

ING International Survey

July 2013

Financial Empowerment in the Digital Age

Mobile Banking, Social Media and Financial Behaviour



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.ezonomics.com/iis.

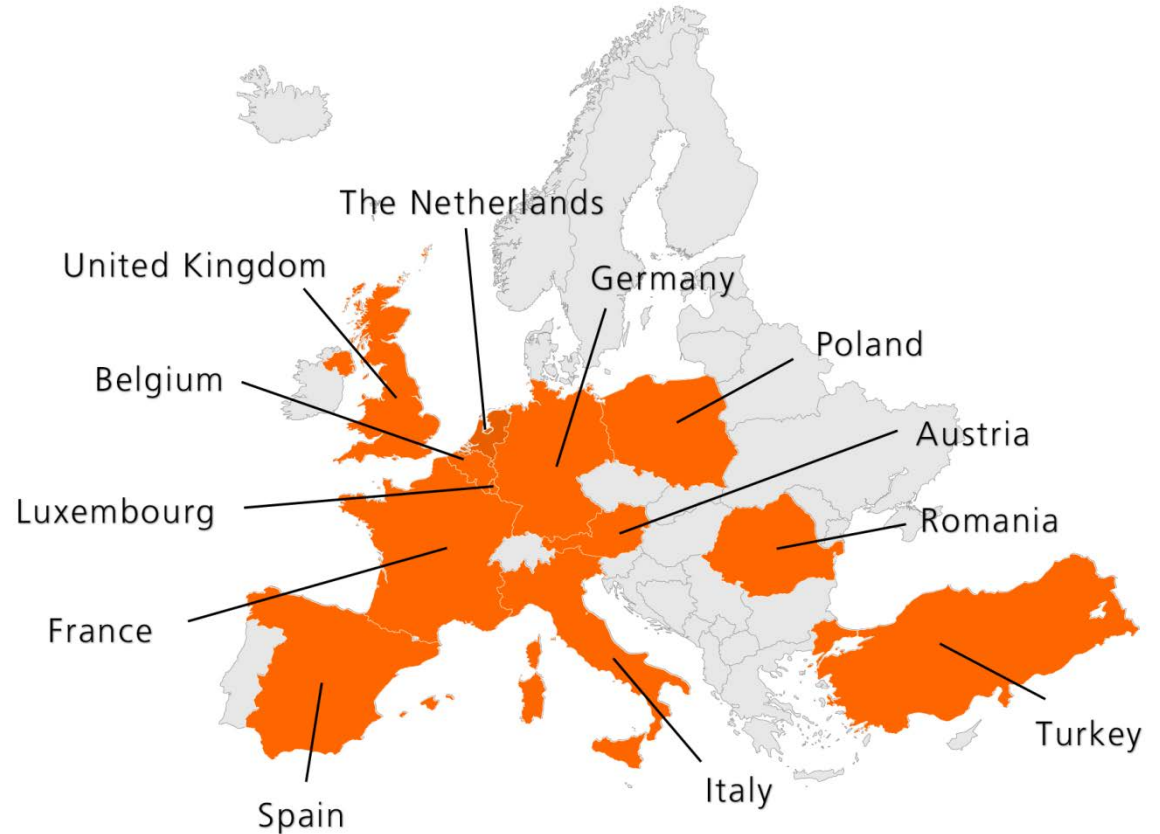
This survey was conducted by Ipsos between 18 April and 15 May 2013 using internet-based polling techniques.

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

12 countries are compared in this report.

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

11,724 is the total sample size of this report



Moving to mobile, more flexible banking

Are the new technologies of mobile banking, contactless payments and social media changing the way people bank?

This ING International Survey explores the answers, in what is thought to be one of the biggest and most comprehensive surveys of its type to date. The results of the internet-based survey reveal insights into new ways people are managing their money and their new found flexibility. Times are changing – and the signs point to new technologies continuing to play an increasing role in personal finance and banking.

1. More than a third – or 37% – in our survey **already use mobile banking**. The Netherlands is the most developed mobile banking spot, according to our measure that takes internet penetration into account. Turkey is our mobile banking hotspot, with the largest share of internet users who use mobile banking.

2. The uptake of mobile banking is much stronger for under 35s and for people who frequently use social media, groups seen to indicate future trends. It suggests **mobile banking will become increasingly popular**.

3. People who use mobile banking say they **are managing their money differently**. Most report feeling more “in control” of their money, checking their account more frequently, paying bills on time more often and being overdrawn less often. These insights into changing behaviour are, however, based on what people say they are doing rather than actual, transaction-based evidence (and the two can differ).

4. The **security of contactless payments** is still a concern to the majority in four of the countries surveyed – namely France, Luxembourg, Germany and Austria – and almost a fifth of European consumers don’t know if they are confident in the security. Younger people are more comfortable with contactless payments, again suggesting this form of payment may become increasingly popular.

