



# VeriSign Mobile Banking Survey

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# Objectives/Methodology

- + VeriSign commissioned Palmer Research to conduct a major study on mobile phone banking working in conjunction with Fiserv and M-con.
- + The objective: determine awareness of and interest in using mobile banking among US consumers as a technology to assist them in better managing their finances.

<b>Survey Format</b>	50% phone/50% email panel
<b>Questionnaire Design</b>	Palmer Research with input from VeriSign, Fiserv, M-con
<b>List Source</b>	Phone: BRG Research Services, Email: E-rewards panel
<b>Incentive</b>	Phone: None, Email: airline/hotel points from E-rewards
<b>Respondents</b>	501 US consumers with mobile phones and not active regular users of online banking.
<b>Field work</b>	Executed: June 29 to July 8 2009 by Palmer Research
<b>Margin of Error</b>	+/- 4.5%

# Survey Highlights



# Mobile Phone Banking: Efficient and Cost Effective

- + US consumers are micro-managing their money, looking for ways to enhance and speed up the reporting and receipt of their financial information.
  - Almost 2/3rds of consumers surveyed are contacting their financial institution once a week or more.
- + Mobile banking appears to have strong potential as a new way for consumers to stay on top of their finances.
  - Nearly 1/2 of respondents chose receiving their financial information anytime and anyplace as a key benefit of mobile banking.
- + Traditional means offered by financial institutions to connect with their customers are far more costly than mobile banking.\*
  - Tower Group estimates that banks pay \$4 per customer visit, \$3.75 per call center connection, \$1.25 per IVR call, \$.85 per ATM use.

\*M-Con a major system integrator, estimates a mobile phone connection costs only \$.08.

# Core Target and Barriers to Adoption

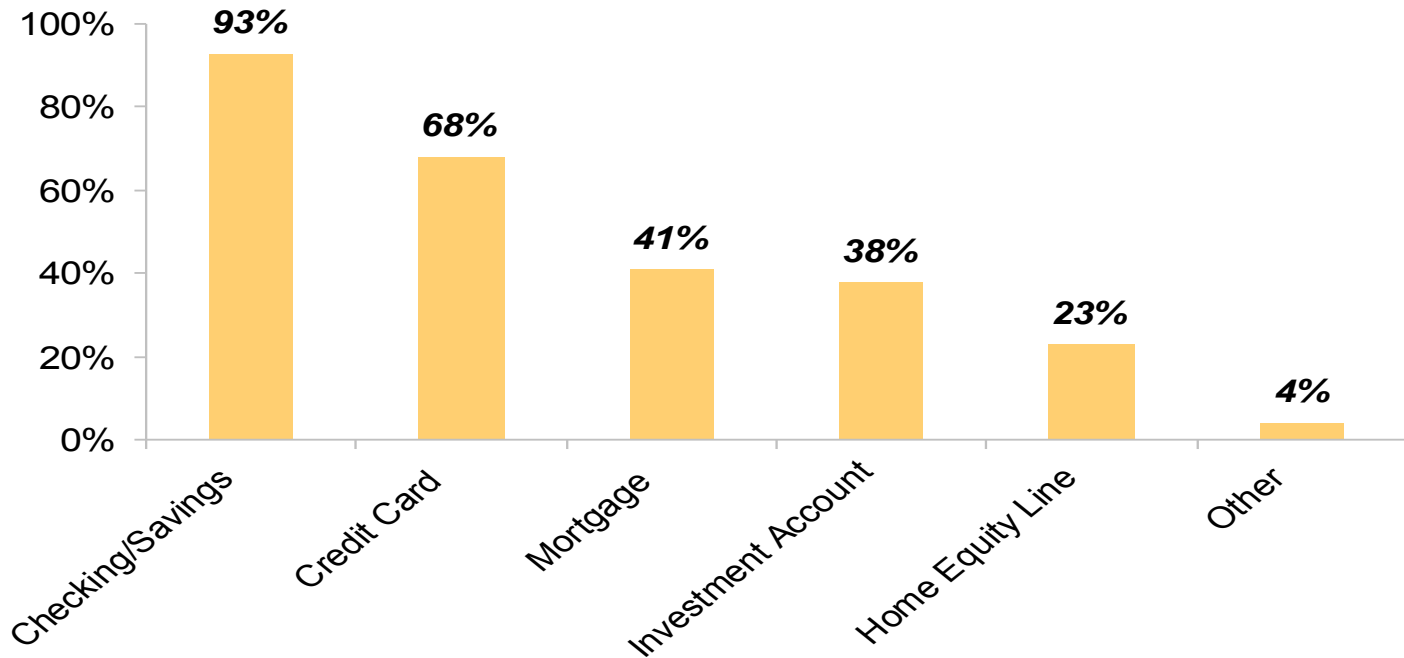
- + Financial institutions should target the growing audience of smart phone users as early adopters for mobile phone banking.
  - While only 6% of the survey respondents use mobile phone banking, 21% of smart phone/high end device owners are using it.
- + Transaction security is a major concern among consumers and could be a potential barrier to increased penetration.
  - Over 50% of consumers polled cited “fear transactions are not secure” as a reason that would prevent them from doing mobile phone banking.

