

2020 US Retail Banking Survey



Executive summary

More than a decade on from the financial crisis that rocked the banking world and saw a number of heavyweights like Washington Mutual Bank brought to their knees and the US retail banking sector has a much healthier complexion.

According to figures taken from [Deloitte's 2019 Banking Industry Outlook](#), the US retail banking sector has reached a peak **\$17.5 trillion** in total assets, largely as a result of forceful regulations and rather aggressive policy interventions.

And while favorable GDP growth, tax cuts, and rising rates puts many US banks in a far better position than their European counterparts, the race is on to blend a superior digital presence with an equally as impressive in-branch experience.

Our survey of over 2,000 consumers from four different generations and across a range of different cities and regions across the United States pinpointed a number of crucial insights into the sector that retail banks need to capitalize on, such as:

- The Big Four banks still dominate but generations are divided about who comes first
- Consumers still prefer banks with branches
- In-branch experiences matter most when choosing a bank
- Gen Zers want help and support from their banks
- Telephone support is more popular than online communication
- Cashing cheques is still the most common reason to visit a bank
- Baby Boomers complain in-store; Gen Zers complain online
- Gen Zers want branches to have all the bells and whistles
- Banks need to invest in technology to create a more efficient service.

Despite the increased focus on establishing themselves online, banks should continue investing in their in-branch customer experience - it was considered the most important factor when choosing a banking provider by the vast majority. There was also a strong demand for banks with branches and face-to-face support.

Surprisingly, Gen Zers showed a strong demand for more traditional forms of support, with many wanting and relying on phone support, face-to-face advice and in-branch expertise. However, they were just as eager for digital enhancements such as self-service kiosks, appointment scheduling software and powerful online and app experiences.

Our findings revealed Bank of America had the highest scores in terms of brand awareness, brand and marketing, customer service and in-store experience.

While the majority of customers still wish to visit their local branches to make transactions and receive in-person support, they are no longer prepared to accept slow-moving lines, unavailable staff and poor service. But the banks that can speed fast transactions and create a more efficient and effective service, both online and offline, will set to gain a significant advantage over the pack.

**CEO and Co-Founder at Qudini
Imogen Wethered**

About our survey:

In August, 2019, we surveyed 2,004 consumers between the ages of 16 and 72 years old from across 21 different cities and regions in the Northeast, Southeast, Midwest, Southwest and West of the United States of America about their relationships with retail banks. We classified Generation Z as being between 16 and 23 years old, Millennials as being between 24 and 37 years old, Generation X as being between 38 and 53 years old and Baby Boomers as being between 54 and 72 years old.

Key findings:

The most important factor to consumers when choosing a banking provider is in-branch experiences and services.



92% of respondents said good in-branch experiences are important or extremely important.



82% of Gen Zers and **79%** of Millennials want self-service kiosks for quick services like cashing cheques.



86% of respondents agreed that it's important or extremely important for banks to have physical branches.



66% of Gen Zers have made a complaint against a bank before.



Only **4%** of Gen Zers have bank accounts with neobanks like Ally, Chime, Mint or Bank Mobile.



78% of Gen Zers and **68%** of Millennials said it's important or very important for banks to reduce their environmental impact with more sustainable processes and materials.



29% of Gen Zers said access to good phone support was the most important overall experience of their current bank (the generational average was **16%**).

The Big Four still dominate but generations are divided

It should come as no surprise to hear that the Big Four banks (**Bank of America, Wells Fargo, JPMorgan Chase and Citibank**) were the most popular banks with our survey respondents, as well as scoring the highest in terms of brand awareness, brand and marketing, customer service and in-store experience.

Bank of America had the highest number of customers in our survey, with just under one fifth (19.5%) saying they have an account with the bank, followed closely by JPMorgan Chase at 17.7% and Wells Fargo at 17%. Citibank occupied a more modest 7.3%. The number of customers in the survey seemed to correspond to the number of branches that each bank had. For instance, Citibank only has 723 branches in the US, while Bank of America has over 4,000, so it makes sense that there are fewer Citibank customers amongst our survey respondents.

On a generational level, Bank of America secured the most Millennial customers at 24%, followed closely by JPMorgan Chase at 23%, while Wells Fargo had a particularly large Gen Z customer base at 23%.

Bank of America also had the highest level of brand awareness, with 87% of respondents saying they've heard of the bank before. This was followed closely by Wells Fargo at 86%, Citibank at 79% and JPMorgan Chase at 78%.

Gen Zers (79%), Millennials (83%) and Gen Xers (88%) were also more likely to have heard of Bank of America over other banks, while Baby Boomers were more aware of Wells Fargo (93%).

Brand and marketing

The bank said to have the strongest brand and marketing presence was Bank of America. From a generational standpoint, this sentiment was also true for Millennials and Gen Xers, while Gen Zers said Wells Fargo had the strongest presence, and Baby Boomers said JPMorgan Chase.

