Getting to the Heart of Customer Experience

Insights from Protiviti’s Annual Consumer Banking Survey – Learn about consumer perceptions of their experience, what banks are doing well and where improvements are necessary
Executive Summary

Who cares about the customer’s experience?

For board members and C-suite executives in consumer financial services, customer experience has moved to the forefront over the past few years. According to more than 90 percent of over 2,000 respondents to Protiviti’s second annual Consumer Banking Survey, the answer to the question posed above is: Most financial institutions have been successful in meeting their customers’ expectations. Yet this answer is incomplete. A deeper look at the survey results in the following pages shows that banks have ample room for improvement in exceeding customer expectations, managing the customer experience and, perhaps more importantly, convincing consumers that they care about their complaints.

Our Key Findings

01 The vast majority of financial institutions are meeting customer expectations — yet if exceeding expectations is the goal, far fewer institutions are reaching it and there is significant room for improvement.

02 The higher a customer’s income level, the greater the likelihood that the customer has been disappointed or frustrated by a financial services company.

03 Customers in the highest income category are the least likely to believe their financial services companies exceed expectations.

04 Self-service online and mobile options are enhancing the customer experience by making it easier for consumers to interact with their everyday bank – different demographic and socioeconomic segments favor different communication channels.

05 When it comes to addressing their complaints and challenges, customers are not sure financial institutions care.

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For most organizations, achieving excellence in customer experience and transforming into a genuinely customer-centric organization represents a long and difficult process. Achieving excellence in customer experience requires “all hands on deck,” as delivery is a partnership between executives across all functions of an organization, including but not limited to IT, product, channel, operations and marketing.

The nature of this challenge is particularly extreme within established financial services institutions. That’s because banks must balance customer experience investments with daunting regulatory and risk management requirements while staving off competitive threats, including those from upstart fintech firms.

Evolving customer preferences are also compelling banks to walk a tightrope. Consumers shaped by delight-inducing interactions with Uber, Venmo, Apple and other customer experience leaders increasingly expect their banks to deliver a seamless and simple customer experience, as well. At the same time, consumers want banks to maintain airtight protection (of their money and personal information). And customers continue to have significant concerns about security. According to the Federal Reserve, “One of the main reservations consumers have with adopting mobile banking and mobile payments is concern about the security of the technology.”

Our results, which are based on quantitative and qualitative responses from more than 2,000 banking customers throughout the United States, show that more than 90 percent of consumers believe their banks are at least meeting their expectations. On the face of it, this is good news. But upon closer examination, customer sentiment is less auspicious. Fewer than half of all respondents report that their primary financial institution – that is, their everyday bank – exceeds their expectations. Consumers appear to be even less satisfied when it comes to collectively ranking all of the financial institutions they interact with regularly: Only 36 percent said their financial services companies exceed their expectations.

These and other results presented in the following pages should inspire serious reflection. Customer satisfaction represents a critical success factor in the industry. According to the American Customer Satisfaction Index, companies with high levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors.²

In this challenging environment, the issue is not whether or not banks care, but whether their customers perceive them to care enough about complaints and issues. Ultimately, such sentiments will drive customer and brand loyalty as emerging entrants continue to disrupt financial services.

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In the third quarter of this year, Protiviti surveyed more than 2,000 consumers in the United States about a range of customer experience issues in the financial services industry. The survey was conducted online and included a broad spectrum of respondents by age and income group, among other factors.

Topics included preferred methods for interacting with financial institutions and a consumer’s “everyday bank” perceptions about how financial institutions are meeting customer expectations, and views on how financial institutions handle complaints.

Participants also provided qualitative responses regarding positive and negative customer service experiences, some of which are shared throughout our report.

In addition, with regard to customer service and experience, participants provided specific responses about the financial institutions with which they are customers.

Upon request, Protiviti is able to provide detailed benchmarking results and analysis for specific financial institutions and customer segments.
**Customer expectations: Is the benchmark to meet or exceed them?**

The vast majority of financial institutions are meeting customer expectations. Yet if exceeding is the goal, there is significant room for improvement.

**Key Findings:**
- A strong majority of banking customers – 93 percent – believe their banks are at least meeting expectations.
- However, just over one in three consumers (36 percent) collectively rate all of the financial institutions they work with as exceeding their expectations, and for a customer’s everyday bank, less than half (47 percent) believe it exceeds expectations.
- Customers with annual incomes of $200,000 or more have a lower level of satisfaction regarding customer service – only 30 percent report their financial services companies are exceeding their expectations.

