PREVIEW OF
Mobile Banking, Mobile Payments—
What Consumers Value
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Section 1: Mobile Banking
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Results – Total Respondents

Results – Gender, Age and Income

15. What is your primary payment source?

Results – Total Respondents

Results – Gender, Age and Income

16. Why is [Q15] your primary payment source?

Results – Total Respondents

Results – Gender, Age and Income

17. Which of the following mobile payment services have you used in the past 12 months?

Results – Total Respondents

Results – Gender, Age and Income

Section 3: Demographics

Gender

Age

Education

Income

Region
Introduction

Value is key. Attaining and retaining customers is dependent on the value provided to them. For financial institutions, this could be in the rates offered, the fees charged (or not), or the level of customer service provided. And with increasing prominence, value is seen in the convenience added to customers' lives through services like mobile banking.

This survey aims to understand consumers' use and views of mobile banking as well as the burgeoning service of mobile payments. Survey responses were obtained through a third party service with questions distributed January 29 to January 30, 2015 to consumers ages 18 and older throughout the United States. 711 total unique responses were received with 651 having completed the full survey.

General thought is that financial institutions are slow to keep up with changing technology. But in an environment where competition is fierce not only among the institutions themselves, but increasingly with "non-bank" institutions, the light has been seen — over 80% are currently offering mobile banking and of those that don’t, over 50% plan to roll it out this year. And they seem to be ahead of consumers.

In May of 2013, RateWatch commissioned a consumer based survey on bank technology studying behaviors and preferences. Specifically looking at Mobile Banking usage, we found that in the last two years usage has increased only 2.02% (from 61.80% to 63.82%). But those that are using mobile banking, are using it more. In 2013, 37.3% said they use mobile banking at least once per week and two years later that number has risen to 45.15%. And overall, mobile banking feature usage has increased dramatically. The once unknown Person-2-Person Payments and Account-2-Account Transfers have increased 21.6% and 16.7% respectively. The highest increase was to Bill Pay with nearly a 30% increase.

Every indication is, that as long as safety concerns are addressed, consumers will continue to increase their demand for mobile banking and the ability to easily, conveniently make purchases and manage their money. In a recent study by Carlisle & Gallagher Consulting Group, the top three factors that influenced the use of mobile banking were ‘ease of use’ (72%), ‘ease of making payments’ (65%) and ‘better features’ (65%). And it’s not just for the young. Those over 60 are more likely to use mobile banking for Bill Pay than any other age group.
Survey Results — Total Respondents

**Question 1:** Which type(s) of financial institution(s) do you currently use for your banking needs? (Check all that apply)

- **47.26%** Large National Bank
- **26.30%** Regional Bank
- **13.08%** Small Community Bank
- **5.77%** Internet Bank (no physical branch)
- **32.77%** Credit Union
- **2.11%** Savings & Loan
- **3.66%** None of the above

Those with less than a high school education are more likely than any other education level to select Internet Banks for their banking needs. 18.75% bank at Internet Banks compared to between 2.50% and 7.03% of other education levels.

<table>
<thead>
<tr>
<th># of Relationship Types</th>
<th>Among Those with a Relationship at:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large National Bank</td>
</tr>
<tr>
<td>1</td>
<td>65.18%</td>
</tr>
<tr>
<td>2</td>
<td>27.08%</td>
</tr>
<tr>
<td>3</td>
<td>6.25%</td>
</tr>
<tr>
<td>4</td>
<td>1.49%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
</tr>
</tbody>
</table>

Among Total Respondents

- 1 Relationship (73.98%)
- 2 Relationships (21.80%)
- 3 Relationships (3.52%)
- 4 Relationships (0.70%)
Survey Results — Total Respondents

**Question 7:** Which mobile banking features do you use now or would be interested in using, if made available to you, in the next 12 months? *(Check all that apply)*

- **Check Account Balances**: 91.36%
- **Receive Account Alerts**: 79.21%
- **Make Loan Payments**: 54.44%
- **Transfer Between Your Own Accounts**: 70.21%
- **Bill Pay**: 70.16%
- **Use Personal Financial Management Program**: 64.72%
- **Remote Deposit Capture**: 62.83%
- **P2P Person-to-Person Payments**: 20.91%
- **A2A Account-to-Account Transfers**: 19.57%
- **Mobile Wallet**: 18.91%
- **Apply for a Loan**: 17.59%
- **Open a Checking or Savings Account**: 14.95%
- **Locate ATMs and Branches**: 10.75%
- **Withdraw Cash from ATM**: 0.93%
- **Other**: 0.93%

Compared to all other education levels, those with a Graduate Degree are most likely to use Bill Pay *(see chart below)*.

**Use or Interest in Bill Pay - By Education levels**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Use or Interest in Bill Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than high school degree (7)</td>
<td>57.14%</td>
</tr>
<tr>
<td>High school diploma (or GED) (17)</td>
<td>35.29%</td>
</tr>
<tr>
<td>Some College, but no degree (65)</td>
<td>60.00%</td>
</tr>
<tr>
<td>2-year college degree (33)</td>
<td>69.70%</td>
</tr>
<tr>
<td>4-year college degree (107)</td>
<td>61.68%</td>
</tr>
<tr>
<td>Graduate-level degree (79)</td>
<td>83.54%</td>
</tr>
</tbody>
</table>
Survey Results — Total Respondents

**Question 13:** If you were offered the option of using your mobile phone to pay for purchases in-store, how likely would you be to use it?

Approximately 1/3 of respondents are at least somewhat likely to use in-store mobile payments, while 1/3 are unlikely and 1/3 have no desire to make in-store mobile payments.
RateWatch conducts surveys of both bankers and consumers across the country to keep up with new and evolving financial industry topics. Surveys are conducted online and responses are compiled into a report format with charts and graphs to easily review the findings. Results are displayed as a whole for all respondents and also broken out into cohort groupings. Visit our Industry Survey webpage to request more information or purchase a previously released survey.

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