In-branch experience

Bank of America had the highest in-branch experience overall, with Millennials, Gen Xers and Baby Boomers all casting their vote in Bank of America's direction. Gen Zers were more likely to favor Wells Fargo.

Online banking

Overall, Bank of America had the strongest online banking experience, an opinion Gen Xers and Baby Boomers shared but Gen Zers and Millennials disagreed with, instead believing Wells Fargo and JPMorgan Chase had a stronger online banking offering.

Customer service

Bank of America also came out on top for having the strongest general customer service, yet JPMorgan Chase was the favorite with all generations except Gen Zers, who were particularly fond of Wells Fargo.

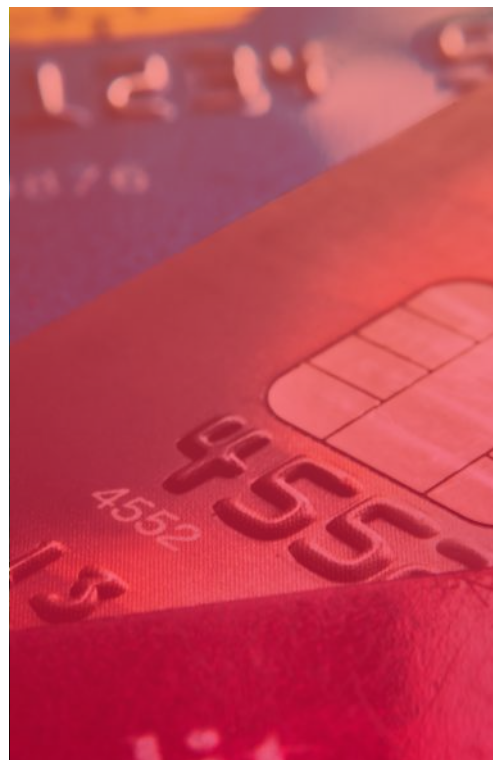


Despite its popularity with Gen Zers, Wells Fargo was voted the weakest for brand and marketing, online banking experience and general customer service by the majority of our respondents.

When asked what banks were the strongest and most relevant overall, JPMorgan Chase received the highest percentage points, with 48% stating that its offering was strong and relevant, and a further 29% stating it is average and somewhat relevant.

Regarding the overall customer experience as a whole, again, the majority voted for JPMorgan Chase (69%), followed closely by Bank of America which sat one percentage point behind.

Out of the survey respondents who had visited a bank branch within the last two years, JPMorgan Chase was rated the best, with 28% saying it was excellent or very good. Bank of America came in closely behind at 27%.



