

The State of digital banking in France - 2014

The French are considered to be one of the biggest consumers of banking services in the world. In fact, the country counts 390 banks and 99% of its population aged 18 or more holds a bank account. It is also a common thing to open a withdrawal-only account for children from 12 or 13 years old.

At the end of 2012, France was the second largest banking sector in the euro area, with total asset values of €6.8trn (\$9.5trn), behind Germany (€7.6trn), according to the European Central Bank.

In terms of digital banking, France also comes second in Europe with 25.8m users (59.9%), according to internet analytics company Comscore. The Netherlands holds the first place with 66.3% of banking operations made via a digital channel.

Roughly 70% of the French bank online

French are indeed big internet users. The National Institute of Statistics and Economics Studies (Insee) estimated that 78% of the population aged 15 or more had access to internet from home in 2012 – against 73% of the total European Union population.

Amongst them, 76% declared banking online, according to the latest Ipsos study (April 2012).

In the same year, the most recurrent online operations were the consultation and sending of e-mails and the consultation of bank accounts. Research for healthcare information came third and the purchase of good and services came in fourth position.

Seven out of ten internet users regularly access their bank online. A figure confirmed by Olivier Chédeville, director of multichannel strategy at Société Générale: “73% of our customers say that they use our internet services. 3.5m use the website and 1.7m use the mobile app.”

As a result, four of the five biggest financial institutions in the country offer a 100% digital bank in addition to their website. It is Fortunéo for Crédit Mutuel, Hello Bank! for BNP Paribas, BforBank for Crédit Agricole and Boursorama for Société Générale.

The legitimacy of the ‘first’

Two of the biggest French banks – BNP Paribas and Société Générale – insist on the fact that they have been some kind of pioneers, either on the online banking services or on the mobile banking innovation.

“In addition to our branches network, the website, the phone platforms and the customer relations management through the social media, we offer banking services via our

application 'L'Appli', which is available on iOS, Android and Windows Phone," explains Chédeville.

'L'Appli' has been downloaded 3m times since its launch in 2010.

Société Générale tells RBI: "By creating and launching very quickly a free application, widely distributed, we are assured a broad based of users who can now benefit from every new update.

"'L'Appli' is a real platform for immediate services distribution since only one update is enough to access all new services at once."

The best customer's experience: autonomy and human advice

To differentiate themselves, all banks seem to bet on the customer's experience. Autonomy associated with the possibility of asking for human help at any time seems to be the path followed by most banks today.

"Our difference lays in the quality of our services and the culture of excellence that we improve at all levels of our relational model," explains Chédeville.

When some banks have developed several apps for different services, such as Cofidis' 'Pocket Budget' and 'Pocket Docs' apps, Société Générale chose to launch a unique application "which includes a lot of features and is ergonomic in terms of the customer's experience", adds Chédeville.

"We designed it from the start in a scalable manner and not just as the juxtaposition of many apps to maintain and evolve separately."

He insists particularly in the availability of personal 'Budget' management tools which allow the user to manage their money "simply and independently".

However, L'Appli also includes a secure mailing service, so the customer can, at any moment, contact an adviser and even receive an SMS alert when getting a new message.

Hello Bank! or the choice of 100% digital

BNP Paribas also focus on one main application called 'Mes Comptes' (My Accounts), which was also launched in 2010.

But the French biggest bank is particularly proud of its latest innovation: Hello Bank!, the 100% digital bank from BNP Paribas launched in 2013. It was actually a mobile bank – the first 'stand-alone' digital bank in Europe - before being developed online.

Nathalie Martin-Sanchez, e-business director at BNP Paribas and Hello Bank!, explains: “Our customers are always connected and that is why we developed this bank, first on smartphones, then on internet and tablets.

“Hello Bank! was created for mobile. That was a real innovation! Online banks exist for several years but we were the firsts to create a European mobile bank – it was launched in France, Germany, Belgium and Italy in the space of a year.

“We counted 13,000 French customers at then end of 2013, which is close to what we were expecting.”

Evolution, adaptation and even partnership

French banks have been diversifying themselves for a long time. The French are big mobile phone users? The banks become mobile operators, offering mobile contracts along with current accounts and insurances. It’s, amongst others, the case of Cofidis.

Both Société Générale and BNP Paribas, along with another big French institution – La Banque Postale – have partnered over an online payment solution called ‘Paylib’, launched in early 2014 and which allows customers to pay for goods and services online through their banking app, with no need to enter any personal or bank details.

At mid-April, six months after paylib’s launch, the three banks partners have 200,000 paylib users and 400 e-merchants participating, including showroomprive.com, venteprivee.com, laposte.fr...

