



# **NGDATA 2016 Consumer Banking Survey**

Research Brief

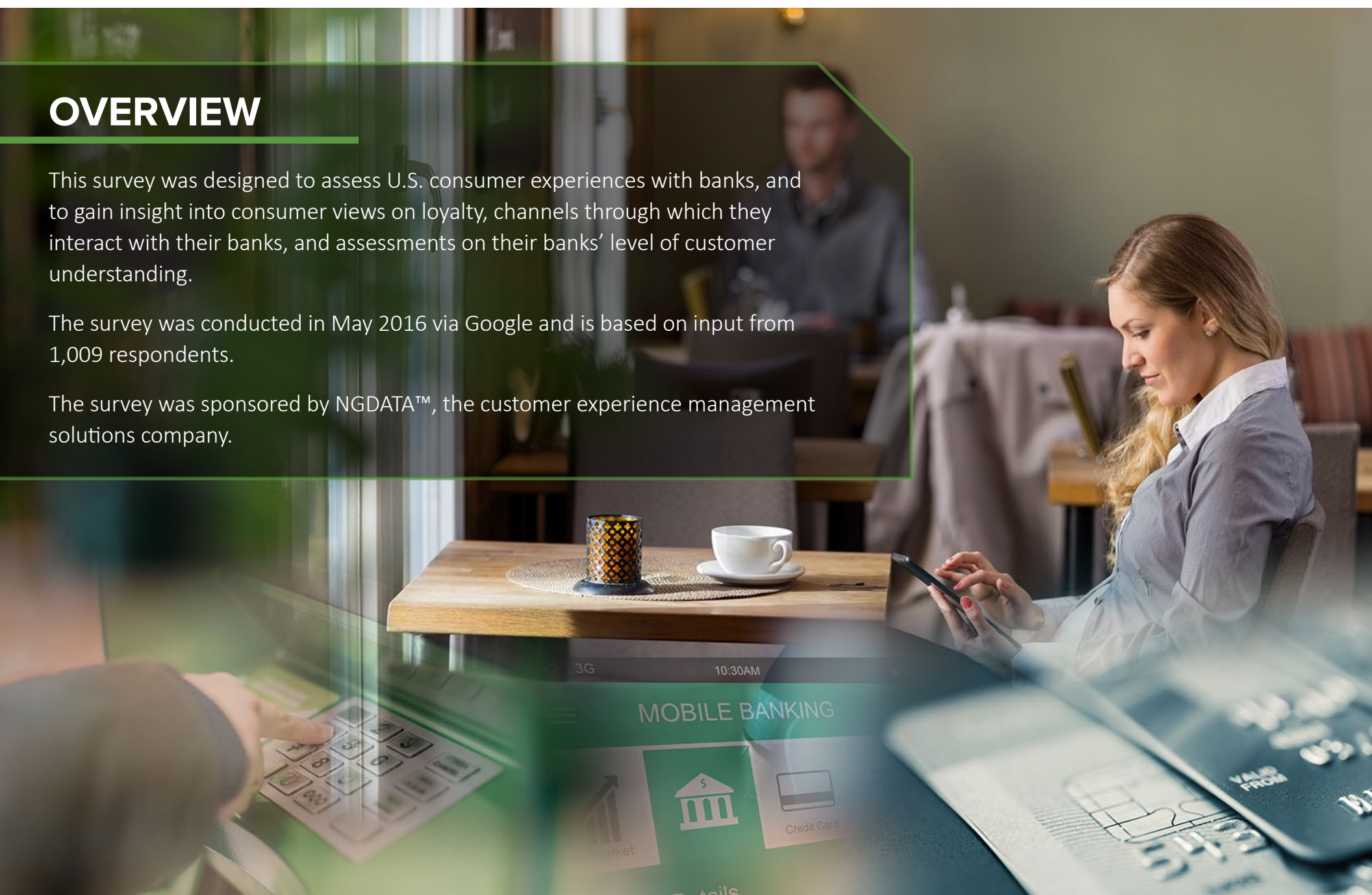
NG  DATA

## OVERVIEW

This survey was designed to assess U.S. consumer experiences with banks, and to gain insight into consumer views on loyalty, channels through which they interact with their banks, and assessments on their banks' level of customer understanding.

