February 2014

AlixPartners
When it really matters.

The Innovation Commitment

The Key to Competing in the Mobile Financial Services "Arms Race"

At a Glance

Consumers have embraced mobile

With increasing consumer sophistication and comfort with mobile technology, consumer expectations of their financial institutions have shifted and are now higher than ever before. The availability of mobile access has not only changed what consumers want and expect but is also advancing the evolution of the role of financial services providers in consumers' lives.

The concept of a financial institution has fundamentally evolved

As mobile and digital technology proliferates, consumer expectations of financial institutions become less defined as institutions that provide financial products and more defined by the broader concept of providers that offer technology services that (1) give consumers real-time access to money, (2) offer consumers the ability to quickly move funds, and (3) let consumers make payments all at the same time while providing real-time guidance on investing and spending.

Innovation is an imperative

We believe that financial institutions that understand the need to make innovation a strategic priority and that invest in meeting consumer needs by delivering best-in-class mobile technology will gain market share and strategic advantage. Ultimately, we anticipate the innovators will be achieving growth through a virtuous cycle of innovation, becoming increasingly competitively strong and driving consolidation in the financial services space.

Everything that touches mobile—whether it's hardware, software, features, or apps—is experiencing rapid growth. Against that backdrop, financial institutions are competing against one another as well as against a whole host of new entrants that are commoditizing traditional financial services. Competition between industry incumbents and new entrants is producing new product capabilities and building bridges into the rapidly expanding world of digital commerce. As mobile increasingly affects every aspect of consumers' lives, financial institutions find themselves caught up in a mobile "arms race."

In this new world, the pace of innovation has increased, and consumers are, first, evaluating the providers and features they deem most innovative and then deciding where to move their banking relationships. Financial institutions must quickly get used to the notions of accelerating markets, increased consumers' scrutiny, and the requirement for ongoing innovation. The aggressive pursuit and development of new mobile, value-added capabilities appear to be becoming essential both for success in the rapidly evolving marketplace and for maintaining strategic relevance. How well that new strategic dynamic is navigated will determine the level of competitive success—or failure—of a growing number of financial institutions.

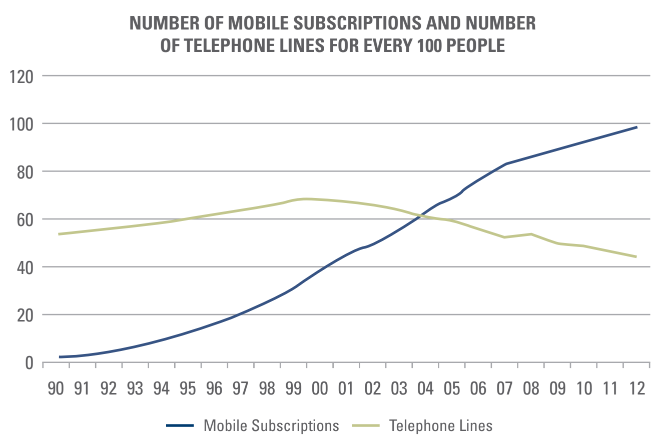
Consumers' Embrace of Mobile

Owning a smart mobile device enables consumers to be connected and constantly plugged in anytime and anywhere to one another, to the wealth of information on the Internet, and to everyone they do business with. Mobile devices have achieved ubiquity. According to the AlixPartners Q2 2013 Mobile Financial Services Tracking Study,[1] smartphone adoption now exceeds a majority of adult US consumers. The growing usage of mobile devices has created unprecedented levels of connectivity. In the US marketplace, it has become commonplace for consumers to use their pocket-size devices to manage their everyday lives.

Today in the US, there are more smartphones than conventional mobile devices—and more smartphones than land lines (figure 1). As long-term mobile contracts expire and new smartphone/tablet devices get deployed, the dominance of the Web-connected smartphone device will likely continue to increase. Today, 62% of mobile device owners have smartphones and/or tablets, a percentage that reaches higher than 75% among consumers younger than 34 years old. Only a year ago, smartphone and tablet penetration among mobile device owners was just reaching 50% (figure 2). We expect smartphone ownership will reach 85% of the US population by 2020.

With such unparalleled connectivity, consumers will increasingly rely on this all-in-one tool that they carry with them everywhere. As accessing e-mail and the Internet become as commonplace as making a phone call, consumers will use mobile devices in more-complex ways to efficiently manage every aspect of their lives—including their finances—in order to benefit from mobile's anytime, anywhere connectivity and availability. The mobile device will become an essential tool for nearly all consumers.

