

NGDATA 2014 Consumer Banking Survey

Research Brief



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 October 2014 via Google and is based on 517 respondents.

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

Key Findings

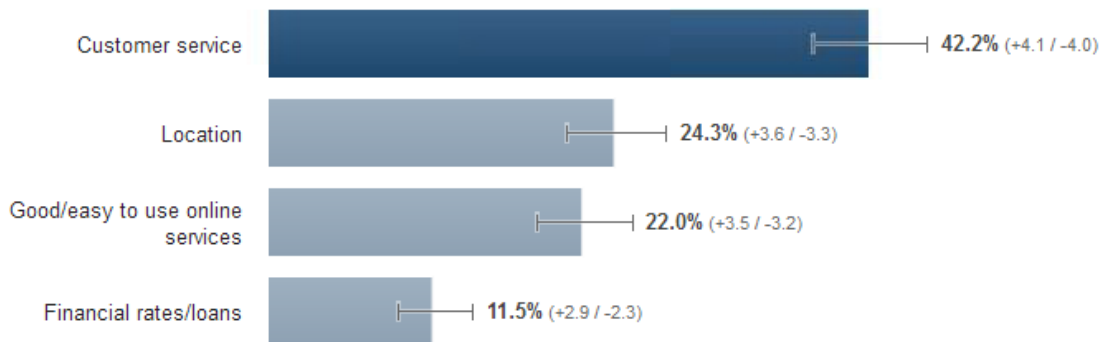
Customer Service is Paramount

42.2 percent of respondents said customer service is the most important factor when selecting a bank, compared to bank location (24.3 percent), efficient online services (22 percent), and financial rates/loans (11.5 percent) offered by the bank.

Which quality is most important to you when selecting a bank?

Results for all respondents. Weighted data unavailable for this view. (581 responses) ?

Winner statistically significant. ?

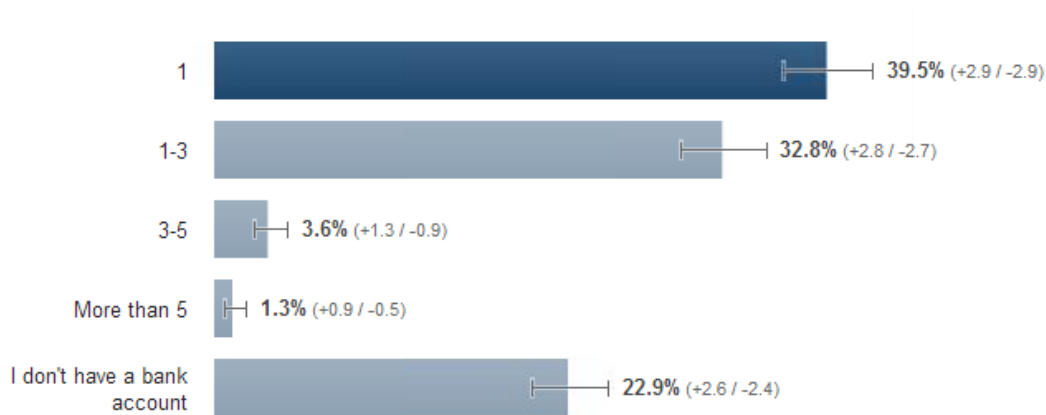


Furthermore, 37.7 percent of respondents hold multiple bank accounts, with 32.8 percent holding 1-3 accounts, 3.6 percent holding 3-5 accounts, and 1.3 percent holding more than 5 accounts.

How many different banks do you currently hold accounts with?

