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Banks Top Cards in Trust Survey

BY KATE FITZGERALD

Digital wallet services are being promoted, in part, on the strength of the card brands behind them. But data shows that consumers do not place that much trust in the name on their card.

Just 32% of respondents in a survey from First Data Corp. and Market Strategies International said they would trust the financial institution that issued their card to keep their data secure in a mobile wallet, compared with 47% who trust PayPal Inc. and 59% who trust their primary bank. The card providers fared better than Google Inc. (23%), mobile phone carriers (22%), Apple Inc. (12%) and Facebook Inc. (8%).

First Data, a unit of the private-equity firm Kohlberg Kravis Roberts & Co., plans to present this data in a Web seminar Thursday.

That consumers are most inclined to trust their financial institutions to provide emerging technologies, such as mobile wallets, should be of interest to U.S. banks, Mark Willard, senior vice president and head of Market Strategies' financial services division, said in an interview.

"Consumers are saying that right now banks have permission to be leaders in [the mobile wallet] space," he said. "While there are many new players that want to enter that arena, banks have an opportunity to



Mark Willard

capitalize on the trust consumers have placed in them and market their products accordingly."

Not surprisingly, younger, more technologically advanced respondents were most ready to adopt new mobile banking and mobile payment technologies, while a large chunk of the population, including older participants, remained uninterested, Willard said.

"The study's results point to the fact that about a fourth of the population is leaning toward adopting these new technologies, a fourth feel technology is moving too fast for them, and about half are somewhere in the middle," he said. "The bottom line is that it remains an advantage to aim product marketing for new technologies toward younger people and early adopters, assuming that others will eventually follow their lead."

In the online survey of 2,000 U.S. consumers 18 and older conducted March 17 to 24, younger consumers, especially those under 35, showed the most curiosity about new banking technologies, including mobile wallet technology that would allow them to store information for purchases through credit and debit accounts in their smartphones for easier access and management, Willard said.

Asked to describe their interest in mobile wallet technology, 18% of respondents said it sounded appealing.

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