5. Even as technology advances, traditional, printed **cash is still a popular device to monitor and keep control** of spending. Half of European consumers agree they prefer to use cash when shopping because it is easier to see when they are spending too much. This rises to a high of 61% in Spain. It is popular among under 25s as well, with 64% agreeing. It is a fascinating insight against the backdrop of the rise of “cashless” bank cards and contactless payments and the apparent contrast with their widespread acceptance by younger people.

6. **Social media plays a role in the way people interact with their bank** but traditional word-of-mouth still tends to be the most powerful force for recommendations. People are most interested in **finding information about and getting tips** from their bank via social media. They are less interested in offers of products and services.



- Ian Bright, ING senior economist



Move, shake and bank

You can check your balance on the go. See if you can afford a new outfit. Or check how your savings and investments are growing from anywhere in the world. Mobile banking is becoming more popular. The ING International Survey Financial Empowerment in the Digital Age asked almost 12,000 people in 12 countries in Europe about how they are using the technology.

We're mobile

More than three-quarters of Brits who use mobile banking agree they 'feel more in control' of their money

The Netherlands is the most developed mobile banking spot, according to our measure that takes internet penetration into account

Belgians are the most likely to say they don't use mobile banking because they don't have a smartphone or tablet

Spanish are the most likely to use mobile banking to move money between their accounts



Half of Germans who do not use mobile banking are put off by security fears

Poles have the largest share who use mobile banking while they actually shop

Romanians are the least likely to use mobile banking, with fewer than one-in-four using it

Turkey is our mobile banking hotspot, with the largest share of internet users who use mobile banking



Mobile banking: Young and “in control”

Managing money on the move

The Netherlands has the most developed mobile banking market of all 12 countries surveyed.

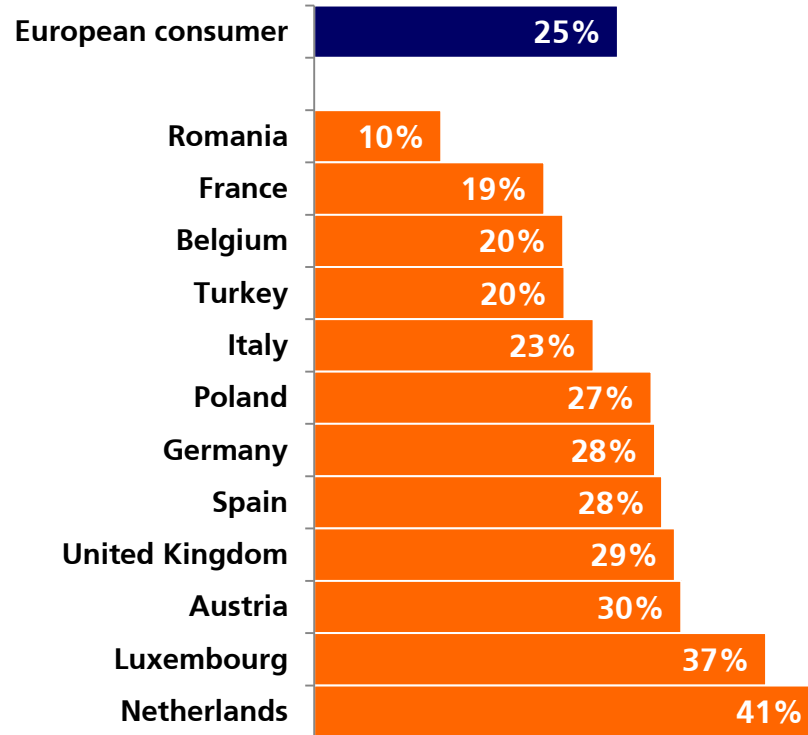
Our measure of the degree to which mobile banking is developed is formed by multiplying the percent in each country surveyed who responded they use mobile banking by internet penetration in each country, as reported by the Organisation for Economic Co-operation and Development (OECD). This is particularly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

The next most developed market for mobile banking is Luxembourg, followed by Austria and the United Kingdom. At the other end of the spectrum is Romania.

THE QUESTION

Do you use mobile banking?

Percent who answered "yes", multiplied by internet penetration



Future mobile banking "hotspots"

Turkey has the largest share of internet users who use mobile banking, making it the survey's mobile banking "hotspot" with great potential for growth as internet access becomes more widespread.

Spain and Poland also showed large potential for future mobile banking growth.

In the survey question, we defined mobile banking as where people use mobile devices (such as phones or tablet computers) to help manage their money. However, respondents' definitions of mobile banking may vary, with some including instances of using their laptop over wi-fi as mobile banking – in technical terms, "self-reported perception" of mobile banking.

