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**Research Project: The Mobile Commerce Prospects
A strategic Analysis of Opportunities in the German Banking Sector**

http://www.rrz.uni-hamburg.de/m-commerce/banking/index_e.html

August 2005

Dear Sirs,

Mobile Banking – conducting of bank business and utilisation of financial services via mobile devices, e.g. mobile phones or PDAs – is gaining increasing popularity and acceptance in today's banking world, particularly as a means to strengthen customer relations and services. The University of Hamburg is conducting a research project to survey the potential of mobile services and their utility for the customer as well as for the banks in order to measure the strategic importance of Mobile Banking, if any, from the banks' perspective.

This study is being conducted on two planes. The first plane is built by an in-depth analysis of universal challenges and opportunities arising out of Mobile Banking. The second plane deals with the consequences of these challenges and opportunities for the German banking sector. For this purpose we are surveying 25 renowned, international banks, along with a similar number of banks from Germany. In order to achieve meaningful results, we need your valuable assistance and cooperation. Therefore, we request you to spare us approx. 15 minutes to answer this questionnaire and to fax it back to us on the no. mentioned above. Any data provided shall be used confidentially and only in anonymous form. The findings of the study shall be made available to all survey participants interested in them.

We thank you sincerely for your kind cooperation and support.

General information about the participating bank (domestic business) & the answering person

Bank / City / Country _____

Bank category
 "Big" bank (e.g. Deutsche Bank or Citibank) Direct bank
 Public sector bank Cooperative bank Other

No. of retail customers | <= 100.000 | <= 500.000 <= 1.000.000 <= 5.000.000 > 5.000.000

Your position _____

How many of your retail customers make use of online banking* (in %)? _____ (* directly via bank website)

How many of your retail customers make use of home banking (in %)?** _____ (** using a client software)

Do you offer Mobile Banking?

Yes, for past _____ (year/s or month/s)

If yes, how many of your retail customers make use of this channel (in %): _____

No, but we intend to offer Mobile Banking in _____

No, we do not intend to offer Mobile Banking

If you neither offer nor intend to offer Mobile Banking, please proceed directly to question no. 13 (p. 4)!!

Do your Mobile Banking services attract additional charges for the customer?

Yes: i) a monthly fee of _____ € ii) pay per use _____ €

Currently not, but planned: i) a monthly fee of _____ € ii) pay per use _____ €

No, also not planned

Questions regarding Mobile Banking

- 1) Which of the following mobile financial services are offered or planned by your bank? Are there services that you think are unsuitable for Mobile Banking? (If a service is neither offered nor planned but still considered to be suitable then please leave the corresponding fields blank)

Mobile Service / Application	Available	Planned	Unsuitable
a) Mobile Accounting			
Money transfer / remittance			
Administering standing orders for bill payments			
Subscribing standard insurance policies (e.g. travel insurance)			
Access administration (e.g. ordering new PIN/TAN)			
Card management (e.g. blocking credit/debit cards in case of loss)			
b) Mobile Brokerage			
Selling & purchasing financial instruments (e.g. stocks)			
Administering order book			
Access administration (e.g. ordering new PIN/TAN)			
c) Mobile Financial Information			
Balance inquiries & statements of account (for all types of accounts)			
Information per SMS for transaction thresholds			
Information per SMS for balance thresholds			
Information per SMS for stock price thresholds			
Branches & ATM locations			
Status confirmation after execution of an order			
Stock market quotes, bourse reports and commodity prices			
Foreign exchange rates and interest rates information			
Product information, conditions and offers			
Other/s (please specify)			

- 2) Which of the three possible mediums of Mobile Banking do you offer, or intend to offer, your customers?
- Messaging-based applications (e.g. via SMS)
 - Browser-based applications (direct access to Internet via mobile phone or PDA)
 - Client-based applications (special software installed on the mobile device)
- 3) SMS is internationally often used as a medium to conduct transactions in Mobile Banking. It has however so far failed to generate the same level of interest in Germany. Are there in your opinion certain drawbacks of SMS when used as a medium for Mobile Banking?
- Complicated usage (learning & typing of relevant commands)
 - Security concerns
 - Other/s (please specify) _____

4) How do you rate “SMS Toolkit” (STK), the hybrid System containing elements of both messaging- and client-based applications?

- Positive, while no need for learning and typing commands unlike with SMS
- Negative, while similar security concerns as with SMS
- Positive / Negative, while _____

5) Can client-based Mobile Banking applications, in your opinion, generate a better customer response than applications based on messaging (SMS) or browsers (WAP, i-mode)?