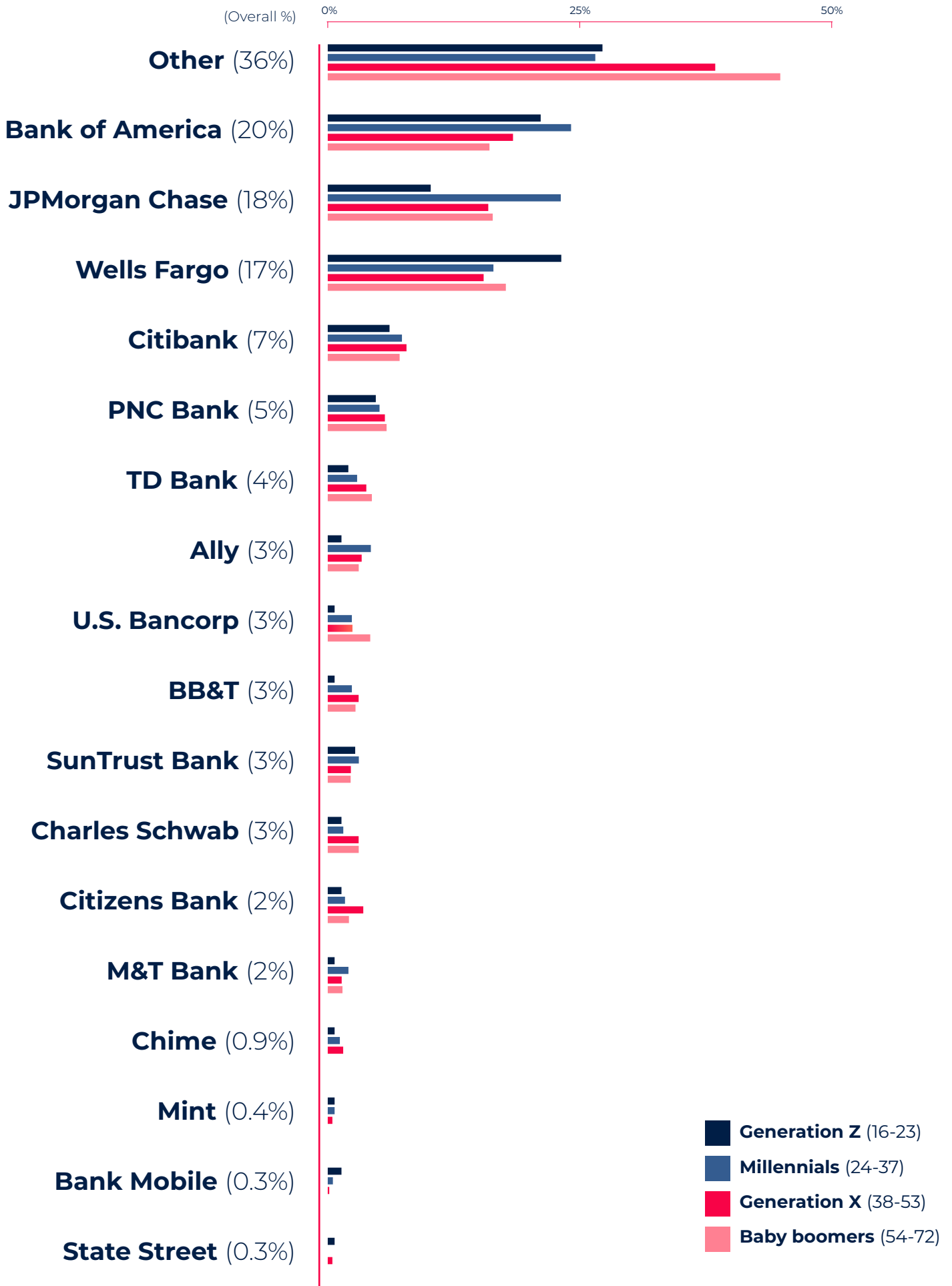
The strongest and most relevant bank



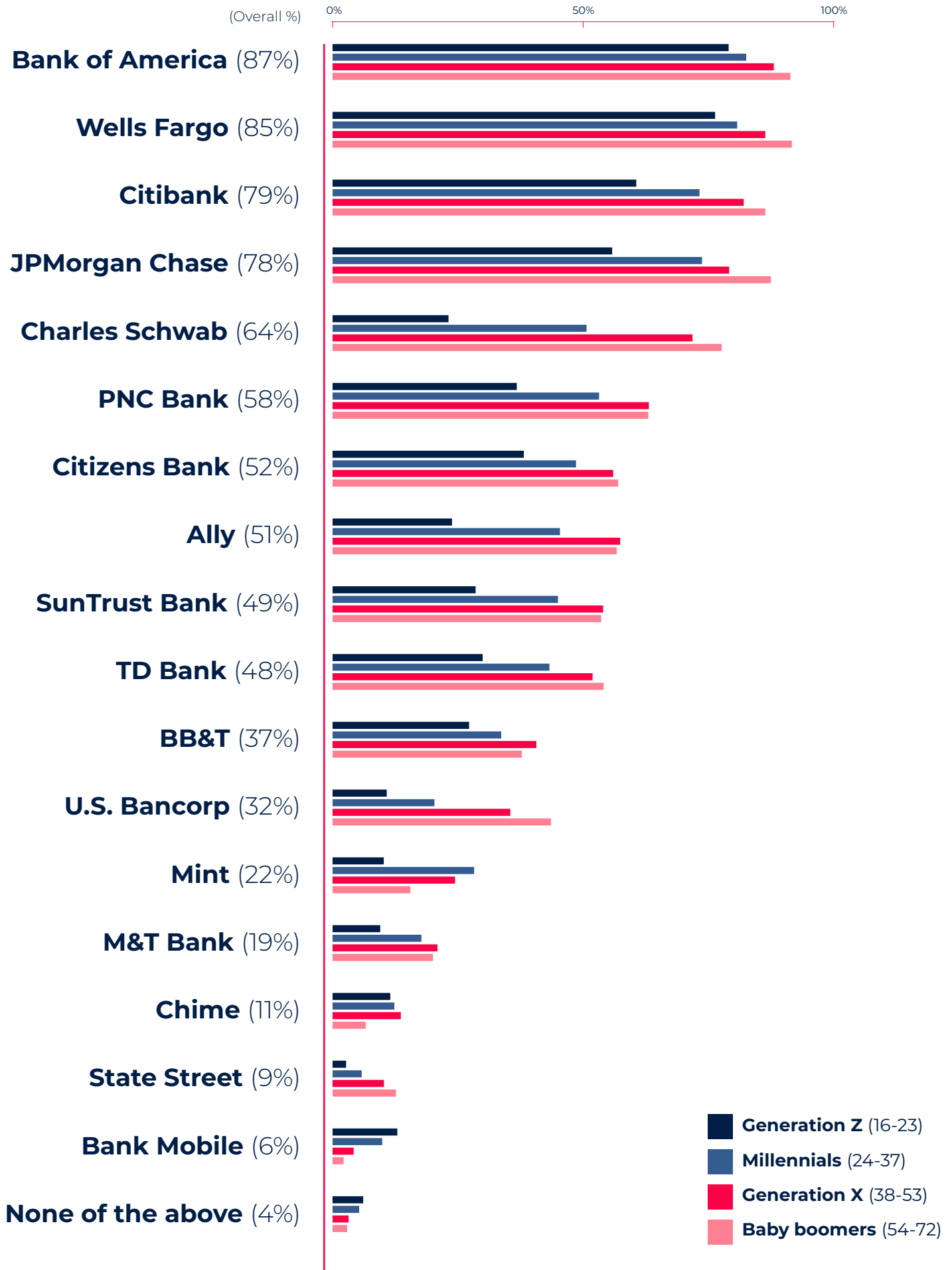
The bank with the strongest in-branch experience



