



# Retail Banking 2012

2012  
**SERVICE  
EXCELLENCE  
SUMMIT**

March 14, 2012

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# Agenda for Today's Discussion

- Attendee Survey Completion
- Opening Remarks
- Top challenges/issues for 2012-2013 and what insights and support J.D. Power could provide
- Syndicated Research Tools (Business Center, Write-ups, etc.)
- 2012 Retail Banking Study – Early Glimpse
- Discussion – Account Activities and Channel Usage
- Important dates ahead for 2012



# The CSA Modeling Tool displays bank performance in the top 20 metropolitan areas

<span>Instruction</span> <span>License Agreement</span>		CSA Selection:	New York-Newark-Bridgeport, NY-NJ-CT-PA	New York-Newark-Bridgeport, NY-NJ-CT-PA	New York-Newark-Bridgeport, NY-NJ-CT-PA
		Bank Selection:	CSA Average	Chase	Bank of America
<b>Overall Satisfaction Index</b>			<b>735</b>	<b>736</b>	<b>708</b>
<b>Product Offerings Index</b>			<b>697</b>	<b>704</b>	<b>663</b>
Variety of banking services available (mean rating)			7.34	7.49	7.08
Ease of making changes to your accounts (mean rating)			7.38	7.41	7.13
Effectiveness of communicating new banking products and services (mean rating)			6.75	6.95	6.26
Competitiveness of interest rates (mean rating)			6.22	6.08	5.79
Number of times contacted by primary institution about banking products and services (mean)			2.1	2.7	2.2
Number of times contacted by another institution about banking products and services (mean)			4.0	3.9	4.4
<b>Facility Index</b>			<b>762</b>	<b>783</b>	<b>717</b>
Hours of branch operation (mean rating)			7.45	7.57	6.87
Number of branches (mean rating)			7.35	7.87	7.02
Ease of accessing your branch (mean rating)			7.87	8.13	7.43
Number and location of ATMs (mean rating)			7.31	7.85	6.98
Appearance of branches (mean rating)			7.69	7.80	7.24
Number of branches easily accessible from home or work (mean)			3.2	3.8	2.9
Hours of operation (% open Saturday)			80%	78%	82%
Hours of operation (% open extended weekday hours)			75%	80%	59%
Number of ATMs near home or work (mean)			3.8	4.7	3.4
<b>Account Information Index</b>			<b>803</b>	<b>809</b>	<b>782</b>
Timeliness in receiving account information (mean rating)			7.94	7.98	7.78
Usefulness of account information (mean rating)			8.05	8.11	7.84
Clarity of account information (mean rating)			8.01	8.08	7.77



# State Aggregator tool enable selection of specific states to align to a bank's footprint

**2011 Retail Banking State Aggregation Tool**

Note: You must also select a bank to display data in the chart.

Overview | **Bank/State Selection** | Chart Selection

**Overall Satisfaction**

Overall Satisfaction

100 200 300 400 500

No selection made

**State Selection**

- Alabama
- Arkansas
- Arizona
- California
- Colorado
- Connecticut
- Washington D.C.
- Delaware
- Florida
- Georgia
- Iowa
- Idaho
- Illinois
- Indiana
- Kansas
- Kentucky
- Louisiana
- Massachusetts
- Maryland
- Maine
- Michigan
- Minnesota
- North Carolina
- North Dakota
- Nebraska
- New Hampshire
- New Jersey
- New Mexico
- Nevada
- New York
- Ohio
- Oklahoma
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Texas
- Utah
- Virginia
- Vermont
- Washington
- Wisconsin