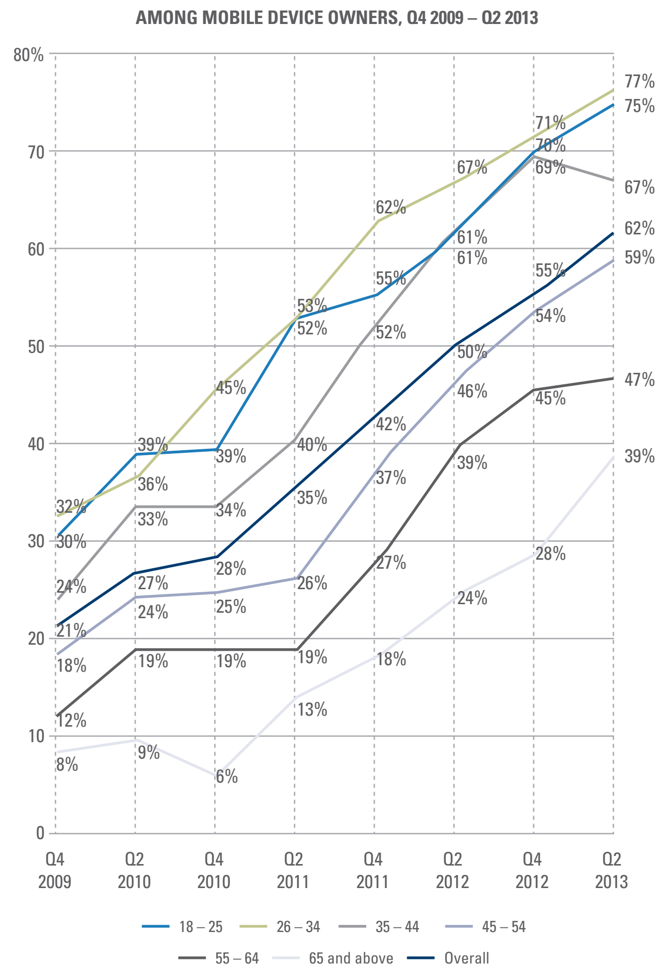
Figure 1: Mobile vs. Land Line Phone Penetration



Source: World Bank "World Development Indicators"

[1] The Mobile Financial Services Tracking Study is conducted semi-annually with an online panel of consumers ages 18 and older. The study captures several emerging trends in how consumers use their mobile devices to manage their personal and financial lives. The research also explores consumer banking channel behaviors and preferences, as well as the decisions and criteria consumers use to choose their primary banking provider. The consumer research data sited throughout this report is from an AlixPartners' proprietary research database. The data sited in this paper is from the survey fielded in May 2013 to an online panel of more than 5,000 consumers over the age of 18.

Figure 2: Smartphone/Tablet Ownership



Question: Q4 2009, Q2 2010, Q4 2010: Do you have a conventional cell phone or a smartphone (e.g., iPhone, Android or Blackberry)?; Q2 2011, Q4 2011, Q2 2012, Q4 2012, Q2 2013: Which of the following mobile devices do you have and use daily? Select all that apply.
Source: AlixPartners Mobile Financial Services Tracking Study Q4 2009 (N=1,744), Q2 2010 (N=858), Q4 2010 (N=2,518), Q2 2011 (N=2,294), Q4 2011 (N=4,647), Q2 2012 (N=3,751), Q4 2012 (N=3,721), Q2 2013 (N=3,808)

Changing Role of Financial Institutions

With increasing consumer sophistication and comfort with mobile technology, consumer expectations of their financial institutions have shifted and are now higher than ever before. With higher expectations come new and previously unexpected consumer needs for capabilities, information, and guidance from their financial institutions. The availability of mobile access has not only changed what consumers want and expect but is also advancing the evolution of the role of financial services providers in consumers' lives.

Traditionally, customers viewed banks as institutions that kept their money safe. And although that security and safety obligation will always be the case, consumers increasingly use financial institutions to access a broad array of products and services that help them store, access, use, grow, save, invest, and move their money. As such, consumer expectations of financial institutions have evolved from being trusted safe keepers of their personal funds to being customer advocates that help them manage their finances and save money. At the same time, mobile technology has accelerated the speed at which those consumers expect their needs to be fulfilled.

As technology has evolved, so have the channels of interaction between consumers and their financial institutions. Historically, consumers conducted most of their banking activities at branches, but today, consumers have access to multiple bank channels, including ATMs, online banking, mobile banking, and call centers. Consumers increasingly expect to be able to conduct financial transactions and manage their finances through the set of bank channels they find most convenient. In parallel, consumers expect to be able to seamlessly conduct transactions that span multiple channels (figure 3). Financial institutions are now challenged on the connectivity, speed, and multichannel fronts.

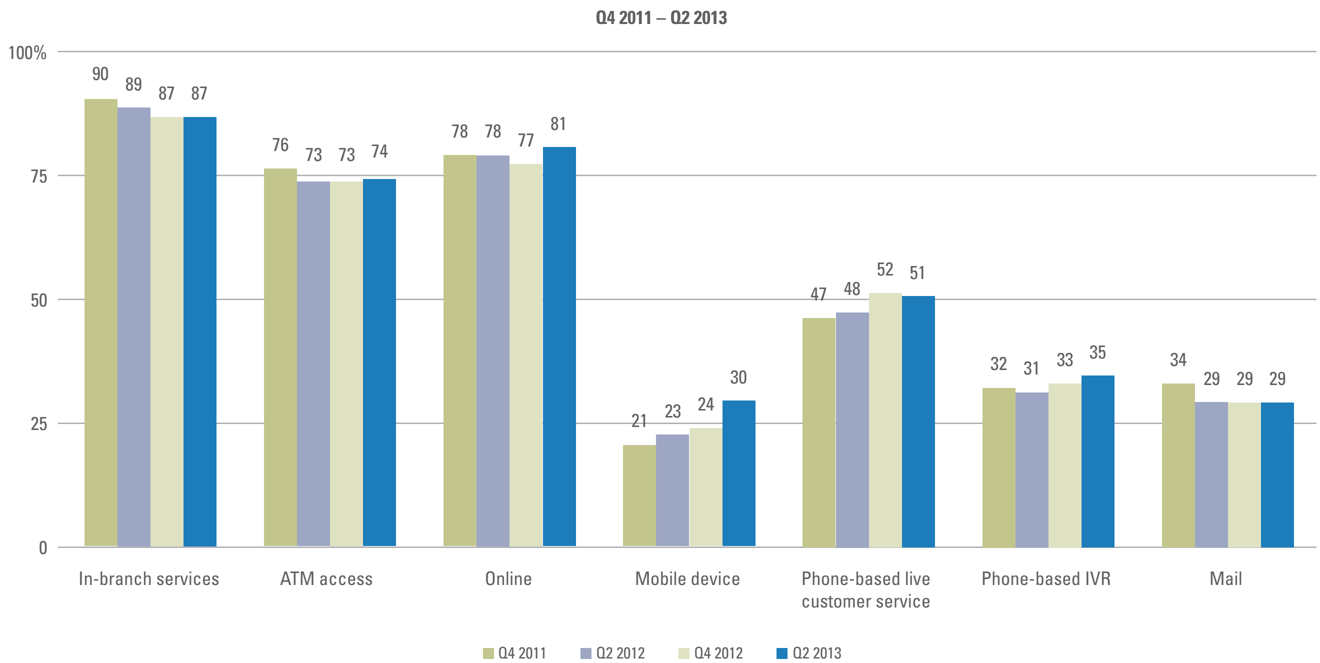
The availability of mobile access has not only changed what consumers want and expect but is also advancing the evolution of the role of financial services providers in consumers' lives.

