



## Online banking and research: The state of play in 2010

November 2010



**Online banking adoption in Europe: four clusters.** Unsurprisingly, Northern European countries are home of the most enthusiastic online bankers with adoption rates of 62-77%. The European core (e.g. Germany, France, UK) constitutes a second cluster with rates between 35 to 54%. The US (41%) would also fit into this group. Most countries with adoption rates below 32% are in Southern and Eastern Europe (Ireland is an exception). Finally, there is group of rather poor countries where online banking has barely taken hold. [chart 1](#)

**Trend towards online banking proceeds unabated.** Currently, every third European uses online banking and there are no signs of a slowdown in adoption. By 2020, more than 60% of Europeans may use online banking. [chart 2](#) & [chart 3](#)

**It's not the distance.** Some say that the Nordic countries are ahead because of their low population density and thus the long ways to the next branch. But the facts don't corroborate this view. Inhabitants of densely populated areas are more likely to bank online. [chart 4](#)

**Women are the future.** Across Europe, women are less likely to use online banking than men. Yet, access to the labour market appears to play a key role here: the higher the female participation rate, the smaller the gender gap. Having a job raises financial self-directedness. In fact, where participation rates are the same for men and women (for instance in Latvia), women are more likely to use online banking than men. [chart 5](#)

**The internet is important beyond online banking.** Evidence from Germany indicates that the internet has a much bigger role as a source of information than as either a transaction or sales channel. A new study which recorded actual internet traffic finds that the popularity of online research is much higher than previously thought (the full study is available [here](#)). [chart 6](#)

**Banks' websites and search engines have the highest reach.** In their quest for financial information, customers visit primarily the websites of banks and use search engines for guidance and as navigation tool. This gives banks a head start when it comes to delivering relevant information to their customers. [chart 7](#)

**Online research corresponds to financial market trends.** Search volumes for financial products are a good indicator of consumer action. The interest in a typical old-age provision scheme for instance reflects both the seasonal nature of the product (a deal in the old year secures the entire's year subsidy) as well as the overall trend. [chart 8](#)

**The Web 2.0 audience is large, attractive but also elusive.** Financial firms have started to experiment with social media – particularly in the US. They struggle to square the open communication culture of the Web 2.0 with the privacy and regulatory standards of the financial sector. Yet, there is no alternative: the digital natives in particular are increasingly difficult to reach through other channels. [chart 9](#)