The survey was conducted in May 2016 via Google and is based on input from 1,009 respondents.

The survey was sponsored by NGDATA™, the customer experience management solutions company.





## KEY FINDINGS



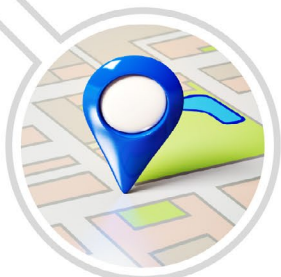
Consumers don't believe their banks treat them as individuals – and they want their banks to understand them better.



Younger customers have high expectations for their banks – and they're going unmet.



High costs and fees are the most likely factor to lead to churn, but customer experience is extremely important.



The old saying, “Location, Location, Location!” is meaningless in today's banking environment.



Despite a huge head start, banks are lagging behind Google when it comes to understanding customers.

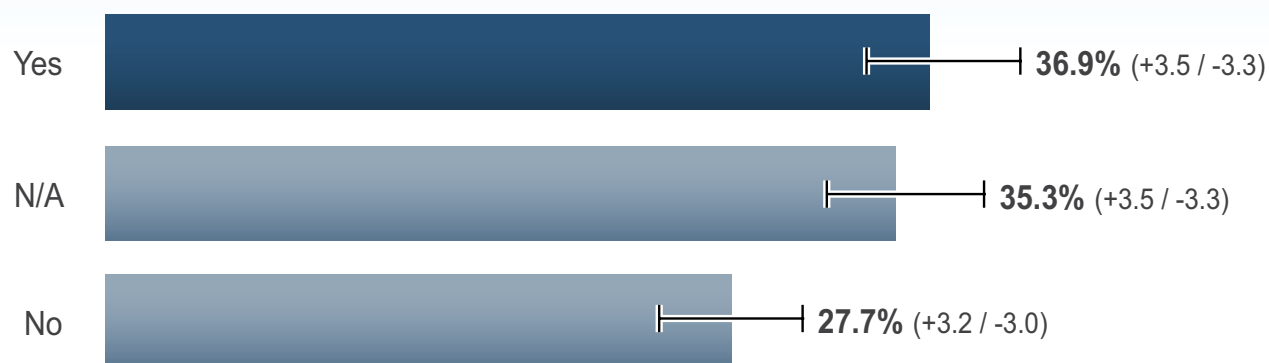
# 1 Consumers don't believe their banks treat them as individuals – and they want their banks to understand them better.

Less than 30 percent of consumers believe that offers from their banks are customized for their individual needs.

SINGLE ANSWER:

