

## Customer Retention and Cross-sell in Banking - Canada - October 2016

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“There is a degree of under-utilization of rewards for multiple product ownership which presents an opportunity for banks to offer more targeted rewards based on customer preferences.”

– **Sanjay Sharma, Senior Financial Services Analyst**

This report looks at the following areas:

- Nearly seven in ten Canadians have a 'big five' as their main bank
- While TD is still on top, Tangerine emerges as a strong alternative choice
- Value for money, branches, product selection and ABMs are dominant influencers
- Preferred rates, discounts, rewards and cash incentives appeal to nearly half of consumers

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, the advent of Fintech and the entry of start-ups into retail banking and payments 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.

Although in general, Canadians trust their financial institutions and satisfaction levels are high, there is always room for improvement. Banks need to understand and meet changing customer preferences and offer the latest digital banking solutions while at the same time assure customers that their information is safe and their privacy is being protected.

This Report covers consumer attitudes and behaviour related to customer retention and cross-sell in Canadian consumer banking. It explores the competitive landscape of the major banks, switching intention of consumers, incentives to increase share of wallet, choice factors that influence the switching decision and attitudes related to customer retention, loyalty, trust and preferences.

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BMO launches a service that allows people to open accounts through smartphones  
 Scotiabank branches out with two new branch formats, Express and Solutions  
 Goldman Sachs – Online lender for the masses

## Industry Developments

Meridian credit union seeking license for national online bank  
 RBC first to offer free Interac e-transfer payments  
 Meridian introduces Sweep: A feature that 'sweeps' money daily  
 Scotiabank branches out with two new branch formats, Express and Solutions  
 BMO launches a service that allows people to open accounts through smartphones  
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Leveraging brand image to cement a distinctive brand personality

Influencing switching decisions by harnessing the power of recommendations

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