Results for all respondents. Weighted data unavailable for this view. (1098 responses) ⓘ

Order statistically significant. ⓘ



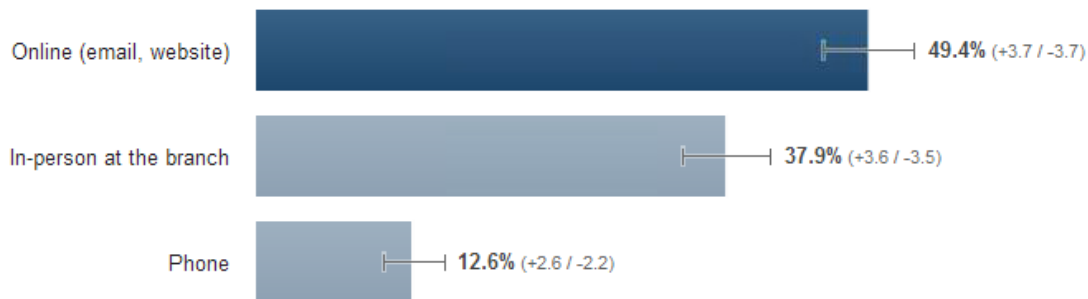
Banking Online is Top Channel, but Banks Need to Support Multichannel Customer Experiences

Online (website, email) is the dominant channel customers use to interact with their bank (49.4 percent), but 37.9 percent of the business is still conducted in-person at the branch while 12.6 percent are interactions via phone.

Which of the following channels do you use most frequently when conducting business with your bank(s)?

Results for all respondents. Weighted data unavailable for this view. (712 responses) ⓘ

Order statistically significant. ⓘ



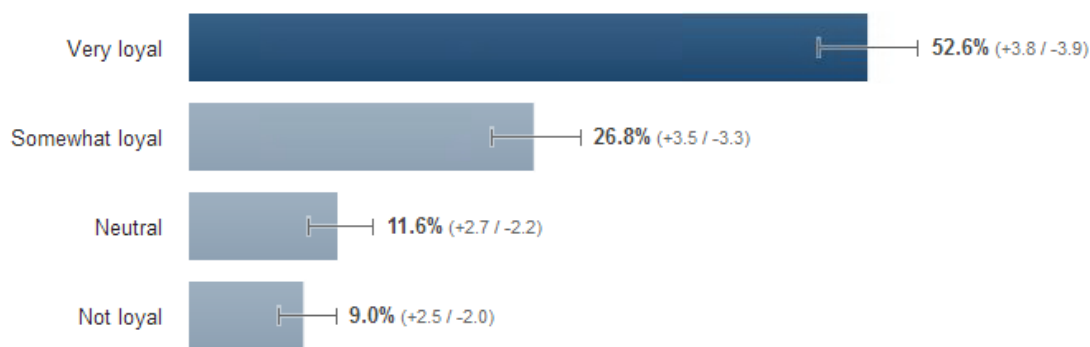
Customer Loyalty is Hard to Come By

Nearly half of respondents (47.4 percent) are not very loyal to their banks, with 26.8 percent being somewhat loyal to their bank and 20.6 percent are neutral or not loyal.

How loyal would you say you are to your primary bank?

Results for all respondents. Weighted data unavailable for this view. (646 responses) ⓘ

Winner statistically significant. ⓘ



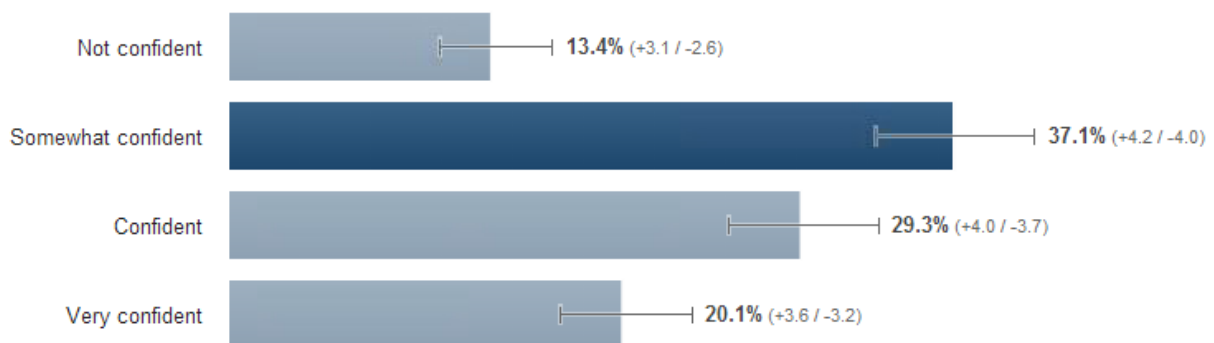
Consumers Are Not Overly Confident that Their Bank Understands Their Needs and Preferences

Only 20.1 percent are very confident that their bank understands them, and 37.1 percent are somewhat confident.

