

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.



“The banking industry is becoming increasingly competitive and new entrants into the market are largely technologically-based alternatives. Millennials are the prime target of these upstart companies, as well as everyone else, and the country’s changing demographics are providing a growing new group of customers.”
Robyn Kaiserman, Financial Services Analyst

This report looks at the following areas:

- How can banks finally eliminate the trust issue?
- What is next for credit unions?

The strengthening economy is helping the banking industry recover, but as it does it faces new challenges. The increased reliance young people have on their mobile devices is helping to drive the growth of mobile banking, and banks, credit unions, and banking alternatives are all riding the wave and constantly introducing new features in an effort to attract and retain young customers. Baby Boomers and, to a lesser extent, Gen X customers also offer opportunity as these groups are very happy with all the products and services their banks and credit unions offer – all except the advice provided by their bank’s advisers. Since advice is what these groups are looking for, especially Boomers on the brink of retirement, institutions are missing an opportunity to solidify relationships with people in these segments and get them to bring their retirement accounts and perhaps even investment accounts into the bank.

This report focuses on the challenges the changing landscape poses to traditional banks and credit unions, as well as on the new consumer expectations that are driving the innovations in the banking industry.

This report builds on the analysis presented in Mintel’s *Retail Banking and Credit Unions – US, February 2014* and *Retail Banking – US, October 2012*.

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
EMEA
+44 (0) 20 7606 4533

Brazil
0800 095 9094

Americas
+1 (312) 943 5250

APAC
+61 (0) 2 8284 8100

EMAIL:
reports@mintel.com

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Table of Contents

Scope and Themes

- What you need to know
- Data sources
- Consumer survey data
- Direct marketing creative
- Abbreviations and terms
- Abbreviations
- Terms

Executive Summary

- The number of banks and credit unions is falling, but assets are rising
- The strengthening economy will bolster the industry
- The industries are highly concentrated
- The competition is raging
- Large banks reign
- Millennials get mortgages at community banks
- Young investors prefer large banks
- Customers are satisfied with bank products, not so much advice
- Trust is returning, but slowly and primarily among young people
- Consumers want advice
- Why do people switch?
- Fees and convenience are the biggest reasons for switching
- What we think

Issues and Implications

- How can banks finally eliminate the trust issue?
- Issues
- Implications
- What is next for credit unions?
- Issues
 - Figure 1: Percentage of respondents who have primary accounts at credit unions, December 2013, November 2014
- Implications

Trend Application

- Inspire Trend: Data Creators
- Inspire Trend: Cam Cam
- Inspire Trend: Life Hacking

Market Size

- Key points

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
 EMAIL: reports@mintel.com

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

The number of banks and credit unions continues to fall

Figure 2: Number of FDIC-insured banks and credit unions, 1995-2014*

Figure 3: Assets of FDIC-insured commercial banks and savings institutions, year-end, 2005-14*

Figure 4: Domestic deposits of FDIC-insured commercial banks and savings institutions, year-end, 2005-14*

The number of credit unions continues to fall, though members and assets increase

Figure 5: Credit unions numbers, members, and assets, 2004-13

Market Drivers

Key points

The economy is strengthening

Figure 6: Percentage change from preceding period in GDP (Q1 2012 – Q3 2014)

Figure 7: US unemployment rate January 2012 – December 2014

Sales of mobile devices

Figure 8: Total US unit smartphone sales, 2010-18 (forecast)

Figure 9: Total US unit tablet sales, 2010-18 (forecast)

Use of smartphones for banking

Figure 10: Banking transactions conducted via smartphone, November 2013 versus December 2014

Use of tablets for banking

Figure 11: Banking transactions conducted via tablet, November 2013 versus December 2014

Competitive Context

Key points

Largest retail banks

Figure 12: Largest US banks, measured by assets (Dec. 31, 2013, Dec. 31, 2014)

Largest credit unions

Figure 13: Largest US credit unions, measured by assets, Dec. 31, 2013-Sept. 30, 2014

Competition from all sides

Figure 14: Change in use of internet-only and alternative banks for primary checking account, 2013-14

Customer satisfaction is higher...or is it?

