



FOR IMMEDIATE RELEASE

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Mobile Banking Appeals to the Younger Consumer, says Auriemma Consulting Group

WESTBURY, N.Y. — Mobile banking has been widely predicted to become a mainstream technology, but current usage is very much a youth phenomenon, according to Cardbeat[®], a syndicated market research report published by Auriemma Consulting Group (ACG). While it's not surprising that early adopters of most technologies tend to be under 45 years of age, the split in mobile banking is particularly marked, with the majority of users in the 18-25 group.

Mobile banking is still in its infancy, with 13% of the population claiming to use it at least occasionally. "While instant feedback and convenience are the predominant reasons for using this service, incentives are becoming more of a motivator than in the past," says Nancy Stahl, editor of Cardbeat. "Four out of ten consumers under 45 years old said they signed up for mobile banking because they received an incentive." Meanwhile, skepticism is particularly widespread among respondents who are 45 or older, who do not see the added value of mobile banking and voice concerns about security.

Are incentives a good idea? They are probably a waste of time for consumers who are 45 or older. However, they may be effective with younger consumers, who are already predisposed toward mobile banking, Stahl said. "Offering them a modest incentive, such as bonus rewards for using the service or a \$5 statement credit at the time of enrollment, may be the push they need to sign up."

The youthful consumers who are drawn to mobile banking are not yet a very profitable segment for bankers. However, as a long-term investment, mobile banking may be a way to create loyalty among this group, which will be much more profitable in 10 years, when they are making more money, investing, buying houses, and so on, Stahl noted.

The information in this release includes data from a survey of 535 cardholders conducted in March 2010.

About Auriemma Consulting Group

Auriemma Consulting Group (ACG) is a full-service management consulting firm serving the payments and lending industries since 1984. Cardbeat is ACG's syndicated market research study of credit card holders, conducted monthly in the U.S. and quarterly in the U.K. With offices in New York and London, ACG consultants are experienced practitioners, drawn from the credit card, private label, auto finance, mortgage, and retail banking industries that we serve. For more information, contact Nancy Stahl at 516-333-4800 or nancy.stahl@acg.net.