# Survey Details



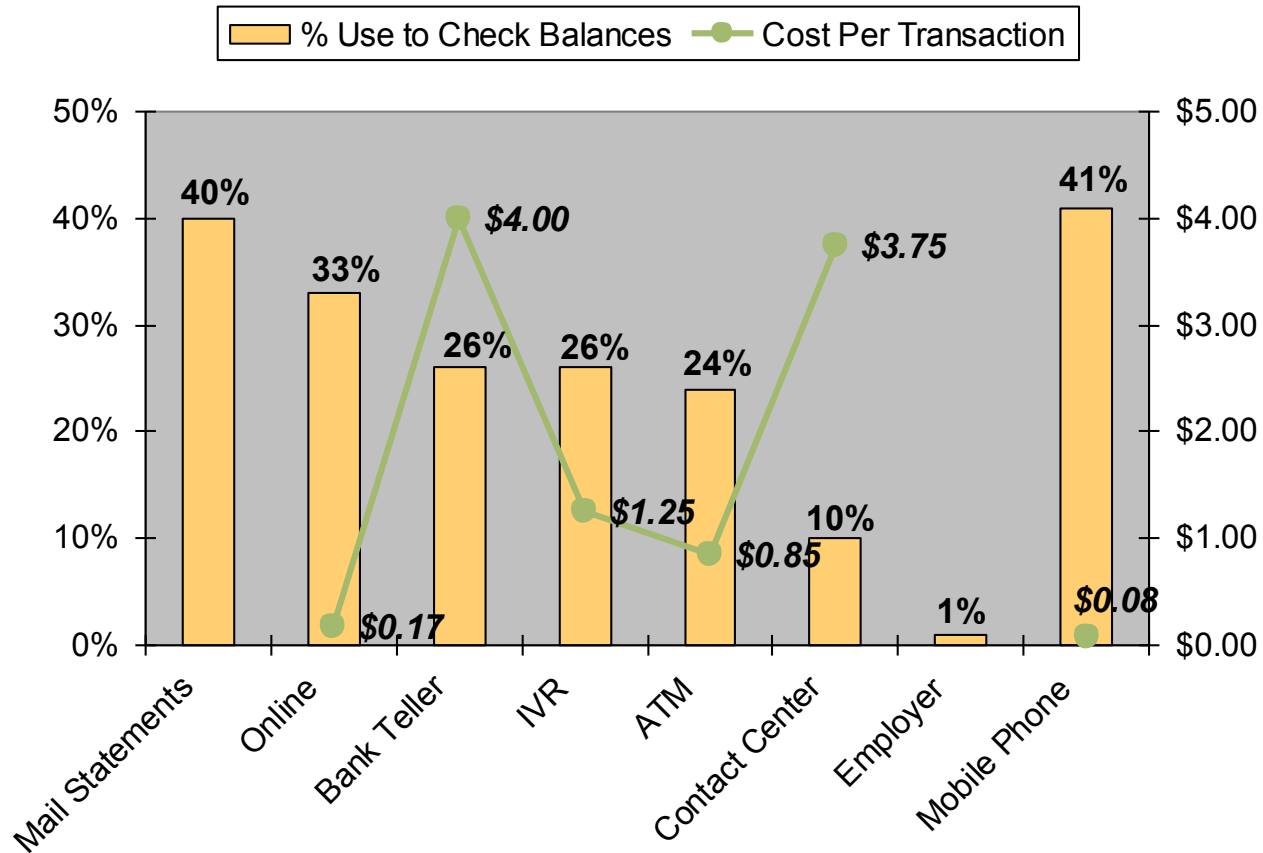
# Consumer Account Services By Type

**Consumers surveyed had many different types of relationships with their financial institutions**



**Which of the following types of relationships do you have with financial institutions such as banks, credit unions, or savings and loans? Check as many as apply.**