Electronic banking helps decrease switching

Figure 15: Reasons for switching banks in previous five years, 2013 versus 2014

Leading companies

JPMorgan Chase

Bank of America

Wells Fargo

Ally Bank

Capital One 360

Figure 16: Capital One 360 Café direct mail ad, 2014

Figure 17: Capital One 360 Café direct mail ad, 2014 (continued)

Figure 18: Capital One 360 Café online ad, 2014

Simple

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Navy Federal Credit Union

Innovations and Innovators

Key points

Gamification of savings

BankMobile – Direct bank, no fees

Finally – Smart ATMs

Figure 19: Regions Bank smart ATM email ad, 2014

Figure 20: Fifth Third smart ATM direct mail incentive ad, 2014

Help for the unbanked

Marketing Strategies

Key points

Mailing activity

Email acquisition efforts

Figure 21: Acquisition email by product, Q3 2013-Q3 2014

The marketing advantage of bank branches

Figure 22: Conduct transactions at a bank/credit union branch, 2013 versus 2014

Incentives are still popular

Figure 23: Chase checking account incentive direct mail ad, 2015

Figure 24: Chase checking account incentive direct mail ad, 2015 (continued)

Figure 25: Fifth Third checking account incentive direct mail ad, 2014

Figure 26: Fifth Third checking account incentive direct mail ad, 2014 (continued)

Figure 27: Key Bank checking account incentive mobile ad, 2014

The launch of Apple Pay

Figure 28: M&T Bank Apple Pay email ad, 2014

Figure 29: Capital One Apple Pay email, 2014

Wells Fargo's Apple Pay promotion

Figure 30: Wells Fargo Apple Pay email, 2014

Capital One 360

Figure 31: Capital One 360 Café online ad, 2014

Figure 32: Capital One 360 checking account online ad, 2014

Figure 33: Cap One 360 branding online ad, 2014

Figure 34: Cap One 360 branding online ad, 2014 (continued)

Online banking functions

Wells Fargo

Figure 35: Wells Fargo SurePay email ad, 2014

Bank of the West

Figure 36: Bank of the West mobile banking email ad, 2014

Figure 37: Chase mobile banking email ad, 2014

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Social Media

Key points

Market overview

Key social media metrics

Figure 38: Key performance indicators, selected retail banking and credit union brands, Jan. 26, 2014-Jan. 25, 2015

Brand usage and awareness

Figure 39: Brand usage and awareness of retail banking and credit union brands, November 2014

Interaction with brands

Figure 40: Interaction with retail banking and credit union brands, November 2014

Leading online campaigns

Continuing the conversation online

"Community hero" contest

Hashtag photo contest

What we think

Online conversations

Figure 41: Online mentions, selected retail banking and credit union brands, Jan. 26, 2014-Jan. 25, 2015

What are people talking about online?

Figure 42: Mentions by topic of conversation, selected retail banking and credit union brands, Jan. 26, 2014-Jan. 25, 2015

Account/Product Ownership

Key points

Men have a greater variety of accounts and products

Figure 43: Ownership of financial accounts/products, by gender, November 2014

Opportunity among Millennials

Figure 44: Ownership of financial accounts/products, by generations, November 2014

Single people offer opportunity

Figure 45: Ownership of financial accounts/products, by marital/relationship status, November 2014

Mobile device owners are more likely to be customers

Figure 46: Ownership of financial accounts/products, by mobile device ownership, November 2014

Location of Primary Account

Key points

Large banks reign

Figure 47: Location of primary account, November 2014

Checking accounts

Women prefer small banks

Figure 48: Type of institution where primary checking account is held, by gender, November 2014

Savings accounts

Credit unions are more popular among women savers

Figure 49: Type of institution where primary savings account is held, by gender, November 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Residential mortgages

Small community banks attract Millennials

Figure 50: Type of institution where primary residential mortgage is held, by age, November 2014

Investment accounts

Large banks attract young investors

Figure 51: Four most popular types of institution where primary investment account is held, by age, November 2014*

Attitudes toward Banks and Credit Unions

Key points

Customer satisfaction

Older customers are most satisfied with products and services

Figure 52: Customer satisfaction with banks/credit unions, by age, November 2014

Trust

Women are more concerned than men

Figure 53: Trust in banks and credit unions, by gender, November 2014

Young people have regained trust

Figure 54: Trust in banks and credit unions, by age, November 2014

Attitude toward banks/credit unions and communications

More education is needed

Figure 55: Attitude toward institutions and communications, by age, November 2014

How Banking is Conducted

Key points

Different channels for different transactions

Figure 56: How banking is conducted, November 2014

Men use online banking far more than women

Figure 57: Transactions conducted on desktop/laptop, by gender, December 2014

Computers generally favored among older customers

Figure 58: Transactions conducted on desktop/laptop, by generation, November 2013-December 2014

