

ING International Survey

Mobile Banking, Social Media and Financial Behaviour

**MAY
2014**

Financial Empowerment in the Digital Age 2014



This survey was conducted by
Ipsos on behalf of ING

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About the ING International Survey

The ING International Survey aims to gain a better understanding of how retail customers – and potential customers – of ING Bank around the globe spend, save, invest and feel about money. It is conducted several times a year, with past reports online at www.economics.com/iis.

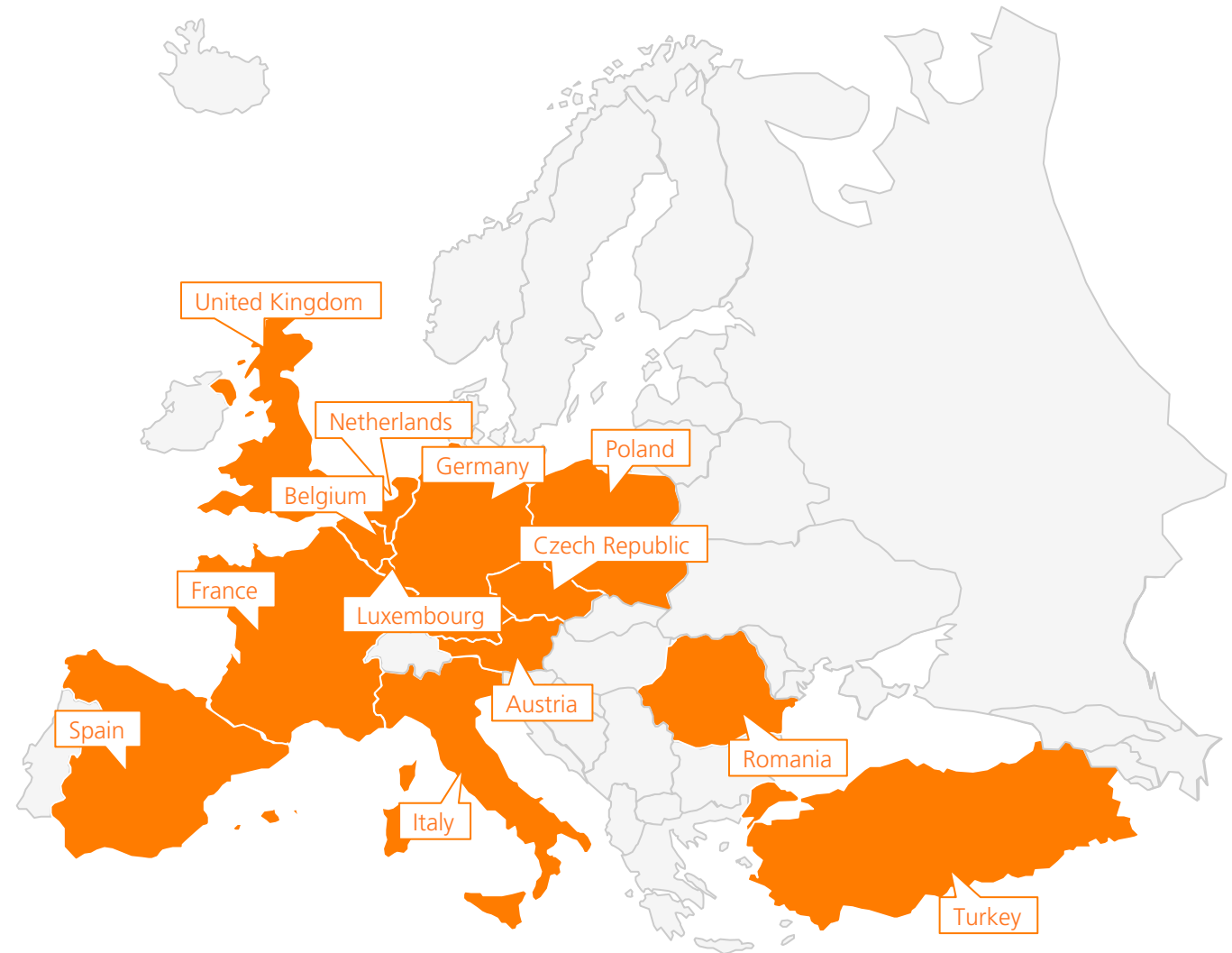
This survey was conducted by Ipsos between 20 February and 14 March 2014 using internet-based polling and, in Poland, a portion of telephone-based polling.

European consumer figures are an average, weighted to take country population into account.

13 countries are compared in this report.

1,000 About 1,000 respondents were surveyed in each, apart from Luxembourg, with 500.

12,403 is the total sample size of this report



More mobile, less cash

Mobile banking is maturing, with longer term users in Europe showing signs their money management is getting better and better. Cash is being used less – but which payment type will be the new favourite?

For the second consecutive year, the ING International Survey is exploring how people in Europe are using mobile banking and new ways to pay. In what is thought to be one of the biggest and most comprehensive surveys of its type, the results of the survey reveal insights into whether mobile banking is helping users manage their money better.

1. **The Netherlands, Luxembourg and Austria are again the most developed mobile banking markets** in 2014, while for the second year in a row **Turkey is the top mobile banking “hotspot”** as it shows potential to rise significantly as internet penetration rises.

2. The almost 5,000 people surveyed who use mobile banking **tend to be younger, earn more and be more on top of their financial matters** than non mobile bankers. In fact, 80% indicated **mobile banking had improved the way they manage their money**. Our mobile bankers are more likely to read money blogs but also more **prone to regularly buy something on impulse**.

3. People who have been using mobile banking for longer are more likely than newer users to say the technology improved the way they manage money. **It seems the positive change from mobile banking is better and better the longer it is used.**

4. **Fewer people in Europe are expecting banks to use social media this year**, compared with the survey last year. Although the social media demand fell, **many people in Europe do want personalised alerts and reminders from their bank**. Mobile bankers are even more eager to get intelligent tools from their bank to help them make better financial decisions.

5. New technology is not only playing a role in the ways we bank, it also changes the ways we shop and pay. **Cash is being used less often than a year ago** by about half of people in Europe **but the pace change over the next 12 months may not be rapid** as only one-in-five of our “cash devotees” who have not cut use of cash in the last year think they will use cash less in the next year.

