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## **INTERNET BANKING ENTERING MATURE STAGE: STUDY**

**TORONTO, January 31, 2005** – For the first time since marketing research firm TNS Canadian Facts began tracking online banking in 1997, the proportion of Canadian adults who do some of their banking over the Internet has not increased over the previous year.

According to the firm's annual *How Canadians Bank* study, which was conducted in the fall of 2004, three out of ten Canadians reported using an online banking service in the month prior to the survey, a finding that is similar to the results from the 2003 study. In addition, fewer non-users now express an interest in banking over the Internet. Only 6 per cent of those who have not yet signed up for Internet banking are likely to do so in the next six months. This may translate into continued stability in the future.

"Internet banking has clicked with many Canadians, but the huge growth we saw over the past few years has levelled off," said Rhonda Grunier, a vice president at TNS Canadian Facts.

Consumer choice is largely behind this plateau in online banking. The main reason why non-users are not interested in adopting online banking is that other channels are available which adequately meet their needs.

"Internet banking is filling a need for a sizeable segment of consumers, but it is not for everyone, so we should not be surprised that growth is slowing or even stopping. Today's consumers have a choice of methods to use as the circumstances and their financial situations warrant," Grunier said.

Other banking methods are also holding their own, although the frequency of using some methods continues to evolve.

While the proportion of Canadians who have visited a branch to conduct transactions with a banking representative in the past month is stable relative to 2003 (59%), the proportion who are weekly branch visitors has declined.

“Bricks and mortar continue to be important for banks, even as transactions have moved to one of the electronic means,” observed Grunier.

Similarly, past month usage of automated banking machines is unchanged from last year (75%), but weekly ABM usage is also becoming less common.

Meanwhile, phone banking usage, at 20 per cent, is down from its 2001 peak of 26 per cent. Phone banking allows one to conduct many of the same transactions as online banking and interact with a bank representative if desired. Online banking has not replaced telephone banking in part because the human interaction that the phone offers may be an important complement to the use of other electronic channels.

For the study, TNS Canadian Facts surveyed a nationally representative sample of Canadian adults 18 years and older. A total of 2,146 self-administered mail surveys were completed between September 28 and November 1, 2004. The survey results are considered accurate to within 2.1 percentage points, 19 times out of 20.

TNS Canadian Facts ([www.tns-cf.com](http://www.tns-cf.com)) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

### **About TNS**

TNS is a leading global provider of market information. The company collects, analyzes and interprets information to help its clients better understand the needs and wants of their customers. TNS provides research, advice and insight on market segmentation,

advertising and communications, new product development, brand performance and stakeholder management. The company is also one of the leading providers of social and political polling.

From its global network, which spans 70 countries, TNS provides local expertise and knowledge, together with internationally consistent information and analysis to multi-national organizations.

TNS is listed on the London Stock Exchange (TNN). Further information can be found on <http://www.tns-global.com>.

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**Media Contacts:**

**Rhonda Grunier**

Vice President

Tel: (416) 924-5751

e-mail: Rhonda.Grunier@tns-cf.com

**David Stark**

Public Affairs Director

Tel: (416) 924-5751

e-mail: David.Stark@tns-cf.com