



Social media in finance:

## Users want tangible benefits, not friendship

May 2011



**Social networking is deeply embedded in everyday life.** About 40% of German internet users access social networking sites at least occasionally. Other surveys put the figure even higher. A typical user is connected to more than 130 contacts. It is unlikely that this communication pattern will disappear. [chart 1](#)

**If anything, Germany is a latecomer:** social networking is already much more widespread in the US and the UK, according to an international survey. Even urban residents in emerging markets – e.g. in China and India – have joined the trend. [chart 2](#)

**Students and young professionals are driving forces.** The popularity of social media is way above average among the young. This holds across all income classes in Germany. Beyond the age of 30, the distribution is somewhat skewed towards higher income brackets. [chart 3](#)

**Ready or not – the online wave is building in banking.** In Germany, the majority of new financial products is purchased online or preceded by online research. Younger clients are ahead but even those beyond the age of 60 rarely buy a financial product without consulting the internet first. Thus, financial firms need to find ways to communicate with clients online. [chart 4](#)

**Social media are popular among bank clients.** German banks with no or few branches have the highest share of social media users among their clients. *Sparkassen* and *Volksbanken* have the least. This reflects primarily the different demographics in the customer bases. [chart 5](#)

**Social media users have a stronger demand for financial information but less desire to see a consultant.** Social media users in Germany are more interested in information on all kinds of financial products. Yet, personal contact is slightly less important to them. This creates the need to deliver relevant information via new communication channels. [chart 6](#)

**However, few clients want to immerse themselves in financial issues.** In a [study](#) last year, we found that internet users spent only modest amounts of time (71 minutes per quarter on average) to research financial topics. Obviously, banks need to deliver fast and concise information to make the most of this limited attention span. [chart 7](#)

**Clients want tangible benefits rather than lofty chit-chat from social media.** Even US consumers are reserved when financial firms want to connect with them via social media. If anything, clients want special offers. Very few want to be “friends” with a bank. [chart 8](#)

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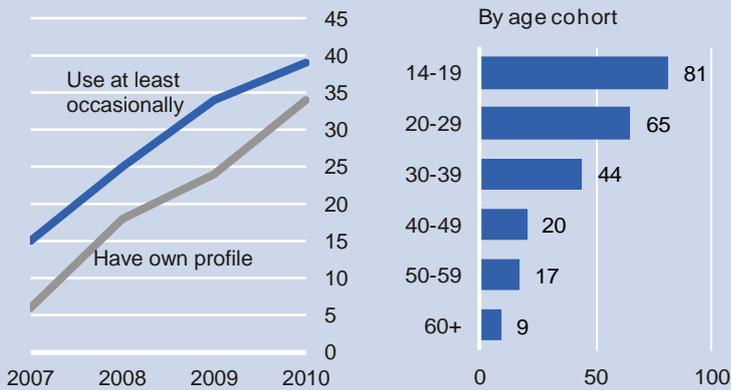
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### Social networking is deeply embedded

German users of social networking sites, %



Base: Internet users 14+

Sources: ARD/ZDF-Onlinestudie, DB Research, 2011

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### Germany is a latecomer

Share of social networking users, % (2010)



\*Urban residents are over-sampled.

Source: Pew, 2010

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If anything, Germany is a latecomer: social networking is already much more widespread in the US and the UK, according to an international survey. Even urban residents in emerging markets – e.g. in China and India – have joined the trend. [back to front page](#)

### Poor students, young professionals

Prevalence of social media\* users across age and income classes (Index 100=share of social media\* users in the general population)

Net income per month, EUR

Age	Net income per month, EUR							
	None	<500	500-999	1,000-1,499	1,500-1,999	2,000-2,499	2,500-2,999	3,000+
20 - 29	246	256	228	201	229	191	243	156
30 - 39	103	129	114	139	146	158	209	200
40 - 49	42	56	79	77	93	113	106	162
50 - 59	31	20	35	40	41	84	95	113
60 - 69	0	8	8	13	28	73	91	57

The share of selected social media users\* among Germans 20-29 years old with no income (upper left cell) is 246% of the national average (45% in this cohort rather than 18% in the overall population).

\*Facebook, Twitter, StudiVZ, Xing

Sources: Typologie der Wünsche, Hrsg. Institut für Medien und Konsumentenforschung IMUK GmbH & Co.KG, DB Research, 2011

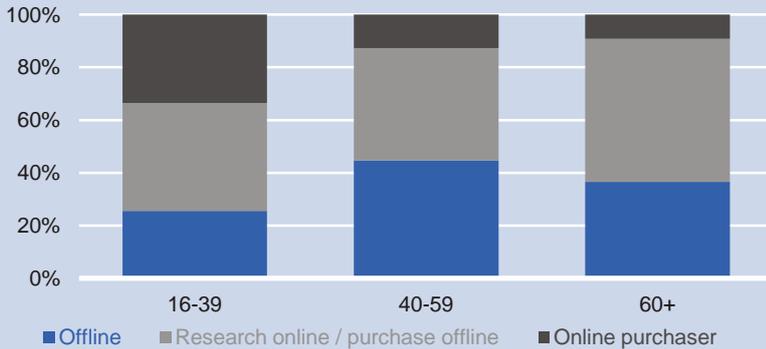
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Students and young professionals are driving forces. The popularity of social media is way above average among the young. This holds across all income classes in Germany. Beyond the age of 30, the distribution is somewhat skewed towards higher income brackets. [back to front page](#)

Note that charts which show only a selected number of social media have an overall lower adoption rate compared to above.

