

Underbanked Financial Services Market Revenues Exceed \$10 Billion



Phoenix Marketing International logo. (PRNewsFoto)

SOMERSET, NJ USA

- Phoenix Marketing International to Launch New Market Research Service of Unbanked Population -

SALISBURY, Md., May 31 /PRNewswire/ -- The "unbanked" and financially underserved population is making its mark in the economy in a market segment that now exceeds \$10 billion, according to data compiled by Phoenix ESP Payments Research Group. Phoenix reports that although this below-the-radar group may not be using credit cards to make purchases, many are turning to pre-paid cards instead, fueling an opportunity for financial services firms and retailers.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20050214/NYM279LOGO>)

Phoenix ESP reports that about 90 % of households with incomes above \$35,000 hold a credit card, but the percentage drops to less than 47% for lower-income households. Lower-income consumers are 45% more likely than their higher income counterparts to purchase pre-paid cards and somewhat more likely to buy pre-paid cards for use at specific retailers -- such as Starbucks. Furthermore, the strong appetite of this segment for using payment cards is evident in their above-average use of prepaid cards, which doesn't require that users meet pre-established credit requirements.

"This activity only provides a glimpse of the growing and largely unmet financial needs of this customer segment, and its market potential for banks and financial services providers," said Leon Majors, president of Phoenix ESP Payments Research Group, a division of Phoenix Marketing International. "Both new and established providers are scrambling to understand the right mix of products for this market segment -- which may include insurance and mortgages, as well as payment products -- and the delivery method or combination of methods needed to successfully reach this customer base."

Successful sales strategies to penetrate this market segment require not only a deep understanding of its financial needs but also of its cultural concerns. Phoenix ESP has learned that the percentage of low-income households that are very concerned about payment security is roughly double that of higher income households regarding credit card use, telephone bill payments, and online purchasing.

"The heightened level of security concerns in this segment partly explains their lower current and planned use of electronic payments. New products designed for this segment must mitigate these fears," said Ken Kerr, Vice President at Phoenix ESP and the director of the study.

Phoenix ESP Payments Research Group is meeting these strategic needs with a first-of-its-kind, in-depth study of low-income households that exceeds the depth, breadth, and accuracy of any research currently available. The Unbanked & Low Income Financial Services Market will be the first major syndicated research service to offer a detailed, data-driven examination of trends in the growing low-income financial services market. The research is national in scope, but scaled to provide insight into specific geographic and ethnic communities. The results will identify the total market opportunity and the appropriate mix of financial products and specific product attributes desired by various segments of this targeted

market.

The Unbanked & Low Income Financial Services Market will include an analysis of customer awareness, satisfaction and attitudes toward existing providers, as well as a comprehensive look at current usage rates of traditional financial service products, fees paid for services used, and attitudes toward emerging products and service delivery options.

The data cited in this press release is based upon research from a balanced panel of over 2000 U.S. consumers conducted in 2005 by Phoenix ESP. The unbanked/underserved research study that is planned will be a national study conducted of over 2000 low-income, unbanked, and under-banked individuals in the U.S., covering all key ethnic and geographic populations. Interviews can be conducted in up to 50 languages, with the understanding of varying levels of acculturation.

About Phoenix Marketing International

Phoenix is one of the fastest growing top-50 marketing research firms in the U.S. and partners with many of the largest companies in the financial services, consumer package goods, automotive and travel, leisure & entertainment industries worldwide. In addition to industry expertise Phoenix has dedicated analytical groups leading the industry in advertising and brand analytics, multi-cultural expertise and direct marketing list optimization.

Phoenix ESP Payments Research Group is a member of the Phoenix Marketing International family of research companies and is one of the most comprehensive financial consulting and research firms in the United States. Phoenix ESP Research has the only integrated payments program that tracks the entire 300 billion financial transaction market, specializing in topics and issues that are of strategic importance to retail and corporate financial services and vendors of technology to those services.

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[⤴ back to top](#)

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