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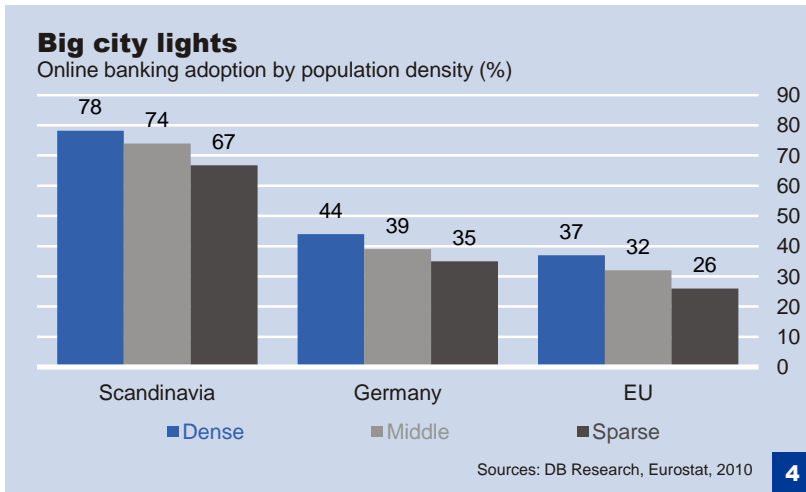
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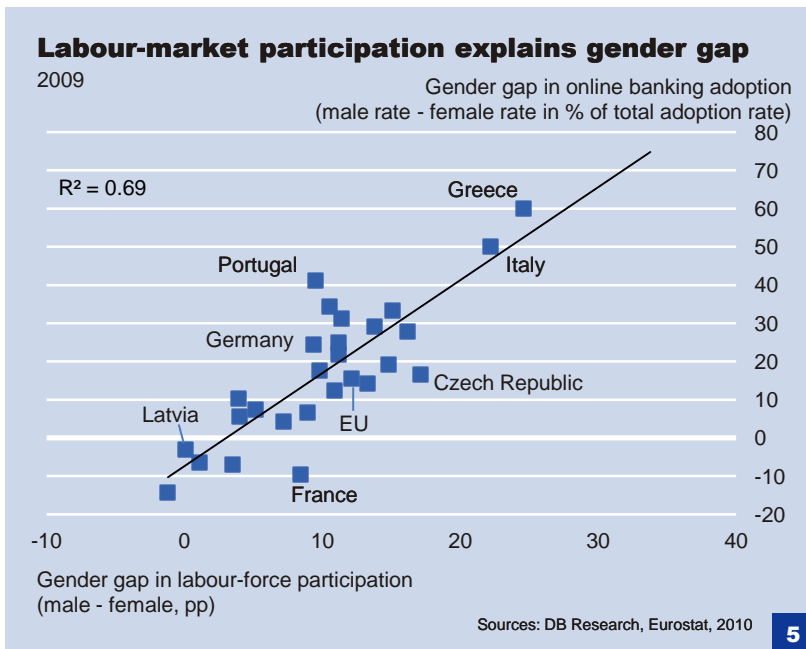
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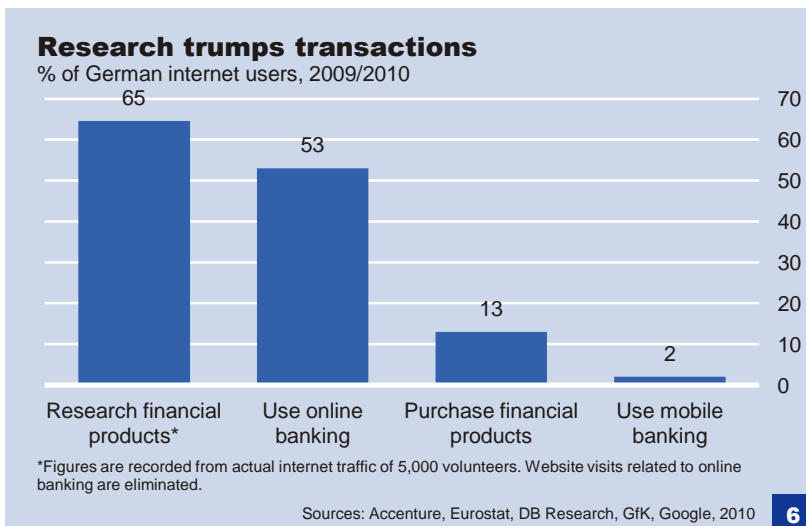




It's not the distance. Some say that the Nordic countries are ahead because of their low population density and thus the long ways to the next branch. But the facts don't corroborate this view. Inhabitants of densely populated areas are more likely to bank online (even in Scandinavia) which means that adoption would be even higher in the North were it more populated. [back to front page](#)



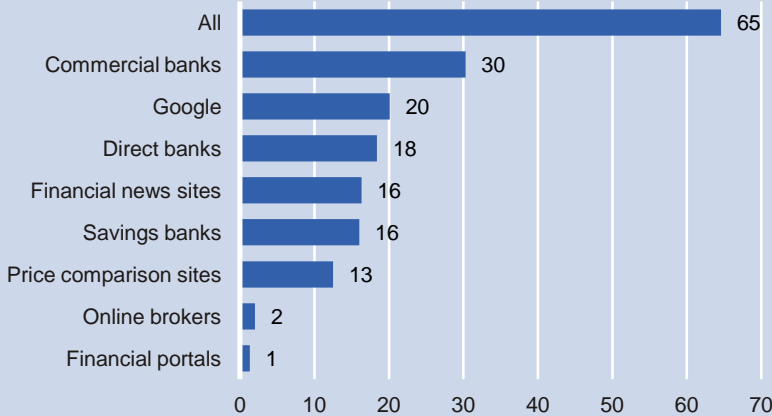
Women are the future. Across Europe, women are less likely to use online banking than men. The average gender gap is 16% of the total adoption rate. Yet, access to the labour market appears to play a key role here: the higher the female participation rate, the smaller the gender gap. Having a job raises financial self-directedness. In fact, where participation rates are the same for men and women (for instance in Latvia), women are more likely to use online banking than men. And participation rates are converging (slowly) across Europe. [back to front page](#)