6. Since last year, **comfort around contactless payments has risen a lot in Romania and Poland, both early adopters of the technology**, with modest rises in France and Italy. However, the opinion in Europe as a whole remains split. Mobile bankers are more likely to be confident using contactless payments.

7. Despite the hype, **few people in Europe see digital currencies – such as Bitcoin – as “the future of spending online”**, with 76% disagreeing with that statement or not having an opinion about it.



- Ian Bright, ING senior economist

Meet the mobile banker

Mobile banking allows people to manage their money on the go. But what types of people use it most? In the ING International Survey on Mobile Banking, Social Media and Financial Behaviour 2014, we asked more than 12,000 people in Europe if they use mobile banking and found almost 5,000 who did.

Mobile bankers are...



young & wealthy

Mobile banking is most popular among people aged 25-to-34 years. The average income of mobile bankers is about €200 a month more than people who don't use mobile banking.



well connected on social media

Mobile bankers are more than twice as likely to read financial blogs and contribute to online forums about money matters.



impulse shoppers

Four-in-ten mobile bankers admit to regularly buying something on impulse, compared with 28% of others. Does ready access to their bank balance give them a sense of financial security to "buy now"?



on top of their money matters

Almost a quarter of mobile bankers say "since using mobile banking, I have never missed a payment".



Feeling in control with mobile banking –
and better and better the longer we use it

thinkforward



Most “developed” mobile banking market is the Netherlands

The Netherlands, Luxembourg and Austria are again the most developed mobile banking markets in 2014.

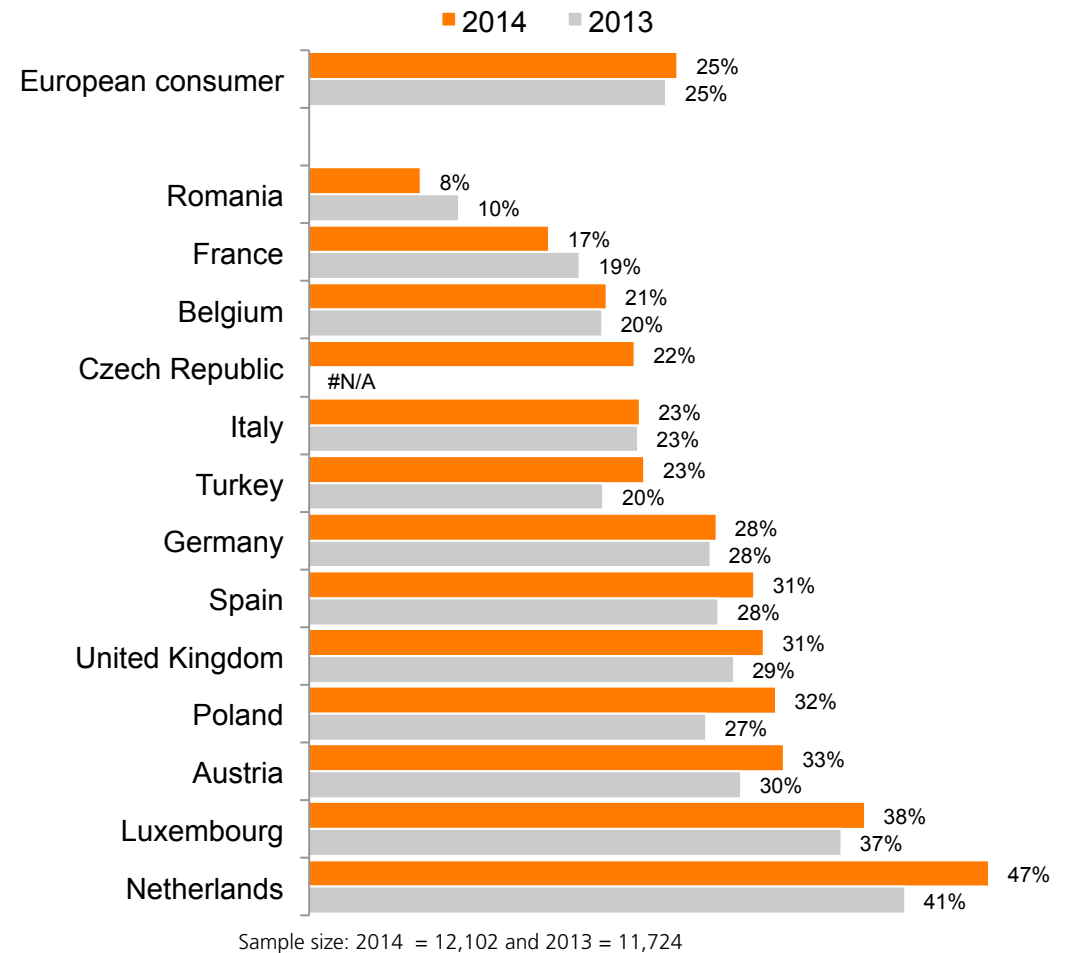
Our measure of the degree to which mobile banking is “developed” is formed by multiplying the percent in each country surveyed who responded they use mobile banking by internet penetration in each country, as reported by the Organisation for Economic Co-operation and Development (OECD). This is particularly useful as this ING International Survey is internet-based and adjusting in this way gives a proxy for the whole population.

For Poland, responses to this question are based only on those answering by internet to allow comparison with the 2013 results. There is no year-on-year data for the Czech Republic as it was not surveyed in 2013.

THE QUESTION

Do you use mobile banking?

