

Monday, 21 August 2017

Nearly three and a half million increase in mobile bank users since 2013

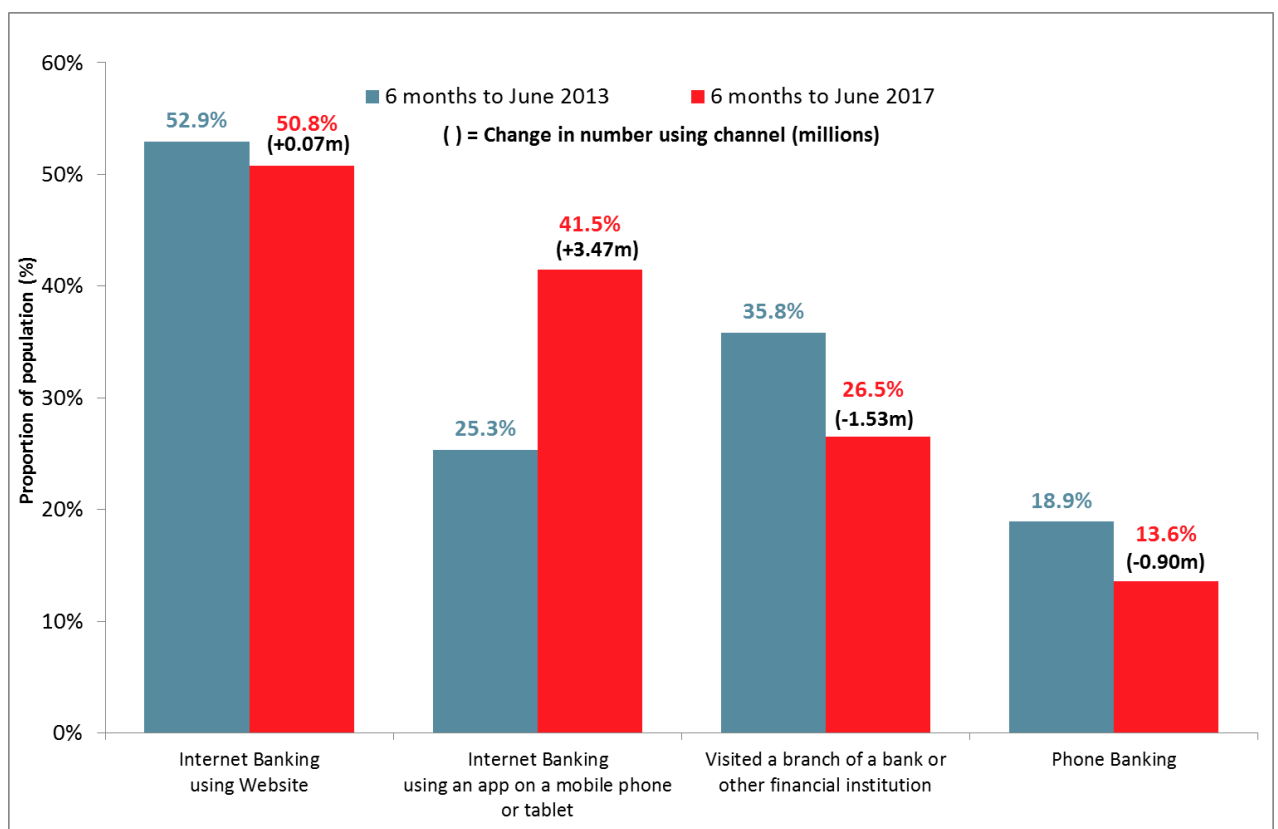
New research from Roy Morgan shows that in the six months to June 2017, there were 8.3 million people using mobile banking in an average four week period, up from 4.83 million in 2013, an increase of 3.47 million or 71.8% in only four years.

These are the latest findings from Roy Morgan's Single Source survey of over 50,000 consumers per annum.

Branch banking falls well behind mobile banking

In June 2013, more than a third (35.8%) of bank customers used a branch in an average four week period, compared to only 25.3% using an app on a mobile phone or tablet (ie mobile banking). By June 2017, mobile banking was used by 41.5% (up 16.2% points), well above the 26.5% (down 9.3% points) using branches.

Major Banking Channels Used in the last 4 weeks



Source: Roy Morgan Single Source (Australia) 6 months to June 2013, n = 25,341; 6 months to June 2017, n = 25,155.