The least "connected" countries in terms of mobile banking are Romania (23%), France (25%) and Belgium (26%).

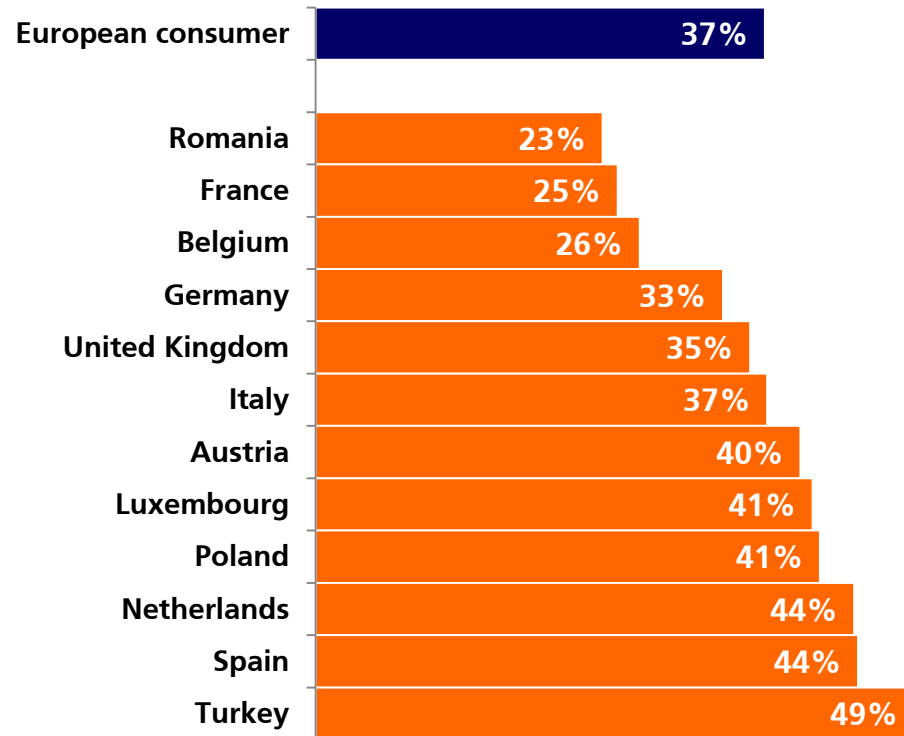
The figure for the European consumer, an average weighted to take country population into account, is 37%.

On p12, we look at the main reasons why non-users have not started mobile banking.

THE QUESTION

Do you use mobile banking?

Percent who answered "yes"



Mobile banking linked to feeling "in control" of money

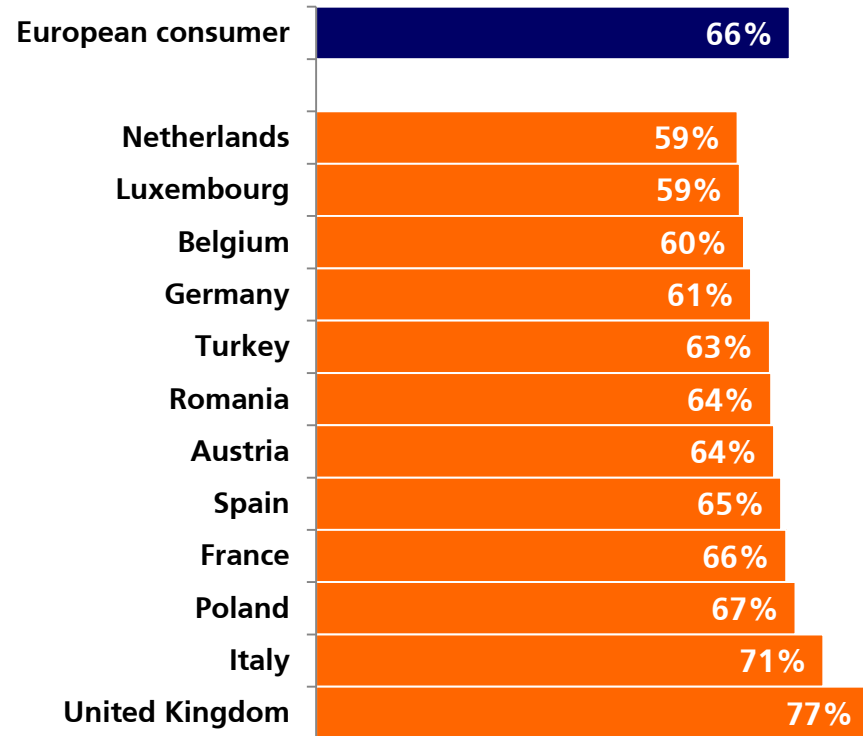
Overall, 66% of people in Europe who use mobile banking say they "feel more in control" of money because of mobile banking. It rises to a high of 77% for United Kingdom users and 71% for Italian users.