# Channels Used to Check Balances vs. Cost



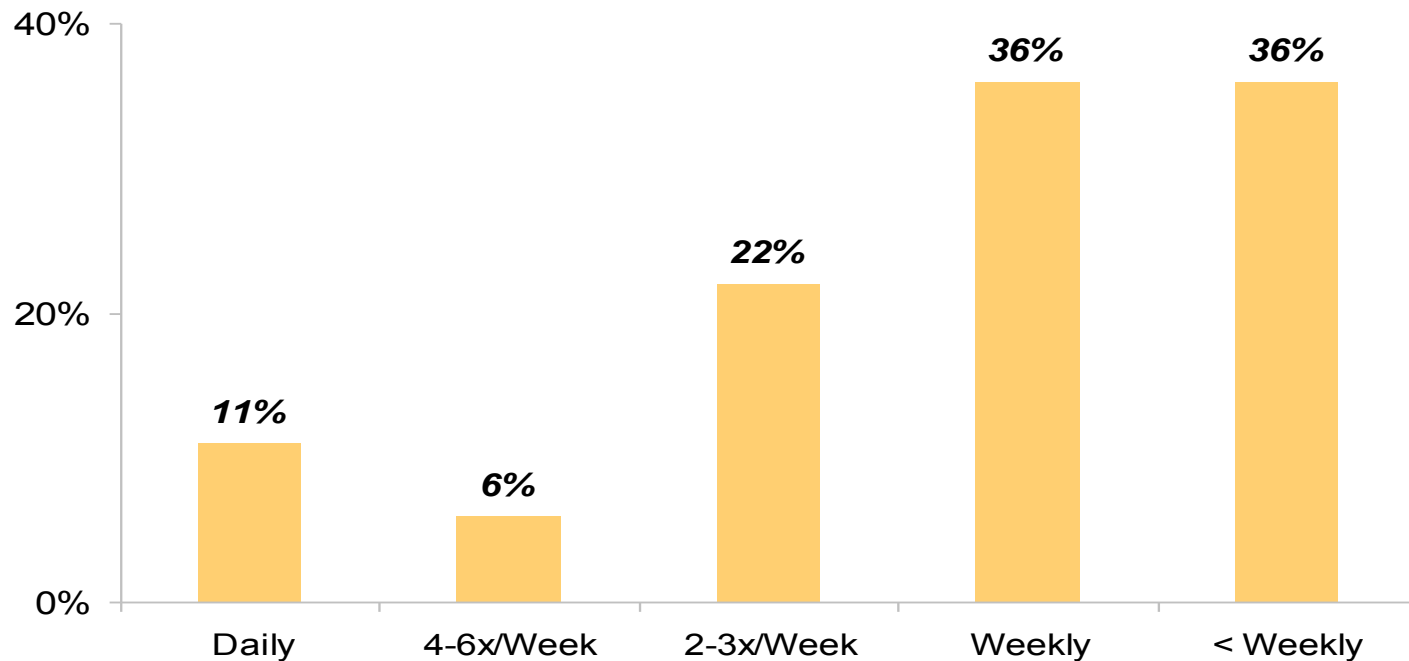
How do you currently check your account balances and review recent transactions? Check all that apply.

Data Sources: M-con for mobile costs and Tower Group 2009 Survey for all others



# Frequency of Consumer Bank Interactions

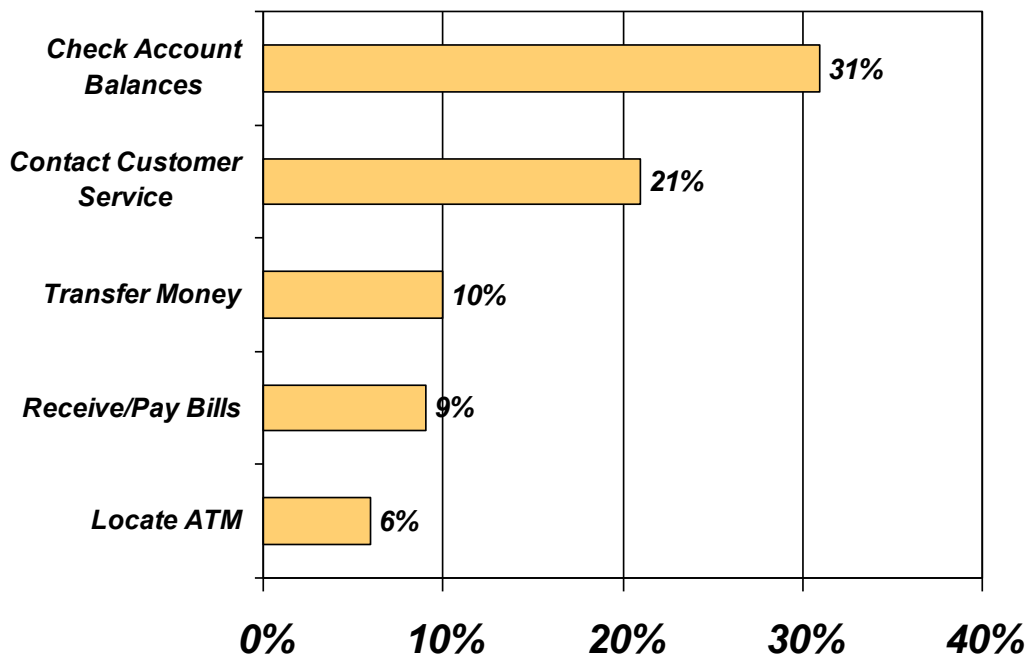
**Consumers are micro-managing their money---they interact with their bank on average twice a week**