Who do you bank with?



Which of the following banks have you heard of?



A lack of branches is holding back the neobanks

Challenger banks or neobanks have caused quite a stir in the banking sector over the last few years - primarily for replacing physical branches with a strong online or mobile app presence.

Our survey revealed that only 5% of respondents bank with Ally, Chime, Mint or Bank Mobile. This increased to 7% for Millennial consumers and 5.5% for Gen Xers, but decreased to only 4% for Gen Zers.

(No Baby Boomers in our survey had opened an account with a neobank.)

Out of the challenger bank customers, 39% said they use these banks as their sole provider. This was true for 100% of Gen Zers, 41% of Millennials and 47% of Gen Xers.

Over a quarter (26%) of challenger bank customers said that they are strongly considering using their challenger banks as their sole provider - especially Millennials, with 32% admitting this was the case.

The main obstacle holding respondents back from opening an account with challenger banks like Ally, Chime, Mint or Bank Mobile was that the lack of physical branches, with 37% agreeing that banks without any branches was off-putting. This was particularly true with Baby Boomers, with 45% saying this was the case.

Out of all the challenger banks, Ally had the most awareness at 51%. Interestingly, the bank is more well-known with Baby Boomers (57%) than with Gen Zers (24%).

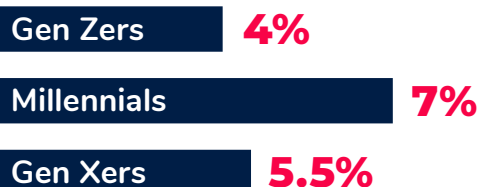
Just under a quarter of consumers (22%) have heard of Mint, but this rises several percentage points higher with Millennial and Gen Z audiences, at 28% and 24% respectively. The banking brand also had high awareness levels in San Antonio, San Diego and Memphis, at 40%, 35% and 33%.

Chime was known to 11% of our respondents, and maintained a particularly strong awareness in San Antonio, with 33% having heard of the brand.

Bank Mobile, on the other hand, was only known to 6% of respondents, but there was strong awareness amongst younger generations, with 13% of Gen Zers and 10% of Millennials recognizing the brand, compared to only 2% of Baby Boomers.

Who banks with the neobanks?

(Ally, Chime, Mint, Bank Mobile)



In-branch experiences matter most when choosing a bank

When it comes to selecting a banking provider, the most important factor was in-branch experiences and services. Out of a list of possible reasons why our respondents chose their current provider, 32% said in-branch banking and services was the most important factor - this increased to 41% when looking at Baby Boomers alone.