As a result of the importance of online banking in the country, the five biggest banks – BNP Paribas, Crédit Agricole, Société Générale, Crédit Mutuel and the BPCE Group (Banque Populaire and Caisse d’Epargne) – have joined a communal project called SEPAmail.

SEPAmail, which was started in 2008, is a mailing service designed to assemble the most European economic entities possible in order to unify, ease and secure flows in the Single Euro Payments Area (SEPA).

It aims at offering a secure interbank mailing service, mainly for the use of non-accounting reports about payments such as bills, quotes, postal orders and recommendations.

Transformation of the branches’ network

However, according to the French Banking Federation, 87% of consumers still visit their branch at least once a year.

In 2013, the banking sector in France represented 377,000 people, of which 70% worked in contact with customers.

Société Générale counts 2,300 branches in the country and BNP Paribas 2,200, while La Banque Postale runs 17,000.

Société Générale closed 30 of them in 2013 and Olivier Chédeville thinks that “this trend should continue over the next few years”.

“But this is not really about closing local branches. We are re-thinking the whole organisation of our network to stick to the evolution of behaviours. Today, most of the contacts with our customers are made through digital services and we want to make each branch a ‘direct branch’.

“Also, we are re-organising our branches around poles of expertise, allowing us to handle more complex, high-value problems, for which customers are willing face-to-face communication.

“Our advisers are more and more in a multichannel logic regarding customer relations. Digital services are now our everyday life. But digital and branches are not antonymic,” says Chédeville.

“Our capacity not to oppose human side and digital side is our strength. But today, digital services are the first entry gate to Société Générale’s network for our customers,” he adds.

The explosion of mobile use...

All banks observe the same trend: the online services growth stay stable, while the mobile banking is experiencing an explosion in uses.

“Monthly mobile connections have risen of more than 50% in a year – from 24m in March 2013 to 37m in March 2014 – while the website use stayed stable with an average of 24m connections per month last year,” says Chédeville.

Confirming this trend, Nathalie Martin-Sanchez tells RBI: “A third of Hello Bank!’s users come from BNP Paribas, which proves the attraction of mobile banking. Those customers simply transferred their account from BNP to Hello Bank!”

...pushes towards constant innovation

This explosion in mobile banking pushes the banks to innovate constantly with new features and services. Thus Société Générale launched at the end of 2013 a ‘SMS transfer’ service.

PNB Paribas tells RBI: “Everything goes very quickly on mobile, either in terms of expected customer experience, simplicity, design...

“So we constantly need to re-think our services and make them evolve to fit the needs of both our users and the market.

“We recently reviewed our ‘Mes Comptes’ application from start to finish, and regularly during the year, we deliver new features.”

Olivier Chédeville agrees: “We intend to follow this path and speed the effort, particularly in terms of digital services. We want to enable our customers to be more autonomous through ergonomics, useful and relevant services, and to provide them with a high-value advising service.”

Social media are also taking a growing place in French digital banking. It is mostly used by the banks to gather customers’ opinions and ideas. For example, BNP Paribas is proud of its 142,000 followers on Twitter and 2.1m fans on Facebook.

“French are big consumers of social media so we bring them what they need on those platforms,” explains BNP Paribas’ spokesperson.

‘Simplicity’ as a key word

Most banks insist on the fact that they take in consideration customers’ feedbacks and ideas to design innovative products, always aiming at delivering the best banking experience. ‘Simplicity’ is a key word.

Nathalie Martin-Sanchez says: “We follow very closely our customers’ satisfaction regarding our apps and websites, both on Hello Bank! and BNP Paribas. Where we see potential for improvement we really try to bring better services on a long term basis.

“Hello Bank! responds particularly to digitalised customers who do not need face-to-face relation in branches anymore, who do not need a dedicated adviser, who are obviously internet users but, most of all, mobile phone users always looking for speed and simplicity of service,” explains Nathalie Martin-Sanchez.

She adds: “Our BNP Paribas website has also changed a lot in the past months. It is now much simpler, with less editorial content. Our products and services are displayed in a clearer way, allowing the user, alone in front of their device, to understand in just a few minutes the solution we can bring to them or the operation they want to do.”

Conclusion

BNP Paribas resumes: “Today, there is a real mobile revolution in the digital world. We realise that all internet codes are evolving.

“The mobile now dictate the way we have to think the user experience and its simplicity, due to the size of the screen and the short amount of time the user wants to pass on such services. All those mobile codes are now starting to influence the internet as well.”