Clear States | Select All States | Close

# A Simulator tool helps to identify potential impacts to specific improvements

2011 Retail Banking Diagnostic Simulator							Index	Offerings	Facility
<b>My Brand</b> <input type="text" value="Total"/> <input type="button" value="Reset"/> <b>Benchmark Brand</b> <input type="text" value="Total"/>							752	713	771
							21	21	21
							773	734	791
Diagnostics	Impact	Impact Base	Baseline	Target	Benchmark	Index	Offerings	Facility	
New Account: Rep. completely identified customer's needs	65	0.21	57%	57%	57%	0	0	0	
New Account: Follow-up with customer after opening an account	25	0.21	63%	63%	63%	0	0	0	
New Account: Follow-up with customer within 2 days after account opening	14	0.12	46%	46%	46%	0	0	0	
New Account: Follow-up by the same rep. who opened the account	15	0.12	68%	68%	68%	0	0	0	
Offerings: Offers 6 or more types of banking services/features	35	1.00	59%	69%	59%	3	5	3	
Offerings: No more than 1 banking services/feature wanted but not offered	11	1.00	63%	63%	63%	0	0	0	
Offerings: Contacted at least twice about banking products/services (12 months)	21	1.00	32%	32%	32%	0	0	0	
Facility: 3 or more branches easily accessible from home/work	8	1.00	47%	47%	47%	0	0	0	
Facility: Branches are open with extended hours or on weekends	30	1.00	92%	92%	92%	0	0	0	
Facility: 3 or more ATMs easily accessible from home/work	15	1.00	51%	51%	51%	0	0	0	
Facility: Interior and exterior of branch and parking area are all in good condition	59	1.00	85%	95%	85%	6	5	11	
Fees: No fees charged in the past 12 months	18	1.00	57%	57%	57%	0	0	0	
Fees: Fee structure did not change in the past 12 months	46	1.00	82%	92%	82%	5	5	2	
Fees: If fee structure changed, notified before it became effective	20	0.14	84%	84%	84%	0	0	0	
Account Activity_INP: Greeting at branch entrance	35	0.81	73%	83%	73%	3	4	3	
Account Activity_INP: Wait time of 2 minutes or less before being served by a teller/rep.	23	0.81	58%	58%	58%	0	0	0	
Account Activity_INP: Teller/rep. offered to assist with any other issues	14	0.81	85%	85%	85%	0	0	0	
Account Activity_INP: Teller/rep. thanked customer for business	46	0.81	93%	93%	93%	0	0	0	
Account Activity_INP: Teller/rep. called customer by name	32	0.81	62%	62%	62%	0	0	0	
Account Activity_ATM: ATMs never down or out-of-service	3	0.73	59%	59%	59%	0	0	0	
Account Activity_ATM: ATMs never out of supplies	20	0.73	81%	81%	81%	0	0	0	
Account Activity_WEB: Always able to access personal account via website	20	0.83	60%	60%	60%	0	0	0	
Account Activity_ARS: Utilize 3 or less menu prompts to get the information needed	25	0.15	55%	55%	55%	0	0	0	
Account Activity_CSR: Wait of 2 minutes or less before speaking to a live phone rep.	28	0.39	54%	54%	54%	0	0	0	
Account Activity_CSR: Rep. greeted customer in a friendly manner	24	0.39	98%	98%	98%	0	0	0	
Account Activity_CSR: Rep. gave the customer his/her name	14	0.39	97%	97%	97%	0	0	0	
Account Activity_CSR: Rep. did not transfer customer to another representative	7	0.39	68%	68%	68%	0	0	0	
Account Activity_CSR: Rep. have customer's information ready	14	0.39	95%	95%	95%	0	0	0	
Account Activity_CSR: Rep. offered to assist with any other issues	11	0.39	96%	96%	96%	0	0	0	

# Retail Banking simulator translates modeled improvements into changes to deposit growth

My Brand **Total**

Index Change **21**

Switch/Attrition	Intend to Switch	Predicted Attrition Rate
	Before	10.68%
	After	9.76%
	Change	-0.57%
-0.044%	% of intend to switch will decrease by 0.044% when index increases by 1 point.	
61.5%	Actual switch rate for those who intend to switch, calculated from multiple year's survey data	
		<b>Contribution to Deposit Growth Rate: 0.57%</b>

Share of Wallet	SOW (deposit products)
	Before
	78.69%
	After
	79.01%
	Change
	0.32%
0.015%	Share of wallet (deposit products) will increase by 0.015% when index goes up by 1 point.
<b>Contribution to Deposit Growth Rate: 0.40%</b>	