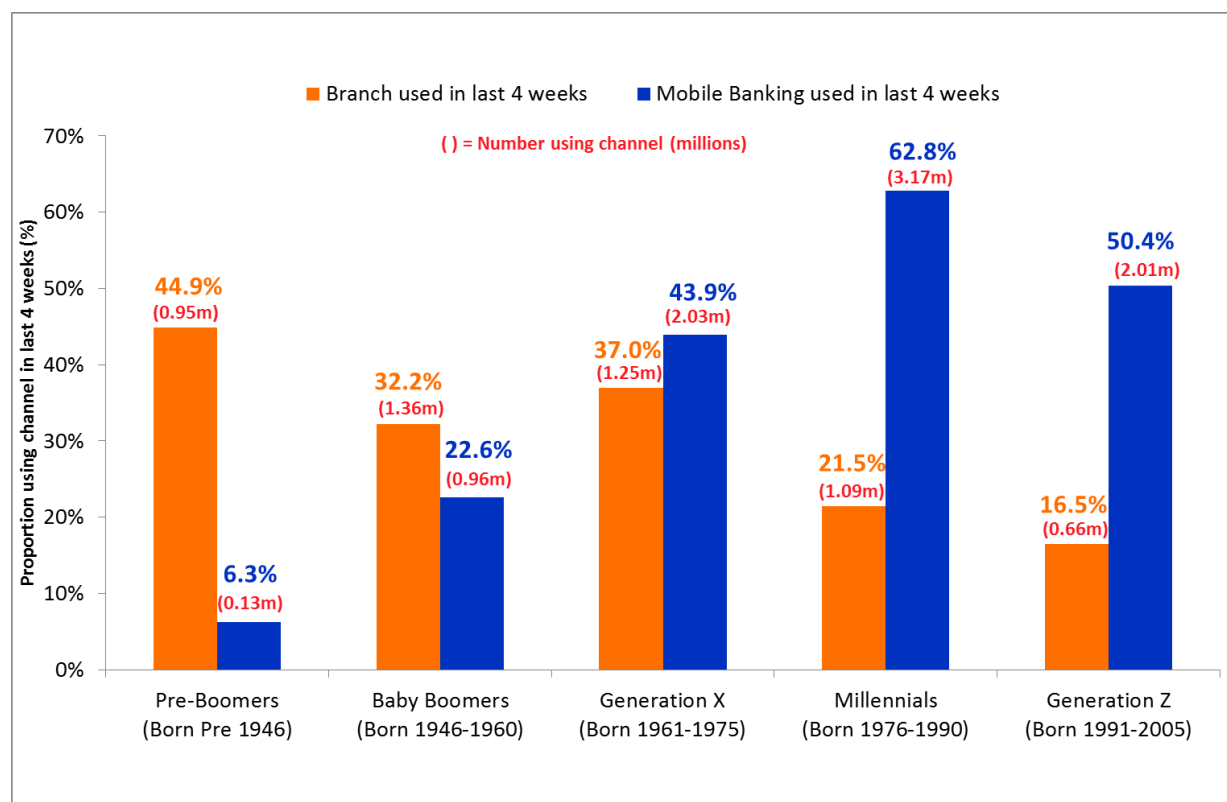
Base: Australians 14+.

The dramatic growth in mobile banking of 3.47 million customers since 2013 is in stark contrast to the reduction of 1.53 million using branches. Internet banking using a website remains the main channel for dealing with a bank (50.8%) but this has shown a decline from 2013 (52.9%) and on current trends looks like being taken over by mobile banking in the next few years. Phone banking is declining and is now down to 13.6% from 18.9% in 2013.

Millennials the clear leaders in mobile banking

Nearly two-thirds (62.8%) of millennials use mobile banking, compared to only 21.5% using branches. They now number 3.17 million users or 38.2% of the total market. This is well above generation X with 2.03 million or 24.5% of total mobile banking users.

