Meeting Consumer Expectations—Results from an independent, CSI-sponsored survey via The Harris Poll

When it comes down to brass tacks, do you really know what your customers want from your institution? That seems to be the eternal question for banks in an era where competition for attracting and retaining customers—from other banks and various additional non-bank players—is at an all-time high.

To find out about consumer expectations on a variety of banking topics, CSI recently commissioned an online survey, conducted by global market research firm The Harris Poll, among more than 2,000 U.S. adults, age 18 and above.

These consumers responded to eight questions that helped us uncover the driving factors they look for in their banking relationships.

The following report provides a detailed response analysis by CSI experts as well as two financial industry thought leaders: Bob Meara, senior analyst with Celent’s banking practice; and Eric Cook, former 15-year community banker, now digital strategist with WSI, specializing in digital marketing for community banks. We hope you’ll utilize these findings to answer some of your most pressing questions—and develop related strategies—on how to rise above that mass of competitors by providing a superior customer experience.
Detailed Review
The following pages provide an analysis of survey responses—based on answers from Americans who are banked (have a financial institution)—as well as key takeaways for financial institutions.
On the Subject of Digital:

**Question 1**
My financial institution offers digital banking services (such as person-to-person payments, mobile banking app, online banking) that fully meet my needs.

An average of 86% of all Americans say they are happy with their banks’ current digital banking offerings. This number varied only slightly when broken down into age and socio-economic groups, with respondents ages 65+ at the highest satisfaction of 89%.

“To see such widespread similarity is noteworthy here,” says Celent’s Meara. “It’s not just the millennial who has expectations of a really whizz-bang digital experience.”

True, the younger crowd—**those ages 18-34—came in slightly lower at 82%**. Naturally, this group would have higher expectations for their services. But, for millennials, digital access to banking services has resulted in their constant use, and digital interactions are where these potentially lifelong customers are won or lost.

This, according to [CSI’s Executive Report: 2018 Banking Priorities Study](https://example.com), should not be a problem. In the annual, nationwide survey of banking executives, pursuing digital banking enhancements was the top answer given by respondents for elevating the customer experience. Seemingly, banks are focused on how they deliver products and services to their customers in a new era—where digital is the primary channel—to give better products and services to their customers in a more efficient and cost-effective manner that drives profitability.
However, there remains that 10% of Americans who say they’re not satisfied with their digital banking experiences. A small number, to be sure, but it is pause for reflection.

Cook suspects, “Those who were not satisfied with their financial institution’s digital capabilities already left for another bank that could support them.”

If that’s the case, banks shouldn’t rest on their laurels, but continue to ensure that their digital banking solutions rise above the rest, most importantly through integration with the core banking platform, allowing flawless connectivity no matter the channel or device.

Consequently, respondents in households earning $100k or more, at 90%, were most satisfied with their digital banking experiences—a good sign that these profitable customers are using services that cost banks, according to PwC’s 2017 Digital Banker Consumer Survey, $0.09 and $0.19 for online (PC) and mobile banking transactions, respectively, while branch transactions cost banks $4 each.

Key Point:
Says Meara: “It would be wrong to draw the conclusion from this answer that consumers are broadly, fully satisfied in their digital banking experience and there’s very little room for improvement.”

With that in mind, financial institutions must continue to up their game when it comes to digital. To keep current customers happy—and reach new ones—banks must deliver products and services that are feature-rich and work together effortlessly through a core-integrated digital banking platform.

What consumers say about current digital experiences:

- An average of 86% of Americans are already happy with their digital banking services
- 92% of males age 35-44 have no complaints
- Neither do females age 65+ (91%)
Question 2
If I were conducting online banking activities, I would expect a seamless experience across all devices (i.e., the same look and feel; the ability to pause an activity on one device and restart it on another).

Mirroring the responses in the previous question, nearly 9 in 10 Americans (86%) say if they were conducting online banking activities, they would expect a seamless experience across all channels and devices. This is about providing a consistent experience between channels, so if a customer starts a transaction in one channel, they should be able to complete it in another.

Celent’s survey and report, Omnichannel Customer Acquisition 2.0: What It is and How to Get There, revealed the startling gap between this seamless ideal that today’s customer has grown to expect, and the reality typically experienced. The survey asked institutions about customers who began an application online but decided to pause it to seek help at a branch. In more than two-thirds of the responding institutions, the customer would have to begin the process from scratch.