**How often do you interact with your bank through any of the channels it provides?**

# Reasons for Consumer Banking Contact

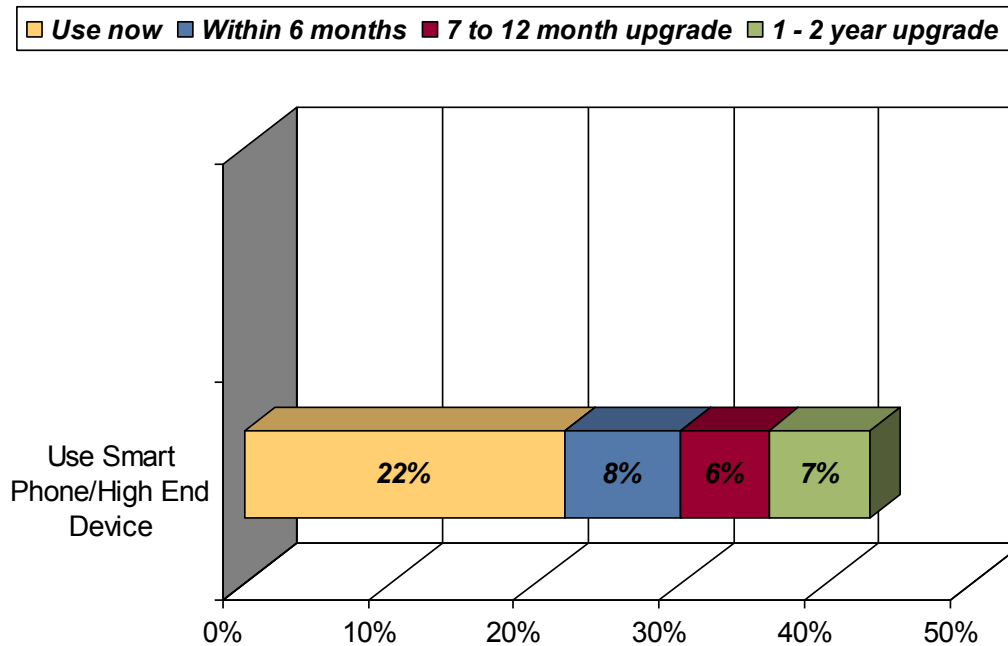
**Nearly half of the survey respondents have contacted their bank's call center or IVR to help control their finances**



**Did you contact your bank's call center or automated voice response system to help you control your finances in any of the following ways? Check all that apply.**

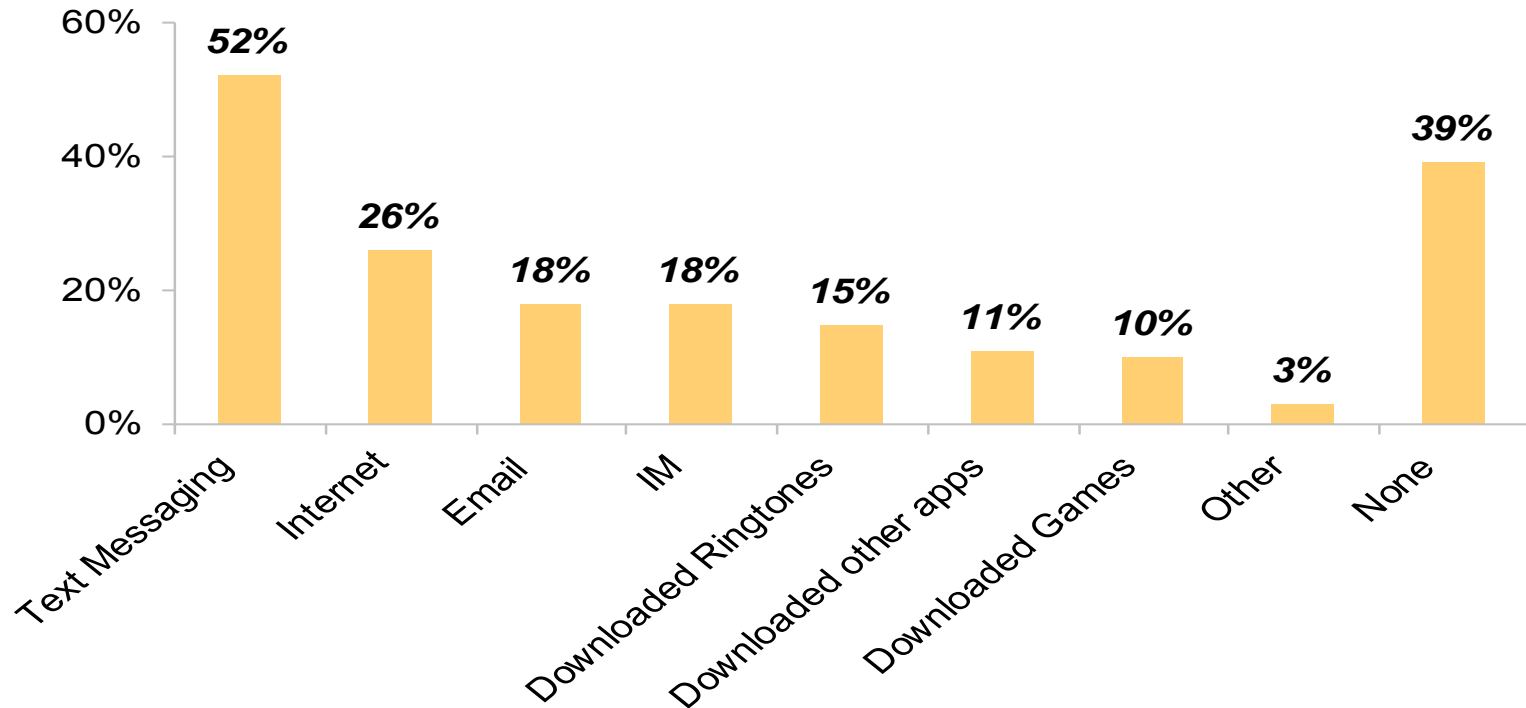
# High Growth of Smart Phones/High End Devices