- Yes, while it requires less time and effort to operate locally installed software
- Yes, while offline preparation of transactions reduces online charges
- Yes, while client software generally provides better security and encryption techniques
- No, while the installation process acts as an inhibition for many customers
- Yes / No, while _____

6) The PDA-based “Mobile” Banking may be referred to as *online banking in mini format*. Do you think that this concept may prove to be a success story?

- Yes, while our target customer groups have a high ownership rate of PDAs
- Yes, while PDAs are expected to substantially increase market penetrance
- No, while the market penetrance of PDAs is too low to be successful
- Yes / No, while _____

7) What are your objectives for offering Mobile Banking?

(Please answer only if you are either already offering or planning to offer mobile services.)

(1 = Very high significance up to 6 = without any significance)

	Significance					
	1	2	3	4	5	6
Fostering an innovative image						
Better customer relations management						
Attracting new customers						
Differentiation vis-à-vis rivals						
Increased efficiency of the workflow						
Cost reduction						
Increase in the turn-over						
Increased motivation of the workforce						
Higher flexibility in business processes						
Other/s (please specify)						

8) Which customer groups are in your opinion particularly relevant for Mobile Banking?

- Students Business professionals Higher management / self-employed High income groups
- Technology fans Other/s (please specify) _____

9) **An increasing number of banks is now offering Mobile Banking. Many, however, refrain from advertising them. What in your opinion could be the reason for this reserved attitude?**

- High operative costs per user owing to altogether low utilisation by customers
- Security concerns due to unripe technologies
- Banks wish to first carefully test the customer response
- Other/s (please specify) _____

10) **Banks in Germany often restrict their Mobile Banking offers to certain services of informational nature. Why would a bank, in your opinion, make limited offers in this field?**

- Low costs of information services (compared to transaction services e.g. accounting or brokerage)
- Security-related concerns in mobile transaction services
- Greater customer demand for mobile information services
- Other/s (please specify) _____

11) **Did your firm enter into an alliance or cooperation in order to develop/offer mobile services?**

Yes, with firm(s) from following branches

- IT Telecommunication Banks Business consultancy Others

No, but cooperation/alliances are planned with firm(s) from following branches

- IT Telecommunication Banks Business consultancy Others

No, cooperation or alliances are not planned

12) **Who is responsible for coordinating your Mobile Banking activities?**

- Independent section/department Inter-disciplinary Team Subsidiary
- Other/s (please specify) _____

13) **Why did your bank decide against launching/retaining Mobile Banking?** (Please answer only if you are currently neither offering nor planning to offer mobile services!!)

(1 = Very high significance up to 6 = without any significance)

	Significance					
	1	2	3	4	5	6
Our products are not suitable for mobile mediums						
Mobile Banking has no significant utility for our customers						
Mobile Banking collides with classic channels of distribution						
Security concerns e.g. for transactions (unripe technology)						
Compatibility problems with existing IT infrastructure						
Lack of interest at the level of top management						
Lack of necessary internal expertise						
Prohibitively high costs of entry / operation						
Lack of customer demand / acceptance						
Others (please specify):						

14) How do you evaluate the following hypotheses regarding Mobile Banking?

(1 = I agree completely, 2 = I agree, 3 = not sure / probably yes, 4 = not sure / probably no, 5 = I disagree, 6 = I disagree completely)

	1	2	3	4	5	6
Mobile Banking is nothing more than a short-term phenomenon!						
Mobile Banking activities of rivals are forcing banks to develop own strategies in this field!						
Mobile Banking activities help banks to differentiate themselves vis-à-vis other rivals!						
Mobile Banking will increase the degree of rivalry amongst banks!						
Mobile Banking is <u>nothing more</u> than a new distribution channel!						
Mobile Banking will increase the threat of entry by external players (e.g. network carriers)!						
Mobile Banking requires firms to forge alliances and cooperate!						
Mobile Banking provides additional value vis-à-vis online banking!						
Mobile Banking will adversely affect the no. of branches & employees!						

15) Would you be willing to grant us a (telephone) interview, if thought to be needed?

Yes No

Please let us know your name and the preferred method of contact, if you wish to receive a copy of the results of this study.

Mr./Ms./Mrs. _____

Address _____

Telephone: _____ (preferred calling time: _____)

Fax: _____ E-Mail: _____

We thank you sincerely for your participation in this survey. Should there be any questions regarding this study, please feel free to contact:

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