Recommendation	Definitely will Recommend
	Before
	31.65%
	After
	36.07%
	Change
	4.41%
0.21%	% definitely will recommend will increase by 0.21% when index goes up by 1 point.
3.41	Additional # of positive recommendations by one customer who definitely will recommend
0.0039	Number of customer gained through one positive recommendation, calculated from RBS data
<b>Contribution to Deposit Growth Rate: 0.06%</b>	

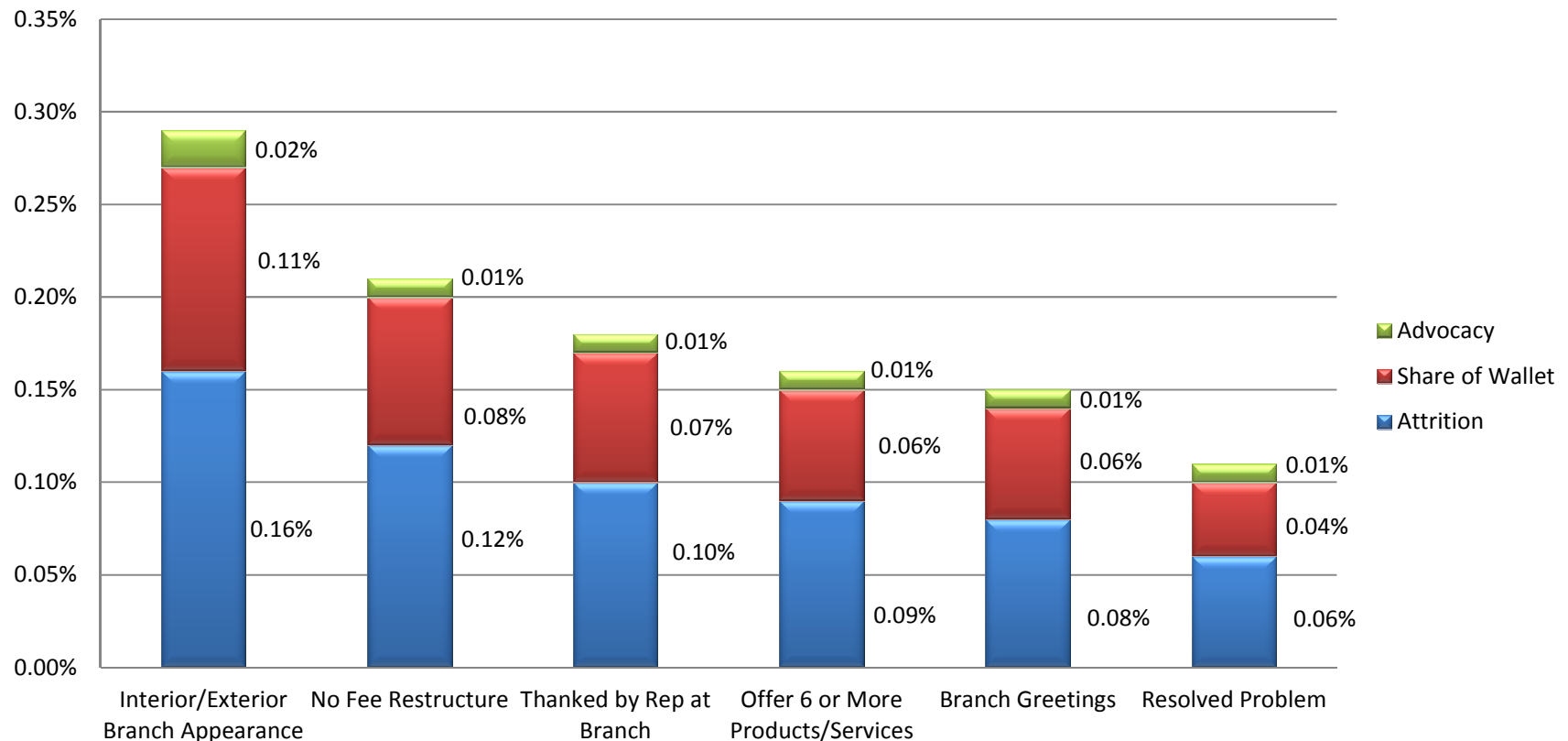
**Total Change of Deposit Growth Rate: 1.03%**