Prompted by smartphones' and tablets' growing penetration and the efficiency and utility of being able to access relevant banking information at any time and from anywhere, the mobile banking channel has dramatically gained popularity in recent years. A quarter of banking consumers and 40% of smartphone/tablet owners today use their mobile devices to conduct banking activities.[2] For a banking services provider, offering mobile banking has evolved from being a competitive differentiating factor to being table stakes (figure 4). More important, beyond the specific capabilities, consumers now expect their financial institutions to be both stable *and* innovative. What started as a technological innovation is evolving into a brand imperative.

As consumers become more comfortable with viewing money less as physical tender and more as stored value that they can

[2] AlixPartners Q2 2013 Mobile Financial Services Tracking Study.

Figure 3: Channel Usage (% Who Use Each Channel Routinely or Occasionally)



Q4 2011 (N=2,792); Q2 2012 (N=2,265); Q4 2012 (N=2,254); Q2 2013 (N=2,304)

Definitions: Routine users are those who use the channel at least once a month, while occasional users use the channel only as needed
Question: How do you interact with your primary bank by the following means?
Source: AlixPartners Mobile Financial Services Tracking Study

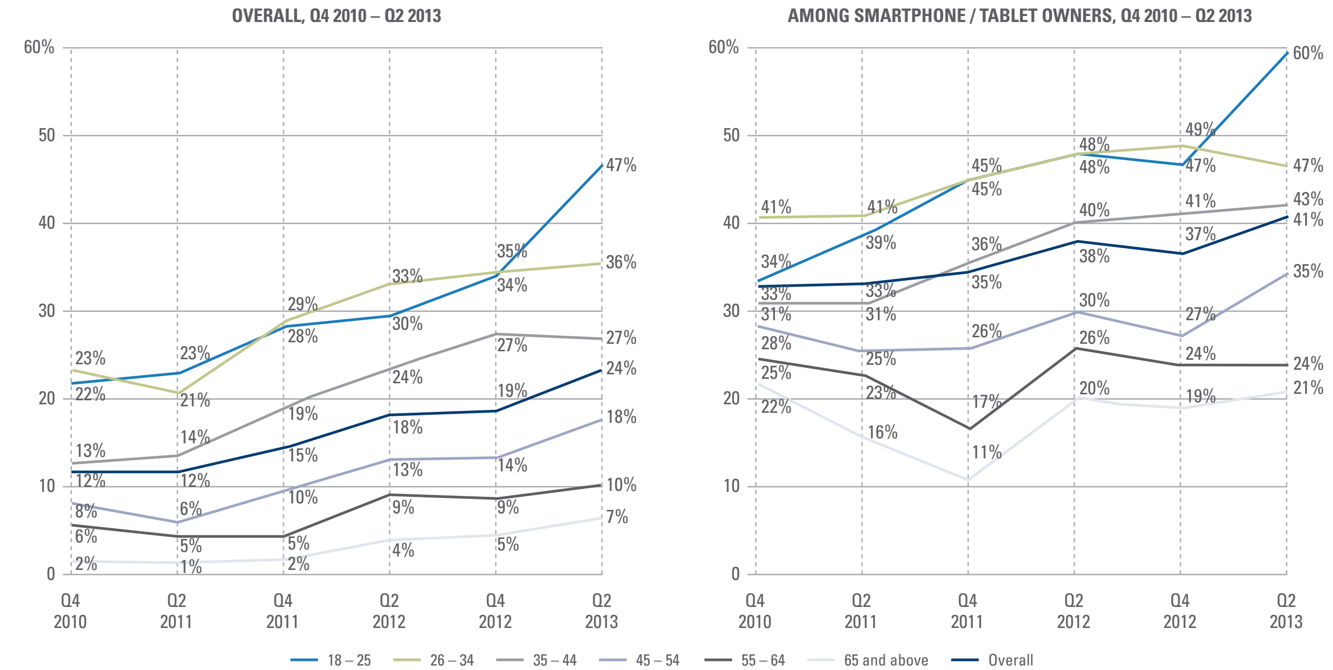
access at any time, the concept of a financial institution has fundamentally evolved. As mobile and digital technology proliferates, consumer expectations of financial institutions become less defined as institutions that provide financial products and more defined by the broader concept of providers that offer technology services that (1) give consumers real-time access to money, (2) offer consumers the ability to quickly move funds, and (3) let consumers make payments all at the same time while providing real-time guidance on investing and spending.