Smartphones

Men are more comfortable than women with mobile banking

Figure 59: Transactions conducted on smartphone, by gender, November 2014

Millennials are leading the mobile charge

Figure 60: Transactions conducted on smartphone, by generation, November 2014

Having young children increases banking by smartphone

Figure 61: Transactions conducted on smartphone, by presence of children under age 18 in household, November 2014

Tablets

Men are more likely to bank via their tablet

Figure 62: Transactions conducted on tablet, by gender, November 2014

Use of tablets doesn't differ much among generations

Figure 63: Transactions conducted on tablet, by generation, November 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Branches

Women are more likely than men to go to branches

Figure 64: Transactions conducted in a branch, by gender, November 2014

Figure 65: Transactions conducted in a branch, by gender, November 2014

Institutions need to promote mobile banking to those who have mobile devices

Figure 66: Transactions conducted in a branch, by mobile device ownership, November 2014

Interest in Products and Services

Key points

Secure credit cards and financial advice are most desired

Figure 67: Interest in banking products and services, November 2014

Already use

Men are more likely to use a variety of products and services

Figure 68: Products/Services already use, by gender, November 2014

Millennials are early adopters

Figure 69: Products/Services already use, by generations, November 2014

Bank alternatives are more popular among Hispanics

Figure 70: Products/Services already use, by Hispanic origin, November 2014

Urban dwellers are more engaged with financial products

Figure 71: Products/Services already use, by area, November 2014

High-income earners like online banks

Figure 72: Products/Services already use, by household income, November 2014

Don't use but would be interested in using

Chip and PIN cards top the list

Figure 73: Products/Services not used, but would be interested in using, by gender, November 2014

Millennial women want advice

Figure 74: Products/Services not used, but would be interested in using, by gender and age, November 2014

Swing Generation is not really interested

Figure 75: Products/Services not used, but would be interested in using, by generations, November 2014

Banks need to target Hispanics

Figure 76: Products/Services not used, but would be interested in using, by Hispanic origin, November 2014

Switching Considerations

Key points

Women are more loyal bank customers

Figure 77: Switching considerations, by gender, November 2014

Millennials may need to be courted

Figure 78: Switching behavior, by generation, November, 2014

Credit union customers are the most loyal

Figure 79: Switching behavior, by type of bank/credit union used, November, 2014

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Reason for Switching

Key points

Electronic banking has kept some from switching

Figure 80: Reasons for switching, November 2014

Appendix: Other Useful Consumer Tables

Account/product Ownership

Figure 81: Ownership of financial accounts/products, by age, November 2014

Figure 82: Ownership of financial accounts/products, by household income, November 2014

Figure 83: Ownership of financial accounts/products, by race/Hispanic origin, November 2014

Figure 84: Ownership of financial accounts/products, by mobile device ownership, November 2014

Figure 85: Ownership of financial accounts/products, by smartphone ownership, November 2014

Figure 86: Ownership of financial accounts/products, by tablet ownership, November 2014

Location of primary account

Checking accounts

Figure 87: Location of primary account, November 2014

Figure 88: Type of institution where primary checking account is held, by gender, November 2014

Figure 89: Type of institution where primary checking account is held, by age, November 2014

Figure 90: Type of institution where primary checking account is held, by generations, November 2014

Figure 91: Type of institution where primary checking account is held, by household income, November 2014

Savings accounts

Figure 92: Type of institution where primary savings account is held, by gender, November 2014

Figure 93: Type of institution where primary savings account is held, by age, November 2014

Figure 94: Type of institution where primary savings account is held, by generations, November 2014

Figure 95: Type of institution where primary savings account is held, by household income, November 2014

Residential mortgages

Figure 96: Type of institution where primary residential mortgage is held, by gender, November 2014

Figure 97: Type of institution where primary residential mortgage is held, by generations, November 2014

Figure 98: Type of institution where primary residential mortgage is held, by household income, November 2014

Investment accounts

Figure 99: Four most popular types of institution where investment account is held, by gender, November 2014

Figure 100: Type of institution where investment account is held, by household income, November 2014

Attitudes toward banks and credit unions

Figure 101: Attitude toward banks and credit unions, by gender, November 2014

Figure 102: Attitude toward banks and credit unions, by age, November 2014

Figure 103: Attitudes toward banks and credit unions, by generations, November 2014

Figure 104: Attitudes toward banks and credit unions, by household income, November 2014

How banking is conducted

Desktop/laptop

Figure 105: Transactions conducted on desktop/laptop, by age, November 2014

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 106: Transactions conducted on desktop/laptop, by gender and age, November 2014

Figure 107: Transactions conducted on desktop/laptop, by household income, November 2014