The internet is important beyond online banking. Evidence from Germany indicates that the internet has a much bigger role as a source of information than as either a transaction or sales channel. A new study which recorded actual internet traffic finds that the popularity of online research is much higher than previously thought (the full study is available [here](#)). Former studies have relied solely on questionnaires in which customers tend to underrate their internet activities. [back to front page](#)

### Financial research: Where to look for information?

% of German internet users accessing sites of these providers to look up financial information per quarter



Figures are recorded from actual internet traffic of 5,000 volunteers. Website visits related to online banking are eliminated.

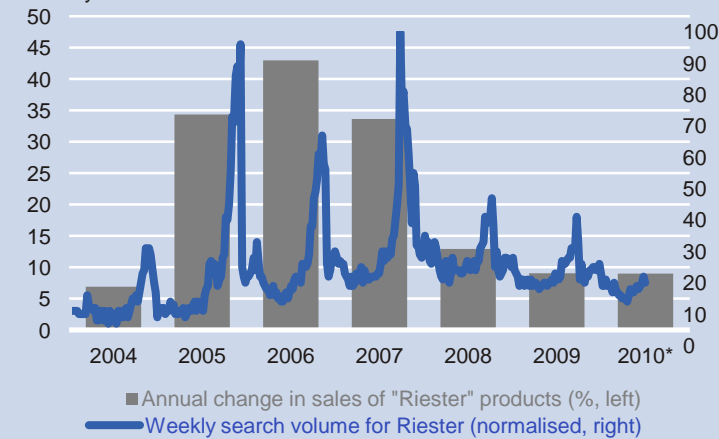
Source: DB Research, GfK, Google, 2010

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Banks' websites and search engines have the highest reach. In their quest for financial information, customers visit primarily the websites of banks and use search engines for guidance and as navigation tool. This gives banks a head start when it comes to delivering relevant information to their customers. Financial news and price comparison sites attract a smaller audience. [back to front page](#)

### End-of-year rush for subsidies

Germany



\*Estimate

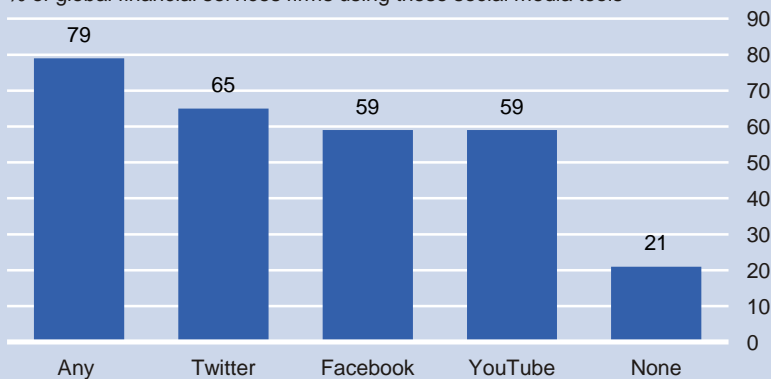
Sources: BMAS, DB Research, Google, 2010

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Online research corresponds to financial market trends. Search volumes for financial products are a good indicator of consumer action. The interest in a typical old-age provision scheme (named colloquially after its sponsor Walter Riester) for instance reflects both the seasonal nature of the product (a deal in the old year secures the entire's year subsidy) as well as the overall trend. The typical peaks in search volume by the end of each year have become smaller corresponding to the slowdown in sales. [back to front page](#)

### Experiments in social media

% of global financial services firms using these social media tools



Basis: 38 global financial services firms

Source: Forrester Research Inc., 2010

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The Web 2.0 audience is large, attractive but also elusive. Financial firms have started to experiment with social media – particularly in the US. They struggle to square the open communication culture of the Web 2.0 with the privacy and regulatory standards of the financial sector. Many users don't want to be "friends" with their bank unless there is a meaningful dialogue. Yet, there is no alternative: the digital natives in particular have grown accustomed to using social media for work, travel, shopping, romance and other communication and they are increasingly difficult to reach through other channels. [back to front page](#)



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