By providing services around that broader, digitized concept of finances, nontraditional providers (such as Google and PayPal) have become meaningful competitors in the field of traditional banking services. These new digital entrants are disintermediating and threatening financial institutions' traditional economics. For sure, the entry of digitally oriented competitors has redefined the core banking product set. In parallel, however, the entry of those competitors has changed what consumers expect from their financial services providers. Forces from outside the traditional financial services industry are raising consumer expectations for increased responsiveness, efficiency, and innovation.

At the precise moment when innovation becomes most important, we see changes in the mobile technology landscape. In recent years, we have seen significant consolidation between mobile banking technology providers; for instance, Fiserv bought M-Com, and FIS acquired mFoundry. Where there were once more than a hundred innovative start-up companies in the US alone, significant consolidation has reduced that number. Mobile is viewed by many technology providers as an adjunct capability to be added to their core banking platforms. There is irony in the fact that the consolidation of mobile banking technology providers is occurring at the very moment that innovation becomes paramount. As financial institutions seek strategic partners for mobile, an important premium should be placed on alternative partners' future product road maps and on the ability to innovate and use digital and mobile capabilities as the bases for continued differentiation in the marketplace.

With mobile, consumer expectations of the role of a financial institution have expanded from serving as a provider of banking and investment services to being a provider that offers technologically sophisticated products and services that help consumers manage their money and finances. And the

Figure 4: Mobile Banking Adoption



Q4 2010 (N=2,942), Q2 2011 (N=2,799), Q4 2011 (N=5,594), Q2 2012 (N=4,554), Q4 2012 (N=4,516), Q2 2013 (N=4,544)

Q4 2010 (N=2,942), Q2 2011 (N=810), Q4 2011 (N=1,967), Q2 2012 (N=1,876), Q4 2012 (N=2,052), Q2 2013 (N=2,343)

Question: Q4 2009, Q2 2010, Q4 2010: Do you have a conventional cell phone or a smartphone (e.g., iPhone, Android or Blackberry)?; Q2 2011, Q4 2011, Q2 2012, Q4 2012, Q2 2013: Which of the following mobile devices do you have and use daily? Select all that apply; Have you used mobile banking (i.e. have you accessed balances, paid bills, or made account transfers using your mobile device to access a mobile banking website or using a mobile device application)?
Source: AlixPartners Mobile Financial Services Tracking Study

continuing advancement of mobile and digital capabilities will produce new opportunities for both strategic differentiation and earnings growth. Beware the financial institution that approaches mobile as a commoditized processing utility.

Required Cadence of Innovation

In an increasingly digital world, consumers' needs are constantly changing, and consumers are relentlessly seeking the next new thing. The ability to respond to the need to continually deliver new capabilities to the market can often translate into both stronger bank positioning and market share gains. Competitors are responding by trying to keep pace through faster iterations and faster launches of innovative products and services. Consumers are the underlying drivers of this accelerated pace of innovation. Consumers are fast to adopt digital products and services that offer convenience, help them stay informed and connected, help them make smarter decisions, and ultimately save money. As a consumer value proposition, mobile is extraordinarily compelling. And consumers are coming to expect their financial services providers to meet that standard.

The concept of a financial institution has fundamentally evolved. As mobile and digital technology proliferates, consumer expectations of financial institutions become less defined as institutions that provide financial products and more defined by the broader concept of providers that offer technology services that (1) give consumers real-time access to money, (2) offer consumers the ability to quickly move funds, and (3) let consumers make payments all at the same time while providing real-time guidance on investing and spending.

Extraordinarily high percentages of consumers are now embracing mobile banking and mobile payments as well as incorporating mobile devices into their retail shopping behaviors. According to the AlixPartners Mobile Financial Services Tracking Study:

- 63% of smartphone/tablet owners use their mobile devices to research products or services before making a purchase

- 46% of smartphone/tablet owners participate in digital couponing, searching for and/or receiving digital coupons or offers from third parties
- 32% of smartphone/tablet owners conduct some type of mobile money-related transactions such as sending money, paying someone, or making a purchase via a mobile device

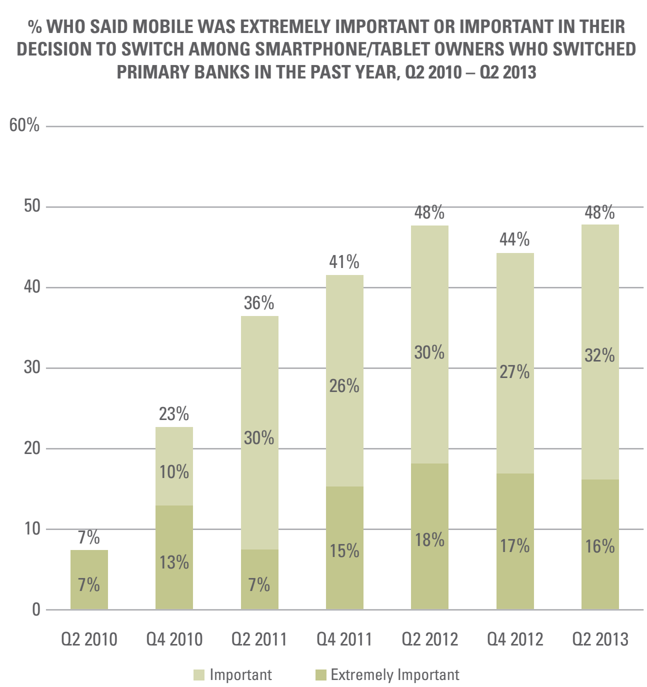
As mobile devices attract more and more of consumers' eyeballs and digital screen time, digital offerings have become critical elements of competition and primary drivers of differentiation among financial institutions. According to AlixPartners research, mobile has become a key expectation among consumers evaluating financial institutions: 48% of smartphone/tablet owners who switched financial institutions in the past year say mobile played an extremely important or important role in their decision to switch primary financial institutions (figure 5). In fact, we see that consumers who switch financial institutions are gravitating toward the large or national financial institutions that are aggressively investing in and promoting digital banking initiatives (figure 6). The competitive dynamic—whereby banks that have the strongest digital offerings and mobile innovation track records capture the highest number of switchers—now seems very apparent in the US market. We expect that trend to continue, and the winners will be the financial institutions that commit to providing continuous streams of compelling digital capabilities.