# Six of the diagnostics most impacted by improvements yield significant deposit growth

- Achieving a 10 percentage point gain across all six raises OSAT 21 points and Deposit Growth by 1.03%

Improvement in Deposit Growth Rate



Source: J.D. Power and Associates 2011 Retail Banking Study Simulator



# Changes in these 6 KPIs by 10 percentage points impact banks differently

## Impact of 10 percentage-point increase in each of the six KPIs

	Current	Projected	Difference	Impact on Deposit Growth Rate
<b>Citibank</b>				
Inclination to Switch	13.39%	12.37%	-0.63%	0.63%
Share of Wallet	80.01%	80.36%	0.35%	0.44%
Advocacy	24.84%	29.73%	4.89%	0.07%
<b>Total Change of Deposit Growth Rate</b>				1.14%
<b>Huntington Bank</b>				
Inclination to Switch	7.93%	7.01%	-0.57%	0.57%
Share of Wallet	81.77%	82.08%	0.31%	0.38%
Advocacy	43.46%	47.87%	4.40%	0.07%
<b>Total Change of Deposit Growth Rate</b>				1.02%



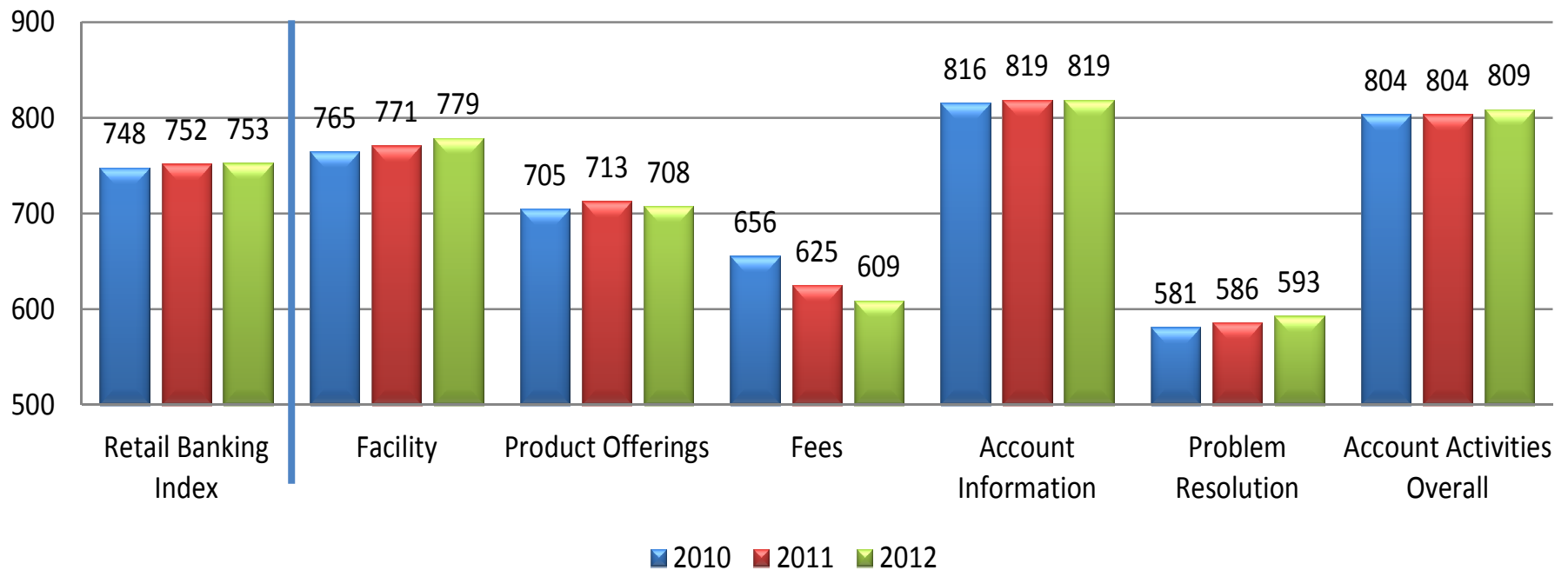
# The Retail Banking Satisfaction (RBS) methodology and background