**Smart phones/high end device ownership will more than double within the next two years to 43% of consumers**



**What kind of mobile/cell phone do you primarily use? Do you anticipate upgrading to a smart phone or high end device? If so, indicate the time frame you would upgrade. If not, indicate you have no plans to upgrade.**

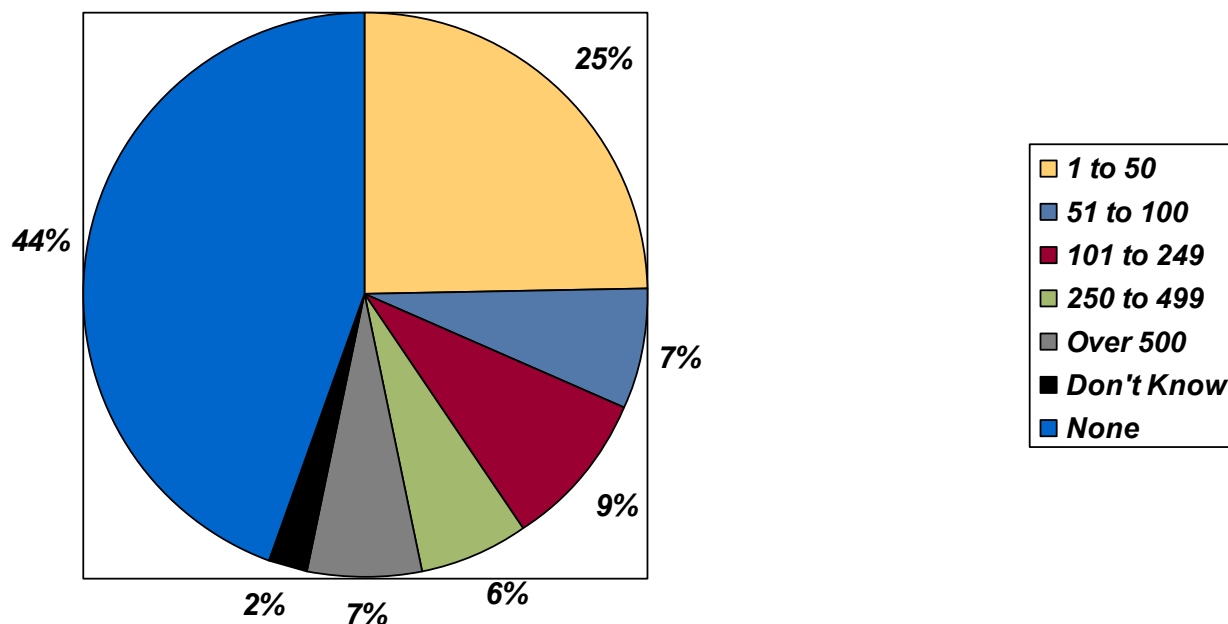
# Mobile Phone Features Used – Past 30 Days



Which of the following features of your cell/mobile phone did you use in the past month? Check all that apply.