The same consumers who have demonstrated an eagerness to adopt the latest mobile features and apps are the bank customers who will increasingly expect sophisticated mobile banking services. To successfully capture those consumers as they switch banks and to achieve the desired gains in market share, the market research evidence is overwhelming that financial institutions must commit to programs of ongoing mobile and digital innovation.

Identifying Opportunities for Financial Services Innovation

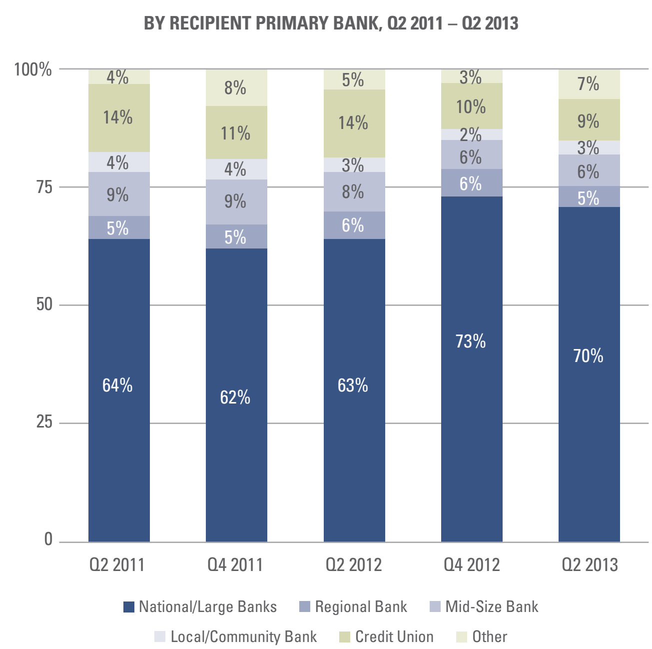
Given consumer demands and expectations, as well as an increasingly competitive environment, financial institutions

Figure 5: Role of Mobile Banking in Primary Bank Switching Decision



Note: Numbers may not add due to rounding; Q2 2010 - Q2 2011 results are based on switching within prior 6 months, Q4 2011 - Q2 2013 results are based on switching within prior 12 months
Question: How would you describe the role mobile banking services played in your decision to change primary banks?
Source: AlixPartners Mobile Financial Services Tracking Study, Q2 2010 (N=14), Q4 2010 (N=31), Q2 2011 (N=44), Q4 2011 (N=99), Q2 2012 (N=193), Q4 2012 (N=174), Q2 2013 (N=205)

Figure 6: Share of Bank Switchers



Note: National/large banks are the top-13 banks based on deposits; Regional banks are the top-14 through 50 banks based on deposits; Mid-size banks are less than top-50 banks with more than 12 branches; Local/community banks are banks with 12 branches or less
Question: Which financial institution do you currently consider to be your primary bank (i.e., where you keep your primary checking/liquid money account)?; How long have you been a customer of your primary bank?; How long have you considered your current primary bank to be your primary banks; if considered primary bank for less than a year, did you switch primary banks or was your bank merged/acquired?
Source: AlixPartners Financial Services Franchise Health Study Q2 2011 (N=229), Q4 2011 (N=456), Q2 2012 (N=372), Q4 2012 (N=373), Q2 2013 (N=321)

must continually and urgently innovate in the mobile arena based on multiple factors:

- As consumers increasingly experience innovation—outside of the financial services space—that provides added convenience and reduced transactional friction, they come to expect the same experience in their interactions with financial institutions.
- Nontraditional financial services providers are leading with mobile capabilities as a means to disintermediate incumbent financial institutions.
- Even among traditional financial services providers, mobile has become an imperative. In a market with limited opportunities for differentiation, mobile and digital opportunities are powerful tools to deliver distinctive capabilities and experiences.
- Reflecting the challenges of marketplace differentiation, mobile is proving to be a potent strategy for increasing market share.