So, what impression does that leave on customers?

“It’s no real surprise to me that a vast majority of people expect a seamless experience from their financial institutions these days,” says Cook. “This really is ‘table stakes’ in today’s banking world and those that are not doing this across all platforms are going to find themselves at an increasingly greater disadvantage as time passes.”

In CSI’s 2018 Banking Priorities report, 48% of the banker respondents said reaching new customers through omnichannel would be a top priority this year. So given consumers’ responses to this question, it’s good to know that omnichannel initiatives are gathering steam throughout the market.
In fact, the responses were still higher (90%) for both households earning more than $100K and college graduates. It seems logical that wealthier and more educated customers have the highest expectations when it comes to the channel and device integration that makes banking effortless across all channels; banks that want to attract these customers need to pay special attention to this fact.

**Key Point:**
Omnichannel is the norm, and an uninterrupted experience is expected from most customers regardless of age, income and gender. While some banks are on the right track, those that aren’t might be left in the dust. Financial institutions must consider the right mix of products and services, including integrated digital banking solutions accompanied by customer relationship management (CRM) and business intelligence (BI) solutions, online account opening/funding and smart ATMs.

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**Give me a seamless online experience:**

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<tr>
<th>90%</th>
<th>Those with a household income of $100K+ and college graduates came in at 90%</th>
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<tr>
<td>79%</td>
<td>Only 79% of males age 18-34 agree</td>
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<td>90%</td>
<td>But, 90% of females age 35-44 hold this expectation</td>
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In the Branch

**Question 3**
When visiting a financial institution branch, I would expect all my questions and financial needs to be resolved by my initial point of contact.

According to the survey, **85% of banking customers want all their branch needs met by a single banker**. This number jumped still higher for certain demographics, with **92% of women age 65+ expecting this to be a reality**.

So, from taking deposits to answering complex banking questions, financial institutions must address this expectation with specifically trained staff.

“This experience needs to be delivered via educated banking professionals—enter the ‘universal banker’—who have been crossed-trained in all areas of the bank to provide a seamless, holistic experience for the customer,” says Cook. “This banker needs to be empowered by the right tools on the back end, such as AI and predictive technologies, to help prepare them for the right conversations with the right customers at the right time.”

In addition, banks should work to educate customers on using self-service technologies for typical in-branch transactions. For example, customers visiting a branch to deposit checks should be introduced to the bank’s mobile deposit capture service; withdrawals can be handled at an ATM; and loan payments can be made via online banking. This further allows the universal banker to assist customers with more complex needs.

Indeed, consumers want a bank that understands them well enough to know what tools or services would benefit them most. For example, if a banker realizes—using CRM software—that a customer drives 20 miles to deposit checks three times per month, taking the time to explain remote deposit capture to the customer demonstrates that the customer’s time is valuable and his needs are understood. CRM software, along with BI tools, make this type of predictive analysis possible.

Says Cook, “Those banks that are able to leverage the business intelligence that exists in the core, through transactional data (and its trends/indicators), and have a delivery system to make it easy for the customer to take action will win this battle for market share.”
As for older Americans having slightly higher expectations than even millennials for a single point of contact, it makes sense, since they tend to make more branch visits.

Says Meara, “From [Celent] research, branch-centricity scaled linearly with age, so the older the demographic the more likely they are to frequent a branch for more routine transactions.”

But we’re talking far beyond the routine here—toward a key factor in branch optimization—the staff.

“It’s not a new idea, but there’s still debate around how do we really do it well,” says Meara. “Universal bankers cost more to acquire, train and compensate, so if we staff branches that way and they’re still processing lots of teller transactions, then that’s a waste of money. The human capital considerations are where banks wrestle with implementing universal bankers.”

Key Point:
Banks should be heading toward branch optimization with staff and technology. But old habits die hard and hiring the right personnel can be challenging. These points are fully explored in CSI’s Branch Optimization eBook.

I want a single point of contact:

- 85% of respondents want all needs answered by one banker
- 92% of women age 65+ want the same
- Consumers age 18-34 harbor this expectation, at 83%
As for Security:

**Question 4**
I feel confident that my financial institution can protect my confidential information (e.g., account numbers, billing information, login info) against data breaches and hackers.