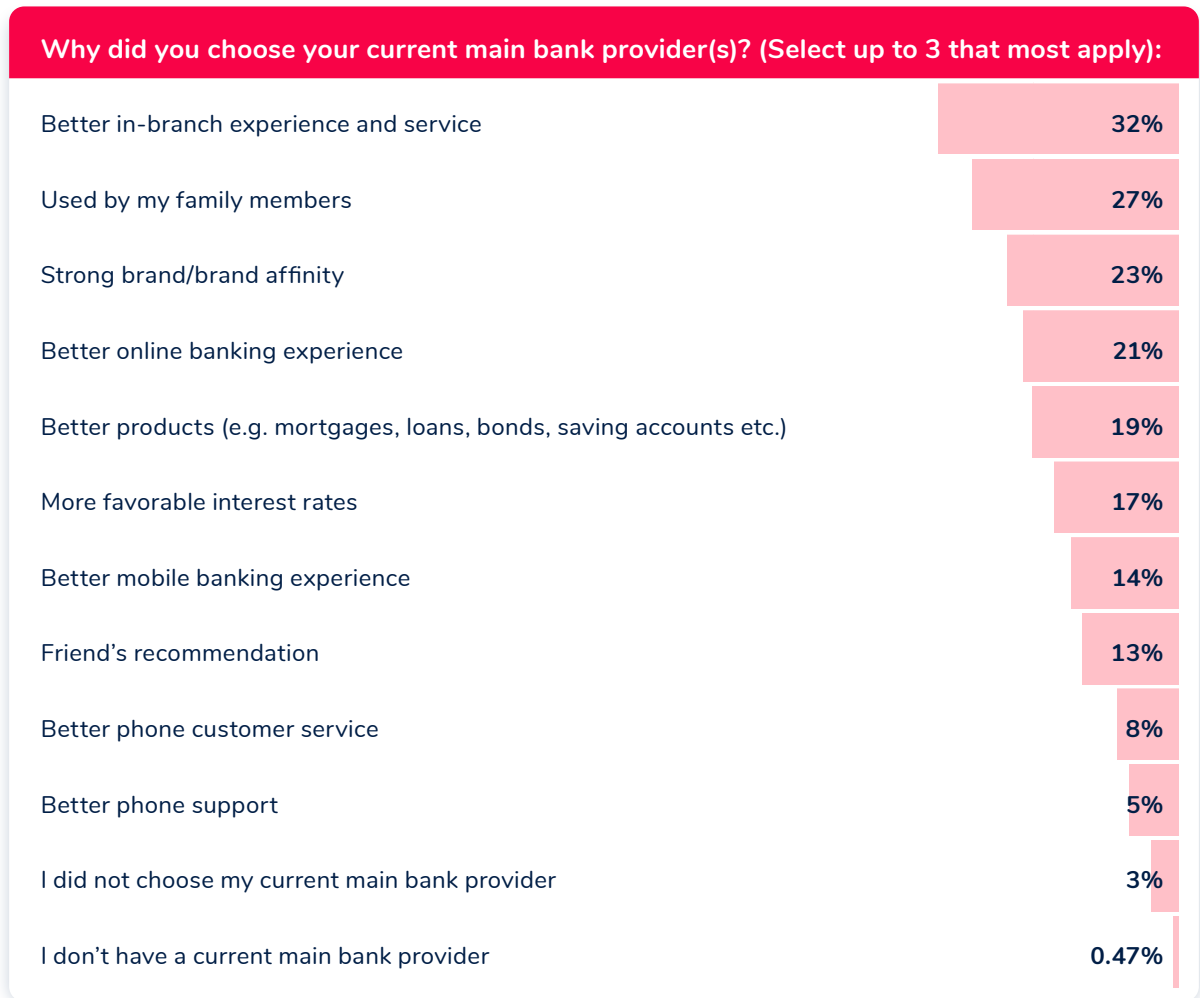
Unsurprisingly, Gen Zers were strongly influenced by banking providers used by their family members, with 46% stating that this was the case.

Strong brand affinity and better online banking experiences were also important factors when choosing a bank, while better mobile banking experiences were particularly important to Millennials.

When asked how important good service is when working with their bank, 98% said it was important or extremely important; and when asked specifically about the importance of good in-branch experiences, 92% said it is important or extremely important.

Overall, the majority of respondents said they were happy with their current main banking providers, with 87% saying they would rate them as good or very good.

When it comes to switching banking providers, just over a quarter said they've always been with their existing provider. Another quarter said they've switched once, and just under a quarter admitted to switching twice. The remaining quarter said they'd switched banks three times or more.



Gen Zers want help and support from their banks

When asked to define the most important overall experience of their current bank, the majority (41%) said the ability to easily speak to helpful reps when they need to. This increased to 43% for Gen Zers.

Overall, good phone support was an important experience to only 16% of respondents. However, 29% of Gen Zers said access to quality phone support was the most important overall experience of their current bank.

Just under a third (30%) of all respondents said fast service with no waiting was the most important factor, yet only 12% of Gen Zers agreed. However, 22% of Gen Zers said being able to talk to one person about all their banking needs was the most important factor.

Despite the popularity of online banking, **just over three quarters (78%) of respondents said a face-to-face service from banks was important or extremely important**. This was particularly true with Baby Boomers (82%) and Gen Zers (81%).

An easy online banking desktop platform was also a highly important experience (32%), particularly with Millennials, with 43% emphasizing its importance. An easy to use mobile app was also a valued experience, with 43% of Millennials and 39% of Gen Zers saying it was important. Only 18% of Baby Boomers agreed.



The telephone beats online communication, for now..

The main channel our respondents used to interact with their banks was visiting one of their branches, with 46% stating this to be the case. This was followed closely by telephone support at 45%, which was used regularly by 56% of Gen Zers.

Email was also a popular form of communication, with 26% saying they regularly use email to communicate with their banks. This was especially true with Gen Zers, with 37% saying this was the case compared to only 18% of Baby Boomers.