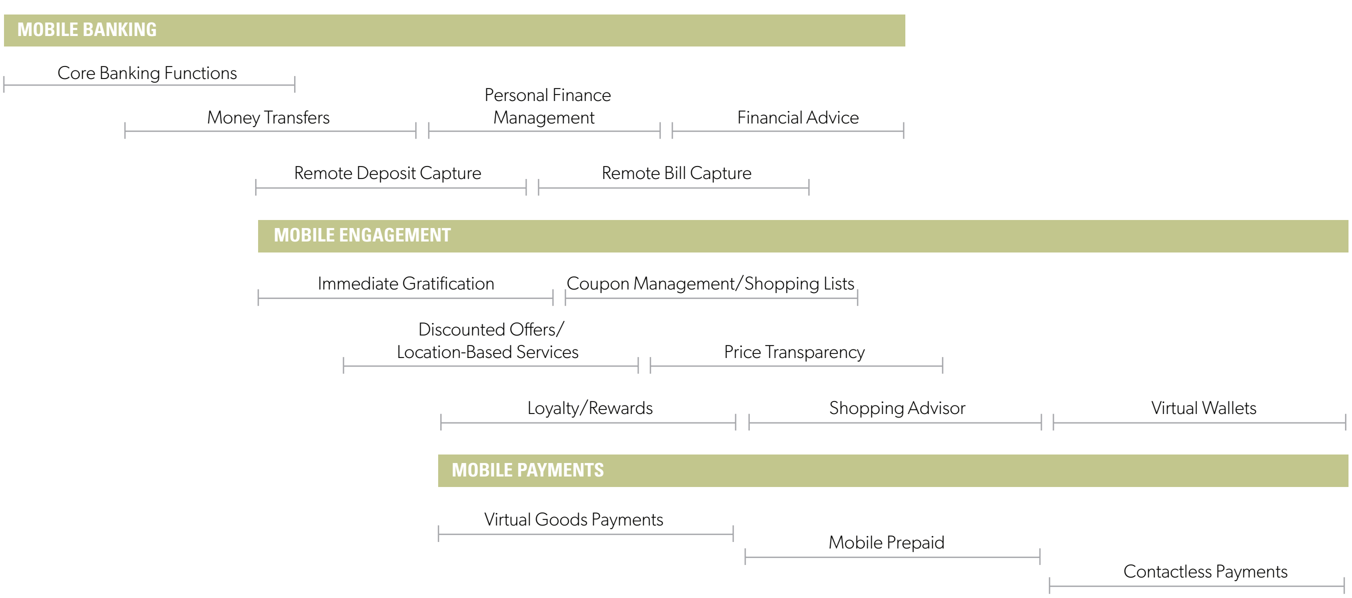
We are in a virtuous cycle of mobile, innovation-driven growth, wherein financial institutions that invest in digital and mobile capabilities will attract and acquire new customers. Attracting those new customers directly translates into market share gains from competitors—or defense from market share erosion. An increase in market share and scale helps financial institutions invest further in the development and promotion of newer and newer digital and mobile capabilities, thereby beginning the cycle all over again.

Consumers with high expectations now routinely seek digital capabilities that serve their financial management, payments, and purchasing needs. In that ever-changing environment, financial institutions must continually invest in digital capabilities that help consumers manage their financial lives on the go and in real time. Financial institutions can follow a road map of mobile features and capabilities that provide a clear path forward (figure 7). Even though financial institutions should march ahead in delivering mobile banking capabilities, they should concurrently be investigating other areas of mobile engagement that help customers organize and manage commerce decisions. An example of a mobile engagement capability is the person-to-person payment, which is being offered by a growing set of providers—both financial institutions and technology companies—that lets consumers send money quickly and easily to other people or to businesses. Other examples are recently introduced capabilities such as photo bill pay and photo account opening, which take advantage of the mobile device's camera to provide a seamless transition between physical and mobile channels.

48% of smartphone/tablet owners who switched financial institutions in the past year say mobile played an extremely important or important role in their decision to switch primary financial institutions

Beyond payments, consumers are becoming even more engaged in the mobile shopping and commerce space. As

Figure 7: Mobile Deployment Timeline



Innovation as a New Source of Revenue

As financial institutions start to explore new areas of mobile technology innovation, such capabilities will begin providing services beyond traditional financial services — most notably, in the digital commerce space. Although the most obvious new sources of revenue may be charging for new features and functionality, a more-potentially-significant revenue source for financial institutions to consider is the opportunity to support the application of digital marketing business models to traditional retail marketing and sales. We see three immediate examples in the marketplace today:

- **Instant mobile checkout:** An app-based capability that lets consumers identify products from traditional off-line media (posters, papers, magazines) by using Quick Response codes or image recognition and facilitates the instant purchase of the product using stored payment information
- **Mobile marketplace:** A mobile marketplace of products and offers that can be integrated into banking apps and that enables retailers to reach new audiences and promote sales conversions, especially during promotional events
- **Targeted marketing and offers:** A service that uses applied data analytics to deliver targeted, personalized offers to customers — whether in-store, in-app, or online — creating a closed-loop retail system

Using mobile technology's ability to bridge off-line experiences with online and mobile channels, providers can achieve more sales conversions, reach new audiences, and bring digital marketing models to traditional advertising. Investing in those innovative services will enable financial institutions to expand into the digital commerce space, participate in digital marketing revenue models, and earn new sources of revenue from additional types of transactions. ■

the lines increasingly blur between financial services, payments, and shopping, financial institutions can play a more active role by offering products and services that help consumers make decisions throughout the purchasing process. For example, financial institutions can offer mobile checkout services that securely store consumers' payment and shipping information for fast and convenient checkout. Financial institutions can also use their data about a customer's current location or prior purchasing patterns to deliver relevant and contextual coupons and offers. Even more-basic shopping services, like shopping list management and price checking, can be deployed. Through such services, financial institutions can empower consumers, deliver added convenience, help customers save money, and, in the process, promote loyalty and engagement.

The opportunity exists to delight and add value for customers, but there is also danger in inaction: (1) Financial institutions that do not step up to meet consumers' innovation expectations risk losing customers to competitors that actively pursue mobile and digital differentiation. (2) Failure to capitalize on the consumer-driven virtuous cycle of mobile innovation-driven growth puts at risk a bank's basic strategic relevance to its retail customers. (3) Financial institutions that defer investing in the new capabilities risk lagging behind and facing challenges in attracting customers. (4) And ultimately, if no innovation is delivered, a net outflow of customers will likely result. The risk of losing customers to more-innovative competitors is spotlighted by the successful entry of nonfinancial institutions—especially organizations whose core business is technology.