On average, 81% of Americans believe in their financial institution’s ability to protect their private information from cybercriminals. And those with household incomes of $100k or more came in slightly above that, at 84%.

Considering the constant headlines detailing data breach upon data breach, this number seems pretty healthy. Still, Verizon’s *2018 Data Breach Investigations Report* revealed more than 53,000 security incidents occurred this year, including 2,216 confirmed data breaches. It also states that ransomware remains the top vector of malicious software, having been discovered in 39% of cases where malware was identified.

So, although consumer confidence is relatively high, cybersecurity is an area where banks must never stop improving—with employee education programs leading the way—and letting customers know about their efforts.

In CSI’s 2018 Banking Priorities report, 60% of bankers who responded plan to increase spending on cybersecurity in 2018. This signals that financial institutions are increasingly realizing that a security incident is relatively likely at some point.

Banks can further support customers by going the extra mile to educate them about the rising tide of consumer phishing schemes. For this, they should remind customers that if they receive an email...
asking for bank account information, they should not reply to the email or click any links, but rather independently confirm their bank’s phone number and call it directly to settle any issues.

Keep in mind that should a data breach occur—and it very well may—every bank must have a solid incident response plan in place beforehand that they can immediately launch. This can reduce reputational damage, which left unchecked, easily equates to lost revenue. Given that fact, bolstering cybersecurity and consumer fraud protection can indeed be viewed as a revenue generator.

**Key Point:**
Banks must make never-ending strides toward cybersecurity and consumer protection—and disseminate information about those efforts.

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**I think my confidential information is safe:**

- **81%**
  - 81% of Americans feel that their personal information is safe with their financial institution

- **1 in 5 consumers** age 55-64 are not so confident

- **84%**
  - Those whose households earn $100K+ (84%) are more confident than households that earn $75k or below (74%)
Question 5
Mobile-based payments (P2P payments like Venmo, Zelle and Square Cash apps, Google Wallet, Apple Pay, etc.) are more secure than payments made by credit or debit card.

Almost half of Americans (49%) feel that mobile-based payments are more secure than those made by cards. Not surprisingly, this rose to 57% for respondents ages 18-44—but dropped to 33% for those age 65+.

This could indicate a point we’ve come to know well: younger people are likely more comfortable with new technology than older people. For younger generations, it could also be a matter of form over functionality/usability in the security paradigm. Further, there’s the convenience that comes from less reliance on cash-in-hand, and P2P is becoming the preferred method of transferring cash to family and friends among younger crowds.

Says Cook, “If a bank focuses on the convenience mobile-based payments create, the security feature can be positioned as a nice add-on.”

What is a bit surprising, however, is that the proportion was slightly lower for college graduates (44%). This could mean that they are more likely to split hairs and think the security is the same for mobile-based payments, rather than actually better. Also, as higher-educated individuals, they likely might be paying more attention to the news with the fraud/scams that have been plaguing Zelle and Square Cash and equate that to less security.

Key Point:
Financial institutions have the opportunity to move the needle on customer usage of their P2P solutions and tokenized mobile wallets by creating messaging that articulates their built-in security features, while also highlighting their high convenience factor.

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I think mobile-based payments are more secure than cards:

- 49% of all consumers think mobile-based payments are more secure than debit or credit cards.
- 57% of those ages 18-44 believe the same.
- Conversely, only 33% of those 65+ said they agree.
On Building Relationships

**Question 6**
I would use digital payment services (such as a mobile wallet, P2P) more often if my financial institution offered me rewards for doing so.

Building upon the previous question—aside from calming fears about security, financial institutions can offer rewards to encourage increased use of digital payments, so say almost two-thirds (62%) of Americans. Among all Americans, 78% of those ages 18-34 would do the same.

That number jumps still higher to 82% for men age 35-44, making them the most likely demographic to be enticed into using these services more. When offering and marketing these services, financial institutions would be wise to tailor offers to this group first.

In fact, CSI’s 2017 national survey, *Banking Trends through a Millennial Lens*, captured the fact that millennials (defined in that study as those born between 1977 and 1995) respond to rewards: “Programs that reward usage with prizes, discounts and points are very appealing to millennials, and such programs as prize-linked savings accounts, gamification savings goals and social challenges can boost financial engagement.”

