The annual NGDATA Consumer Banking Survey is designed to assess U.S. consumer experiences with banks, and to gain insight into consumer views on loyalty, service, technology, and assessments on their banks’ level of customer understanding.

The 2017 survey was conducted in May 2017 via Google and is based on input from 1,535 respondents.

The survey was sponsored by NGDATA, the customer experience management solutions company.
41.4% of consumers cited bad customer service as the reason they would switch to a new bank, an eight percent increase from 2016. Customer service is nearly tied with cost and fees (41.7%) as the key factor leading to churn.

However, only 28.1% of survey respondents said their bank customer service improved over the last year.

Percentage of customers who would switch banks due to bad customer service:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>32.8%</td>
</tr>
<tr>
<td>2017</td>
<td>41.4%</td>
</tr>
</tbody>
</table>

LOW COSTS ARE NOT ENOUGH - CUSTOMERS WANT GOOD SERVICE, BUT BANKS AREN’T DELIVERING.
61.2% of consumers feel that the offers they receive from their bank are directed to them as part of a campaign aimed at a broader market, rather than based on their individual needs.

It’s no surprise then that consumers once again cited Google as the service provider that understands them best (31.3%). Further, only 18.7% of 18-34 year olds feel their bank understands them best compared to other service providers – the lowest of any age group – signaling much room for improvement with this generation of customers.

61.2% of consumers say they receive offers as part of a broader campaign rather than based on individual needs.

**Key Finding 2**

**BANKS’ SEGMENTED MARKETING CONTINUES TO TURN OFF CONSUMERS, AS THEY FEEL OTHER SERVICE PROVIDERS UNDERSTAND THEM BETTER.**
Key Finding

Which service provider do you feel understands you best?

18-34 year olds

- Google: 41%
- Streaming media (Netflix, Hulu, etc.): 22.7%
- Your bank: 18.7%
- Your favorite retailer: 9.5%
- Your mobile service provider: 8%
MILLENNIALS BELIEVE IN THE POWER OF AUTOMATION, AND THAT IT CAN HAVE A POSITIVE IMPACT ON THEIR BANKING EXPERIENCE.

Nearly **40%** of 18-34 year olds say they believe banks should leverage emerging automation technology like robots to improve their experience, compared to just **28.5%** of 35-44 year olds, and **20.3%** of 45-54 year olds.

In fact, **53.2%** of 18-34 year olds say they trust that an automated process can provide them with relevant and accurate information in their banking experience. Compare this to **42.7%** of 35-44 year olds, **35.6%** of 45-54 year olds, **36.5%** of 55-64 year olds and **33.4%** of those 65+. 
Do you trust that an automated process (i.e., robots) can provide you with relevant and accurate information?

- **57.5%** for 18-24
- **49.3%** for 25-34
- **42.7%** for 35-44
- **35.6%** for 45-54
- **36.5%** for 55-64
- **33.4%** for 65+
The survey of more than 1,500 U.S. consumers demonstrated that consumers are growing increasingly accustomed to, and expectant of, service providers’ understanding their individual needs and delivering offers tailored to them.

This year’s data shows that customer service continues to climb up the ranks of importance and is nearly tied with costs, fees and rates as key factors in bank loyalty. This indicates consumer sentiment goes far beyond how much is coming out of their wallet - consumers have increasingly high expectations, and service providers need to deliver good customer experiences to increase brand loyalty.

Unfortunately, banks still fall short in this area, especially when compared to other service providers. For the second straight year, the majority of customers (61%) said they feel they are not targeted based on their individual needs, and only 28.1% think their customer service experience improved over the last year.

Clearly banks cannot rely on the status quo to retain their customers. If no improvements are made in this area, banks run the risk of increasing customer churn.
Many believe that new automation technology and artificial intelligence hold the key to solving the customer experience problem, but banks have yet to strike the right balance between technology implementation and a personal customer approach. For example, younger generations certainly welcome innovation and AI technology and trust it to provide the right recommendations, but only 18.7% of 18-34 year olds feel their bank understands them best compared to other service providers, the lowest percentage of any age group.

Banks, therefore, have untapped potential to better harness the data and technology they have to greatly improve interactions with these consumers. After all, these younger crowds with increasingly high expectations, make up the future of banks’ customer base.

Ultimately, automated technologies can only take banks so far; with the increasing importance of customer experience, what is needed are actionable insights from customer interaction data sources that can provide prescriptive recommendations for the right interaction, to the right customer, at the right time.

Successful customer experience requires the anticipation of future needs — looking at behavioral patterns and market trends for proactive measures to secure a personalized, unique, and memorable experience. Banks who commit to taking these steps enable their customer to feel understood and valued, thus developing loyalty — the basis for customer retention.
NGDATA partners with data-rich brands to deliver smarter, more connected customer experiences.

Our next generation customer data platform, Lily™, puts people at the center of every business via Lily’s Customer DNA, which continuously learns from behavior to deliver compelling experiences. NGDATA is headquartered in Gent, Belgium and has offices in the United States, Europe and Asia-Pacific.

Please visit www.ngdata.com for more information, or contact us at info@ngdata.com.