- Profiles over 130 of largest financial institutions throughout the United States based on domestic deposits
- Inclusion criterion = \$2 billion in domestic deposits and 50 branches within region
- Received 51,498 completed surveys profiling financial institutions across 11 regions
- Online data collection using multiple panels
- Data Collection January 5th – February 3rd, 2012
- To qualify, respondents were asked to identify their primary financial institution they use to conduct their personal banking business



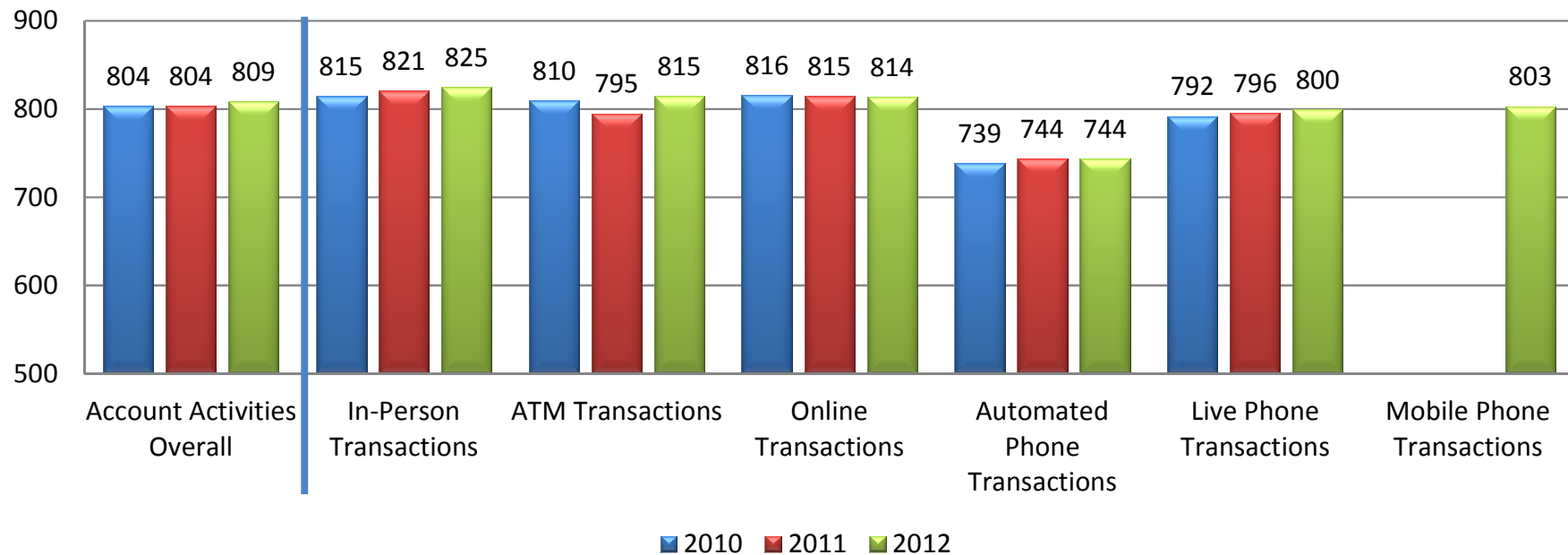
# Retail Banking satisfaction rose again, but Fees continued to decline significantly