**Do you believe that you'd be a happier customer if your bank had a better understanding of your needs?**

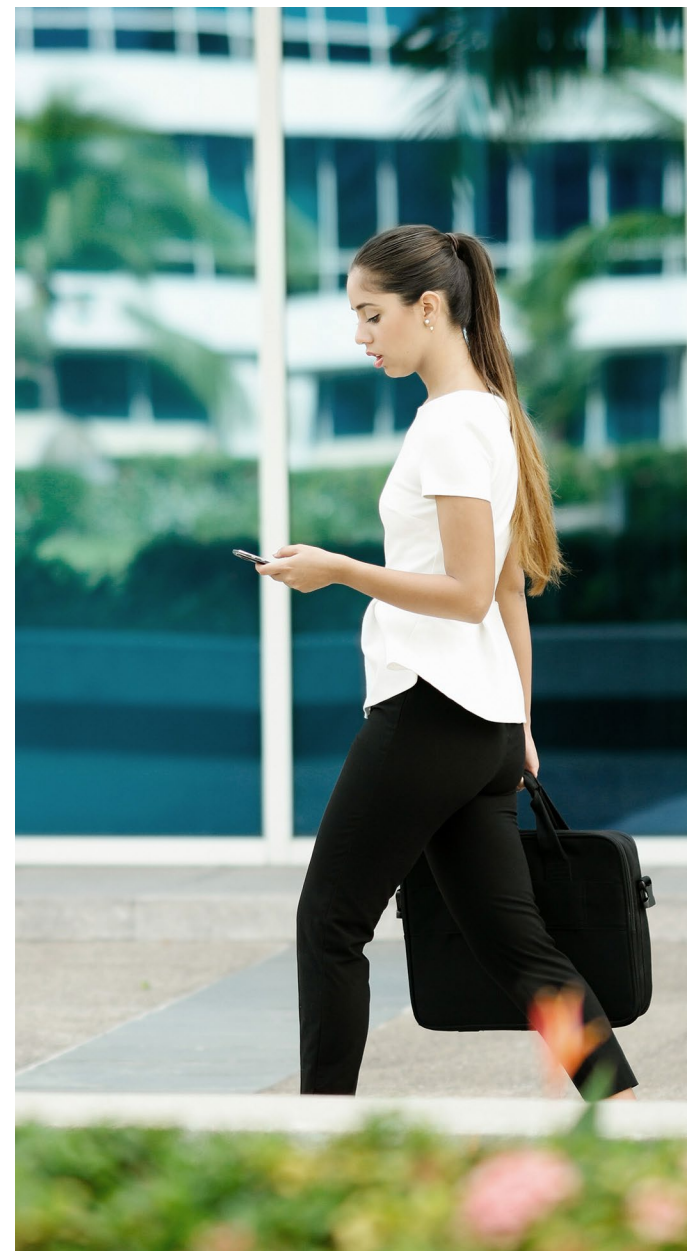
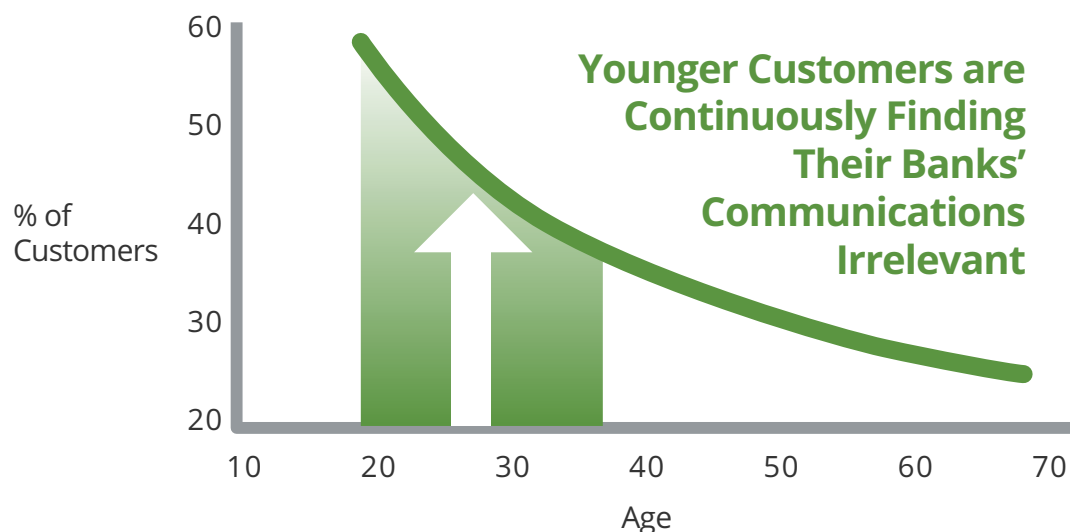
Results for respondents with demographics. Weighted by Age, Gender, Region. (805 Responses)  
Confidence too close to call.