**Online wave is building**

New financial products in Germany, by age and sales channel (%)



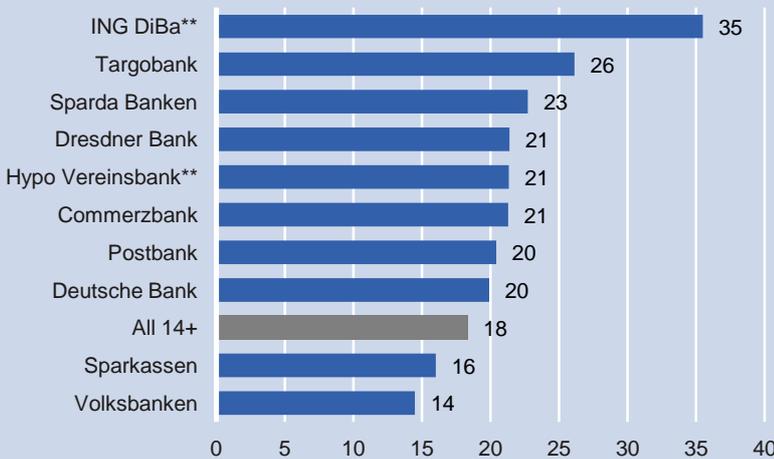
Sources: GfK, Google, DB Research, 2010

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Ready or not – the online wave is building in banking. In Germany, the majority of new financial products is purchased online or preceded by online research. Younger clients are ahead but even clients beyond the age of 60 rarely buy a financial product without consulting the internet first. Thus, financial firms need to find ways to communicate with clients online. [back to front page](#)

**Our clients are already online**

Share of social media\* users among German bank clients, % (2010)



\*Facebook, StudiVZ, Twitter, Xing; \*\*small sample size

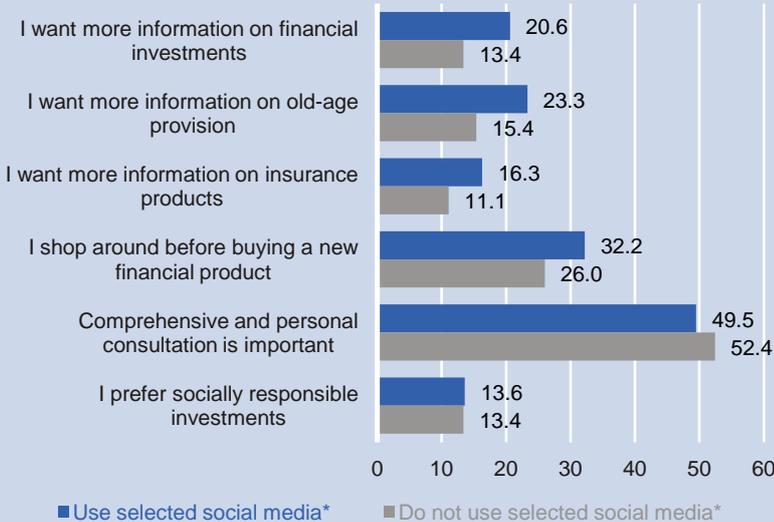
Sources: Typologie der Wünsche, Hrsg. Institut für Medien und Konsumentenforschung IMUK GmbH & Co.KG, DB Research, 2011

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**More information, less personal contact**

Share of German consumers who agree with following statements, %



\*Facebook, StudiVZ, Twitter, Xing

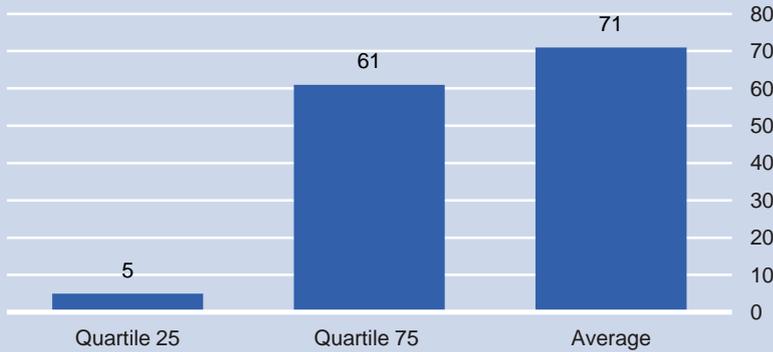
Sources: Typologie der Wünsche, Hrsg. Institut für Medien und Konsumentenforschung IMUK GmbH & Co.KG, DB Research, 2011

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Social media users have stronger demand for financial information but less desire to see a consultant. Social media users in Germany are more interested in information on all kinds of financial products. Yet, personal contact is slightly less important to them. This creates the need to deliver relevant information via new communication channels. [back to front page](#)

**Few want to immerse themselves in financial topics**

Time spent on financial research online by German internet users, minutes per quarter (2009)



Sources: GfK, Google, DB Research, 2010

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However, few clients want to immerse themselves in financial issues. In a [study](#) last year, we found that internet users spent only modest amounts of time (71 minutes per quarter on average) to research financial topics. Obviously, banks need to deliver fast and concise information to make the most of this limited attention span. [back to front page](#)

**Clients seek special offers not friendship**

% of US social networking users\* who want to interact with financial firms this way, 2010



\*US internet users with a Facebook or Myspace account and who want to engage with financial services firm in at least one way.

Source: Forrester Research, Inc., 2010

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Clients want tangible benefits rather than lofty chit-chat from social media. Even US consumers are reserved when financial firms want to connect with them via social media. If anything, clients want special offers. Very few want to be "friends" with a bank. [back to front page](#)

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