Percent who answered “yes”, multiplied by internet penetration



Turkey top future mobile banking "hotspot"

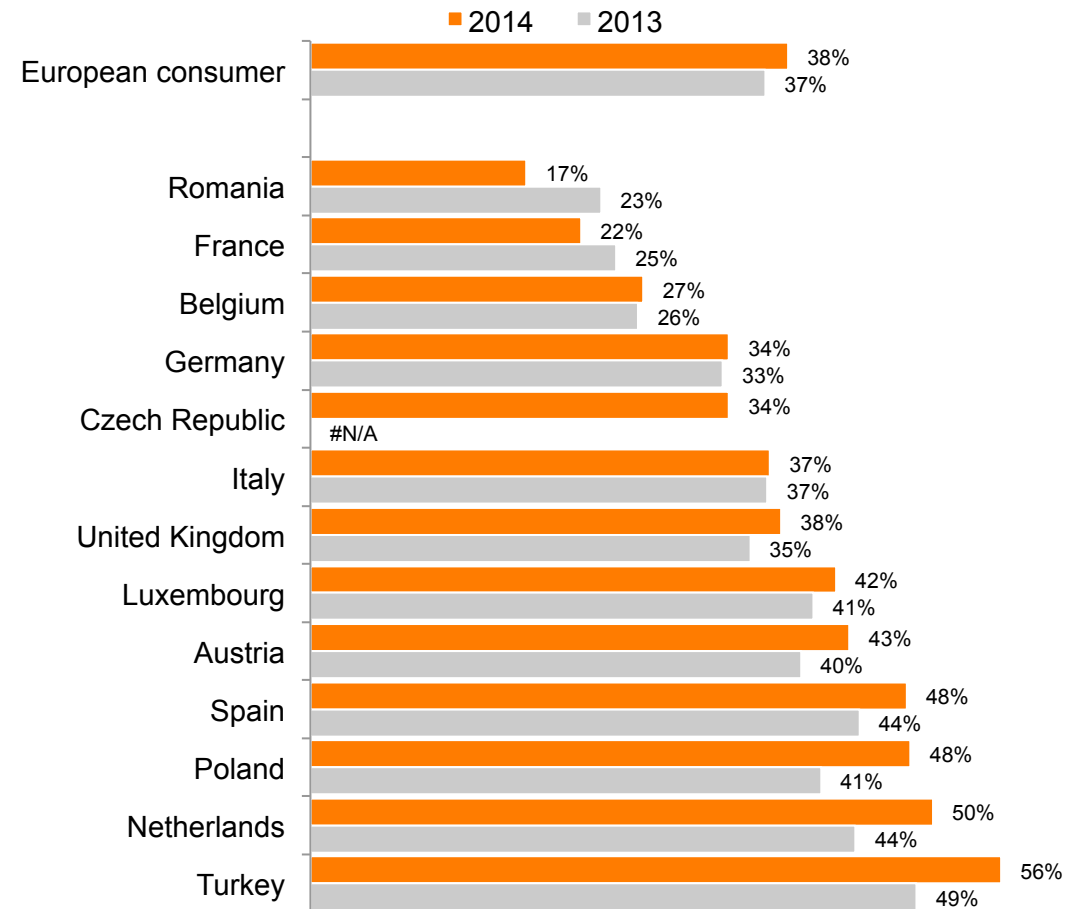
Turkey has the largest share of internet users who use mobile banking, making it the top mobile banking "hotspot" again in 2014. Turkey has the eighth highest use in the developed, internet-adjusted measure (p7) but as internet penetration increases, mobile banking is set to rise.

Uptake rose in nine of 13 countries surveyed, although increases and decreases of 3% or less may be due only to sampling variability and could be considered as representing no change.

THE QUESTION

Do you use mobile banking?

Percent who answered "yes"



Sample size: 2014 = 12,102 and 2013 = 11,724

On the move – and managing money better

People who use mobile banking can manage their money on the go but say the technology changes the way they bank in other ways as well.

Asked how mobile banking has changed the way they manage their finances, four-in-five – or 80% – of people in Europe who use mobile banking identified a positive change, such as being more in control of finances or improved money management. Only one-in-five responded that mobile banking had not changed the way they managed their finances.

People in Turkey – which also has a high uptake of mobile banking – were most likely to say mobile banking had changed the way they manage money, followed by Poland, Spain, Italy and Romania.

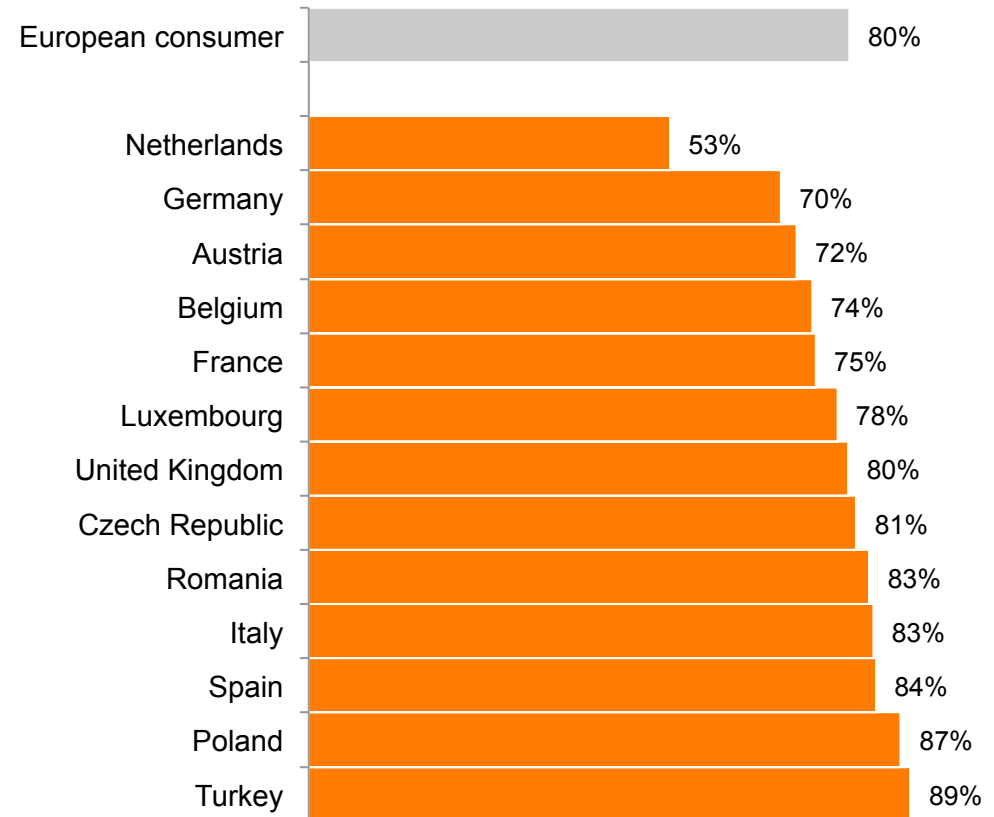
At the other end of the spectrum is the Netherlands – also a developed market for mobile banking – where just more than half say mobile banking had changed the way they manage their money.