# Frequency of Text Messaging

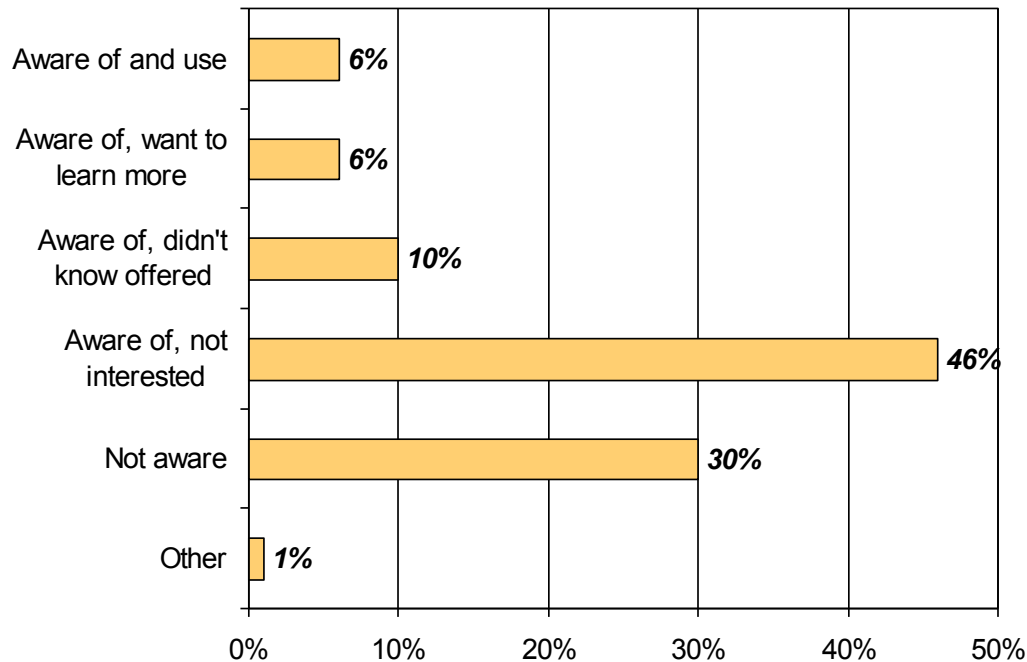
**On average, mobile phone users send/receive 171 texts/month  
Smart phone/high end device users average of 212 texts/month**



**Do you use your mobile phone for sending or receiving text messages? If yes, please indicate approximately how many messages you send and receive per month. If no, answer "I do not text".**

# Mobile Phone Banking Awareness & Usage

**Mobile phone banking is only in the “2<sup>nd</sup> inning” and shows tremendous potential for growth**



**What is your awareness of mobile/cell phone banking? Please check only one.**

# Interest in Mobile Phone Banking Activities

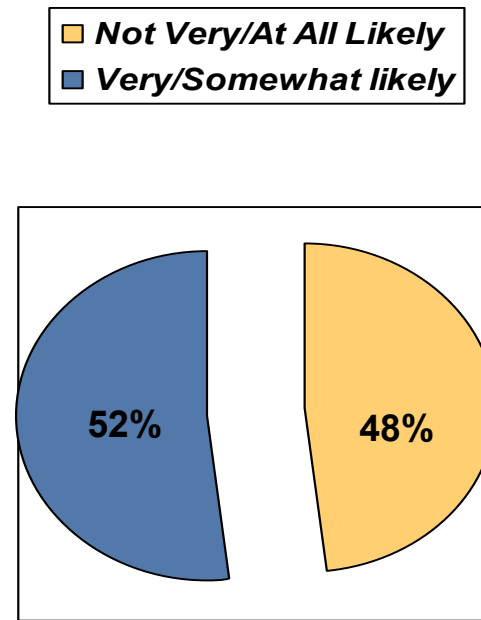
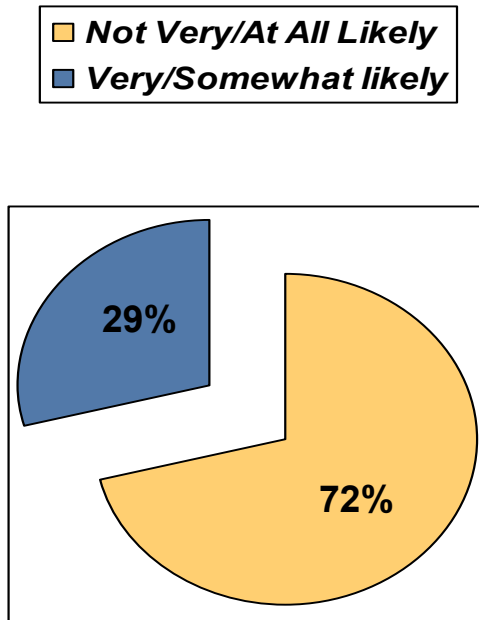
**Consumers are highly enthusiastic about the banking activities they would engage in within a typical month on their mobile phones**

