customers alike.

1. <https://www2.deloitte.com/us/en/insights/industry/financial-services/financial-services-industry-outlooks/banking-industry-outlook-2021.html>
2. <https://www.bis.org/publ/bppdf/bispap117.pdf>
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4. <https://www.pewresearch.org/social-trends/2020/12/09/how-the-coronavirus-outbreak-has-and-hasnt-changed-the-way-americans-work/>
5. <https://www.newswire.ca/news-releases/1-in-3-remote-workers-may-quit-if-required-to-return-to-the-office-full-time-robert-half-survey-finds-848559105.html>
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8. <https://www.idc.com/getdoc.jsp?containerId=prUS48040921>

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