Also, according to *Bank Innovation*, mobile wallet usage is steadily climbing, and a great way to boost adoption is through rewards. Samsung Pay recently launched a rewards program whereby users receive points each time they make purchases with it. The tech giant stated that, “Within a month of the launch, we saw that transactions on Samsung Pay doubled month over month.”

**Key Point:**
This is a concrete, practical way to engage customers. Rewards can potentially have a big impact on consumers’ financial behavior, as well as their feeling of connection with their financial institution.

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Rewards would motivate me to make more digital payments:

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<thead>
<tr>
<th>62% of survey respondents agree with this statement</th>
<th>62%</th>
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<tr>
<td>So do 78% of those ages 18-34</td>
<td>78%</td>
</tr>
<tr>
<td>82% of men age 35-44 would use digital payments more often if rewarded for it</td>
<td>82%</td>
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Question 7
It’s important to me that my financial institution has an active social media presence.

While just 36% of Americans think it’s important for their bank to be active on social media, that percentage goes up to nearly half (47%) for those aged 18-34.

Clearly, as banks look to reach younger consumers, social media will play a role—in customer experience and expectations—and perhaps most importantly, engagement.

It’s evident that many banks are answering the call: In CSI’s 2018 Banking Priorities report, more than one-third of banker respondents see getting more involved in social media as one of their greatest opportunities to compete.

Cook adds: “While social media usage typically is not seen as a ‘need’ to have by consumers of their bank, in my opinion that does not mean that it’s not important. There likely is an opportunity for a bank to build this up as a more valuable communication channel for their community.”

A recent Financial Brand article8 weighed in on the matter: “Consumers expect CEOs not only to be present on social but to be an active participant—a champion on behalf of the brand and the company. That’s especially important in financial services. The sector’s very core is founded on relationships and trust. In the age of AI and robo-advisors, staying focused on the human element and your brand’s approachability will be a key factor in retaining customers and talent.”

In addition, banks should consider empowering their staff to represent themselves—and to a certain extent, the bank—online.

“Teaching staff the right way to leverage social media to build relationships and add value will become increasingly important in the social world we live in,” says Cook.
And, there’s a reason for the “community” in the name community bank—they serve their neighbors and local population; having a social media presence allows these institutions to continue in that central or community role, and that sets them apart from big banks. That sense is a steep advantage community banks have always had and it must still be fostered today, with social media as a driving force.

Lastly, states the Financial Brand: “Executive buy-in is critical to an organization’s overall digital transformation. That means personal participation and ownership. CEO and executive leadership using social media creates the model and sets the tone for an entire organization to scale out on social.”

**Key Point:**
Get social. And we don’t mean just Facebook. While that medium is indeed important, banks must determine the best social network with which to engage each demographic, be that LinkedIn, Twitter, Instagram or others. And train staff to participate in social media, including how to maintain compliance, privacy and security at all times.

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Engage with me through social media:

- More than one-third (36%) of consumers want their bank to be active on social media
- Nearly half (47%) of younger Americans think a social media presence is important
- Not surprisingly, just 23% of those age 65+ care about a bank’s social media presence
Question 8
I want my financial institution to anticipate my needs by offering me new products and services that can help me reach my financial goals.

83% of Americans want advice from their institution toward reaching their financial goals. This number reached slightly higher, at 87%, for those whose household income is $100K or higher. Men age 35–44 were still higher, at 89%.

This should come as welcome news to financial institutions, and serve as a call to arms in the race for profitability.

“The one area where I see the biggest opportunity from a service and differentiator perspective is the expectations of the customer that the bank proactively offers the right mix of financial products and services,” says Cook. “So many consumers don’t know what they don’t know, so they won’t be coming into branches and asking for some of the services that will help them, not because they are not interested, but because even the customer likely does not know what’s best for them.

“It’s up to the banker and the systems they use to position the bank as this trusted guide for the customer.”

Here, too, is where the universal banker role is key. A bank’s staff and technology must work together seamlessly to add value and ensure the focus remains on helping customers achieve their financial goals.

The reporting and analytics engines of today’s BI solutions let financial institutions easily pull reports on which products each customer has, and provide an overall analysis of the customer’s data, including age, marital status and more. These tools can then synthesize the data to offer solutions tailored to a customer’s needs, like college loans, for example.