Direct and Indirect Benefits of Innovating

As consumers constantly search for the next new things and features and seek capabilities that save them significant time and money, financial institutions that meet consumer needs will stand out in the marketplace. Success in meeting consumer needs will translate into attracting a disproportionate share of bank customers who naturally churn every year and will incent customers who highly value those offerings to change banks to get them.

In addition, by offering innovative products and services, financial institutions are better addressing consumers' needs and will not only retain their existing customers from seeking innovative offerings elsewhere but also generate higher customer satisfaction. Highly satisfied customers tend to remain loyal and to engage more with their financial institutions, which may lead to higher share of wallet captured and more cross-sell opportunities. Digitally oriented consumers also tend to be attractive customers; for example, according to AlixPartners research, consumers who adopt

Figure 8: Mobile Banking Adoption Versus Depth of Relationship

AVG. NUMBER OF PRODUCTS AT THE PRIMARY BANK, Q2 2013

	Age						
	18 – 25	26 – 34	35 – 44	45 – 54	55 – 64	65 and above	Overall
Mobile Banking Adopters	3.3	3.8	4.0	3.7	4.0	4.8	3.8
Non-Mobile Banking Adopters	2.6	3.0	3.1	3.1	3.4	3.3	3.1

	Primary Bank Type						
	National/Large Bank	Regional Bank	Mid-Size Bank	Local/Community Bank	Credit Union	Other	Overall
Mobile Banking Adopters	3.9	3.5	3.5	3.0	3.7	4.1	3.8
Non-Mobile Banking Adopters	3.2	3.0	2.6	2.7	3.5	3.5	3.1

Question: Which financial institution do you currently consider to be your primary bank (i.e., where you keep your primary checking/liquid money account)?; What types of products/accounts do you currently have/use with the following financial institutions?; Have you used mobile banking (i.e. have you accessed balances, paid bills, or made account transfers using your mobile device to access a mobile banking website or using a mobile device application)?
Source: AlixPartners Mobile Financial Services Tracking Study Q2 2013 (Mobile Banking Adopters N=1,071, Non-Mobile Banking Adopters N=3,473)

mobile banking tend to maintain deeper relationships with their primary bank (figure 8).

Furthermore, innovation uses technology to deliver new and scalable products and services, which can translate into increased economic value for financial institutions. Offering transactional features and capabilities in online and mobile channels is less costly than delivering the same services in the branch or via live phone customer service. Financial institutions can also achieve cost savings by promoting migration of activities to digital channels. AlixPartners research shows that once consumers adopt mobile banking, they tend to use the high-cost branch channel less frequently. Finally, innovative products and services can generate a new source of revenue for financial institutions facing profitability pressures caused by recent regulation and growing compliance requirements.

How to Compete in the Mobile Arms Race

The mobile ecosystem is complex and constantly evolving, with an array of players providing solutions ranging from specific point-solution applications to broad, multidimensional capabilities. In that challenging environment, financial institutions find themselves in a mobile arms race, wherein they need to constantly stay on top of market trends and evolving consumer needs and preferences.

Today, due to their varying strategic focus and available resources, financial institutions take different approaches. We segment the industry into four categories of competitors:

- **Large, tech-savvy financial institutions** are the ones with national franchises, the means to invest, and demonstrated commitment to competing digitally. They have the required financial and information technology resources to pursue and introduce new digital products and services. Both by building from within and by partnering with leading-edge third-party providers, large, tech-savvy competitors are building momentum in innovation. As a result, they tend to lead in the innovation arms race.
- **Well-resourced smaller innovators** are institutions that understand the strategic importance of digital innovation, and they devote the required budget to pursue it. They selectively target where to invest resources to achieve the greatest competitive differentiation. Smaller innovators pursue a customized selection of digital offerings, designed to deliver maximum marketplace impact.
- **Smaller innovators with limited resources** are institutions that value innovation but have limited budgets to invest in it. They tend to opt for turnkey solutions available in the marketplace, as well as to take advantage of their local presence and relationships to create a differentiating factor. Such strategic logic hopes that being a fast follower will be

competitively adequate to stay relevant. With limited resources, though, smaller competitors must strategically apply the context of their innovation to sustain market share position.

- **Noninnovators are institutions that have accepted lagging in the arms race.** They take a wait-and-see approach and develop digital capabilities only as such capabilities become mainstream or table stakes. Noninnovators are frequently heard making the argument that innovation doesn't matter anyway. Noninnovators are pursuing a strategy that places them at great peril.

Regardless of size and resources, there is a short list of steps that financial institutions can take to better compete in today's increasingly demanding environment:

- **Focus on understanding consumers' needs and expectations.** Do the necessary due diligence to know your target customers and know what they value. Align the innovation agenda with the needs of the consumers the organization seeks to serve.
- **Track and monitor consumer behavior and market dynamics.** Stay on top of how well the organization is serving consumers' needs and where those needs are headed.
- **Commit to an innovation mind-set** regarding ongoing product development. Focus available efforts on understanding and addressing emerging and new consumer needs.
- **Develop a flexible mobile platform and approach to technology** that allow for quick integration, testing of new offerings, and smooth adjustments.
- **Create a business case for investing in digital innovation** and make innovation a central part of strategy.
- **Revisit regularly the organization's digital innovation road map** to make sure that planned features and capabilities are still relevant and in demand by consumers.