Web Chat was used by 12% of the survey group, but was a far less favorable option amongst Baby Boomers, with only 4% saying they use it regularly.

Visiting Branches



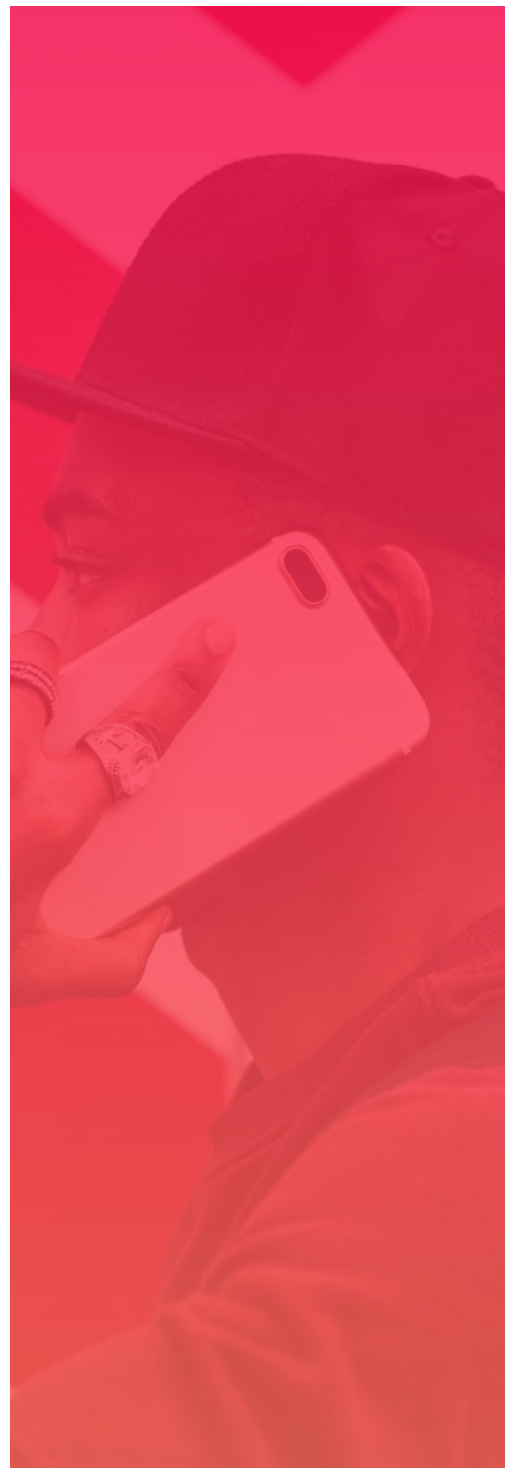
Phone Support



Email



Web Chat



Cashing cheques still the most common reason to visit branches

The biggest reason why most people visit a bank branch is to cash cheques, with 34% saying it's the most likely reason to visit, especially Baby Boomers at 39%.

The other most common reasons were for account or credit/debit card issues, cash/penny conversions and to get financial advice.

Despite the growing popularity of branchless banks, 86% of our respondents agreed that it's important or extremely important for banks to have physical branches.

Baby Boomers and Gen Zers were particularly vocal about this need, while Millennials and Gen Xers noted it as being less important.

14% of all respondents said they visit a bank branch once a week, 23% said once every two to three weeks, 22% said once a month and 34% said they visit their bank branch less than once a month.

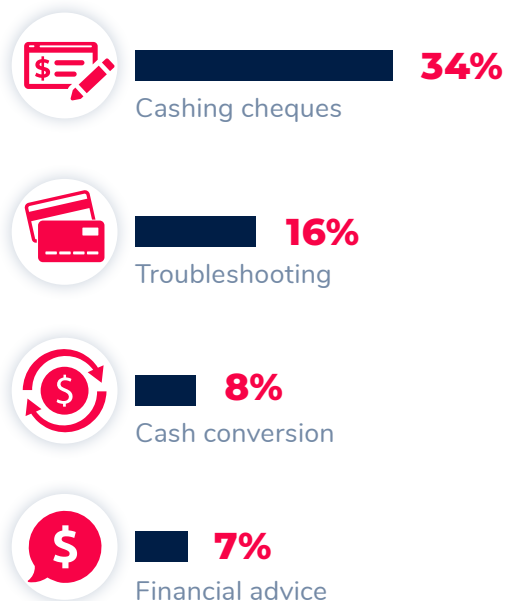
Surprisingly, 22% of Gen Zers visit a bank branch once a week, and 25% go once every 2 to 3 weeks.

For the respondents who only visit their banks once every 2 months or less, 80% said they don't visit branches because they simply don't need to.

