

INTERNET BANKING

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**Market
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**New 'Internet Banking Data Pooling Facility' launched by the
Market Intelligence Strategy Centre (MISC) reveals the number
of internet banking users reaches.....
.... 1.37 million**

FINAL VERSION

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NEW 'INTERNET BANKING DATA POOLING FACILITY' LAUNCHED BY THE MARKET INTELLIGENCE STRATEGY CENTRE (MISC) REVEALS THE NUMBER OF INTERNET BANKING USERS REACHES....1.37 MILLION

The Market Intelligence Strategy Centre (MISC), sister consulting arm of the leading independent industry research group, MINTEL, today announced that it had launched a new research initiative which would finally deliver a reliable and regular measurement of the growth of users of Internet Banking platforms. Through the **Internet Banking Data Pooling Facility** developed by MISC, a group of Australia's leading Internet Banking financial institutions have agreed to pool their summary statistics on Internet Banking service activity.

A primary functionary goal of the Facility is to finally lay to rest the confusing and contradictory statistical measures to which this fast growing channel has been subject. Accordingly, MISC says the Facility should be viewed as a progressive and pro-active attempt to provide pool participants with an independent, quantifiable and verifiable, assessment of market performance and trends.

Essentially the exciting 'data pooling' initiative determines for the first time the true uptake of Internet Banking activity and importantly ensures that an independent facilitator acts as a conduit for the data collection, analysis and interpretation. The MISC-run facility determines not only the true size of the market and but also delivers, for each participant, their individual confidential relative positions. To track the markets' development, MISC will co-ordinate 90 day data pooling measures to which all participants will confidentially contribute. The subsequent quarterly reports delivered by MISC will provide the various pool participants with the opportunity to position and monitor performance. Critically, the research provides the data required to underpin accurate Internet Banking site development i.e access features and the level of service customers desire.

Following collection and analysis of the June 2000 Quarter results, MISC today revealed that the number of Australians that have registered as users of Internet Banking had reached 1.37 million. This precise market measurement compares to previous estimates that are based on variety of sample-based research or web-site hit activity measures. These alternative sources of market measurements suggest the size of the market ranges between 700,00 and 1,800,000 as shown in the following table:

Examples of Publicly Quoted Internet Banking Market Size Estimates

Source/Publication		Coverage/Methodology	Date
Australian Bureau of Statistics	694,000 Australian's have used the Internet to pay bills or transfer funds	Australian population (Sample-based)	Feb-00
The Daily Telegraph	"Well over a million consumers have abandoned branch banking in favour of the cheaper and faster point and click approach"	Comment only	Mar-00
The Daily Telegraph	762,000 registered Internet Banking customers	CBA, NAB, WBC, ANZ	Mar-00
www.consult - website	2,400,000 registered Internet Banking customers by the end of 2000 (www.consult)	Report on Internet Banking	Jun-00
The Australian	900,000 registered Internet Banking customers	CBA, NAB, WBC, ANZ, St George	Apr-00
The West Australian	857,000 registered Internet Banking customers	CBA, NAB, WBC, ANZ, BankWest	Apr-00
The Australian	1,851,000 Unique Visitors (Red Sheriff)	CBA, NAB, ANZ, WBC	Apr-00
Sydney Morning Herald	1,527,000 Unique Users (Red Sheriff)	CBA, NAB, ANZ, WBC	May-00
Retail World	10% of Australian's have used the Internet for banking transactions (Roy Morgan)	Sample-based estimate	Dec-99
Sydney Morning Herald	"The banks, which now have 1.5 million Internet banking customers "	Comment only	May-00

Source: MISC Internet Banking Market Evolution Trace 2000

According to current industry estimates, the participating Banks account for more than 90% of Internet Banking activity, which clearly represents significant market coverage for the MISC Facility. MISC believes this high level of involvement augers well for the Facility's success, as in other industries, where participants have undertaken to 'pool' competitive statistics, rarely do more than 50% contribute.

MISC said today the Internet Banking environment has been with us for longer than many realise and this move to quell measurement uncertainty is long overdue. Although trials and primitive early forms of Internet Banking services were available in 1995, Advance Bank provided bank account viewing services over the Internet and formally launched the first Internet Banking service platform in May 1996. The past 4 years has seen all of Australia's leading Banks develop and fine tune their Internet Banking services to a point of significant uptake that now demands accurate and consistent market measurement, a task to be undertaken independently by MISC.



Further Background Notes to Facility Service Development & Methodology/Definitions

Development of the Facility by MISC is in response to the market's need to address the issue of widely conflicting market measures and the search for a definitive measurement of Internet Banking uptake. MISC will deliver accurate and regular measurement of market growth and assess trends relating to the market's development. To date there has been much discussion regarding terms used to describe those who have been attributed as having 'experienced' an Internet Banking service, such as: 'User'; 'Customer'; 'Registration'. The new MISC Facility has reached agreement with the pool participants regarding a re-classification of 'user' definitions to ensure consistent measurement.

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