When non mobile bankers were asked why they did not use the technology, this year there was a change in the most commonly cited reason. Last year, not having a mobile device was the most common reason but this year distrust of security of mobile banking was more common – however, this might be more to do with the spread of smartphones and tablets than a rise in security fears.

THE QUESTION

How has mobile banking changed the way you manage your finances?

Percent who gave an answer indicating their money management had improved (Did not answer “none of these”)



Sample size: 4,545

Mobile and “more in control”

Looking at the specific ways mobile banking has changed the way users in Europe manage their money, being “more in control” of finances is most common.

Improved money management is also common, as is paying bills on time more often. A large number – almost a quarter – say “since using mobile banking, I have never missed a payment”, suggesting they are keeping a close watch on income and spending, and are using mobile banking to help stay on top of their financial commitments.

People in the survey could leave a comment on how mobile banking had changed the way they managed their money. Many mentioned saving time and ease of use.

One person in the Netherlands remarked: “If I have to pay for something for my friends or family, I do that using mobile banking faster than cash.”

From Poland: “I have the opportunity to check the status of my account at any time.”

But one from Turkey warned: “I am wasting more money.”

THE QUESTION

How has mobile banking changed the way you manage your finances?

Percent who answered “Since using mobile banking...”



Sample size: 4,545

Positive effects wear off? Not for mobile banking

People who have been using mobile banking for longer are more likely than newer users to say the technology improved the way they manage money.

It seems mobile banking is better and better the longer it is used. Of people who first used mobile banking in 2012 and earlier, 84% say it has improved their money management compared with 79% who first used it in 2013 and 2014.

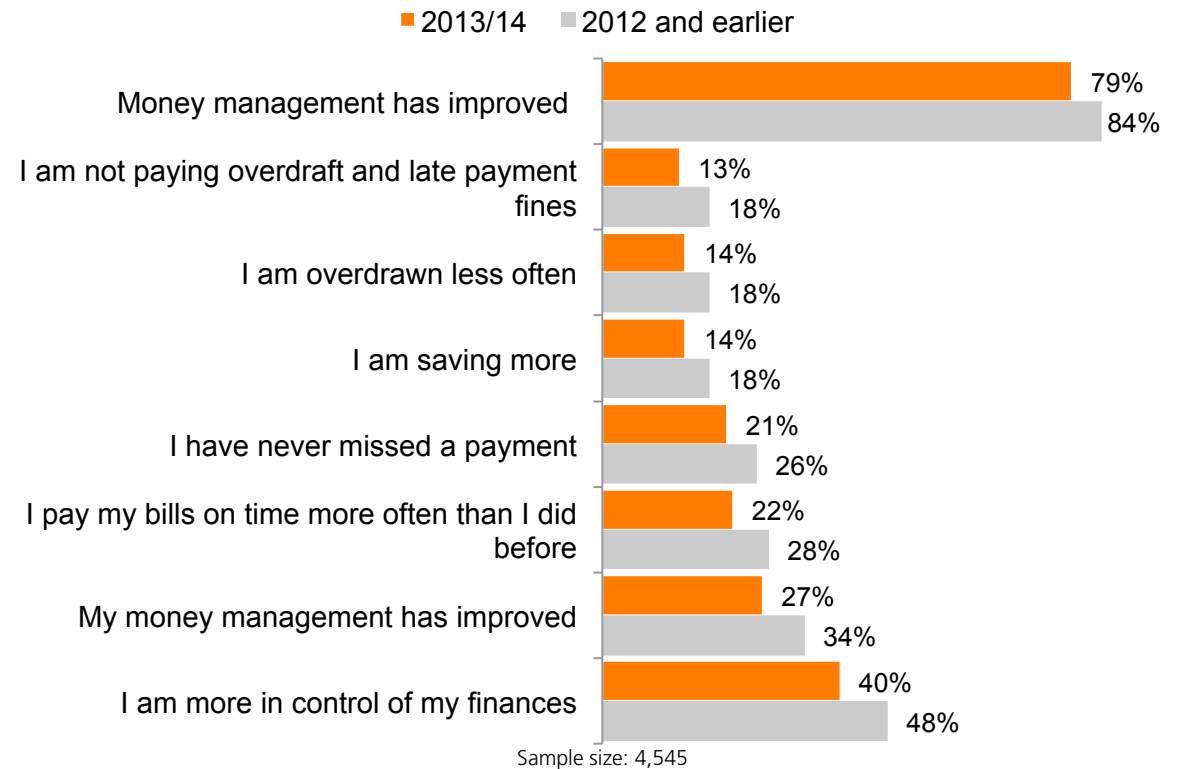
Instead of the positive effects wearing off over time, they appear to gain momentum.

In every type of positive change, be it being more in control, improved money management, never missing payments, established mobile bankers are more likely to have felt the effect than newer users.

THE QUESTION

How has mobile banking changed the way you manage your finances?

Percent who answered, "Since using mobile banking..."