The Dutch and people from Luxembourg have the lowest figure – but still high at 59% – although many here were perhaps already in control before mobile banking, given they were also the least likely to "have trouble making ends meet" in a different question in the survey.

THE QUESTION

Do you feel more in control of your money because you use mobile banking?

Percent who answered "yes"



Paying bills on time – but not always saving more

People who use mobile banking, more than 4,000 respondents, are changing the way they manage money. They check their balances more often, are overdrawn less but are not necessarily saving more.

62%

of respondents in Europe who use mobile banking agree with the statement "I pay my bills on time more often", rising to a high of 78% in Turkey.

73%

of mobile banking users in Europe agree they have more control over their spending with mobile banking, rising to 78% in Turkey, 76% in the United Kingdom and Spain and 75% in Italy.

43%

Despite high numbers feeling more in control of money and paying bills on time, the number of mobile banking users who identify as actually saving more because of the technology is lower, at 43%. This perhaps reinforces the message that the technology is not an automatic path to financial success – traditional budgeting and money management have a role too.

84%

of mobile banking users in Europe agree they check their account more often. The level does not vary much between countries, with Belgium having the lowest level of agreement at 74%.

55%

of mobile banking users in Europe agree they are overdrawn less often.

Mobile banking more popular among youth

The age group with the highest uptake of mobile banking use in our survey is 25-to-34 years – with 50% of the group using it.

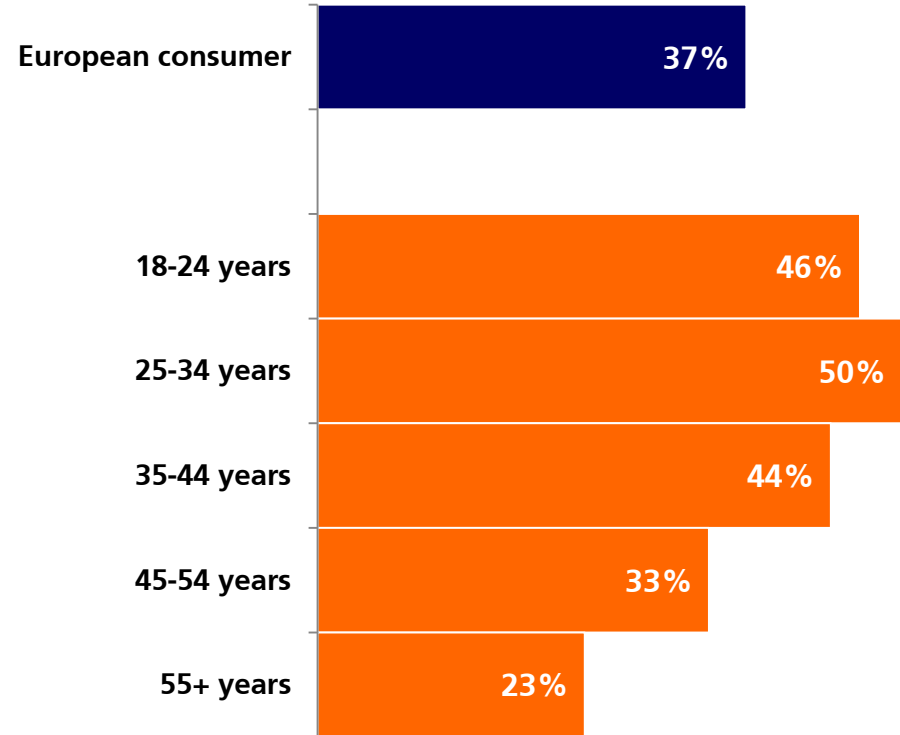
By mid-40s, the share drops, falling again for the 55-and-above group.

As highlighted in this report's executive summary, younger age groups are often seen to indicate future trends. So the prevalence among under 35s suggests mobile banking will become increasingly popular.

THE QUESTION

Do you use mobile banking?