Branch Banking and Mobile Banking - Generational Comparison



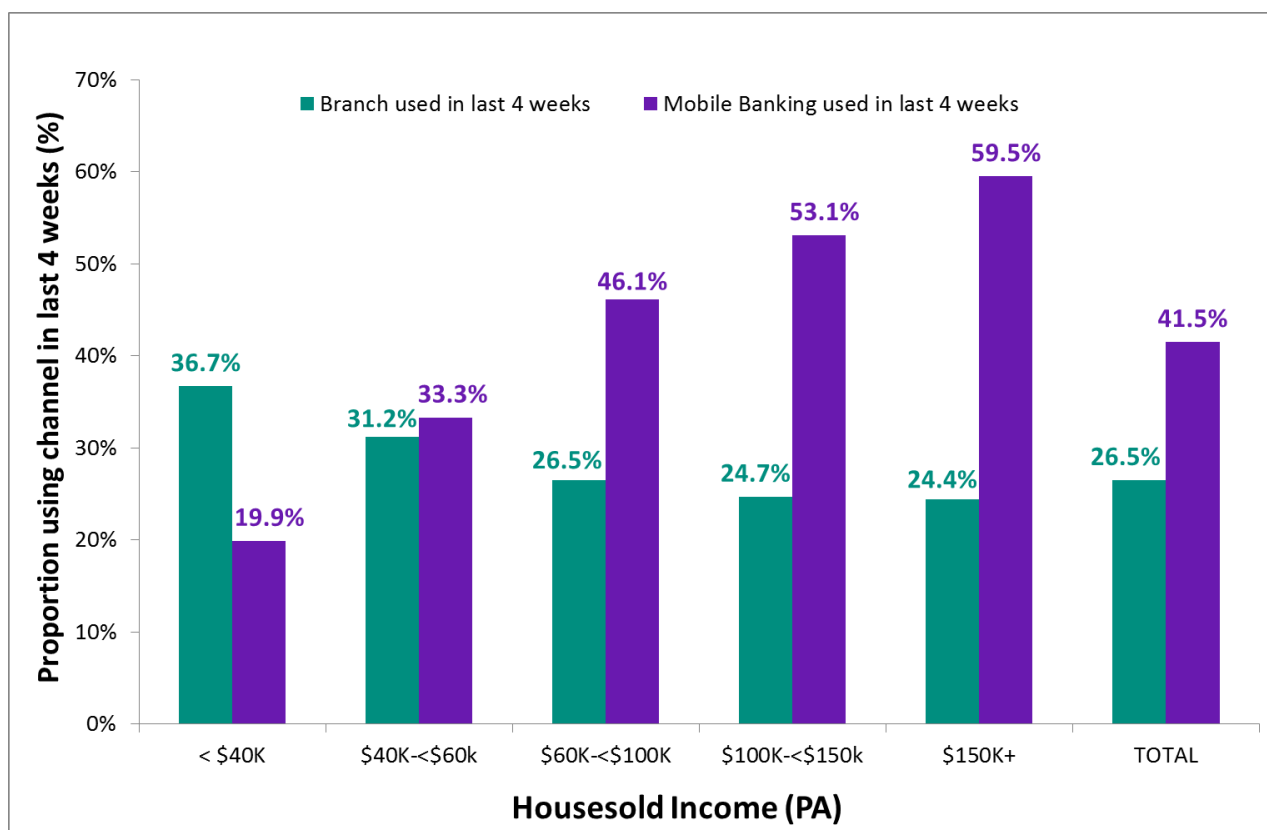
Source: Roy Morgan Single Source (Australia) 6 months to June 2017, n = 25,155. **Base:** Australians 14+.

Branches still play an important role among older customers, with 44.9% of pre-boomers and 32.2% of baby boomers using them over an average four week period. These are the only two groups where branches appear to be preferred to mobile banking.

Mobile banking increases with income

The preference for mobile banking increases with household income, reaching a high of 59.5% for those where household income is \$150k pa or over. This is in stark contrast to only 19.9% where household incomes are under \$40k pa.

Branch Banking and Mobile Banking - Household Income Comparison



Source: Roy Morgan Single Source (Australia) 6 months to June 2017, n = 25,155. **Base:** Australians 14+.

Despite the fact that the use of mobile banking rises rapidly with income, branches are still used by around a quarter of consumers in households with incomes of \$60k pa or more.

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

"The switch to mobile banking has been a result of rapid technological change, reinforced by high satisfaction levels with this relatively new way of dealing with banks. Satisfaction with mobile banking is the highest of all banking channels with 91%, compared to branches with 87.1% and as a result it is likely to be a contributing to the increasing preference for mobile banking. The decline in the use of phone banking is likely to be largely as a result of it having the lowest satisfaction of all the major channels with only 79.4%."

"The strong preference for mobile banking by millennials is a result of them having grown up with technology and so they have more easily moved to it, compared to the older generations who have been brought up using branches. As millennials get older however, their financial needs are likely to become more complex and so they may also require some type of personal contact, possibly involving a branch. The idea that with increased complexity and incomes that there is likely to be a role retained for branches is shown by the fact that their use remains fairly consistent for all those with household incomes over \$60k pa."

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of 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