<b>Mobile Phone Banking Activity</b>	<b>% Yes/Maybe</b>	<b>% Will Do Base = 501</b>	<b>% Will Do Base = 327</b>
<b>Check account balances</b>	55%	41%	71%
<b>Check credit card balances/ available credit</b>	42%	37%	46%
<b>Contact customer service</b>	52%	37%	57%
<b>Locate ATM</b>	41%	30%	47%
<b>Transfer money</b>	37%	24%	37%
<b>Receive/pay bills</b>	30%	16%	24%
<b>Send/receive money</b>	16%	6%	9%

**Indicate which of the following banking activities you would carry out in a typical month using a mobile phone?  
Check yes, maybe or no for each activity listed. Which of these activities do you think you would  
want to do through a mobile device? Check all that apply.**

# Likelihood of Using Mobile Phone vs. Debit Cards

**Most consumers are not likely to use their mobile phone for making/receiving payments, but smart phones users are more inclined to do so.**

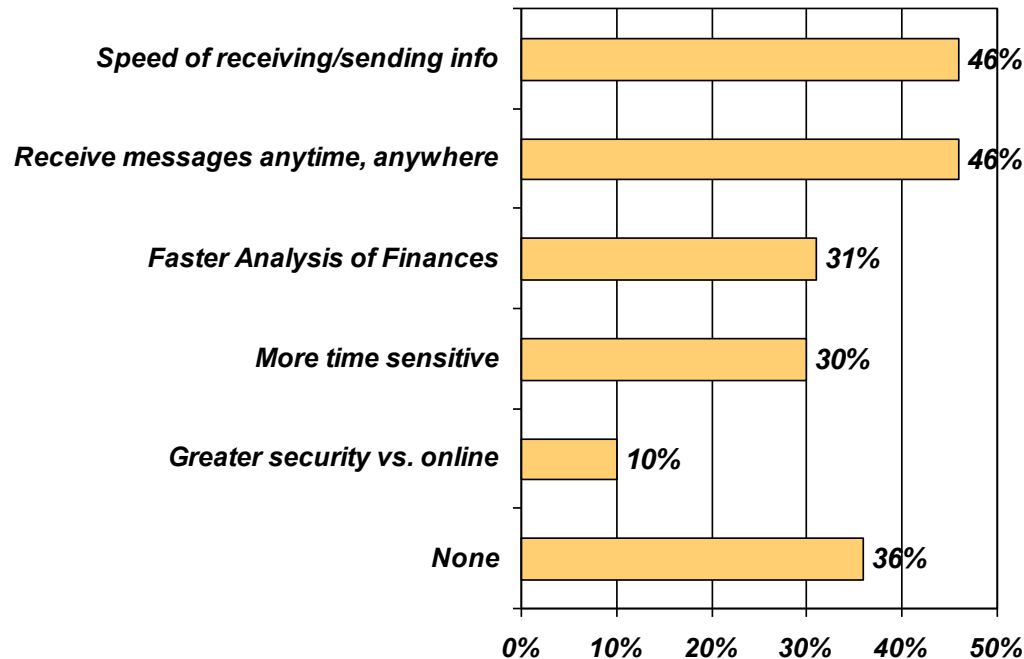


**How likely would you to be to use your mobile phone to make/accept a payment if it were possible instead of using a cash (debit) card? Check only one.**



# Perceived Benefits of Mobile Phone Banking

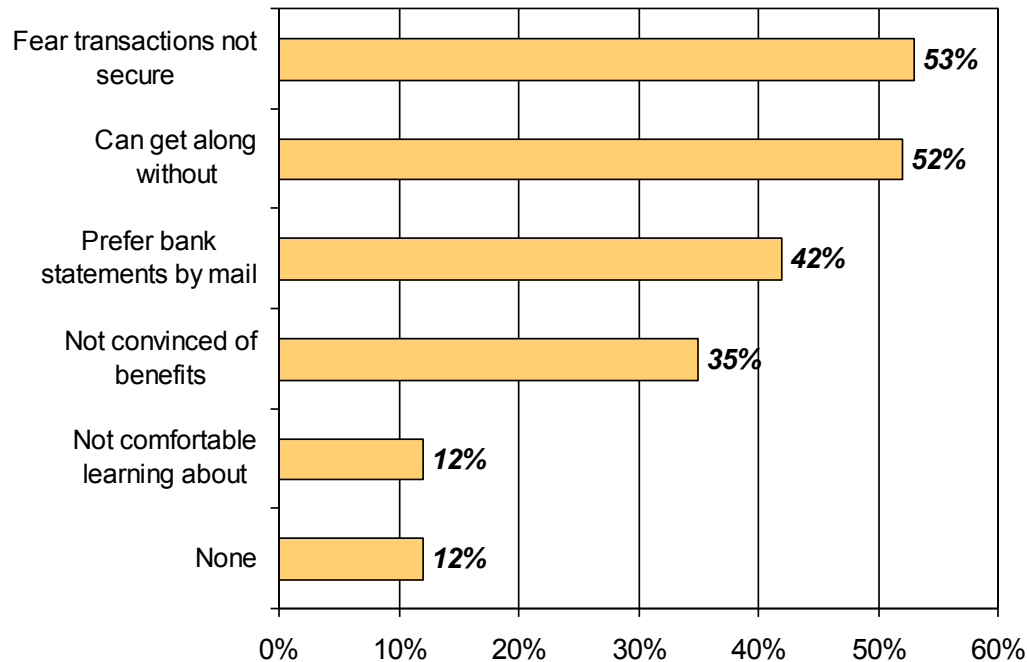
The top two perceived benefits associated with mobile phone banking are rapid access to information and receiving messages anytime or anywhere