Percent who answered "yes"



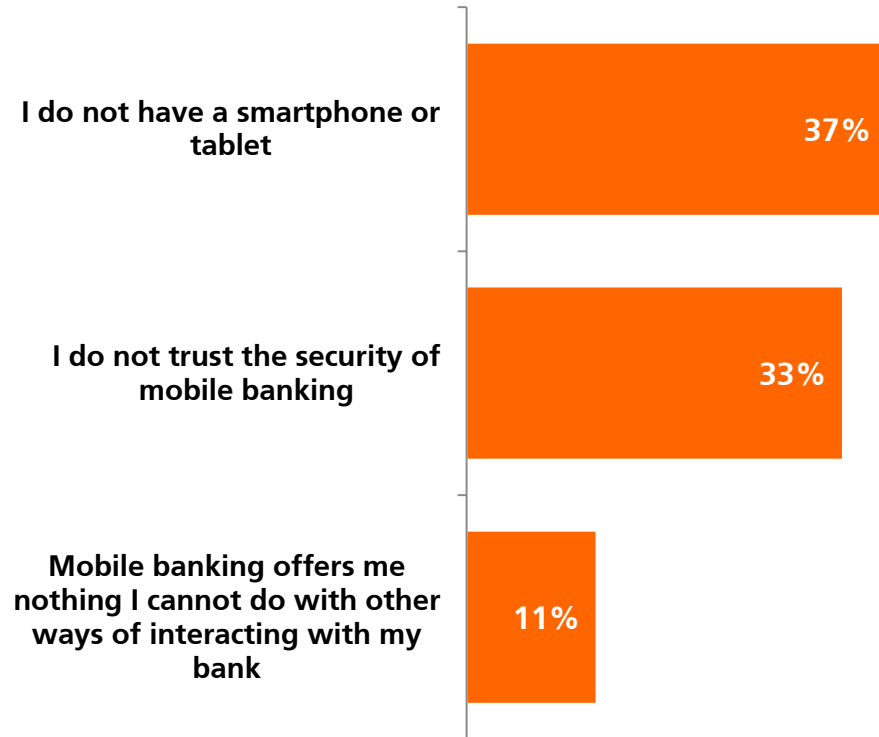
Do you have the technology?

Not having a smartphone or tablet is the most common reason cited by people in Europe for not using mobile banking. Security fears is second. Third is the view that mobile banking offers nothing that cannot be done with other ways of interacting with banks. However, distrust of the security of mobile banking was top in five countries in the survey – Germany, Austria, Luxembourg, the United Kingdom and Spain.

THE QUESTION

What is the main reason you don't use mobile banking?

Percent answering each category



People without mobile banking would...

Many people without mobile banking seem to have not even considered how they would use the technology.

Forty-three percent of this group do not know where they would use mobile banking most often, with at home, on holiday, while shopping and "other" rounding out the top five places.

People in Europe who use mobile banking, however, also name at work and while commuting in their top five.

The survey also examined how people would use mobile banking most often. Again "do not know" topped the list for non-users of the technology (42%), compared with the top answer for users of checking their account balances (38%).

THE QUESTION

Where would you use mobile banking most often?

	Mobile banking users	Non-users
1	At home (50%)	Do not know (43%)
2	At work (12%)	At home (25%)
3	While shopping (12%)	On holiday (11%)
4	On holiday (10%)	While shopping (8%)
5	Commuting (8%)	Other (7%)



Payment methods: Comfortable with
“cashless” but not “contactless”

No pin? Contactless payments are a worry

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.

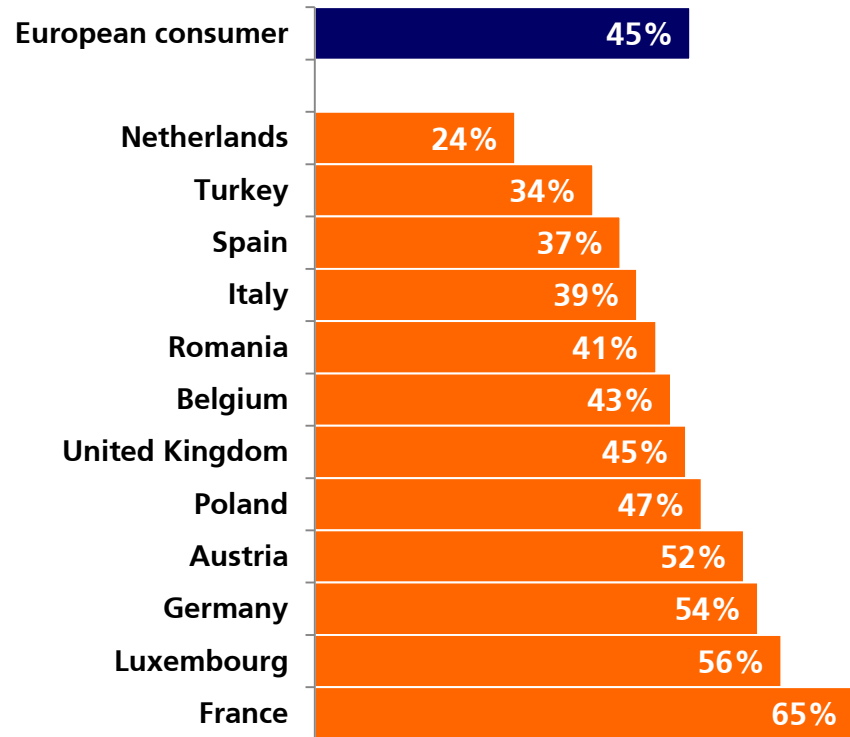
However, the security of contactless payments is a concern to many. More people in Europe disagree than agree with the statement "I would feel confident that my money is secure if I used contactless payments". The French (65%) are the most likely to disagree, followed by people in Luxembourg (56%) and the Germans (54%).