Methodology: Conducted by Google Consumer Surveys, May 11, 2016- May 11, 2016 and based on 805 online responses. Sample: National adult Internet population.

## 2 Younger customers have high expectations for their banks – and they're going unmet.

The age of the consumer is directly proportional to how much happier they'd be if their bank understood them better. A whopping 51 percent of respondents aged 18-34 would be happier if their bank understood them better, compared to 27 percent 35 years old or older.



### 3 High costs and fees are the most likely factor to lead to churn, but customer experience is extremely important.

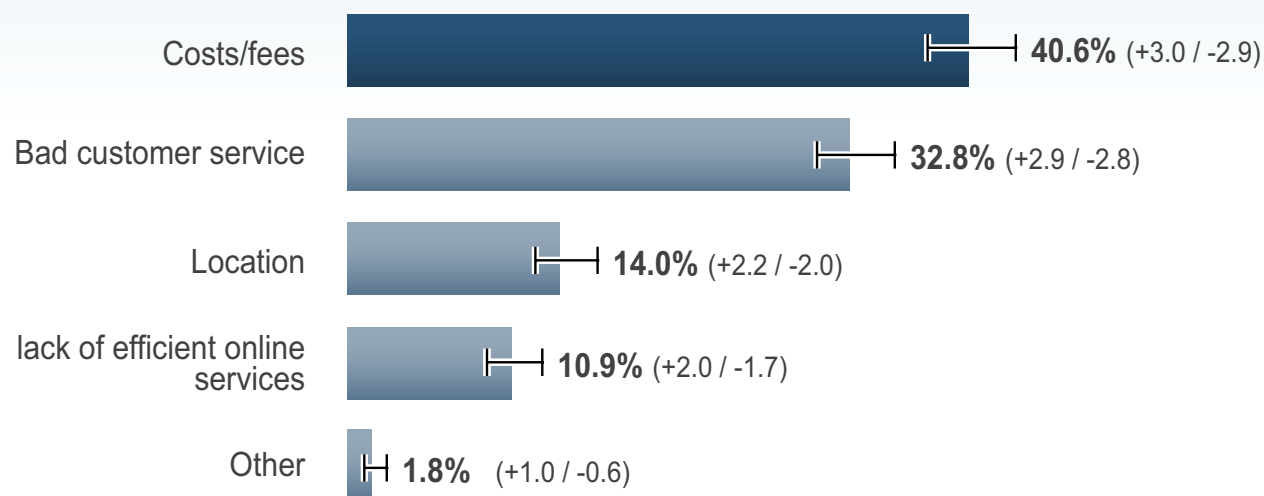
High costs/fees (40.6 percent) and bad customer service (32.8 percent) dwarf other factors that would lead customers to switch banks.

SINGLE ANSWER:

#### What would be the primary reason you would switch banks?

Results for respondents with demographics. Weighted data unavailable for this view. (1065 Responses)

Winner statistically significant.



Methodology: Conducted by Google Consumer Surveys, May 11, 2016- May 11, 2016 and based on 1065 online responses. Sample: National adult Internet population.

When asked what factor is most important when interacting with their bank, customer service mattered most, with 35 percent of respondents citing it as the top choice. Easy to use online services were a close second at 32.1 percent.