Please indicate the perceived benefits of mobile banking. Check all that apply.

# Concerns About Mobile Phone Banking

**Bankers need to mitigate the fear consumers have about the lack of security associated with mobile phone banking**



**What are the major reasons that would prevent you from doing mobile banking. Check all that apply.**

# Conclusions & Demographics

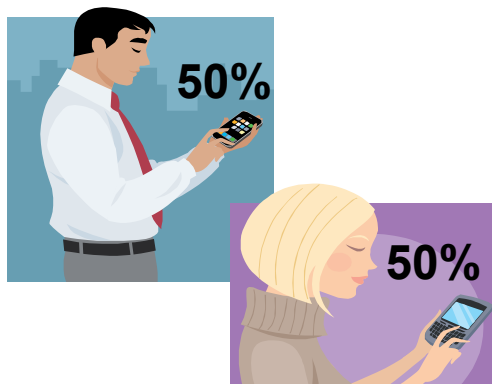


# Conclusions

- + Mobile phone banking will deliver financial information to consumers in a more timely and accessible manner, enabling them to better manage their finances.
- + By adding mobile phone banking to the traditional means of how consumers connect with them, banks will be able to reduce the costs associated with servicing their accounts.
- + Smart phone and high-end devices users represent a fast growing market and a prime target for mobile phone banking services.
- + Banks must strive to mitigate the fear that consumers have about inadequate security related to mobile phone banking.

# Survey Demographics

## Gender

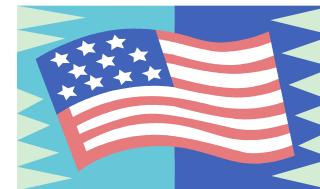


## HH Income



**Median: \$57.5k**  
**Mean: \$66.9k**

## US Citizenship



**Yes: 97%**  
**No: 2%**  
**Refused: 1%**

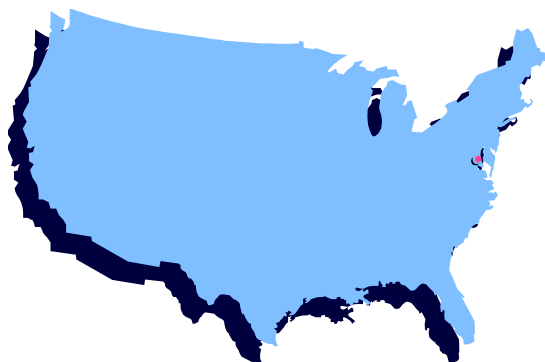
## Age



**Median: 44.6**  
**Mean: 44.8**

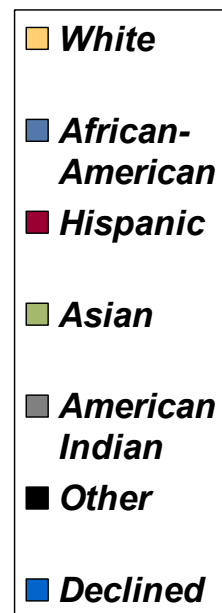
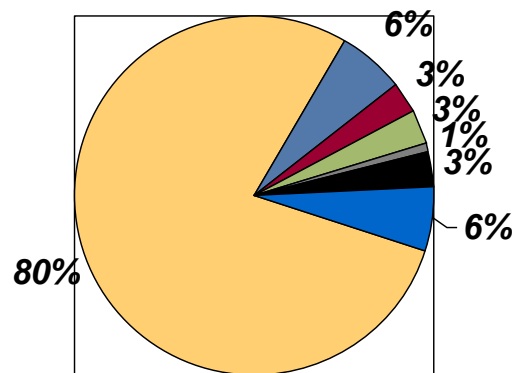
# Survey Demographics

## Geographic Region



<b>East</b>	14%
<b>South</b>	34%
<b>Midwest</b>	32%
<b>West</b>	18%

## Ethnicity



# Questions + Answers

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Q + A

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QUESTIONS + ANSWERS

Thank You

