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Small Business Does Not Have a Positive Perception of Mobile Banking Services

RateWatch and Simon-Kucher share survey results on small business mobile banking preferences, and provide a framework to help banks monetize digital offerings.

NEW YORK, March 2, 2017 /PRNewswire/ -- Today, RateWatch, a leading banking data and analytics service owned by TheStreet, Inc. (NASDAQ:TST) and Simon-Kucher & Partners, a strategy and marketing consulting firm, released the results from the 3rd Annual Monetizing Digital Banking Products for Small Business Customers survey.

The survey report reveals important data on the small business customer including their mobile usage, banking behaviors and utility scores on 24 different banking services. It also shares insights on willingness-to-pay and estimates the likelihood-to-purchase at a series of price points for any given service bundle. Behavioral segmentation was used to identify six distinct clusters of small business customers including Not Tech-Savvy, Consumer Type, Relationship-Driven, Unmet Needs-Willing to Pay, High Perceived Value-Willing to Pay and No Potential.

"The small business customer is a huge untapped market for financial institutions," said Jamie Zussman, Business Development Associate for RateWatch. "This report provides data and a framework for how financial institutions can deepen their understanding of this segment and create compelling packages and services for them."

"We need a systematic and structured approach to designing, pricing and selling mobile banking solutions," adds David Chung, Director at Simon-Kucher & Partners. "When these steps are managed separately, we find suboptimal products that fail to meet revenue and profit goals, and fall short of addressing customer needs."

The following are key findings based on the small business customers surveyed:

- | 34% have never used mobile banking, even though their financial institution offers it
- | 69% do not have a positive perception of mobile banking services offered by their institutions
- | Certain small business clusters have significantly higher willingness to pay for digital services than others
- | Customer satisfaction is directly correlated with the rate at which digital innovations or new digital features are introduced
- | There is a lack of 'leader' features and high variance across all digital banking services, suggesting a bundling approach that is logically coherent but still allows for customization

An executive summary of the report is available [online](#) and TheStreet's exclusive article can be found [here](#).

Survey Methodology

The 2017 Monetizing Digital Banking for Small Business Customers study is based on a total of 215 unique survey responses completed by U.S. based small businesses (of up to \$4.99 million in annual revenues). More than 20 major industries are represented, including retail trade, construction, finance, insurance, professional, scientific, and technical services. More than 85% of respondents are directly responsible for managing all of the day-to-day banking for their business, and therefore are well-placed to respond to questions around small business mobile banking solutions. All survey responses were collected in the third quarter of 2016. A range of statistical and analytical methods, including factor analysis, cluster analysis, MaxDi analysis and conjoint analysis were employed to develop key insights.

About RateWatch

RateWatch (www.rate-watch.com) is a leading banking data and analytics service that provides competitive interest rate and product information to financial institutions across the United States. In addition to deposit, loan, and fee data, RateWatch produces product comparisons, financial strength reporting, geographic analysis and specialty surveys/reports. RateWatch is a business unit of TheStreet, Inc. (NASDAQ: TST, www.t.st), a leading financial news and information provider. Other

business units include TheStreet (www.thestreet.com), which is celebrating its 20th year of producing unbiased business news and market analysis; The Deal (www.thedeal.com) which provides actionable, intraday coverage of mergers, acquisitions and all other changes in corporate control and BoardEx (www.boardex.com), a relationship mapping service of corporate directors and officers.

About Simon-Kucher & Partners

[Simon-Kucher & Partners](#) is a global consulting firm with 1,100 professionals in 33 offices worldwide focusing on TopLine Power®. Founded in 1985, the company has more than 30 years of experience providing strategy and marketing consulting and is regarded as the world's leading pricing advisor. Financial institutions can utilize Simon-Kucher & Partners' proven Monetizing Digital Banking framework to ensure they can monetize their mobile banking solutions.

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