## Retail Banking Satisfaction Indices 2010 - 2012

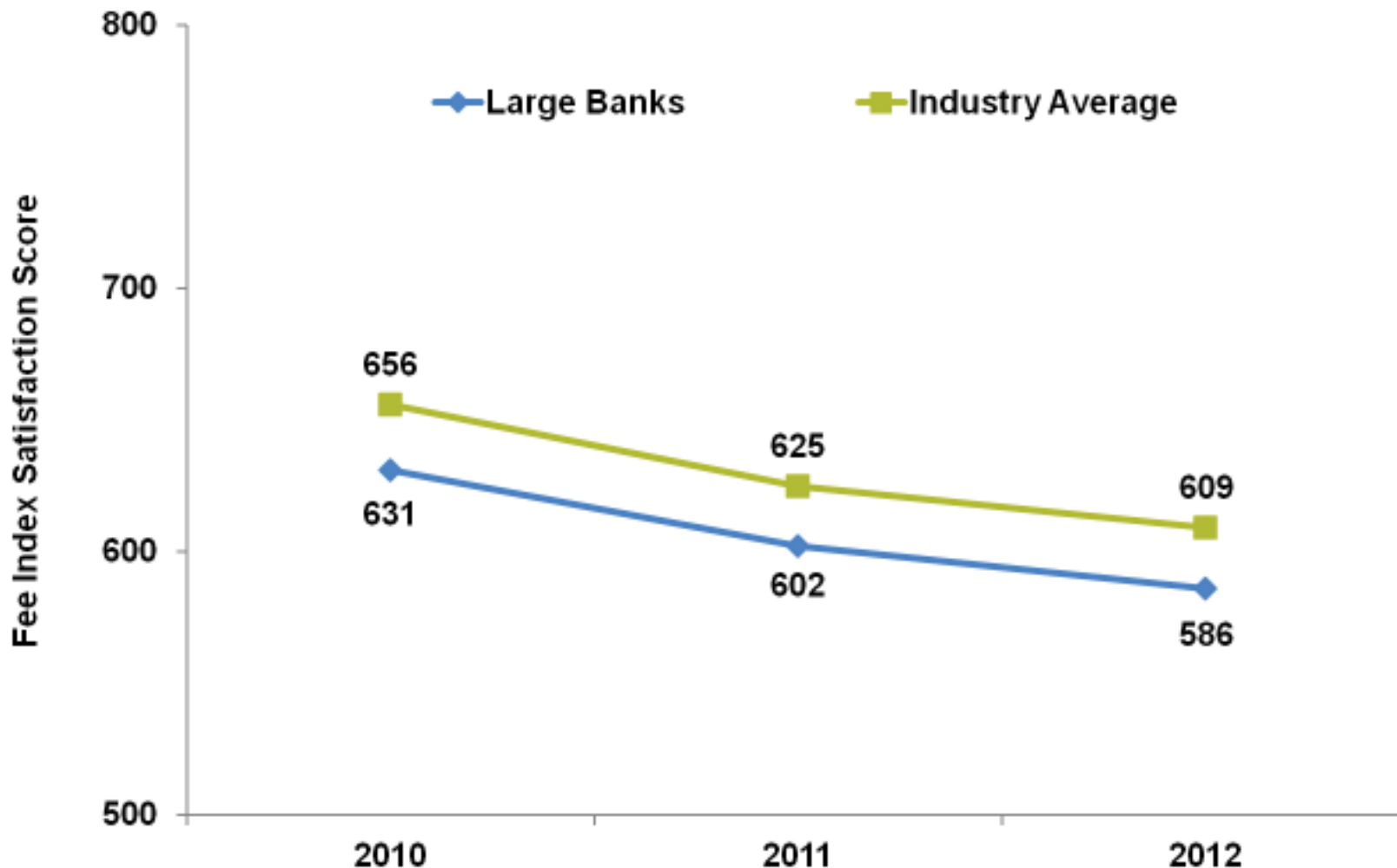


# Account Activities rebounded overall, lead by In-Person and ATM, with Mobile now added

## Account Activity Indices - By Channel 2010 - 2012



# Fee Satisfaction continues to trend downward for the Large Banks...



# ...Due mostly to changes in the past 12 months, and a decrease in understanding

## Fee Structure Changes and Understanding (Industry)

	2011	2012
Fee structure changed in the past 12 months (% yes)	18%	24%
% Completely understand their fee structure	29%	26%

## Fee Structure Changes and Understanding (Large Banks)

	2011	2012
Fee structure changed in the past 12 months (% yes)	21%	24%
% Completely understand their fee structure	26%	23%