Out of all the respondents who had visited a bank branch, over half, 54%, said they would go to a different branch if theirs was closed. Just under a third, 31%, are confident that they can do everything they need to do online, while almost another third, 31%, said they would use the mobile app (especially younger consumers, with 42% of Gen Zers and 41% of Millennials saying they've used this channel before when their bank was closed).

Interestingly, 22% of Gen Zers said they use telephone support when their banks are closed, compared to the overall average of 18% (only 15% of Baby Boomers said they would do the same).

Reasons to visit your branch



Baby Boomers complain in-store; Gen Zers complain online

When visiting their banking provider in-store, 81% of our respondents said it was excellent or very good. Most Baby Boomers were happy with their experience when visiting a store, with 87% stating that it was excellent or very good, while Gen Zers were less pleased, with only 72% saying the same.

But when asked which factors would most likely cause a negative in-branch experience, rude or unhelpful staff and long waiting times were at the top of the list.

Poor branch design and layout and a lack of atmosphere were the two least relevant reasons, at 5% each. However, Gen Zers were more than twice as likely to rate these as reasons to cause a negative experience.

When it comes to making complaints about poor in-branch experiences, the majority said they never complain (44%). This was particularly true with Baby Boomers, with 51% saying it was the case. Gen Zers, on the other hand, are far more likely to complain, with 66% saying they've complained before. However, unlike their Baby Boomer counterparts, they're far more likely to complain to friends and family in conversation or by text/email as they are to complain to a member of staff or store manager. **According to the survey, 40% of Gen Zers said they've complained to friends and family in conversation or by text/email, compared to the overall average of 27%.**

Gen Zers are also more likely to complain on social media. Just under one fifth, 17%, of Gen Zers said they've posted about their negative experiences on social media, compared to 10% of all respondents.

The main obstacle holding respondents back from opening an account with challenger banks like Ally, Chime, Mint or Bank Mobile was that the lack of physical branches, with 37% agreeing that banks without any branches was off-putting. This was particularly true with Baby Boomers, with 45% saying this was the case.

Gen Zers want branches to have all the bells and whistles

Gen Zers want their banks to pull out all the stops investing in everything from in-store events and branch designs, to phone charging units and free wifi.

- 67% of Gen Zers said improved branch design was important or extremely important (the overall average was 51%)
- 73% of Gen Zers said working areas in branches was important or extremely important (the overall average was 49%)
- 67% of Gen Zers said having wifi in-branches was important or extremely important (the overall average was 45%)
- 63% of Gen Zers said events to support their personal or business' financial needs is important or extremely important (the overall average was 49%)
- 75% of Gen Zers said the option to pre-book an appointment time to telephone/video conference to discuss financial support was important or extremely important (the overall average was 54%)
- 53% of Gen Zers said phone charging units in-branch was important or extremely important (overall, 70% said it was not that important or not important at all).

Baby Boomers, on the other hand, are far easier to please, with 65% saying improved branch design was not that important or not important at all, and 63% stating that working areas in branches are not important or not important at all.

But what both Gen Zers and Baby Boomers agreed on was the need for increased service with personal bankers, with 75% of Gen Zers and 69% of Baby Boomers saying it was important or extremely important.



Overall, 67% of our respondents said they were particularly eager for self-service kiosks for quick services (e.g. cashing cheques).

This was particularly true with younger generations, with 82% of Gen Zers and 79% of Millennials stating that this was the case.



Younger generations were also particularly interested in banks reducing their environmental impact with more sustainable processes and materials, with 78% of Gen Zers and 68% of Millennials agreeing that this is important or very important.