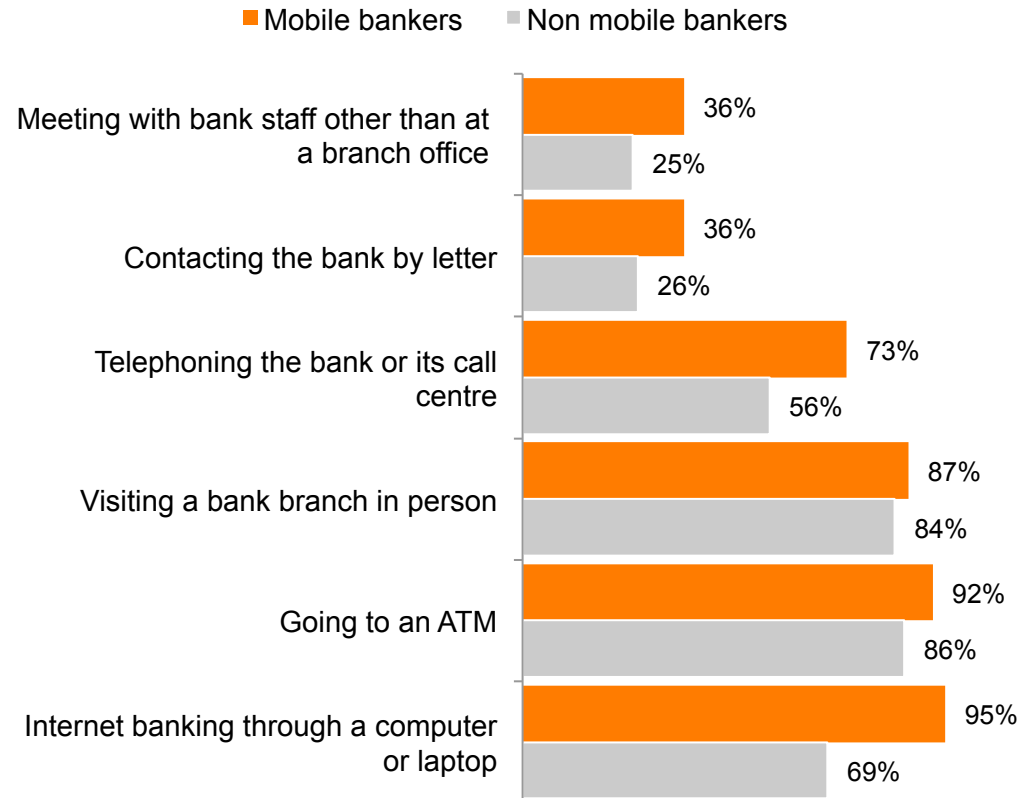
Mobile bankers connect on many different platforms

Mobile bankers appear to be “up close and personal” with their bank in the way they manage money. Not only can they use their mobile device to bank, they are also much more likely to use online banking via their computer and call their bank on the telephone. Even automatic teller machine (ATM) use, meeting bank staff and writing to the bank are slightly more common among mobile bankers.

THE QUESTION

Which of the following types of banking do you use and how often

Percent who answered...



Sample size: 12,403

The other side of mobile banking: Buying on impulse and following the herd

There are plenty of positives associated with mobile banking, but it is also linked with some more challenging characteristics. Of people in Europe who use mobile banking...

40%

regularly buy on impulse.

Impulse shopping can lead to overspending – and people who use mobile banking are much more likely to say they do it. Overall, 40% of mobile bankers say they regularly buy something on impulse compared with 28% of people who don't use mobile banking.

Perhaps ready access to their balance gives mobile bankers a sense of financial security to “buy now”.

28%

follow “the herd” when making financial decisions.

Individual circumstances will often dictate the best outcome of a financial decision. But mobile bankers in Europe are much more likely to agree financial decisions of friends and family heavily influence their own, than the 19% of non mobile bankers who agreed.

68%

made the financial decision to “live a low cost lifestyle”.

compared with 77% of non mobile bankers. Living a low cost lifestyle might include having a less expensive house, driving a cheaper car or other measures that can add up to make a significant difference over many years.

19%

don't have enough time to properly manage their finances.

Mobile bankers are more likely to be “time poor”, compared to the 16% of non mobile bankers who don't have enough time to manage their finances.

It might pay for this group to set aside time dedicated to manage their finances in a bid to avoid the pitfalls of procrastination and delays.



Social media expectations fall but high demand for intelligent tools

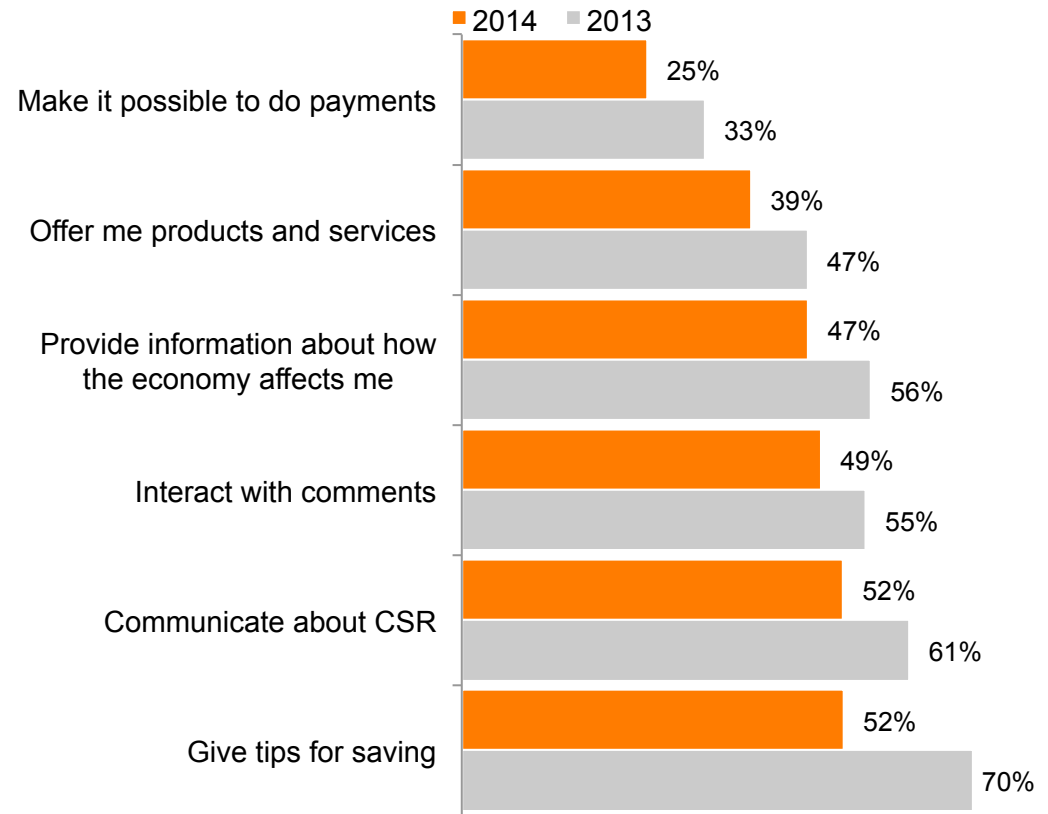
Social media demise?: #pay no longer trending

Fewer people in Europe are expecting banks to use social media in the survey this year, compared with last. When asked how they expect banks to use social media, fewer people this year responded they expected banks to make it possible to do payments, to offer products and services, provide information about the economy and to interact with comments. The share expecting messages around corporate social responsibility (CSR) and tips for saving also fell, but remained above half.

