

Financial Bundling and Product Switching in Banking - Canada - March 2019

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This report looks at the following areas:

- TD and RBC are the leading choices
- Tangerine is the top alternative choice
- Lower chequing fees and higher savings interest are the top switching influencers
- Rewards programs will encourage more cross-sell

Financial institutions (FIs) are always strategizing on ways to increase customer share of wallet and build loyalty in the staid world of Canadian retail banking. The Canadian consumer banking industry is dominated by the five major banks, but there is strong competition, not only among them, but from smaller virtual banks, regional banks and credit unions. However, in this highly competitive market, banks cannot stand still. Digital banking and the advent of Fintech require Canadian banks to stay focussed on providing an excellent customer experience. Banks need to meet the basic needs of their customers, but beyond that they need to know their customers, reward their loyalty and enable them to interact in a seamless way.

The use of incentives to encourage multiple product ownership and switching are important methods of building wallet share and acquiring new customers. This Report covers consumer attitudes and behaviour related to product bundling and switching in Canadian consumer banking. It explores the competitive landscape of the major banks, switching intention of consumers, incentives to switch, choice factors, switching and bundling behaviours and attitudes related to bundling and incentives.



“Boosting multiple product ownership is a double powered engine for financial institutions as it increases profitability through wallet share and also builds loyalty by discouraging attrition.”

– Sanjay Sharma, Senior Financial Services Analyst

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