



Online bankers want more financial advice – in person

May 2009



Trend towards online banking is unabated. Most recent data reveals that 38% of Germans, and 33% of Europeans have used online banking during the last three months – an increase of 10% in each region compared to the previous year. And there are no limits yet to further growth. In some Scandinavian countries more than 70% of the customers are online bankers. [chart 1](#)

Savvy investors are more likely to use online banking. Evidence from Germany confirms a robust and positive relation between customers' expertise in financial issues and online banking. As it appears, banks with a public or co-operative background have on average the fewest online bankers. Private bricks-and-mortar banks rank higher but are dwarfed – unsurprisingly – by pure online or direct banks. [chart 2](#)

But only 10% of German consumers are savvy investors. To many German consumers, financial markets appear to be a mystery. Every third says that he or she has little clue about investment possibilities and only 2% say they are experts. [chart 3](#)

The less they know, the less they want to know. A certain expertise is necessary to digest financial information. Yet, it is a disturbing observation that consumers who admit having little familiarity with financial matters are also those who have the least interest in receiving information. This problem is compounded in online worlds where customers need to be more self-directed to make informed choices. [chart 4](#)

Online bankers want the best deal. Many financial consumers compare prices and services across a large selection of banks. The internet is a convenient starting point to navigate through a large amount of information. Therefore online bankers across all competence levels are more likely to do so than offline bankers. [chart 5](#)

More financial products, more banking relations. Online bankers are more likely to hold any financial product (except savings bonds) and entertain relations to more banks than offline bankers. [chart 6](#)

Has multichannel banking failed? Only 10% of German bank customers have used online banking as well as visited a bank branch (not counting ATMs) during the last month. They either stick to online (25%) or brick-and-mortar banking (31%). There appears to be little overlap in banking channels – at first sight. [chart 7](#)

On the contrary, online bankers want more personal consultation. With rising expertise in financial matters, more customers say that consulting a financial professional in person is important before taking an investment decision. Except for the most proficient investors, more online than offline bankers want personal advice. For mundane tasks, visiting a branch is expendable to many online bankers. But that's just the point. [chart 8](#)

Online banking does not excite all online bankers. Only half of German online bankers are interested or very interested in online banking. Nearly 15% are even not interested at all. Many users regard online banking as a low involvement activity: It's supposed to work but not to absorb much attention. The usability of banking websites should be designed accordingly. [chart 9](#)

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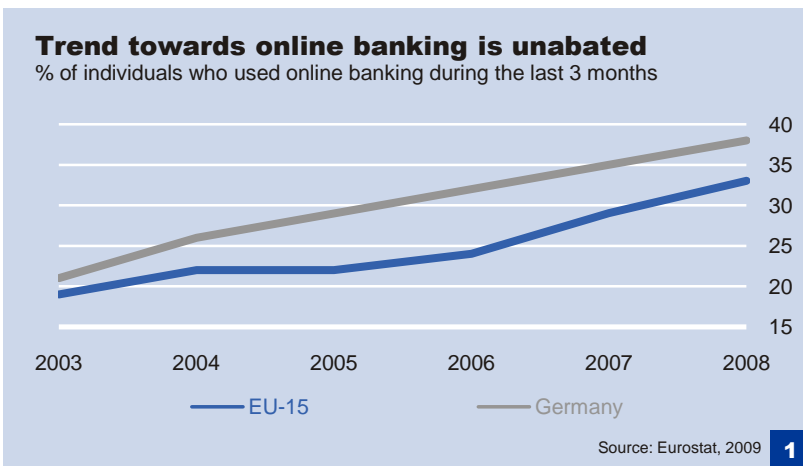
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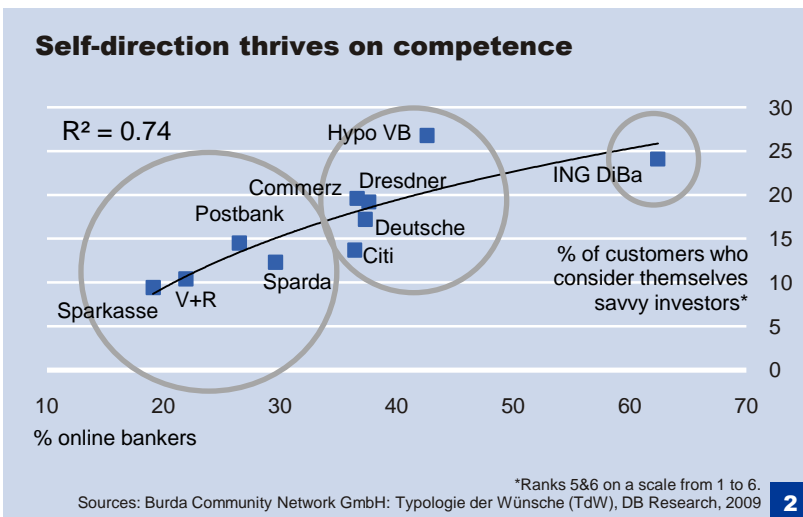
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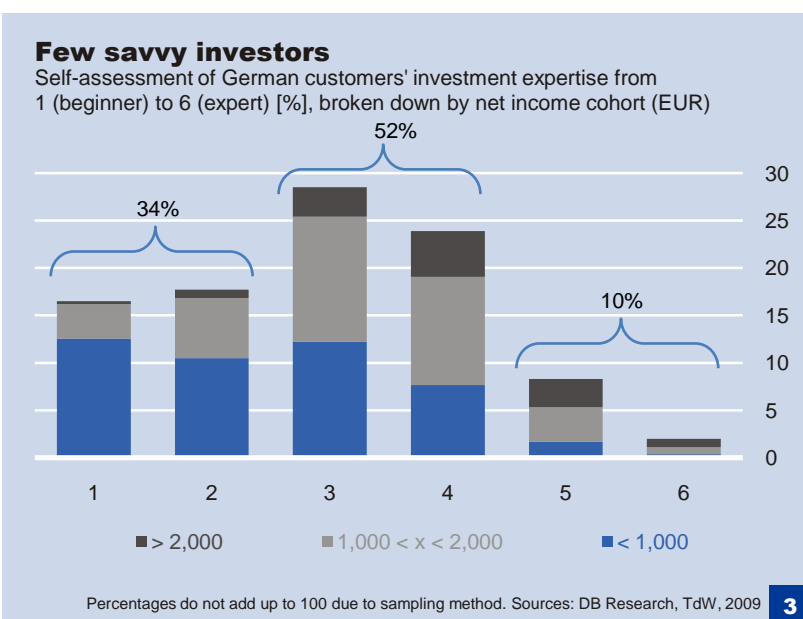
Norbert Walter