The Dutch are the most confident, with only 24% disagreeing with the statement.

THE QUESTION

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

Percent who answered "disagree" or "strongly disagree"



Young less worried by contactless payments

Younger respondents were more comfortable with contactless payments.

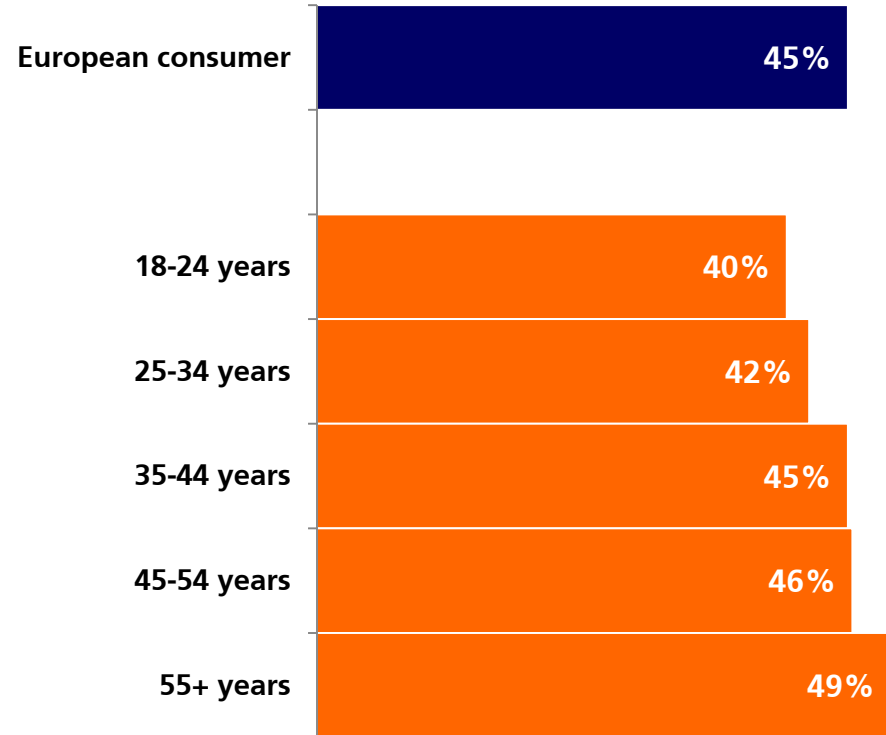
For under 25s, 40% disagreed with the statement "I would feel confident that my money is secure if I used contactless payments".

The share of "disagrees" steadily rose through the age groups to 49% for people aged 55 and more.

THE QUESTION

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

Percent who answered "disagree" or "strongly disagree"



"Friend", "like" and #pay?

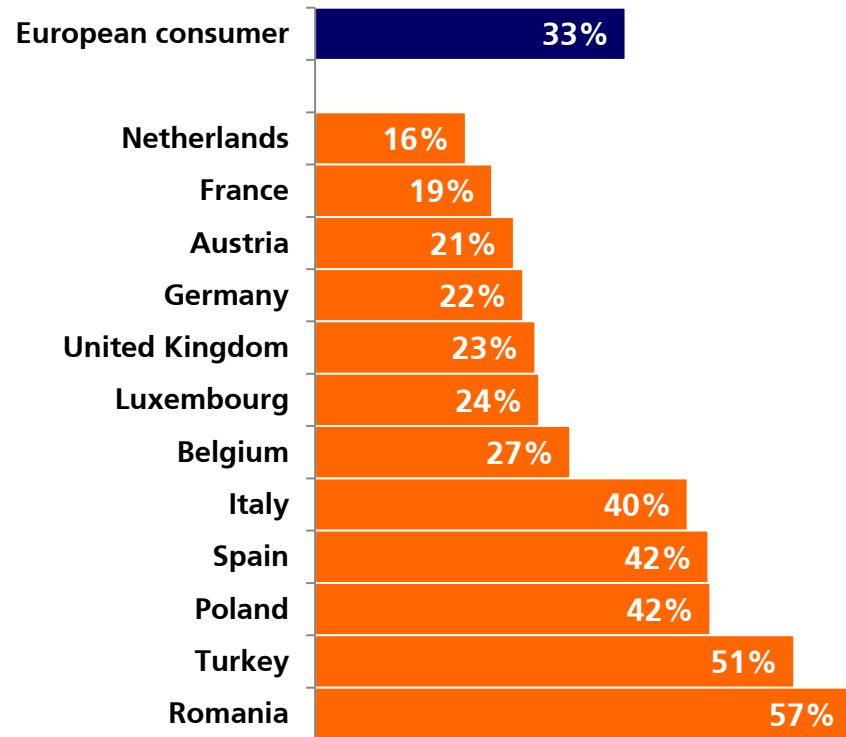
We share photographs, connect with new people and get news and views via Facebook, Twitter and other social media. Should banks be expected to "make it possible to do payments through social media" as well?

