Chinese ready for mobile banking

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ACNielsen: Greater marketing needed to move Chinese consumers to virtual banking

One in 10 Chinese ready for mobile banking in next 12 months

Shanghai, Dec 11, 2006 â€“ Chinese consumers are increasingly tuning in to new personal financial services such as telephone, mobile and online banking, yet a lack of awareness and understanding about these new channels is affecting the growth of consumersâ€™ uptake, according to the latest ACNielsen Personal Finance Monitor.

Published annually, the ACNielsen Personal Finance Monitor surveys over 7,500 consumers in Chinaâ€™s 10 major cities of: Shanghai, Beijing, Guangzhou, Shenzhen, Chengdu, Hangzhou, Tianjin, Dalian, Wuhan and Chongqing. The survey for the latest Report was conducted in August 2006.

According to ACNielsen, Chinese consumersâ€™ usage of telephone banking has substantially increased in the past year to around a quarter of current bank users, compared to13 percent in 2005.Â About half of them use the service to â€œcheck account informationâ€•.Â â€œAccount transactionâ€• is the second most frequently used service in the key cities of Shanghai a Beijing (28 percent and 24 percent of users respectively).Â The incidence of conducting stock-related investment activities including security account transactions and stock purchase over the phone now stands at 9% (Shanghai), 5% (Beijing) and 10% (Guangzhou) respectively.

â€œWeâ€™re seeing increasing customer â€˜intimacyâ€™ with banks, as they introduce more innovative, convenient and perso services,â€• commented Bega Ng, Director of Financial Services, ACNielsen China.

â€œAccording to published figures, Chinese citizens have amassed a total of US$1.9 trillion in personal savings, so getting consumers to spend more and use more personal banking services is sure to create a stronger impetus for retail banking.â€•

Awareness of mobile phone banking , although not particularly popular at the moment, has grown among half the consumers in major cities.Â Demand for this service is quite promising, with 10 percent of people in major cities saying they are likely to use mobile phone banking in the next 12 months.Â Â Â Â Â Â

Usage of online banking for bill payment has more than doubled in Beijing (10% to 27%), compared to a year ago.Â Guangzhou remains unchanged at 22 percent while14 percent of Shanghainese have started to go online for bill payment. In Shanghai, usage of online banking for account checking and account related transactions remains flat at 28 and 33 percent respectively.

â€œAn interesting finding in our study is that most consumers seem to be ill-informed about online banking services and their benefits.â€• commented Ng. Respondents of our survey seemed to have little knowledge about the various online banking services available to them, and often associate the Internet with online shopping only.â€•Â

Â â€œWhile Chinese consumers are clearly embracing new services that make personal financing easier, much needs to be done in communicating to consumers the availability of new services and their benefits,â€• she added.

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