THE QUESTION

“I expect banks to ... on social media”

Percent who answered “strongly agree” or “agree”



Sample size: 2014 = 12,403 and 2013 = 11,724

Give me intelligent tools for money management

Although the social media demand fell, many people in Europe do want personalised alerts and reminders from their bank.

When asked which tools they would use, the most popular are alerts to stop them making financial mistakes (such as a low balance or overspending).

Mobile bankers are more willing than people who do not use mobile banking to use these sorts of alerts, graphics and other tools.

There is a particularly large difference in willingness to use a tool to set specific savings goals and to use graphics that show progress towards savings goals.

Automatic categorising of spending into clothes, meals out and other costs is also very popular among mobile bankers.

Few respondents actually use these alerts now, perhaps because they are not widely offered.

	Mobile bankers who "would use"	Non mobile bankers who "would use"
An alert if my balance falls below a set amount	59%	52%
An alert to tell me if I am overspending	56%	46%
A tool to set specific savings goals	50%	36%
An alert if I am not paying off debt as quickly as planned	48%	38%
Graphics to show my progress towards specific savings goals	48%	35%
Graphics to show how quickly I am paying off debt	46%	35%
An account that ring-fences my fixed expenses on payday	42%	33%
Tips, e-mails and videos about managing money	41%	31%
Automatic categorising of my spend on clothes, meals out and other costs	41%	29%
Comparisons to show how my spending compares to people like me	31%	21%

Mobile bankers more likely to save regularly

Regularly putting money into savings each month is seen as a positive financial habit.

People in Europe who use mobile banking are significantly more likely to say they regularly save each month than people who don't use mobile banking.

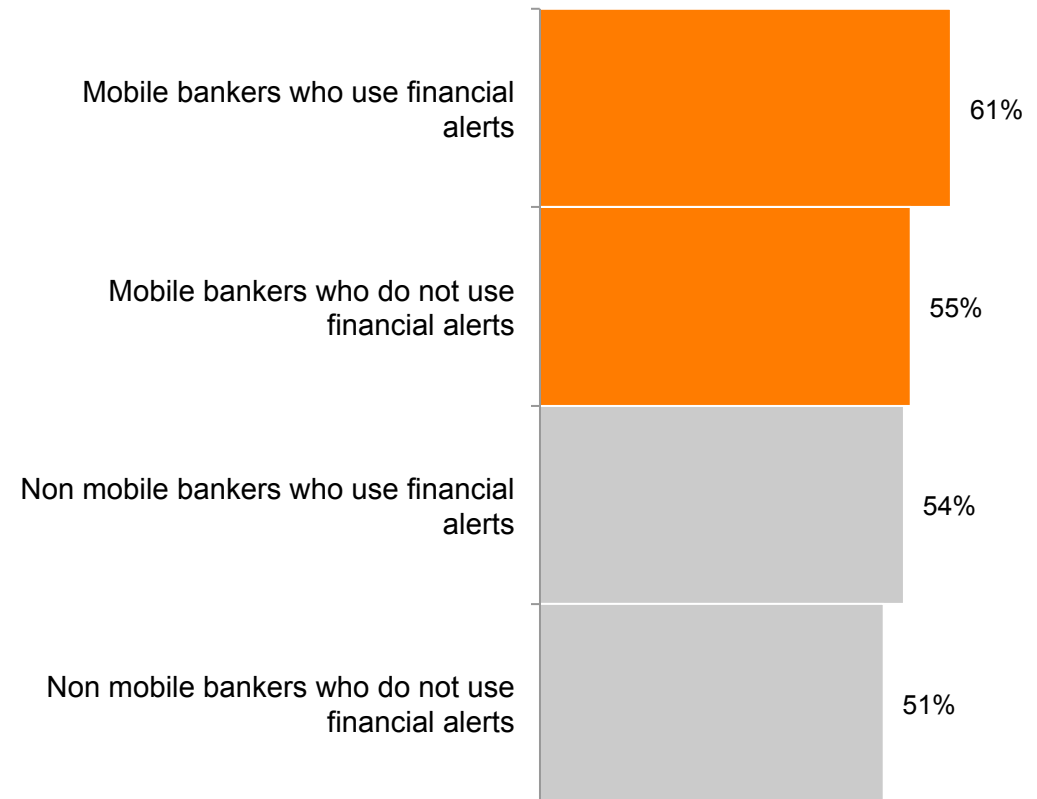
In addition, people who use personalised alerts and reminders (similar to those described on p16) are also more likely to say they regularly save each month.

There are many reasons why these saving habits are developed (such as the higher median income of mobile bankers). And, used well, mobile banking and intelligent tools may be one of the reasons.

THE QUESTION

"I regularly save each month"

Percent who answered "strongly agree" or "agree"



Sample size: 12,403



Cash use falling but questions remain over contactless payments and "Bitcoin"

Cash less but not cashless (yet)

About half of people in Europe say they use cash much less now than they did a year ago.

Alternative ways to pay include debit and credit cards, transferring funds directly, sending money by text message, contactless payments and more.

