

Mercantile Mobile Deposit Case Study

Mercantile Bank of Michigan –
Bringing Mobile Deposit to Retail Customers in 30 Days



Goals

Mercantile Bank of Michigan was founded as a community bank primarily serving small and medium-sized commercial customers. In recent years, the bank has shifted its focus in an effort to expand its retail bank portfolio and associated core deposits. To support these goals, Mercantile Bank has chosen to leverage technology to provide retail customers with a higher level of convenience and a superior customer experience. The bank believes that online and mobile solutions provide customers with more convenience than the more traditional route of building a larger branch network.

A large percentage of Mercantile Bank's customer base consists of baby boomers and older. Looking to diversify their retail portfolio by reaching new customer segments, Mercantile Bank understands the importance of the mobile channel in achieving this growth goal.

Mercantile Bank has established a sophisticated, easy to use online banking channel for both commercial and retail customers, in addition to a robust remote deposit capture (RDC) offering, initially designed for commercial clients. These innovative investments helped Mercantile Bank become a preferred brand for commercial clients and kept service costs low. Mercantile knew that these investments could be leveraged in the retail segment as well. Anticipating the appeal of mobile deposit in attracting a younger demographic, the bank wanted to bring these capabilities to market quickly.

Solution

Mercantile Bank selected Mitek Mobile Deposit® in a hosted environment through ProfitStars®, a Jack Henry company. Mobile Deposit offers retail customers and prospective customers an innovative and relevant mobile application that is easy to use, accurate and secure. It enables consumers and business people to deposit checks using their camera-equipped smartphones. Users can quickly and easily deposit checks from anywhere at any time, allowing more rapid access to funds. All users have to do is log into MercMobile® Deposit, then snap photos of the fronts and backs of the checks they want to



Highlights

Goal

Bring mobile deposit capabilities to market quickly to support retail banking customer acquisition and deposit growth targets

Solution

Mitek Systems Mobile Deposit® in a hosted environment through ProfitStars®, a Jack Henry company.

Results

- Deployed solution in just over 30 days
- Monthly enrollment for Consumer Deposit Capture (CDC) has increased 400%
- More than 20% of mobile banking customers were using Mobile Deposit within four months
- Value of retail deposits initiated via Mobile Deposit has surpassed those initiated via flat-bed scanner

deposit. The Mitek software does the rest — no trip to a branch or ATM required. Customers with iPhone or Android devices simply download the MercMobile® Deposit application to get started. Within seconds of uploading the transaction, the user receives a confirmation that the deposit was successfully received.

Mercantile Bank launched MercMobile® Deposit as an extension of its RDC solution, supporting the goal to enable customers to do business with the bank however the customer prefers.

Results

The Mercantile Bank retail banking segment is growing every month and mobile deposit is an important factor in that success. Through ProfitStars, Mercantile was able to deploy MercMobile® Deposit in just over 30 days, which met the important time-to-market goal. Consumer feedback has been very positive. Mercantile finds that demonstrating mobile deposit in its branches is an important component to successful adoption.

“Customers are amazed at how fast and easy it is to complete a deposit with a camera-enabled smartphone,” said Mike Kroft, vice president and eBanking services manager with Mercantile Bank of Michigan. “Once you see it, it sells itself. We were pleasantly surprised by how quickly we were able to deploy the solution and we are pleased with the adoption rates we’ve achieved to date. We expect the adoption rate to accelerate in the coming months.”

Approximately 14 percent of Mercantile Bank online banking users also use mobile banking, and more than 20 percent of mobile banking customers adopted MercMobile® Deposit within the first four months of availability. So far the average age of individuals using MercMobile® Deposit is 39 years. The demographics show that mobile deposit is not just for the younger generation but for anyone that has a smartphone and Mercantile Bank expects that MercMobile® deposit will continue to support the demographic diversification goals.

In the first four months since Mercantile deployed MercMobile® Deposit, monthly enrollment in the CDC program has increased by 400 percent. During this time, the dollar amount of monthly retail deposits initiated via MercMobile® Deposit has surpassed those initiated via the flat-bed scanner solution. This is due to both a migration of existing flat-bed users to the mobile channel, as well as new enrollments.

About Mitek Systems

Mitek Systems (NASDAQ: MITK) is the leader in mobile-imaging solutions, achieved through 25 years of R & D, patented technology and extensive experience in extractive imaging. The company invented and patented leading software solutions that allow consumers to use the cameras on their smartphones and tablets to deposit checks, pay bills, get quotes and transfer balances ... all by just snapping photos of documents. Offering outstanding customer experience and convenience while driving operational efficiencies, Mitek Systems' solutions enable organizations across industries to differentiate themselves from their competitors, attract and retain customers and ultimately increase their revenue and profitability. Current products include Mobile Deposit®, Mobile Photo Bill Pay™, Mobile Balance Transfer™, Mobile ACH Enrollments™, and the Mobile Imaging Platform™.

For more information about Mitek Systems, contact sales at 858-309-1704 or visit www.miteksystems.com.