Trend towards online banking is unabated. Most recent data reveals that 38% of Germans, and 33% of Europeans have used online banking during the last three months – an increase of 10% in each region compared to the previous year. And there are no limits yet to further growth. In some Scandinavian countries more than 70% of the customers are online bankers. [back to front page](#)



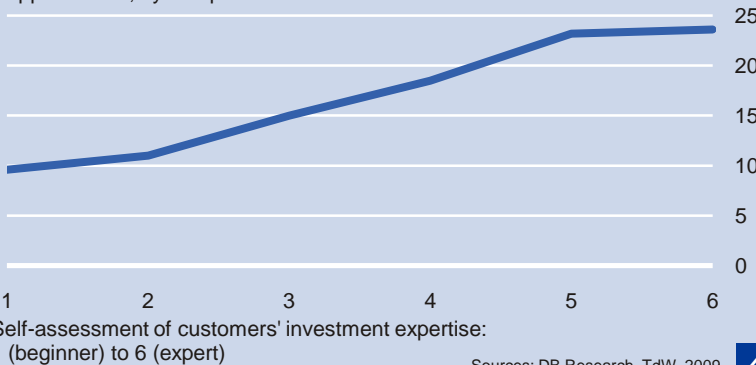
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But only 10% of German consumers are savvy investors. To many German consumers, financial markets appear to be a mystery. Every third says that he or she has little clue about investment possibilities and only 2% say they are experts. People earning more than EUR 2,000 net per month have on average better knowledge. But even among those, the majority considers itself to be only fairly competent. [back to front page](#)

Don't know, don't care

% of German customers who want more information on investment opportunities, by competence level

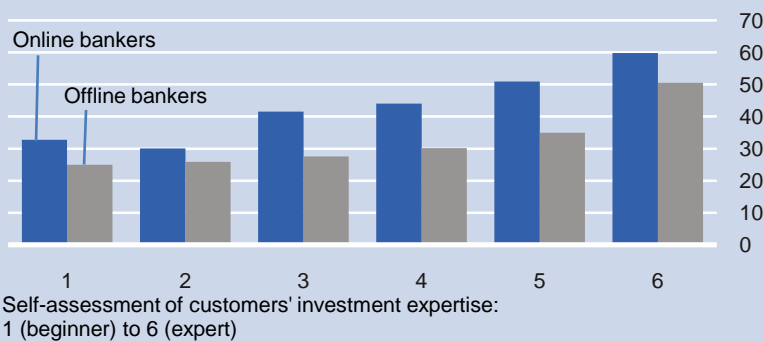


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Online bankers are more likely to compare financial products - on all competence levels