More than half of Romanians and Turks agree with the statement, with a third of European consumers agreeing. The lowest level of agreement is in the Netherlands, with just 16%.

THE QUESTION

"I expect banks to make it possible to do payments through social media"

Percent who answered "agree" or "strongly agree"



More young want to pay by social media

Younger respondents were more inclined to agree with the statement "I expect banks to make it possible to do payments through social media".

For under 25s, 40% agreed, compared with 29% for over 45s.

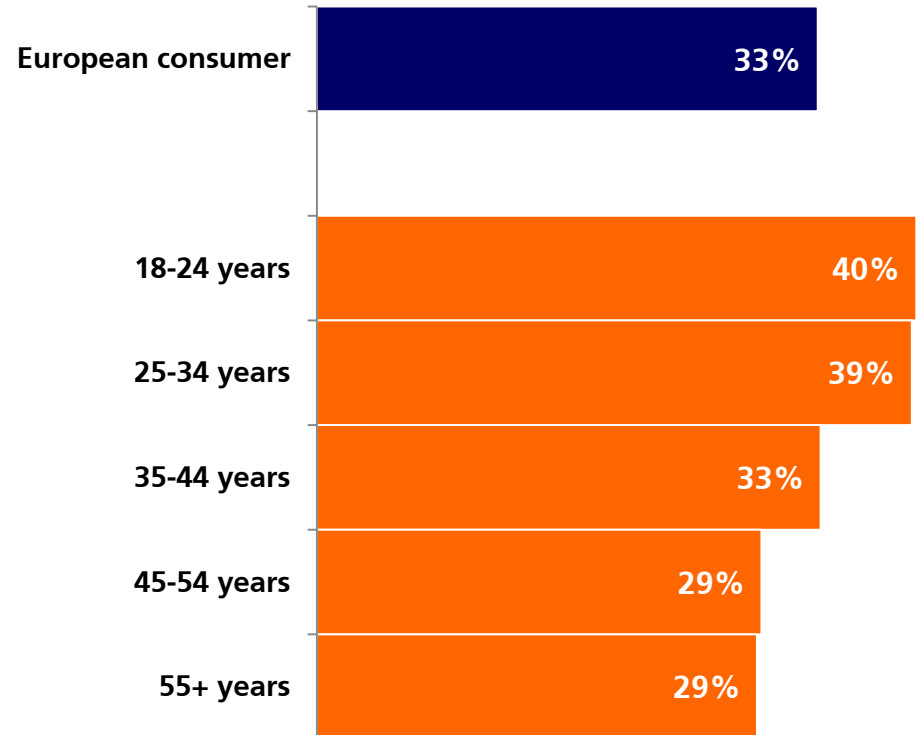
Younger people also seem to be high users of social media, which may be connected to the higher level of interest in making payments via social media.

Of 18-to-24 year olds, 65% were high users, defined as logging in at least daily to social media. For people aged 55 and above, 23% were high users.

THE QUESTION

"I expect banks to make it possible to do payments through social media"

Percent who answered "agree" or "strongly agree"



The "pain of paying" – does cash hurt more than credit?

How we pay can evoke different emotions, studies suggest. Cash is typically associated with more "pain" when paying, as people physically hand over paper money. Bank cards and contactless payments are said to add distance – with studies of actual receipts showing people spending on cards may tend to spend more. Our results suggest many people may not actually perceive this effect. But these emotional traps can occur, even if people are not aware they are at work.

50%

of people in Europe agree with the statement "I prefer to use cash when shopping because it is easier to see when I am spending too much", rising to a high of 61% in Spain.

64%

of under 25s agree with the statement "I prefer to use cash when shopping because it is easier to see when I am spending too much", a much higher share than older age groups. The figure for 55 years and older is 42%. A similar dynamic is seen in statements about feeling less guilt when paying with a bank card rather than cash (45% for under 25s, compared with 25% for 55 years and older) and about thinking less about the price of shopping when paying with bank card (54%, compared with 31%).

33%

of people in Europe agree they feel less guilt about splashing out when they pay with their bank card rather than cash.

