

# Absa to launch first app next year

By [Sure Kamhunga](#)

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Absa plans to will launch its first banking application early next year and this week laid out its vision of using innovation as a means to grow and defend market share.



The banking application is being tested by about 100 staff before its launch in the first quarter of next year, says Adrian Vermooten, head of digital banking.

Vermooten and the head of the consumer banking unit, Simon Just, met the media in Cape Town to brief them on Absa's innovations. They include the launch this week of a new transactional banking product, targeted at entry level career graduates and professionals, called Potentiate.

Absa estimates up to 250,000 of its 12m customers can potentially use Potentiate. The bank says it plans to target more than 150,000 graduates entering the job market annually.

Potentiate has a first-to-market Titanium MasterCard embedded in it with the tap-and-go payment technology that allows a customer to pay for low-value transactions, and an LCD display providing a one-time PIN for added security when shopping on-line.

Just says this is merely the start of a "five-year journey" by Absa to introduce innovations and ensure the Barclays-owned group is not left behind by rivals, some of whom were first to market with banking applications.

Absa says it will announce at the end of the month a strategic partnership with an unnamed organisation to introduce "a South African first" in mobile payment acceptance technology.

It says the "game changing" technology will create new opportunities in the payments acceptance space and "is set to fundamentally change the way that merchants in the commercial and enterprise segments make payments."

Just says Absa has never felt pressurised to follow rivals despite perceptions that it has been lagging in producing a

banking application.

Rather, he says it has been quietly implementing an integrated digital strategy that includes mobile and online banking and introducing a new generation of ATMs with enhanced cash acceptance and security features.

"Throughout 2013 we will begin to roll out a lot of value-added products. For us it's a five-year journey and Absa is starting to convey how we are bringing value and choice," says Just.

Absa's innovation strategy proves the war for customers among the big banks has gone beyond claiming the supremacy of their products or their customer service. The banks are embracing the increasing convergence between mobile and banking technology to innovate.

First National Bank (FNB) was first to market with its banking application in July this year. It has also introduced other digital and mobile banking products, and has a three-year pipeline for more innovations, says FNB chief executive Michael Jordaan.

Standard Bank and Nedbank have also launched banking applications. Like FNB, Standard is now selling smart phones.

Just says Absa is investing in mobile payment solutions which bankers see as the future for banking. Insiders say Absa is working with Barclays to extend the Pingit international mobile money transfer service recently launched in Kenya.

Vermooten says Absa will build a new payment ecosystem in partnership with local mobile phone companies to ensure customers will be gradually migrated to payment technologies such as tap-and-go.

He says Absa is also revamping its over 8,500 ATMs in a three-year programme costing more than R450m.

More than 1,000 new ATMs have been installed and these are capable of, among other things, providing three-month bank-stamped statements to clients.

Absa is also migrating customers to digital channels such as mobile and online banking. The bank has more than four-million mobile bank customers.

*Sure Kamhunga was hosted by Absa in Cape Town .*

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