

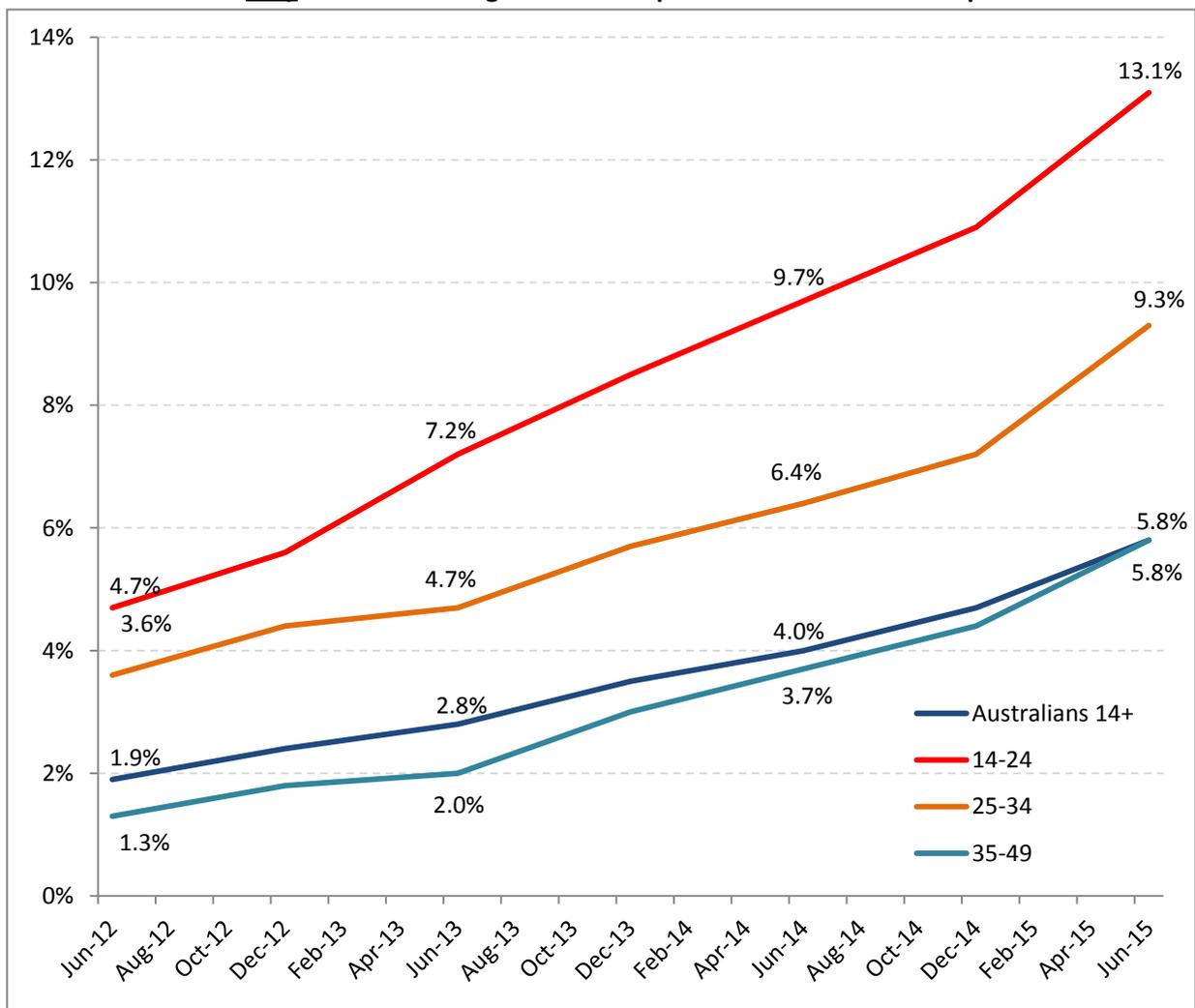
Friday, 21 August 2015

Aussies using only their Mobile or Tablet to bank triples in 3 years

An estimated 1.1 million (5.8% of) Australians use only their mobile phone or tablet to conduct banking activities in an average 4 week period. In three years, the number of Australians doing “mobile-only banking” has tripled. This means they do not use any other banking channel, such as website, branches, adviser/banker or the telephone, to deal with their bank.

By June 2015, 33% of Australians conducted internet banking using a mobile phone or tablet (app) in an average four week period. This has resulted in a group of people that only deal with their banks via a mobile or tablet. As assumed, younger generations take up digital channels at higher rates than older ones, with close to one out of ten people under 34 years old doing “mobile-only banking”.