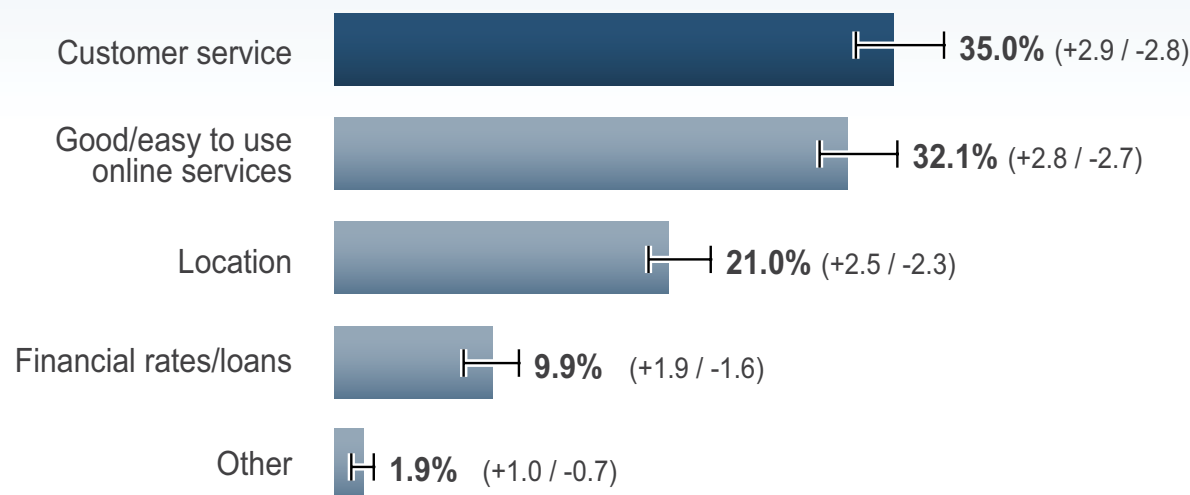
## 4 The old saying, “Location, Location, Location!” is meaningless in today’s banking environment.

Only 21 percent of respondents (and 14.4 percent of those aged 18-35) cited location as the most important quality when interacting with a bank, and only 14 percent cited it as a reason they’d leave.

SINGLE ANSWER:

### Which quality is most important to you when interacting with a bank?

Results for respondents with demographics. Weighted data unavailable for this view. (1088 Responses)  
Confidence too close to call.



Methodology: Conducted by Google Consumer Surveys, May 11, 2016- May 11, 2016 and based on 1088 online responses. Sample: National adult Internet population.

What’s more, easy-to-use online services are becoming increasingly important. When asked the same question in a 2014 survey, 22 percent cited online services as the most important factor, compared to 32.1 percent in 2016.

## 5 Despite a huge head start, banks are lagging behind Google when it comes to understanding customers.

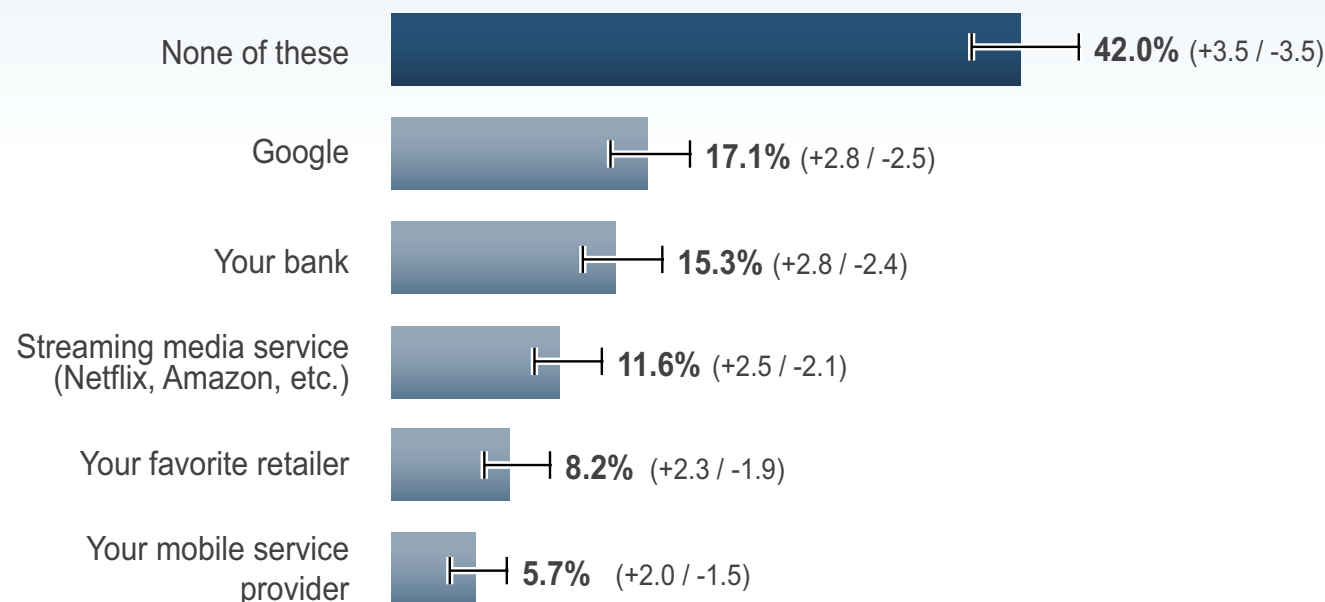
When asked which service provider understands them best, 17 percent of consumers said Google, followed by their bank at 15.3 percent. A whopping 42 percent do not believe that any service provider understands them.

