

The Role of Loyalty in Financial Services - US - May 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.



“Providing products and services most likely to foster trusting relationships is crucial for continued business growth. What financial services providers must commit to is a permanent effort to build loyalty through satisfactory engagement enticing customers to repeat and increase their businesses and even recommend the products and services to others.”

– Monica Staco, Financial Services Manager

This report looks at the following areas:

- How can FS firms convert loyalty into referrals and repeat business?
- How can FS providers increase loyalty among parents?
- How can providers deal with issues regarding trust and security?

Loyal customers are the best customers to keep a business thriving. In financial services, loyal customers are the most likely to keep their business with the same provider, purchase additional products, and even make recommendations to their network. Loyalty does not develop overnight, however; financial service providers need to make smart efforts to win the loyalty of their customers. Readers of this report will learn what it takes to develop customer loyalty and what it might mean to keep it, as well as what others in the industry are doing to accomplish the same goal.

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

The Role of Loyalty in Financial Services - US - May 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
 Definition
 Data sources
 Consumer survey data
 Consumer qualitative research
 Direct marketing creative
 Abbreviations and terms
 Abbreviations
 Terms

Executive Summary

The market
 Banking industry increasingly concentrated, mobile
 Strengthening economy leads to new opportunities
 The consumer
 In many FS sectors, majority of customers unsatisfied
 Financial service providers seeking referrals should just ask
 Loyalty built by customer experience, trust, and relevant services
 Parents are engaged consumers
 Older consumers more loyal, show higher satisfaction
 25-44 year-olds more likely to make recommendations
 More affluent consumers most loyal
 What we think

Issues and Insights

How can FS firms convert loyalty into referrals and repeat business?
 The issues
 The implications
 How can FS providers increase loyalty among parents?
 The issues
 The implications
 How can providers deal with issues regarding trust and security?
 The issues
 The implications

Trend Application

Trend: Experience is All
 Trend: Make it Mine

**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

The Role of Loyalty in Financial Services - US - May 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.

Trend: Prove it

Market Drivers

Key points

Number of banks falling

Figure 1: Number of FDIC-insured banks and credit unions, 1995-2014*

With more handheld devices, online banking becomes paramount

Figure 2: US mobile phone sales and forecast, 2012-17

Unemployment falls below six percent

Figure 3: US unemployment rate March 2013-March 2015

With improved economy comes positive outlook

Figure 4: Personal financial outlook, July 2012-September 2014

Women playing more prominent financial role

Figure 5: Individuals with annual income of \$150,000 or more, by gender, 2003-13

Millennials face challenge of hefty student debt

Figure 6: Share of debt for consumers aged 20-29, 2005 and 2014

Leading Companies

Key points

American Express, Discover lead credit card companies in satisfaction

Midsized banks face new technology challenges

Figure 7: J.D. Power customer satisfaction index Rankings, retail banks – Mid-Atlantic Region, 2014

Innovations and Innovators

Citi@Double Cash Card rewards consumers for making payments

Figure 8: Citi@Double Cash Card banner ad, 2015

Apple Pay looks to shake up payment industry

Figure 9: First National Bank of Omaha ApplePay ad, 2015

Betterment, Wealthfront offer "Robo-Advisor" investment guidance

Figure 10: Betterment online ad, 2015

Marketing Strategies

Incentive-based referral strategies are popular

Figure 11: Kroger 1-2-3 Rewards® Visa® refer a friend offer email, 2015

Figure 12: Chase email, 2015

Figure 13: Chase travel rewards email, 2015

Fraud and security protection can put customers at ease

Figure 14: Bank of America website, 2015

Figure 15: Wells Fargo customer email, 2015

Excellent customer service includes in-person check-ins

Figure 16: Merrill Lynch Retirement Check-up email, 2015

Figure 17: Geico customer satisfaction survey, 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

The Role of Loyalty in Financial Services - US - May 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 18: Allstate Payment confirmation email, 2015

Discover card offers free credit score as consumer perk

Figure 19: Discover Card account statement, 2015

Level of Customer Satisfaction

Key points

Respondents are satisfied with primary banking provider

Customer satisfaction is not strong in many financial sectors

Figure 20: Current satisfaction level, January 2015

Satisfaction with financial services providers increases with age

Figure 21: Current level of satisfaction – Any satisfied, by generation, January 2015

Opportunity to reach young women via personal bankers

Figure 22: Current level of satisfaction – Satisfied, by gender and age, January 2015

Satisfaction with provider increases with household income

Figure 23: Current level of satisfaction – Satisfied, by household income, January 2015

Several financial services sectors are doing well with parents

Figure 24: Current level of satisfaction – Satisfied, by demographics, January 2015

Black consumers least satisfied

Figure 25: Current level of satisfaction – Satisfied, by demographics, January 2015

Likelihood to Recommend

Key points

Consumers not always following through on desire to recommend

Figure 26: Likelihood to recommend, January 2015

Men aged 18-34 likely to recommend several financial sectors

Figure 27: Likelihood to recommend, by gender and age, January 2015

Opportunity for primary banking providers to connect with less affluent

Figure 28: Likelihood to recommend, by household income, January 2015

Majority of social media users are likely to recommend FS providers

Figure 29: Likelihood to recommend, by social media use, January 2015

Hispanics far more likely to recommend

Figure 30: Likelihood to recommend – Likely, by demographics, January 2015

Incidence of Recommendation

Key points

Majority of respondents don't recommend

Figure 31: Actual recommendations, January 2015

Millennials and Gen Xers more likely to make recommendations

Figure 32: Actual recommendations, by demographics, January 2015

Men aged 18-34 most likely to recommend

Figure 33: Actual recommendations, by demographics, 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

The Role of Loyalty in Financial Services - US - May 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.

