

Estonia

Banks interested in profit

This autumn, GfK Custom Research Baltic conducted a study concerning the residents' satisfaction with banking services in the three Baltic States. In Estonia, Latvia and Lithuania, consumers are most concerned about service fees and slow service. What sets Estonia apart is the consumers' opinion that banks are, first and foremost, looking after their own profits. The services of banks are used by 97% of the permanent residents in Estonia, 87% in Lithuania and 81% in Latvia.

In Estonia the share of users of banking services is nearly 100% in all age groups. In Lithuania there is most room for growth amongst the 15-24-year-old group, of whom only 66% are currently using the services provided by banks (93% in Estonia, 75% in Latvia). By comparison, in Latvia there is room for growth in the 65-75-year-old seniors target group, of whom slightly more than half, 55%, are using banks (92% in Estonia, 77% in Lithuania).

In Estonia, the majority of people do their banking on the internet with 69% of the respondents saying that they are users of internet banking. In Latvia and Lithuania, users of internet banking form minorities at 29% and 28% respectively. The Estonians use ATMs to pay bills twice as much as the Latvians and Lithuanians do: 29% in Estonia, 15% in Latvia and 9% in Lithuania. In contrast, in Estonia it is those who prefer to make their payments in the bank branches who form the minority — a mere 21%, compared to 32% and 33% respectively in Latvia and Lithuania.

In Estonia, two-thirds of respondents considered their principal bank to be Hansapank and SEB Ühispank was the choice of nearly a quarter with other banks scoring only 5%. The rest were unable to name a single bank as being their principal bank.

Distribution of the banking market in the other Baltic States is more diverse.

Hansabanka is also the leader in Latvia, being the principal bank for a third of the population with the runners-up being SEB and Latvijas Krājbanka with 11%, Parex with 10%, the rest of banks with 15%, and a fifth of respondents did not state an unequivocal preference. In Lithuania, Hansabankas is the principal bank of nearly half the residents at 46%. The runners-up are SEB with 20%, DnB Nord with 9% and Snoro Bankas with 6%. 13% have no fixed principal bank.

In Estonia, Hansapank is strong in all age groups with 63% of 15-24 year-olds considering Hansapank to be their principal bank and as many as 83% of seniors or 65-74-year-olds preferring Hansapank.

As expected, in Estonia SEB is stronger where Hansapank is weak, i.e. in the younger target group (36%), and weakest where Hansapank is strongest: amongst the seniors (63%). In Latvia, the situation for Hansabanka is reversed, being strongest amongst the young consumers with 61% considering Hansabanka to be their principal bank. In the same age group, SEB also has stronger support (21%). In the older target groups, the leader is the local Latvijas Krājbanka — the successor of the former state savings bank — whose success among seniors is 34%, twice that of SEB and Hansabanka. The younger the target group, the fewer are those who name a local player as their principal bank, and the shares of Hansabanka and SEB grow correspondingly. The principal bank amongst seniors is not considered to be their principal bank by any 15-24-year-olds.



In the Baltic States, Latvians are the most critical of banks, noting deficiencies in all areas of services. They are most concerned about the slowness of service, they are not convinced that

their personal data are sufficiently protected, and there are also complaints about high service fees.

One percent more of Estonians than Latvians complain about the dysfunctionality of internet services and also express more concern about data protection. Lithuanians are the most relaxed in their attitudes and are also more price-sensitive than the Estonians: internet services concern them the least, nor do they see a problem with personal data.

“What sets Estonians apart is their opinion that banks are only looking after their profits. This is a question of image that should command greater attention by Estonian banks.”

- Mauri Sööt, Director, Estonian Division, GfK Custom Research Baltic

Contact:

Mauri Sööt

GfK CR Baltic Estonia

Valge 13

11415 Tallinn

Estonia

Tel. + 372 6 221 800

mauri.soot@gfk.com

www.gfk.ee