**Chart 1: Views, by generation, of how financial services companies meet expectations**

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*My bank always remembers my name and what we talked about the last time I was in. I really like that.*

- Female, 21-29, under $25,000
Make no mistake, customer experience is a major concern at the C-suite and board level: Nearly four in 10 CEOs view customer experience as the most effective way to create competitive advantage, according to research conducted by Walker Information and Chief Executive magazine. These chief executives rank customer experience ahead of talent, product and efficiency in terms of its potential for establishing competitive advantage.³

The survey results show some very good news for financial services organizations: When it comes to either their primary bank or all of the financial services institutions with which they interact, more than 90 percent of consumers believe these banks are at least meeting their expectations for the channels they use (website, mobile app, branch, etc.). Additionally, 59 percent report that in the past year they had at least one exceptional service experience with one of their financial institutions.


My local community branch is a corporate entity that cannot individualize how they approach customer service. They try so hard to follow what they have been directed to do by corporate, related to customer service, that it comes across as unnatural.

- Female, 60-69, $25,000-$49,999
However, a significant number of our respondents (44 percent) indicated that they had been frustrated or disappointed by a financial services provider. These results reveal a polarization of views among consumers. While a growing focus on managing customer experience has resulted in a healthy number of exceptional service occurrences, there is a significant level of variability in customer sentiments given the higher number of frustrating and disappointing experiences.

In addition, as noted earlier, a remarkably small number of consumers believe that banks are exceeding their expectations – and even fewer respondents say that banks “greatly exceed” expectations. And certain age and socioeconomic segments differ in how they rate their banking experience.

These and other results in our study raise difficult but illuminating questions about the current state of customer experience management capabilities in the industry: Less than half of respondents report that their everyday banks are exceeding their expectations – what does this mean? Why aren’t these everyday banks “greatly exceeding” the expectations of more than 17 percent of their customer base? Why are younger customers more likely to report instances of exceptional service? Why are customers with the highest levels of income less likely to say that their financial services companies exceed their expectations?
Deeper scrutiny of different age and socioeconomic groups reveals notable variances. For example, 61 percent of 21- to 29-year-olds believe their primary bank exceeds their expectations, compared to 47 percent of the total survey population. Additionally, 65 percent of 21- to 29-year-olds have received exceptional service in the past year. Generally, banks’ customer service and customer experience efforts appear to be resonating better with younger customers.

On the other hand, the prized segment of banking customers whose annual incomes top $200,000 are less likely to report that their financial services companies exceed their expectations (30 percent) compared to all respondents (36 percent).

As leadership teams evaluate how to improve their organization’s customer experience management capabilities, they should keep in mind that despite indications on the surface that they are meeting their customer experience goals, there is ample room for improvement.
**Chart 5: Consumer views, by generation, of how their everyday bank meets expectations**

<table>
<thead>
<tr>
<th>Generation</th>
<th>Meets expectations</th>
<th>Barely meets expectations</th>
<th>Greatly exceeds expectations</th>
<th>Exceeds expectations</th>
<th>Fails to meet expectations</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-29</td>
<td>17%</td>
<td>26%</td>
<td>18%</td>
<td>15%</td>
<td>Exceeds expectations</td>
<td>52%</td>
</tr>
<tr>
<td>30-39</td>
<td>30%</td>
<td>35%</td>
<td>49%</td>
<td>49%</td>
<td>Exceeds expectations</td>
<td>49%</td>
</tr>
<tr>
<td>40-49</td>
<td>49%</td>
<td>28%</td>
<td>35%</td>
<td>52%</td>
<td>Greatly exceeds expectations</td>
<td>49%</td>
</tr>
<tr>
<td>50-59</td>
<td>13%</td>
<td>31%</td>
<td>35%</td>
<td>27%</td>
<td>Exceeds expectations</td>
<td>31%</td>
</tr>
<tr>
<td>60+</td>
<td>3%</td>
<td>2%</td>
<td>2%</td>
<td>1%</td>
<td>Meets expectations</td>
<td>3%</td>
</tr>
</tbody>
</table>

_I continue to use [this bank], 13 years now, primarily because of their excellent customer service. It is a level unmatched by their competitors in this area._

- Male, 50-59, $100,000-$149,999
Chart 6: Consumer views, by income bracket, of how their everyday bank meets expectations

- Greatly exceeds expectations
  - $200,000 or more: 20%
  - $150,000 to $199,999: 16%
  - $100,000 to $149,999: 16%
  - $75,000 to $99,999: 15%
  - $50,000 to $74,999: 29%
  - $25,000 to $49,999: 31%
  - Less than $25,000: 32%

- Exceeds expectations
  - $200,000 or more: 49%
  - $150,000 to $199,999: 32%
  - $100,000 to $149,999: 31%
  - $75,000 to $99,999: 28%
  - $50,000 to $74,999: 48%
  - $25,000 to $49,999: 53%
  - Less than $25,000: 53%