Figure 108: Transactions conducted on desktop/laptop, by mobile device ownership, November 2014

Smartphone

Figure 109: Transactions conducted on smartphone, by age, November 2014

Figure 110: Transactions conducted on smartphone, by household income, November 2014

Tablets

Figure 111: Transactions conducted on tablet, by age, November 2014

Figure 112: Transactions conducted on tablet, by household income, November 2014

Branches

Figure 113: Transactions conducted in branch, by age, November 2014

Figure 114: Transactions conducted in branch, by household income, November 2014

ATMs

Figure 115: Transactions conducted on ATM, by gender, November 2014

Figure 116: Transactions conducted on ATM, by age, November 2014

Figure 117: Transactions conducted on ATM, by household income, November 2014

Interest in product and services

Already use

Figure 118: Products/Services already use, by age, November 2014

Figure 119: Products/Services already use, by region, November 2014

Figure 120: Products/Services already use, by mobile device ownership, November 2014

Don't use but would be interested in using

Figure 121: Products/Services not used, but would be interested in using, by age, November 2014

Figure 122: Products/Services not used, but would be interested in using, by household income, November 2014

Figure 123: Products/Services not used, but would be interested in using, by mobile device ownership, November 2014

Figure 124: Products/Services not used, but would be interested in using, by smartphone ownership, November 2014

Figure 125: Products/Services not used, but would be interested in using, by tablet ownership, November 2014

Any interest

Figure 126: Products/Services interested in using, any interest, by gender, November 2014

Figure 127: Products/Services interested in using, by age, November 2014

Figure 128: Products/Services interested in using, by generations, November 2014

Figure 129: Products/Services interested in using, by household income, November 2014

Switching behavior

Figure 130: Switching considerations, by age, November 2014

Figure 131: Switching considerations, by household income, November 2014

Figure 132: Switching considerations, by mobile device ownership, November 2014

Appendix: Social Media

Key brand metrics

Figure 133: Key social media indicators of selected retail banking and credit union brands, January 2015

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
 CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094
 Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100
 EMAIL: reports@mintel.com

Retail Banking and Credit Unions - US - February 2015

Report Price: £2466.89 | \$3995.00 | €3133.71

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Online conversations

Figure 134: Online mentions, selected retail banking and credit union brands, Jan. 26, 2014-Jan. 25, 2015

Brand usage or awareness

Figure 135: Brand usage or awareness, October 2014

Figure 136: Chase usage or awareness, by demographics, October 2014

Figure 137: Wells Fargo usage or awareness, by demographics, October 2014

Figure 138: Capital One 360 usage or awareness, by demographics, October 2014

Figure 139: Ally Bank usage or awareness, by demographics, October 2014

Figure 140: USAA usage or awareness, by demographics, October 2014

Figure 141: Navy Federal Credit Union usage or awareness, by demographics, October 2014

Activities Done

Figure 142: Activities done, October 2014

Figure 143: Chase – Activities done – I have looked up/talked about this brand online on social media..., by demographics, October 2014

Figure 144: Chase – Activities done – I have contacted/interacted with the brand online on social media to..., by demographics, October 2014

Figure 145: Chase – Activities done – I follow/like the brand on social media because..., by demographics, October 2014

Figure 146: Chase – Activities done – I have researched the brand on social media to..., by demographics, October 2014

Figure 147: Wells Fargo – Activities done – I have looked up/talked about this brand online on social media..., by demographics, October 2014

Figure 148: Wells Fargo – Activities done – I have contacted/interacted with the brand online on social media to..., by demographics, October 2014

Figure 149: Wells Fargo – Activities done – I follow/like the brand on social media because..., by demographics, October 2014

Figure 150: Wells Fargo – Activities done – I have researched the brand on social media to..., by demographics, October 2014

Figure 151: Capital One 360 – Activities done – I have looked up/talked about this brand online on social media..., by demographics, October 2014

Figure 152: Capital One 360 – Activities done – I have contacted/interacted with the brand online on social media to..., by demographics, October 2014

Appendix: Trade Associations

American Bankers Association (ABA)

American Financial Services Association (AFSA)

Consumer Bankers Association (CBA)

Credit Union National Association

Independent Community Bankers of America (ICBA)

Mortgage Bankers Association (MBA)

National Credit Union Association (NCUA)

BUY THIS
REPORT NOW

VISIT: store.mintel.com

CALL: EMEA +44 (0) 20 7606 4533 | Brazil 0800 095 9094

Americas +1 (312) 943 5250 | APAC +61 (0) 2 8284 8100

EMAIL: reports@mintel.com