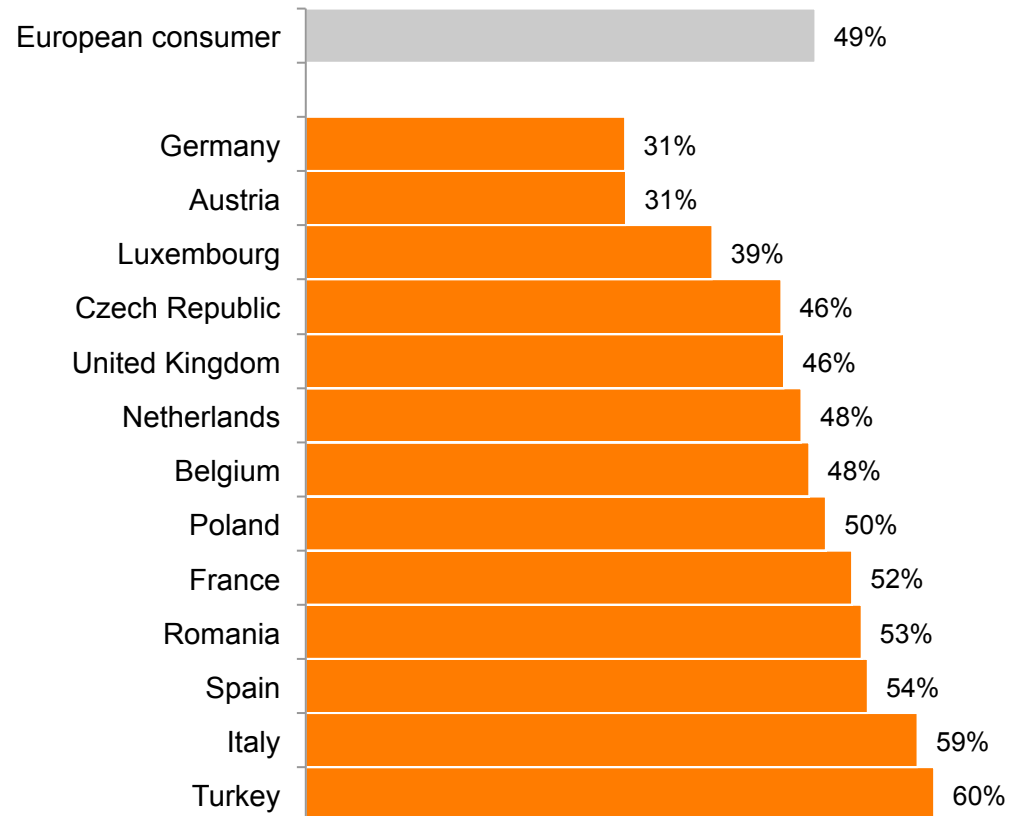
People in Turkey are most likely to be using cash less but it seems that change is not without its frustrations, as Turkey also has the highest share who agree “the move towards cashless payments is making it more difficult to manage money” in a separate question in the survey.

Interestingly, while there is variation between countries, there is little difference in attitudes between different age groups.

THE QUESTION

“I use physical cash much less than 12 months ago”

Percent who answered “strongly agree” or “agree”



Sample size: 12,403

Some like change, others like “the same”

About half of people in Europe use cash much less now than they did a year ago. And of these, 78% think their use of cash will fall even more in the next year.

However, there is a group of people who seem to be fond of cash as their tried and tested way to pay. Of people in Europe who have not used cash less in the past year, only 19% think they will use cash less in the next year – meaning about four-in-five intend to keep using physical cash in a similar way as they have been for the next year.

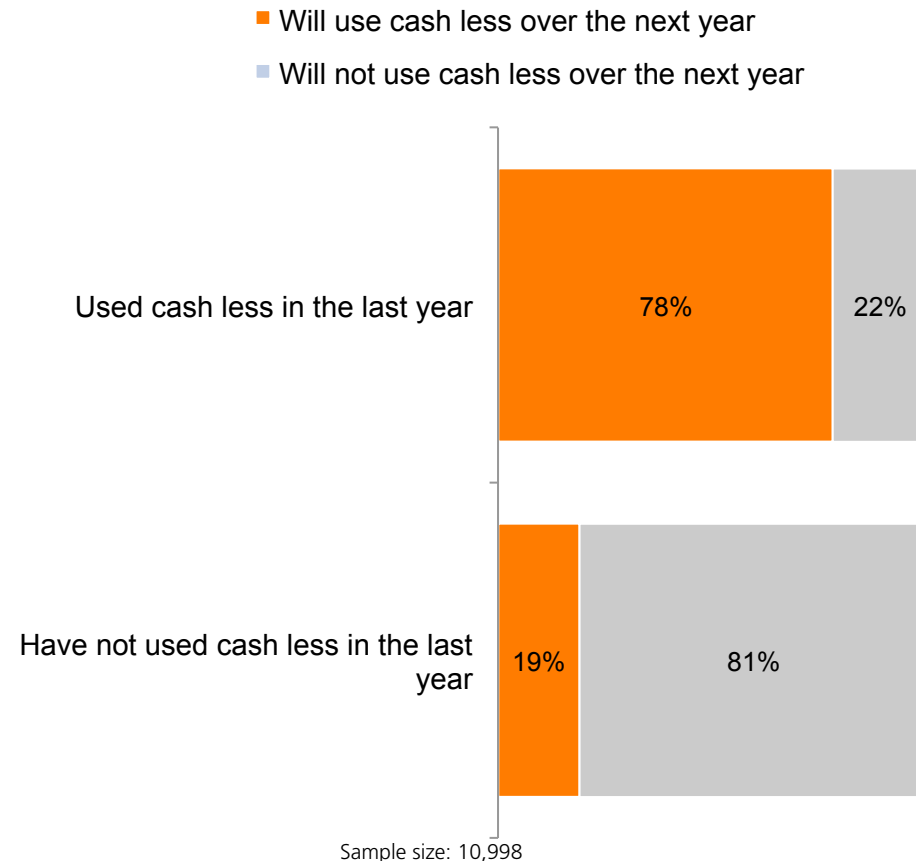
Some people like change, while others like “the same”.

Reluctance to change is sometimes driven by inertia, a powerful force that can have negative as well as positive implications for personal finance.

THE QUESTION

“I use physical cash much less than 12 months ago” / “I think I will use physical cash less in the next 12 months”

Percent who answered “strongly agree” or “agree”



Opinion split over contactless payments

Contactless payments allow people to pay by waving their money card (or other device) over a reader at the point of sale – removing the need to enter a pin or sign and speeding up transactions. Several measures are in place to make payments secure.

People in Romania and the Czech Republic are most likely to feel confident their money is secure using the technology. Least confident are people in France, Luxembourg, Austria, Germany and the United Kingdom, where there has been publicity around “card clash” from touching more than one card on a reader at the same time.

Since last year, comfort around contactless payments has risen a lot in Romania and Poland, both early adopters of the technology with modest rises in France and Italy.

However, comfort has fallen in some other countries.