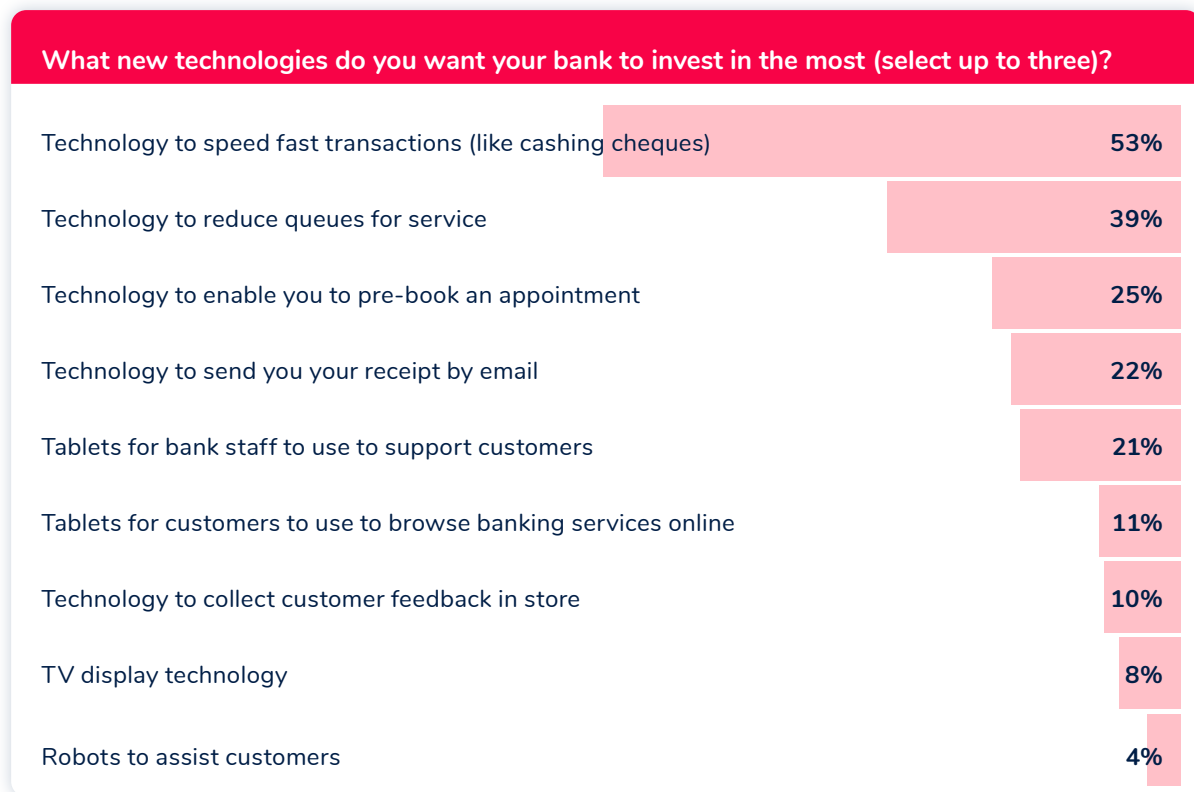


Supporting causes such as giving back a percentage of profits to help people in need was also in hot demand, with 67% of both Gen Zers and Millennials agreeing that this is important or extremely important.

Banks need to invest in technology to create a more efficient service

When asked what technology customers are most eager for their banking providers to invest in, the most common answer was the technology to speed fast transactions (like cashing cheques), with 53% saying this was important to them. The second most common answer was the technology to reduce queues for service, which sat at 39%. The technology to pre-book appointments was the third most important technology, with 25% saying this was true (39% of Gen Zers and 29% of Millennials voted for this option).

Robots to assist customers, however, was considered to be the least important by most respondents, with only 4% saying they wanted this. Perhaps unsurprisingly, 10% of Gen Zers said they wanted robots to assist them - but then again, a similar percentage (9%) of Gen Zers don't have a bank account to begin with.



Conclusion: Banks need to blend efficiency with a human touch

While the Big Four banks still dominate the US market, there's still a strong divide over who should come first. Bank of America was the overall favorite, yet Wells Fargo secured the fandom of Generation Z, and JPMorgan Chase was particularly admired for its strength, relevancy and overall customer experience.

Out of all the respondents interviewed, most were very happy with their current provider. **And despite the current hype around neobanks, many consumers are still skeptical about banking with a branchless bank.** However, this new competition has probably done the Big Four banks a huge favor by encouraging a more digitally-led approach that meets the needs of all consumers.

Despite the increased demand for digital innovation, the majority of our respondents place a huge value on in-branch customer advice and support. This was particularly true for Millennial and Gen Z consumers, who still want support in both modern and traditional forms.

Consumers also want their banks to invest in technology that enables them to make fast transactions, reduce waiting times and pre-book appointments.

Going forward, banks that can provide a time-efficient service with a human touch will stand to gain the most.

Faster transactions



Reduce wait times



Pre-book appointments








Qudini

Retail Choreography

Win the banking revolution

We help retail banks increase profitability and ensure lasting brand relevance through superior customer experiences, advanced branch operations and game-changing business intelligence.

Qudini's pioneering solutions include:

-  Appointment Scheduling
-  Wait Line Management
-  Event Bookings
-  Staff Task Management
-  Branch Floor Management
-  Business Intelligence



How Qudini benefits retail banks:

More footfall: Doubling appointment booking traffic for video bankers and community personal bankers

Greater productivity: 50% reduction of admin time in managing appointments

Increased retention: 20% reduction of walkouts in-branch
Better resource allocation: due to insights on what customers need and when

Digital education: 16% increase in in-branch apps downloaded.

Qudini works with the world's leading retail banks and retailers including NatWest, Royal Bank of Scotland, Standard Chartered, Samsung, O2, IQOS, Tui, L'Occitane and Brown Thomas

Let's talk

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Read use cases, case studies and ROI at:
qudini.com/industries/retail-banking