

# SA banks join the "app" world... What's/who's next?

 By [Bradley Maseko](#)

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With the exception of FNB, the digital innovation leader in the financial services sector, which launched its application (app) in July 2011, it has taken almost a year for the rest of the big four to launch their very own apps to engage the ever-growing digital generation which has over 70% of South Africans primarily accessing the internet through mobile platforms using smartphones.

In July of 2012 Standard Bank quietly slipped out its app, followed by Nedbank releasing a beta app to its staff, Absa on the other hand looks to most likely release its app in the first quarter of 2013. This is a race that has always had a clear winner from the start, but it will be certainly interesting to see how the other banks will differentiate their apps from that of FNB. It will be equally interesting to see what impact it will have in the digital arena as other industries start to look at how they too can engage their target markets using apps.

## The innovation

Innovations requires having insight into the market, understanding who you are targeting and what platforms they are using and how best you can communicate with them through these platforms. FNB has been the leader in this regard, the bank has been able to analyse the current trends and put together strategic plans which seem to have been a winning formula for the brand.

According to the 2012 *AdReview*: "In July 2011, the FNB boss spoke of 300 000 new accounts being opened each month", surely its innovation in the digital arena will work well in retaining these customers. The FNB iPad offer has further shown that it has a clear understanding of the need to get people to start using the FNB app, more than just identifying a means through which its customers can be offered more efficient banking through the use of mobile phones. It also helped supply the tools, staying true to the notion that the intuition that breeds great strategies and plans comes from having insight in the market and understanding how best to address the needs of your clients.

## The market

According to results unveiled on the Google global survey on smartphones and mobile marketing, the following was highlighted with regards to South Africa: "the typical smartphone user is 18-34 years old, educated and working full time".

For this generation, the smartphone has become a must-have accessory, and brands wanting to engage them will therefore do well making use of the mobile platform and ultimately entering the app market depending on their service and product offering. The youth market is highly app savvy, and has realised the benefits of using mobile apps in comparison to accessing standard websites through their phones, this is the on-the-go generation that is loyal to mobile usage, and insight into their mobile habits will certainly assist brands to engage them better.

## The Future

With time however, we can expect retail outlets, the likes of Woolworths and Clicks, to jump onto the bandwagon as smartphone owners are increasingly getting comfortable with the idea of purchasing goods and services from their phones.

According to the Google 2011 smartphone users' survey, 30% of current smartphone users anticipated a higher purchase rate via their smartphones for 2012. The Foschini Group already has an app in pilot stages which allows customers to review current credit available to spend, last 10 transactions as well as purchase airtime.

One app South Africa can certainly look forward to, and I predict will have a large number of downloads if it ever gets developed and released, will be the SARS eFiling app. This should be developed to help taxpayers easily submit their returns and easily navigate the eFiling system.

Another sector should be that of insurance companies, which should develop apps that will take data and allow users to manipulate with different calculations and choose insurance plans that suit them best, as with the banking sector, the innovators in this category are most likely to win a lot of clients.

Discovery in the healthcare sector, has released its app which helps doctors to manage their patient profiles and if the international trends are anything to go by, we can expect to hear more about this app in the near future, and with more innovation it is bound to lead the way in the healthcare sector. According to Burrill & Company, an American financial services company "digital health investment in America grew to US\$499m for the first half of the year compared to US\$156m in the 2011 period" and this sector was covering both B2B apps and those developed specifically for consumers.

## So what's next?

The growth of the local mobile app landscape is inevitable. The South African market is in a transition phase and the previously cautious marketers, hesitant of the mobile platforms, have realised that this is an integral part of the youth culture. They have been left with no other option but to establish their existence in this arena: a simple case of innovate or die. We can therefore expect more funding for research and development departments geared towards the digital arena as brands seek to find more meaningful engagement with the youth market using mobile platforms.

Establishing an existence is merely the first step, however working to making sure that there is relevance to that existence will be of much greater importance. This as mentioned before will come from having consistent insight into the market to ensure that brand companies are kept informed of current market trends that can impact the way they communicate with their consumers.

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