A strong partner product to BI, CRM software gives banks and employees a real-time view of the customer’s footprint, including relevant transactions and appointments (e.g., mortgage inquiries). This full picture can transform information from all channels into meaningful action items.

Further, personal financial management (PFM) tools help customers track their expenses and progress toward goals, empowering them to manage their budgets and plan long-term objectives.

Institutions should be careful to differentiate, however, between the customer’s desire to be understood and supported by their bank, and serving as carte blanche to up-sell anything and everything.
Says Meara: “I don’t think this means they want their bank to sell them more stuff. I think it’s ‘I expect my bank to know something about me and I want to be known by my bank, and if you’re going to talk to me about something I expect it to be relevant.’ There are calls-to-action for institutions about next steps like analytic capability and the wisdom of capturing and utilizing the information you have on your customers wisely.”

For younger customers who are relatively early-on in their careers, offering financial tips or classes taught by a staff member or other knowledgeable professional is an opportunity to deeply engage them in a way they prefer.

**Key Point:**
Community financial institutions are uniquely positioned to build personal relationships with customers in a way big bank competitors can’t—or won’t. By deeply understanding their needs using tools like BI and CRM solutions and providing the products and services that answer those needs, the strongest banking relationships are born.

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**Understand my financial needs and goals and help me reach them:**

- **83%** of Americans want their financial institution to offer relevant tools to meet their financial goals

- **87%** of those in households earning $100K+ answered slightly higher at **87%**, compared to those with less household income (**82%**)

- **89%** of men in the 35-44 age group agree
The Overall Takeaways:

1. While 86% of Americans say they are happy with their financial institution’s current digital solutions, that doesn’t mean there’s no room for improvement. Financial institutions must continually strive to offer the latest integrated digital solutions to attract and retain customers.

2. Nearly 9 in 10 Americans (86%) say they expect a seamless experience across all channels and devices when conducting online banking. Institutions not currently offering—or actively pursuing—an omnichannel experience are quickly falling behind competitors who are.

3. 85% of the poll’s respondents want one employee to be able to handle all of their needs during branch visits. The universal banker is now an expectation for many consumers, and institutions should carefully assess how to deliver this concept in a way that is mutually beneficial.

4. More than 4 in 5 (81%) Americans say they’re confident their financial institution can protect their confidential information from cybersecurity threats. Institutions can further bolster customer confidence by disseminating information on their continuing cybersecurity efforts while also offering consumer education on the topic.

5. Almost half (49%) of Americans believe that mobile-based payments are more secure than those made by credit or debit card. In order to boost adoption, financial institutions should highlight both the security features and increased convenience of mobile-based payments.

6. Nearly two-thirds (62%) of Americans say they would use digital payment services more often if rewarded for doing so. Offering rewards like prizes, discounts and points is a great way to engage customers and encourage increased use of digital payments.

7. An average of 36% of respondents think their financial institution should maintain a strong social media presence. While a moderate figure, that proportion rose significantly among the youngest respondents (18-34) to 47%. For financial institutions, particularly community banks, staying social is a great way to build strong relationships well into the future.

8. 83% of Americans want their financial institution to help them with their financial goals. This is a perfect opportunity for institutions to utilize solutions like CRM and BI tools to offer the products and services most relevant to each individual customer.
Research Conclusion
To remain competitive, relevant and profitable, financial institutions must differentiate from the pack and meet customer expectations in every facet possible. The consumer wants and desires uncovered in these survey responses can help financial institutions shape their strategies for fostering a deeper connection with customers and building lifelong banking relationships.
About CSI
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For more information about CSI, visit www.csiweb.com.

Survey Methodology
This survey was conducted online within the United States by The Harris Poll on behalf of CSI from May 22-24, 2018, among 2,021 adults, age 18 and older. This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated. For complete survey methodology, including weighting variables, please contact Brandon Dyce at brandon.dyce@csiweb.com.

Resources:
* Executive Report: 2018 Banking Priorities Study
* PwC's 2017 Digital Banking Consumer Survey
* Omnichannel Customer Acquisition 2.0: What It is and How to Get There
* CSI Branch Optimization eBook
* Verizon's 2018 Data Breach Investigations Report
* Banking Trends through a Millennial Lens
* bankinnovation.net
* Financial Brand: How Financial Services CEOs Can Embrace Social and Lead By Example