% of German customers, who compare offers from different banks before investing or taking a loan, by competence level

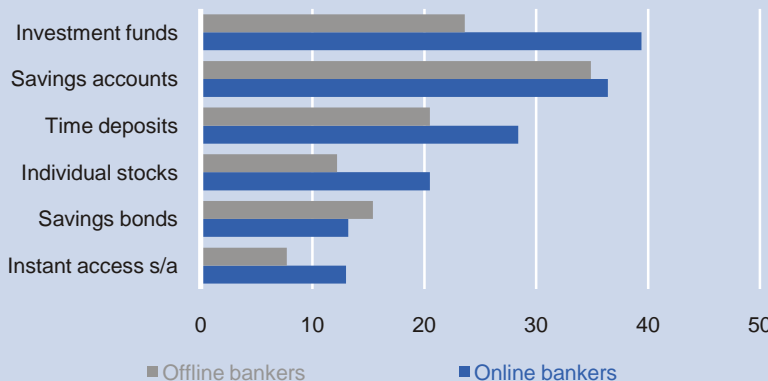


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More of (nearly) everything

% of German customers who own this financial product



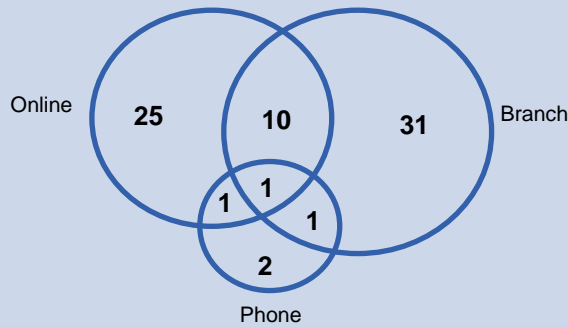
Basis: German customers who consider themselves as savvy investors (5&6). Sources: DB Research, TdW, 2009

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More financial products, more banking relations. Online bankers are more likely to hold any financial product (except savings bonds) and entertain relations to more banks than offline bankers. Cause and consequence are difficult to entangle, though: Online bankers are choosier, hence more open to new products. By the same token, the need to manage a larger number of products may entice people to use online banking in the first place for it helps to keep track. To avoid a selection bias, we only consider customers who say they are savvy investors. [back to front page](#)

Little overlap in banking channels - at first sight

"Do you use the following banking channels at least monthly?, % answering "yes"

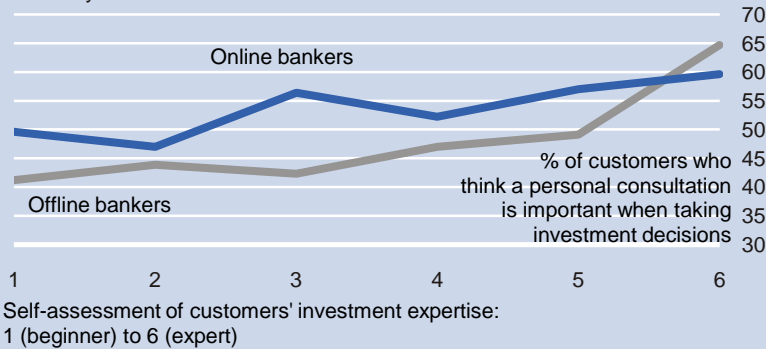


Basis: German consumers. Source: Forrester Research Inc., 2009

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Online bankers want personal consultation when taking important decisions

Germany

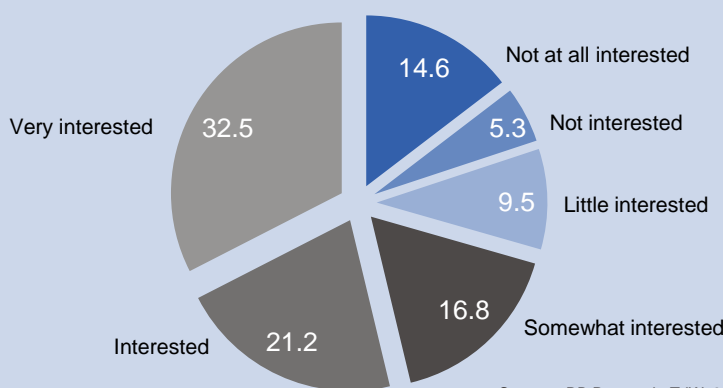


Sources: DB Research, TdW, 2009

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Not every online banker is necessarily interested in online banking

% of German online bankers who are interested in online banking



Sources: DB Research, TdW, 2009

9

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