51%

In Turkey, those who feel less guilt when paying with their bank card rises to 51% – while in Austria it falls to 19%. This may highlight large differences in attitude, awareness and behaviour between different cultures.

40%

of people in Europe agree they think less about the price of their shopping when they pay with their bank card rather than cash.



Social media and banks: A way to get in touch, share tips and get educated

Social media used to complain to banks and to find information

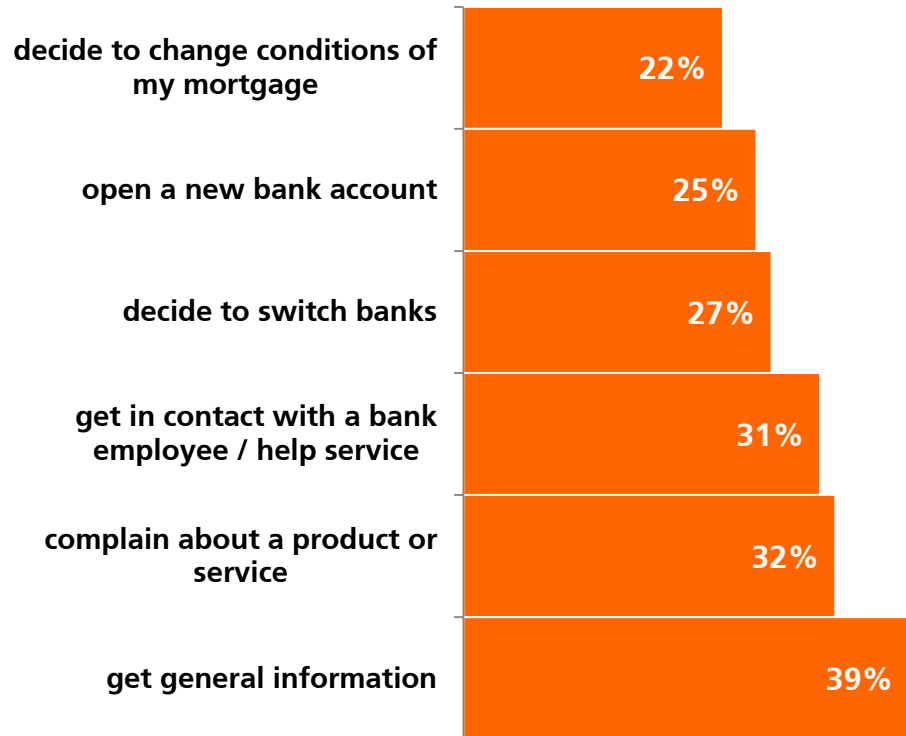
The most common way for people to use social media in relation to their banks is for general information (39%). This is followed by making a complaint (32%) then accessing help services or getting in contact with a bank employee (31%). Social media also plays a role in important financial decisions, with about one-in-four respondents saying they would use it when deciding whether to open a new bank account or whether to switch banks. There was large variation by country, however, with it being much more popular in emerging markets (Turkey, Romania and Poland) than developed markets (most notably Luxembourg).

Younger people tend to be more willing to use social media to interact with their bank. Under 25s (41%) are almost twice as likely to make a complaint via social media than over 55s (22%).

THE QUESTION

“Would you use social media to...”

Percent who answered “often” or “sometimes”



Tweet me tips for saving please

When asked what they expected from banks on social media, the most popular of six options presented was banks giving tips for saving. A very large share – 70% – agreed or strongly agreed they expected banks to give tips for saving. In every country, more than half of the respondents expected tips for saving via social media, reaching a high of 86% in Romania. Communicating messages about the company and its corporate social responsibility (CSR) was also popular at the level of the European consumer (61%), although the variations between countries ranged from the high of 79% agreement in Turkey to 34% in France. Information about “how the economy effects me” was the third most popular option (56%).

THE QUESTION

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

Percent who answered “agree” or “strongly agree”



Traditional word-of-mouth still most powerful for recommendations

Facebook, Twitter and forums, such as travellers' friend Trip Advisor, are well-loved but more traditional sources of information are still more-commonly used and more-commonly trusted when making decisions.

50%

In our survey of sources used when making six different decisions, speaking with friends and family was most-often cited in half – or 50% – of the categories. It was the most common source when choosing a restaurant, where to go on holiday and which bank account to open. Traditional word-of-mouth is still a very powerful force in decision making.

33%

In a third of the decision categories, company websites, sales and marketing material was the most common source of information. It was top when deciding which car to buy and which white goods to get.

20%

of respondents who used information on social media and forums when deciding which bank account to open said the information persuaded them not to.

71%

of people in Europe do not seek advice on financial matters on social media platforms.

46%

of people in Europe who do seek advice on financial matters on social media platforms do so by reading blogs, the most popular option.

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