SINGLE ANSWER:

**Select the service provider you feel understood you best.**

Results for respondents with demographics. Weighted data unavailable for this view. (792 Responses)

Winner statistically significant.



Methodology: Conducted by Google Consumer Surveys, May 11, 2016- May 16, 2016 and based on 792 online responses. Sample: National adult Internet population.



## ANALYSIS

The survey of more than 1,000 U.S. consumers found an overwhelming demand for banks to understand their customers better. Younger customers in particular want their banks to understand their individual needs, and are more likely to think that those banks are falling short in doing so.

The survey found that among the entire population, there is a significant increase of consumers who would describe themselves as “not loyal” to their banks. Fourteen percent of respondents admit they are not loyal to their bank, up from nine percent in the 2014 version of this consumer survey. This increase poses a threat to banks in an industry where attrition – both to FinTech companies and rival banking organizations – is already making an impact on bottom lines.

The research demonstrates a clear path for happier and more loyal banking customers – developing a deeper understanding of customers at the individual level and tailoring offers that reflect that level of knowledge. As younger generations – the respondents who were most sensitive to these issues – make up an increasingly large segment of the banking customer base, the demand will only continue to grow. Over 50 percent of respondents between 18 and 35 said they’d be happier if their bank understood them better, compared to just 27 percent of those 45 years old or older.

Younger consumers are also more likely to be satisfied with – and loyal to – banks that invest in easy-to-use online services. When asked which channel they use most frequently to interact with a bank, just 24.7 percent said “In person at the branch,” a significant decline from 37.9 percent in 2014. The population is becoming more mobile and more