- Meets expectations
  - $200,000 or more: 44%
  - $150,000 to $199,999: 49%
  - $100,000 to $149,999: 48%
  - $75,000 to $99,999: 48%
  - $50,000 to $74,999: 48%
  - $25,000 to $49,999: 50%
  - Less than $25,000: 50%

- Barely meets expectations
  - $200,000 or more: 3%
  - $150,000 to $199,999: 3%
  - $100,000 to $149,999: 3%
  - $75,000 to $99,999: 3%
  - $50,000 to $74,999: 4%
  - $25,000 to $49,999: 4%
  - Less than $25,000: 4%

- Fails to meet expectations
  - $200,000 or more: 2%
  - $150,000 to $199,999: 1%
  - $100,000 to $149,999: 1%
  - $75,000 to $99,999: 1%
  - $50,000 to $74,999: 1%
  - $25,000 to $49,999: 1%
  - Less than $25,000: 3%
Self-service is enhancing the customer experience

Do-it-yourself online and mobile options make it easier for customers to interact with their everyday bank – different demographic and socioeconomic segments favor different channels.

Key Findings

- A bank’s website, brick-and-mortar branches, telephone, ATMs and mobile applications, respectively, are the most commonly used customer service channels.
- Most consumers (68 percent) say self-service online and mobile channels make it easier for them to do business with their banks.
- Younger customers (86 percent) and consumers at higher income levels (73 percent of customers with incomes of $100,000 to $199,000) are even more likely to report that online and mobile channels make their banking interactions easier.
- Younger customers are far more inclined to use their banks’ mobile applications compared to older customers.

In recent years, customer interactions in most consumer-facing industries increasingly have become seamless across channels. Consumer banking is no exception, with financial institutions pushing to have uniform experiences and product offerings across channels. Customers typically engage with their financial services companies via multiple channels – a bank’s website being the most frequently used among an array of options. While there are some notable channel-usage patterns among different age and socioeconomic customer segments, more than two out of three customers say that self-service online and mobile channels make it easier for them to conduct business with their banks.

Not surprisingly, websites are the most commonly used channel for banking customers. Asked to identify all of the channels they use to work with their various financial services companies, consumers surveyed ranked website, branch, telephone, ATM and mobile app as the top responses.

Customers in the 21–29 and 30–39 age groups are far more likely to interact with their banks via mobile application (66 percent and 60 percent, respectively), mobile web (33 percent and 32 percent, respectively) and online chat (15 percent and 11 percent, respectively) compared to consumers ages 40 and higher. In fact, nearly three times as many customers in the 21– to 29-year-old range use their banks’ mobile applications compared to customers in the 60-plus year-old range (23 percent).
Another customer segment is more likely to use their bank’s mobile applications, as well: customers with more than $150,000 in annual income. Additionally, customers who earn $100,000 or more are the most active users of banks’ websites.

The overall survey results generally show very little, if any, gender-based customer-preference differences, with one exception: Female customers (48 percent) are slightly more inclined to use the telephone to interact with their banks compared to male customers (42 percent).
As banks increase and enhance their self-service offerings, customers appear to be responding quite favorably. Overall, 68 percent of consumers surveyed indicated that self-service online and mobile channels make it easier to do business with their banks, while just 3 percent said that mobile and online self-service offerings have made it more difficult to do business with their banks. Customers ages 21-29 years-old, as well as those who earn $100,000-$199,999, are significantly more likely to report that self-service has increased banking ease. These results show positive trends, given the potential cost savings that self-service can deliver, and they should encourage banking leaders to consider new ways to build upon and enhance current self-service offerings.

Some of these enhancements should target segments that, at least so far, find less value in self-service options. Fewer customers in the 50-59 (63 percent) and 60-plus (57 percent) age ranges say that self-service channels have made it easier for them to do business with their banks. In addition, a significantly higher number of customers age 50 years and older indicated that self-service channels have had no effect – positive or negative – on their ease of banking.
[This bank] has consistently improved their app and has made it easy to do nearly everything with my account.

- Male, 30-34, over $200,000
Chart 10: Effects of more self-service options (mobile apps, web) on customer experience – by income bracket

Makes it easier or much easier to do business with them

- $200,000 or more: 66%
- $150,000 to $199,999: 74%
- $100,000 to $149,999: 73%
- $75,000 to $99,999: 72%
- $50,000 to $74,999: 69%
- $25,000 to $49,999: 67%
- Less than $25,000: 62%

Hasn't changed anything

- $200,000 or more: 31%
- $150,000 to $199,999: 26%
- $100,000 to $149,999: 25%
- $75,000 to $99,999: 26%
- $50,000 to $74,999: 28%
- $25,000 to $49,999: 29%
- Less than $25,000: 34%

Makes it harder or much harder to do business with them

- $200,000 or more: 3%
- $150,000 to $199,999: 2%
- $100,000 to $149,999: 3%
- $75,000 to $99,999: 4%
- $50,000 to $74,999: 4%
- $25,000 to $49,999: 3%
- Less than $25,000: 2%
Customers believe banks don’t care enough

When it comes to addressing their complaints and challenges, customers are not sure financial institutions care, and banks should keep in mind that customers still prefer to log complaints the old-fashioned ways – via calls to customer service and visits to branches.