% who only conduct banking via a mobile phone or tablet in 4 week period

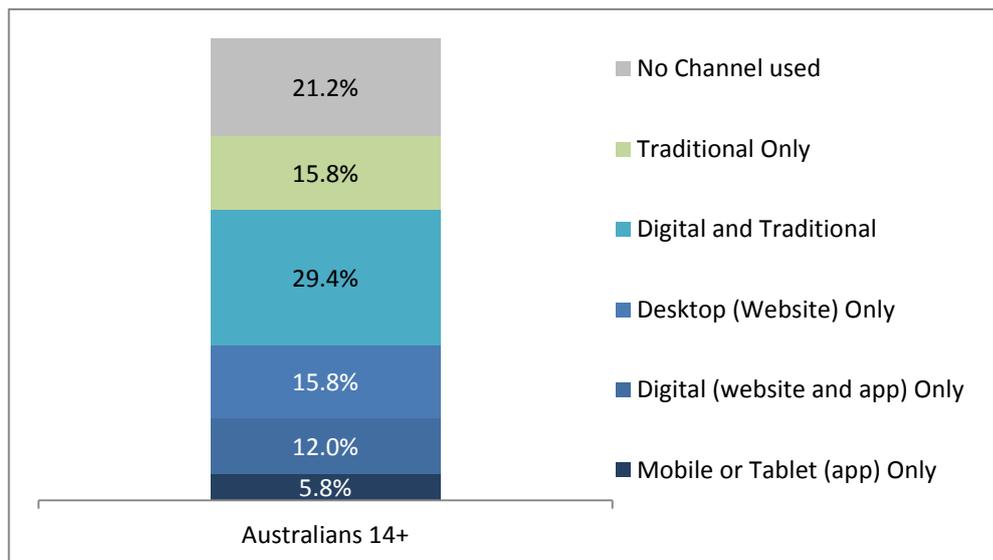


Source: Roy Morgan Single Source, Jan 2012–Jun 2015; 6 months average sample n = 24,914; Australians 14+ with a Banking & Finance Product.

When we look at the combination of Banking Channels (i.e. services) used, a third (33.6%) of Australians use only a combination of an app and/or website (i.e. Digital channels) to deal with their bank. Another 29.4% use a combination of Digital and Traditional (i.e. branch, adviser/banker or telephone) channels. Leaving 15.8% of Australians only using Traditional channels, and over one in five (21.2%) not using any channel in an average four week period.

In other words with the majority of Australians using a Digital channel to bank, it is interesting to see that most of them have not used a branch, telephone, financial adviser or private banker in the last four weeks.

% who conduct banking via a channel category in a 4 week period



Source: Roy Morgan Single Source, Jan 2012–Jun 2015; 6 months average sample n = 24,914; Australians 14+ with a Banking & Finance Product.

Norman Morris, Industry Communications Director, Roy Morgan Research, says:

“There is no doubt that the way in which we interact with our banks is changing and as such how we view this relationship is evolving. The rise of the mobile channel for Banking is equal parts opportunity and threat. As more and more people have a “mobile only” relationship with their bank there is the danger of being seen as a function rather than a relationship. In addition, with the digital world evolving at such a rapid rate, it is imperative that these organisations be at the cutting edge of innovation and customer centric design to ensure that they remain close to their customers.

However, this being said, the convenience and function offered by this channel enables customers to be more engaged with their finances on a day to day level. This comfort with mobile and digital opens the flood gates to innovations in payments. With the Australian customer already engaged in mobile centric banking, the step to payments should be more of an evolution rather than a revolution.

This presents an interesting challenge for the sector. If the payment of goods and services is the most common financial interaction, what will be the implication of the third party platform (e.g. digital wallets) on the customer’s relationship with their Bank? Will it bring them closer or will it mean they are seen as a wholesale commodity? Time will tell, but one

thing is certain, change will happen in this space and the potential implications could be dramatic.”

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Related Research

Banking Service Usage Report

The Service Usage Report is a comprehensive document that examines the current state of banking services as well as changes in usage behaviour by the Australian population. In addition to understanding this behaviour for the total population, the report looks at service usage by age bands as well as by the major banking customers. This report covers aspects such as: Percentage of population that uses the various banking services; The number of institutions people interact with regards to banking services; The number of times the various services are used; and The satisfaction level with the various services.

Satisfaction with Banking Channels Report

This report provides an indication on the level of satisfaction with the various service types provided by financial institutions based on the interaction by their customers (consumer) in the last 4 weeks. It looks at the satisfaction levels of services used, both at the institution and anywhere for long and short term trends. Satisfaction is measure for the following banking channels: Branch banking, Phone banking, Adviser/Banker banking, Mobile banking, and Internet banking.

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices throughout Australia, as well as in Indonesia, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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