How confident are you that your bank understands your needs and preferences?

Results for all respondents. Weighted data unavailable for this view. (536 responses) ⓘ

Order statistically significant. ⓘ



Analysis

The survey of more than 500 U.S. consumers found an overwhelming demand for quality customer service. This should motivate banks and their executives to improve their customer experience levels to stay ahead of competitors, and bolster customer loyalty and growth. Banks can achieve this by leveraging existing and historical customer data to target customers at the individual level and foster a more personalized experience.

Consumers receive information from and interact with their banks through a number of channels—phone, online (web, social media, email), and in-person—and while consumers predominantly use online channels to interact with their bank (49.4 percent), a large number of survey respondents (37.9 percent) still conduct business in-person at the branch. This research underscores the need for banks to have a multichannel strategy that ensures they're reaching the customer via all the channels through which they interact.

As customers conduct business at the bank branch, the bank needs quick access to that customer's individual profile—i.e. their engagement, transactional, CRM, website history, social, financial—to deliver timely, appropriate content and offers to the customer on the spot. This requires the anticipation of future needs—looking at behavioral patterns, market trends, and user experiences for proactive measures to secure a personalized, unique and memorable experience across multiple channels.

Nearly half of respondents (47.4 percent) are not very loyal to their banks, with 26.8 percent being somewhat loyal to their bank and 20.6 percent are neutral or not loyal. Similarly, only 20.1 percent of survey respondents feel very confident that their bank understands them. The fact that almost half of the survey respondents are not very loyal isn't reassuring for banks, and is alarming for an industry sector that most people consider a trusted advisor. The expectation that customers will stay loyal to their bank is not as certain as it used to be, so banks need to ensure their focus is on the customer—gaining a deeper knowledge of the individual—their interests, behavior, preferences and propensities. The result is better, personalized user experiences that enhance brand loyalty and increase the customer value.

Data is only good if it's actionable, and used quickly and effectively. This is how big data processing can create real business value—by providing finite and actionable insights for bank employees that allow them to better serve their existing and prospective customers immediately.

Additional Findings of Note

Age Matters When it Comes to...

Number of Bank Accounts Held

- 42.5 percent of 45-54 year-olds hold 1-3 bank accounts—indicating that banks need to identify their high value, likely-to-churn customers

Channel through which Consumers Conduct Business with Their Banks

- 65+ year-olds conduct banking business in-person at the branch more than those aged 45-54 (61.4 percent to 39.6 percent)

Importance of Customer Service:

- The older you are, the more customer service matters. 59.2 percent of 65+ year-olds said customer service was the most important quality when selecting a bank, compared to 38.5 percent for 55-64 year-olds and 38.3 percent for 25-34 year-olds

About NGDATA

NGDATA™ is the customer experience management solutions company that enables enterprises to radically improve the effectiveness of their marketing campaigns, increase up-sell and reduce churn. The company delivers Lily Enterprise, which empowers enterprises to listen bigger to customer interactions across all channels, learn faster from customer's behavior – continuously building intelligent Customer DNA—and execute smarter with highly targeted product offers and content. Lily includes a unique combination of interactive Big Data Management, Machine Learning, Real-time Behavioral Scoring and Segmentation capabilities in a single integrated solution. Headquartered in Gent, Belgium with offices in New York City and San Francisco, NGDATA provides solutions to data-driven sectors such as financial services, telco and media/publishing. Customers include: AXA, Orange, De Persgroep and Telenet, among many others.

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