**Key Findings**

- Only one in three consumers think that their financial services company “absolutely cares” about their problem when they share a complaint; what may be even more telling is that nearly as many say they are unsure or that their banks do not care.
- Less than one in four customers with incomes above $150,000 believe their financial services company “absolutely cares” about their problem.
- Only 36 percent of customers believe their bank responds every time with a resolution when they complain about a problem.
- Customers are most likely to log a complaint by phone (63 percent) or branch visit (40 percent) compared to using email (18 percent).

Customer complaints represent a fact of life in the financial services industry. These problems also represent prime opportunities to improve the customer experience. Additionally, with regulators reviewing and acting on customer complaints, the need to focus on customer experience has become as important to regulatory and compliance executives as it is to their counterparts in marketing and product development. The speed and compassion with which customer service representatives respond to and resolve complaints can transform dissatisfied customers into brand advocates, identify potential service improvements, and produce other valuable lessons on the customer experience. Given the pivotal nature of customer complaints and how our respondents say their financial services companies address them, most banks might benefit from investing more time in understanding the best ways to handle customer complaints and learning from the lessons they contain.

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**Key Fact**

36%

Financial services organizations that, when receiving a customer complaint, respond every time with a resolution.

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*Someone made purchases using my credit card. [The bank] was very helpful and did not make me jump through hoops to prove that I didn’t make the purchases.*

- Female, 40-44, $50,000-$74,999
In the survey, when asked if they felt that their financial services provider cared when they complained about a problem, only one-third of customers responded “absolutely.” The remaining respondents indicated that their bank may care “somewhat,” that they are unsure, or that their bank does not care. Less than one in four customers in the highest income segments say they feel their bank “absolutely cares” when they file a complaint.

These findings ought to spur action. Although “caring enough” is inherently subjective in nature, it also remains an important – arguably the most important – component of a highly effective customer experience. Considering the aforementioned status of customer experience as a top CEO and board priority, banks cannot afford to give customers the impression, right or wrong, that they do not care enough.

If I’m willing to do business with you for 19 years, the least you could do is work with me on one problem.

- Male, 50-59, $25,000-$49,999
Respondents in our survey also shed light on why they perceive their financial institutions as less than absolutely caring entities. For example, only 36 percent reported that a person from their bank always responds with a resolution when they express a complaint or share a problem. Resolving customer complaints timely and consistently is key to building an effective customer experience.

From a procedural perspective, it is also helpful to understand how customers prefer to express complaints. On this count, customers lean on tried-and-true methods – they are most likely to log a complaint via phone (63 percent) or by visiting a branch (40 percent) compared to using email (18 percent) to do so.

*It’s hard to go into a new way [of banking] when some of your customers are old school.*
- Male, 40-44, $50,000-$74,999
[This bank] sent me an email stating I could reduce my interest rate on pay-over-time purchases. When I attempted to take advantage of the offer, they said the email was sent in error and that offer didn’t exist.

- Male, 45-49, $25,000-$49,999
Chart 14: Ways in which consumers voice complaints – by income bracket

Listen to the whole conversation and [don’t] keep putting me on hold and then passing the phone to someone else.

- Female, 60-69, $25,000-$49,999
In closing – where does your bank stand?

While merely meeting customer expectations may suffice in the consumer banking sector for the time being, it may be an unsustainable approach in the future. That’s because customer expectations do not stand pat, particularly as more companies inside and outside the financial services industry ramp up their efforts to enhance the customer experience.

For financial services organizations seeking to face their futures confidently, they should focus on increasing their own expectations for customer satisfaction levels. Remember, consumer banks are no longer squaring off solely against industry opponents to attract and retain customers. They’re also contending with Amazon, Apple, emerging fintech players, and others. Succeeding in this new competitive environment requires a rigorous focus on customer care and a commitment, at every level of the organization, to finding ways to consistently exceed customer expectations.
ABOUT PROTIVITI

Protiviti is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders face the future with confidence. Through our network of more than 70 offices in over 20 countries, Protiviti and our independently owned Member Firms provide our clients with consulting solutions in finance, technology, operations, data analytics, governance, risk and internal audit. We have served more than 60 percent of Fortune 1000® and 35 percent of Fortune Global 500® companies.

We also work with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

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