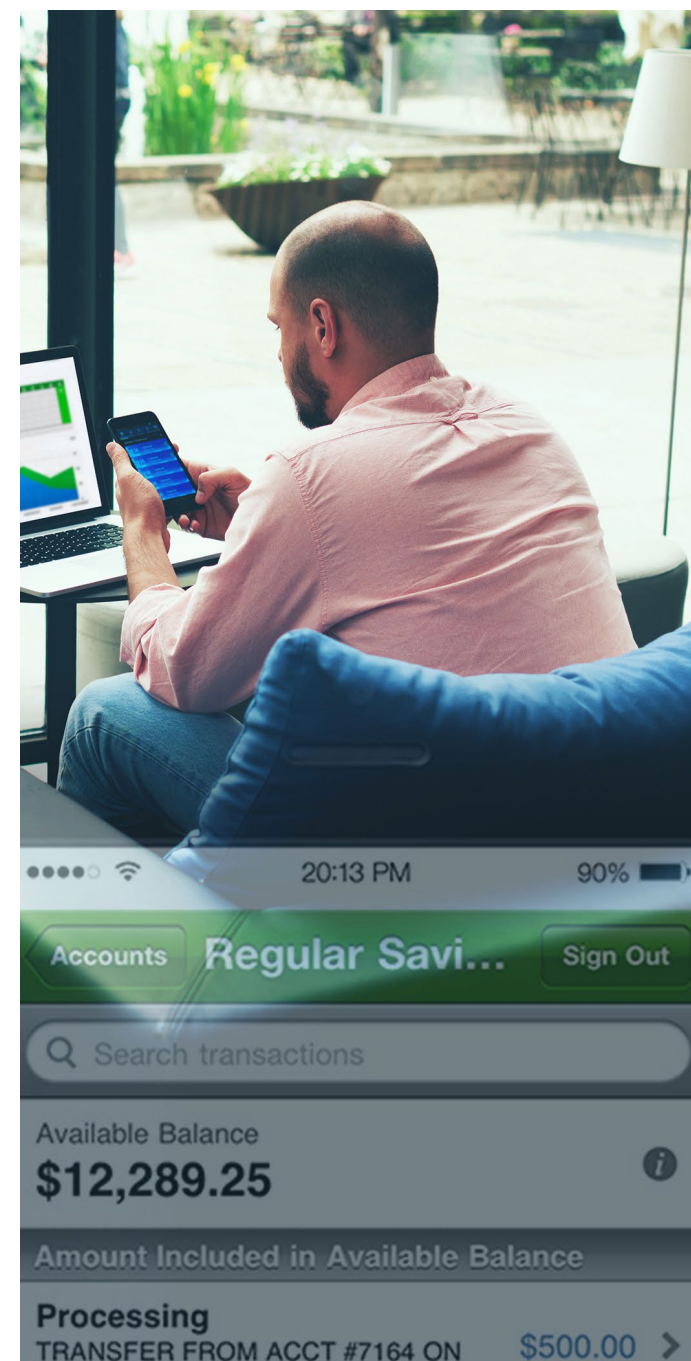


digital, and expect banks to keep pace. Gone are the days where an impressive looking banker with a nice smile and a sharp suit is enough to attract and maintain business. Instead, customers want to be able to easily and intuitively access their banking information online and on-the-go.

Banks have long held the role of “trusted advisor” to their consumers, who trust the institution with their most valuable assets. With this relationship comes an expectation that banks truly understand what is in each individual customer’s best interest. For this reasons, banks should be concerned that a relatively new provider like Google has already surpassed them in consumers’ perception of which service provider understands them best. In many cases, banks have been working with their customers for decades, and are expected by consumers to apply that knowledge on an individual basis to support their customers.

Banks have been able to amass a massive amount of data on their customers, but expectations about what they should do with that data are shifting quickly. As the population ages and more and more banking customers are younger “digital natives,” banks will be expected to keep pace by turning that data into actionable recommendations that benefit consumers at the individual level.

However, there is a silver lining. More than 42 percent of respondents do not believe that any of their service providers understand them, presenting an opportunity for banks to take charge and change this number dramatically. Banks are no longer just competing against each other as data-driven FinTech companies and service providers continue to emerge as threats to the traditional banking model. In order to retain customers and attract new ones, - particularly younger customers who expect service providers to cater to their individual needs - banks must demonstrate that they understand their customers.





# ABOUT NGDATA

NGDATA™ helps companies in data-driven industries, such as financial services, media/publishing and telecom, to operationalize their data analytics through its real-time, analytics-based solution for improved customer satisfaction, reduced attrition, enhanced retention and higher profit margins. NGDATA's Lily Enterprise™ is the customer experience management solution that finds insights and executes on them, bridging the gap between the worlds of data and business, enabling companies to deliver timely, relevant, contextually-aware, and personalized offers and experiences that customers embrace. NGDATA is headquartered in Gent, Belgium and has offices in the United States, Europe and Asia-Pacific. Customers include AXA, Belfius, De Persgroep, Orange, Telenet, and Wells Fargo, among others.

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