Recommendations happening on social media

Figure 34: Actual recommendations, by demographics, January 2015

Reasons for not Recommending

Key points

Consumers need more opportunities to make recommendations

Figure 35: Reasons for not recommending, January 2015

Purchasing Behaviors

Key points

Most consumers don't purchase additional services from providers

Figure 36: Financial services products purchased, January 2015

Consumers aged 55+ are least likely to purchase additional financial services

Figure 37: Financial services products purchased, by demographics, January 2015

Parents two times more likely purchase additional products

Figure 38: Financial services products purchased, by demographics, January 2015

Opportunity to cross-sell products to Hispanics

Figure 39: Financial services products purchased, by demographics, January 2015

Type of Financial Services Products Purchased

Key points

Credit cards the financial product acquired most frequently

Figure 40: Types of financial services products purchased, by demographics, January 2015

Men more likely to purchase additional financial products

Figure 41: Types of financial services products purchased, by gender, January 2015

Consumers aged 45+ interested in new investment products

Figure 42: Types of financial services products purchased, by demographics, January 2015

Millennials with mid-level income purchase most additional products

Figure 43: Types of financial services products purchased, by age and household income, January 2015

Likelihood for Repeat Business

Key points

Customer loss is a potential issue for most financial sectors

Figure 44: Likelihood for repeat business, January 2015

Loyalty builds with age

Figure 45: Likelihood for repeat business – Likely, by age, January 2015

Social media users more loyal

Figure 46: Likelihood for repeat business – Likely, by social media user, January 2015

Loyalty increases with household income

Figure 47: Likelihood for repeat business – Likely, by household income, January 2015

Consumer Attitudes toward Loyalty

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

The Role of Loyalty in Financial Services - US - May 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.

Loyalty built by customer experience, trust, and relevant services

Figure 48: Consumers' attitudes toward loyalty, any agree, January 2015

Consumers associate loyalty to dedication and commitment

Figure 49: Collage of Qualboard quotes and images of consumers' definition of loyalty, February 2015

Males 18-34 one demographic group whose loyalty may be influenced

Figure 50: Consumers' attitudes toward loyalty – Agree, by gender and age, January 2015

Those with high household income value pillars of loyalty

Figure 51: Consumers' attitudes toward loyalty – Agree, by household income, January 2015

Majority of parents feel they are being taken for granted

Figure 52: Consumers' attitudes toward loyalty – Agree, by children in household, January 2015

Loyalty Index

Key points

Satisfied customers are loyal customers

Figure 53: Current level of satisfaction – Satisfied, by loyalty index January 2015

Loyal customers very likely to recommend services to network

Figure 54: Likelihood to recommend – Likely, by demographics, January 2015

Loyal customers very likely to repeat business

Figure 55: Likelihood for repeat business – Likely, by demographics, January 2015

Appendix – Other Useful Consumer Tables

Current level of satisfaction

Figure 56: Current level of satisfaction – Satisfied, by demographics, January 2015

Figure 57: Current level of satisfaction – Satisfied, by demographics, January 2015

Likelihood to recommend

Figure 58: Likelihood to recommend – Likely, by demographics, January 2015

Figure 59: Likelihood to recommend – Likely, by demographics, January 2015

Figure 60: Likelihood to recommend – Likely, by demographics, January 2015

Figure 61: Likelihood to recommend – Likely, by demographics, January 2015

Figure 62: Likelihood to recommend – Likely, by demographics, January 2015

Figure 63: Likelihood to recommend – Likely, by demographics, January 2015

Figure 64: Likelihood to recommend – Likely, by demographics, January 2015

Figure 65: Likelihood to recommend – Likely, by demographics, January 2015

Actual recommendations

Figure 66: Actual recommendations, by demographics, January 2015

Reasons for not recommending

Figure 67: Reasons for not recommending, by demographics, January 2015

Financial services products purchased

Figure 68: Financial services products purchased, by demographics, January 2015

Types of financial services products purchased

Figure 69: Types of financial services products purchased, by demographics, 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

The Role of Loyalty in Financial Services - US - May 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 70: Types of financial services products purchased, by demographics, January 2015

Likelihood for repeat business

Figure 71: Likelihood for repeat business – Likely, by demographics, January 2015

Figure 72: Likelihood for repeat business – Likely, by demographics, January 2015

Consumer attitudes toward loyalty

Figure 73: Consumers' attitudes toward loyalty – Agree, by demographics, January 2015

Figure 74: Consumers' attitudes toward loyalty – Agree, by demographics, January 2015

Appendix – Trade Associations

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