EDITOR'S NOTES

A Silver Lining

The William Mills Agency has released its 10th Annual "Bankers as Buyers" survey. The survey included a lot of things for technologists to be happy about. This year's findings indicate a slow but positive climb out of the financial crisis. Strength is returning to the financial services industry, and established technologies are gaining more ground, according to the research. Here's why:

Interestingly, this year's survey found the largest percentage increases in technology spending in the coming years will not be from the larger institutions, but from the next tier of banks, those between $1 billion and $10 billion, according to IDC Financial Insights.

Some key findings from this year's "Bankers as Buyers" survey include:

- North American financial institution technology spending is expected to increase to $57 billion according to IDC Financial Insights.
- A total of 14,210 financial institutions make up today's depository landscape, which is down 3.7 percent from 2011 according to the FDIC and CUNA.
- While much of the focus on payment technology is on mobile, financial institutions are looking at improvements in online payments, ACH, P2P payments and even prepaid payment cards to attract customers.
- Mobile Banking gained a stronger foothold in 2012 as financial institutions sought to meet increasing consumer demand for anytime, anywhere financial services.
- Consumer Mobile Banking is now used by 33 percent of mobile consumers according to Javelin Strategy & Research.
- According to the 2012 KPMG Community Banking Outlook Survey, 47 percent of respondents identified regulatory and legislative pressures as the most significant barrier to growth over the next year.
- Raymond James predicts North American bank IT spending will continue to grow at the three-year compound annual growth rate of 3.1 percent.
- An older technology that is getting increased adoption in financial institutions is branch/teller capture with a 98 percent expected adoption rate in 2013 and 2014, according to Celent.
- Cloud computing is a reality now, financial institutions no longer need to be convinced, rather executives are asking about different cloud strategies, according to Dan Holt, president and general manager, Managed Services, CSI.
- Being able to leverage data will be increasingly important to a financial institution's profitability, both in terms of serving consumers and in serving small businesses according to Jim Swift, CEO of Cortera.
- According to Celent, 80 percent of financial institutions are considering mobile RDC, enabling a consumer to take a picture of a check and email it for deposit.

IDC Financial Insights expects North American financial institution technology spending to increase to $57 billion though issues with the "fiscal cliff" or unforeseen economic difficulties could rein back technology spending. Raymond James predicts North American bank IT spending will continue to grow at the three-year (2009-2012) compound annual growth rate of 3.1 percent.

The largest financial institutions are seeing slower growth rates in technology spending than their smaller counterparts. According to IDC Financial Insights, the next tier of banks, those between $1 billion and $10 billion, will have the largest percentage increases in technology spending in 2013, 2014 and 2015.