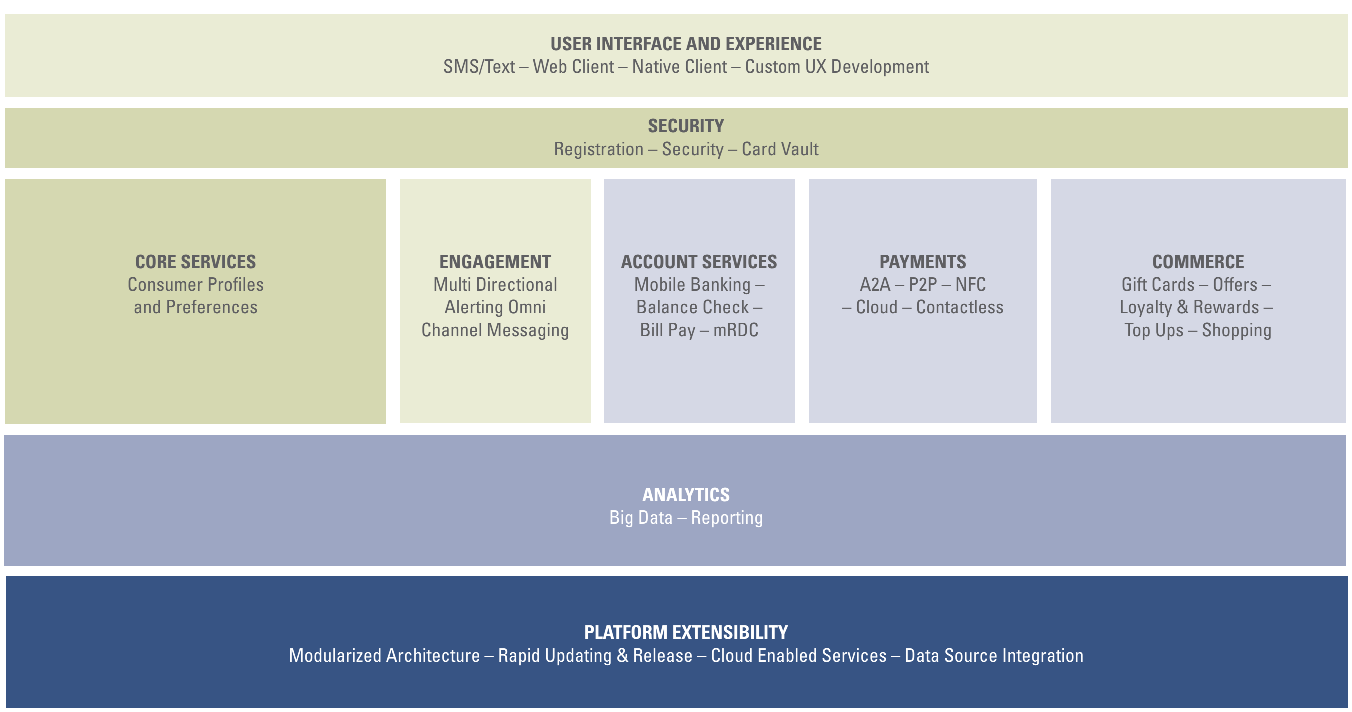
To differentiate themselves from competitors, make the right investments, and select the best partners, financial institutions need to have a clear, consumer-led, mobile innovation program in place.

Conclusion and Implications

In today's environment, all financial institutions must participate in the mobile arms race to remain competitive. To do so, they must develop a mobile offering and innovation road map that can help them differentiate themselves from the competition.

Due to the dynamic nature of mobile technology and innovation, providers must remain flexible and alert in order to

Figure 9: Mobile Innovation Platform Model



continually innovate and launch the next wave of relevant and compelling products and services (figure 9). When the opportunities have been codified into an innovation road map and the partners have been selected, a financial institution must develop the best go-to-market strategy. Competition in the *current* decade—around the ability to innovate and meet new and emerging consumer needs—will define which financial institutions will be relevant to compete in the *next* decade. The stakes are that high.

Rapidly evolving consumer expectations and competitive dynamics have spawned challenges to navigating the mobile marketplace, but they have also created opportunities for forward-thinking financial institutions. We believe that financial institutions that understand the need to make innovation a strategic priority and that invest in meeting consumer needs by delivering best-in-class mobile technology will gain market share and strategic advantage. Ultimately, we anticipate the innovators will be achieving growth through a virtuous cycle of innovation, becoming increasingly competitively strong and driving consolidation in the financial services space. And we will see the strategic commitments of the competing financial services providers play out through their marketplace successes.

FOR MORE INFORMATION, PLEASE CONTACT:

Teresa Epperson
Managing Director
tepperson@alixpartners.com
+1 (617) 692-2805

Bob Hedges
Managing Director
rhedges@alixpartners.com
+1 (617) 692-2801

ABOUT ALIXPARTNERS

AlixPartners is a leading global business advisory firm of results-oriented professionals who specialize in creating value and restoring performance at every stage of the business life cycle. We thrive on our ability to make a difference in high-impact situations and deliver sustainable, bottom-line results.

The firm's expertise covers a wide range of businesses and industries whether they are healthy, challenged, or distressed. Since 1981, we have taken a unique, small-team, action-oriented approach to helping corporate boards and management, law firms, investment banks, and investors respond to critical business issues. For more information, visit alixpartners.com.

AlixPartners. *When it really matters.*

AlixPartners
When it really matters.

North America Boston / Chicago / Dallas / Detroit / Los Angeles / Nashville / New York / San Francisco / Washington, DC
EMEA Dubai / Düsseldorf / London / Milan / Munich / Paris
Asia Hong Kong / Seoul / Shanghai / Tokyo