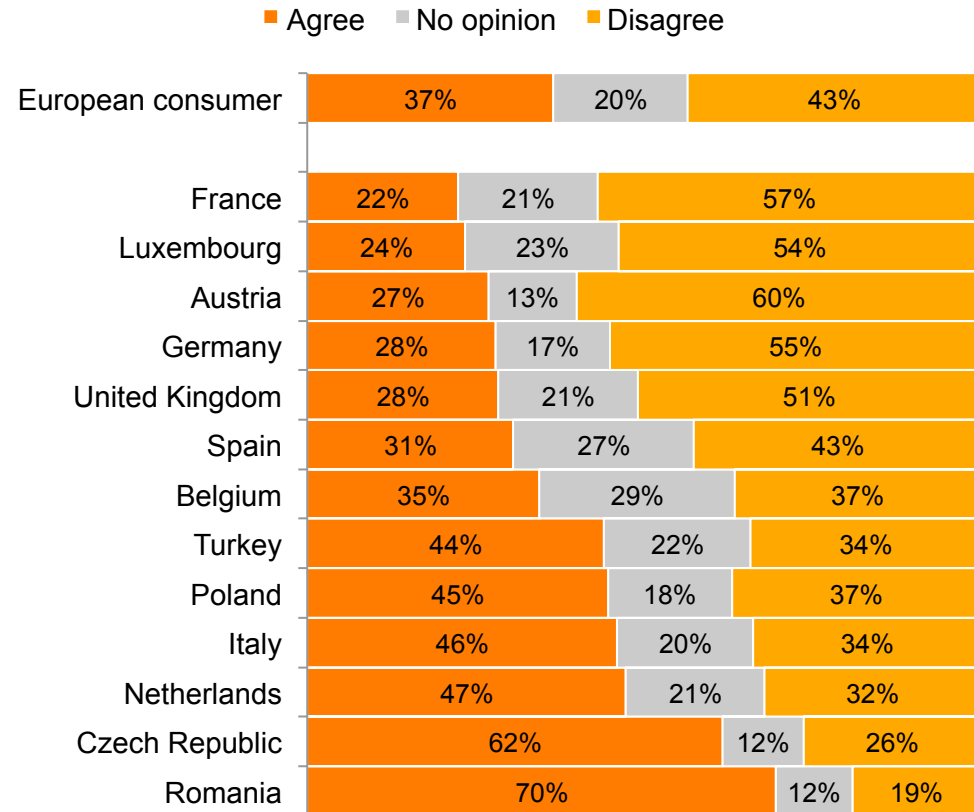
The different movements in attitudes may be caused by availability of the technology in different countries.

Of people who use mobile banking, 46% are confident their money is secure if using contactless payments, compared with 31% of people who don’t use mobile banking.

THE QUESTION

“I would feel confident that my money is secure if I used contactless payments”

Percent who answered “agree”, “I don’t have an opinion” or “disagree”



Sample size: 12,403

Bitcoin the future of spending online? "No"

Bitcoin, launched in 2009, is currently the most high-profile of several digital currencies that have existed, and some businesses accept this "peer-to-peer" digital currency as payment for goods and services.

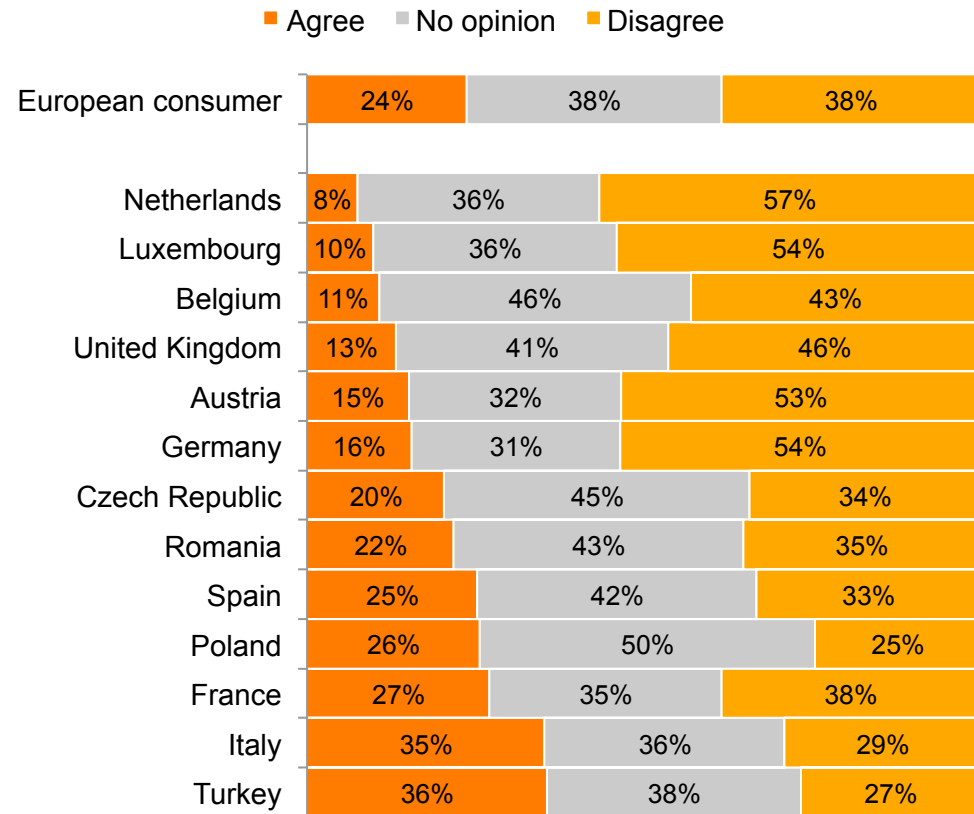
However, few people in Europe see digital currencies – such as Bitcoin – as "the future of spending online", with 76% disagreeing with that statement or not having an opinion about it.

Turkey is most receptive of Bitcoin in this survey, while acceptance of it as the future of spending online falls to a survey low of 8% in the Netherlands (a view shared in the neighbouring countries of Luxembourg and Belgium).

THE QUESTION

"Digital currencies – such as Bitcoin – are the future of spending online"

Percent who answered "agree", "I don't have an opinion" or "disagree"



Sample size: 12,403

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