

Mobiquity Digital Banking Report



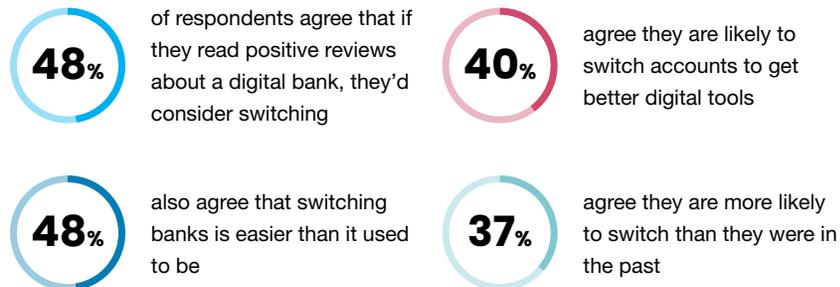
January 2021

Foreword from Mobyquity

Digital tools have the potential to drive loyalty

As the pandemic continues and more people rely on technology to help them with everyday tasks, digital tools are increasingly important. Countless research studies, including our own, have proven that new users are engaging digitally in the banking space and that this is a permanent shift. In light of this rapid evolution, the question we are repeatedly fielding is: will customers switch banks for better digital tools, much like they've always done for a closer branch location or better rates?

To find the answer, we surveyed over 2,000 banking customers in the US and asked them about their current banking habits, how they predict these habits will change in the future, and what will influence those changes. Some of what we found was what we expected - that customers are largely satisfied with the banks that they are using. But we also uncovered attitudes that surprised us, including evidence of just how fragile that satisfaction is and how ripe the industry is for digital disruption. Some of these facts include:



While Mobyquity's survey data found that all groups expressed shifts in attitudes, banks are especially vulnerable in regards to the millennial and younger generations. As you will see in this report, younger people have more expectations around digital banking experiences and are more likely to take action to have those expectations met.

The acceleration of digital as a result of the COVID-19 pandemic could be worrisome for many banks who felt they had more time to get their digital offerings in order. This race against the clock is a challenge because a poor digital banking experience could dramatically impact loyalty and leave banks in a worse position than when the pandemic started. To avoid this, banks should assess the data available to them and then work to refine their digital banking strategy.

Ready to get started?
Let's take a look at the data.

Executive Summary

New survey uncovers digital banking trends among US consumers

In January of 2021, Mobyquity surveyed 2,445 US consumers aged 18+ to learn more about their attitudes and behaviors around banking, digital banking, and drivers of loyalty.

Some of the key insights learned include:



Customers are more likely to consider switching their mortgage than other types of accounts and expressed the least satisfaction with digital tools available for managing their mortgage.



11-17% of current customers (depending on account type) having made an account switch in the past year.

Those aged 25-39 are most likely to have switched.



While better account terms are predictably the most motivating factor in tempting customers to switch, we see a significant difference in how motivating this is based on age. Older customers are more motivated by better terms while younger customers are also interested in proactive help and recommendations managing their finances.

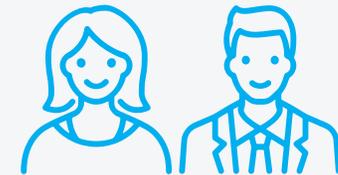


Younger generations find switching banks to be easier than their older counterparts and have stronger agreement that they are more likely to switch than they used to be.



aged 18-24

- Least satisfied with digital tools.



aged 25-55

- Switching propensity is highest;
- Most likely to have switched in the past year;
- More likely to consider switching their mortgage than other types of accounts.



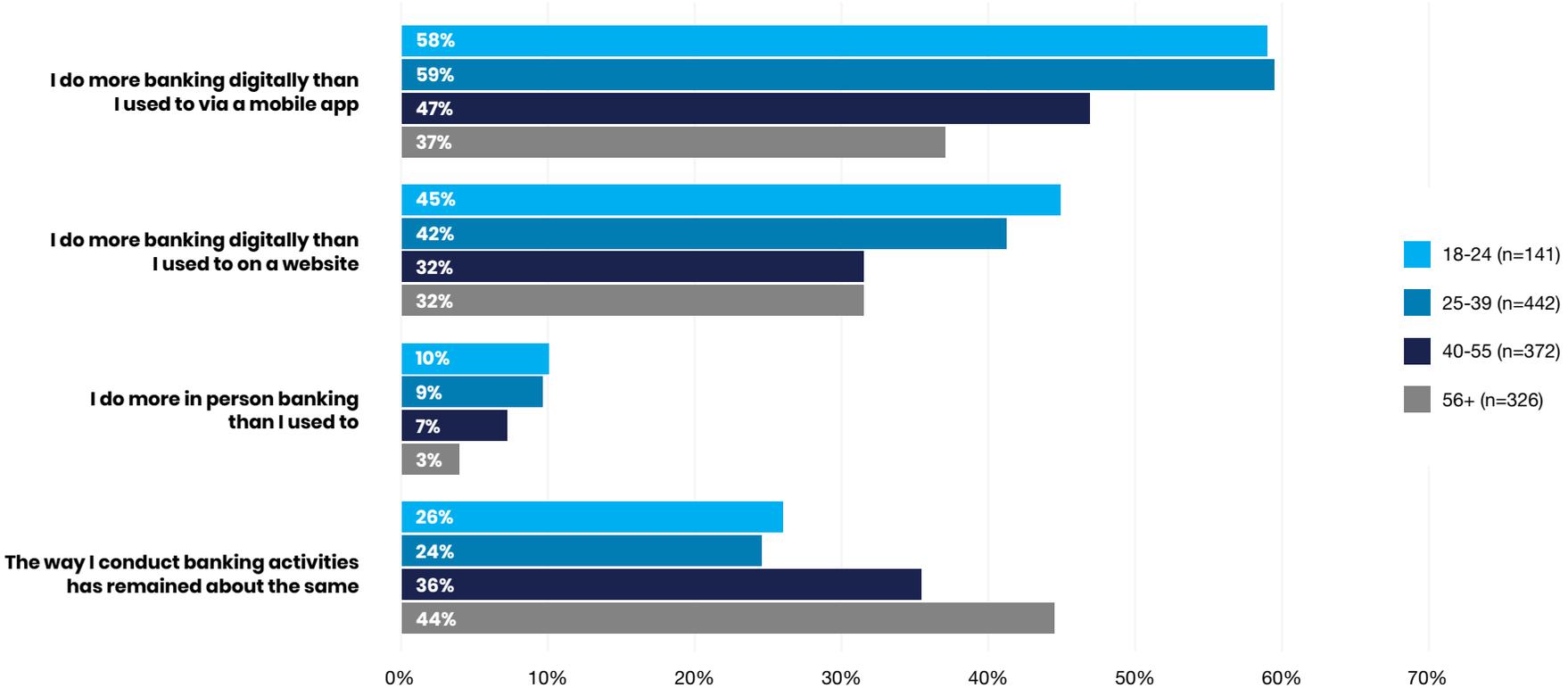
Over 55s

- Switching propensity is lower than other groups;
- They match and in some cases exceed the desire of younger groups to have easier to use mobile apps and web portals.

Digital banking has increased significantly in the past 12 months across all ages, particularly in mobile apps

There is more inertia in the ways that people 56 years and older bank compared to younger age groups, but neither group show signs of doing as much in-person banking as in previous years.

Which of the following statements best describe any changes you have made in the past 12 months to the way you bank?

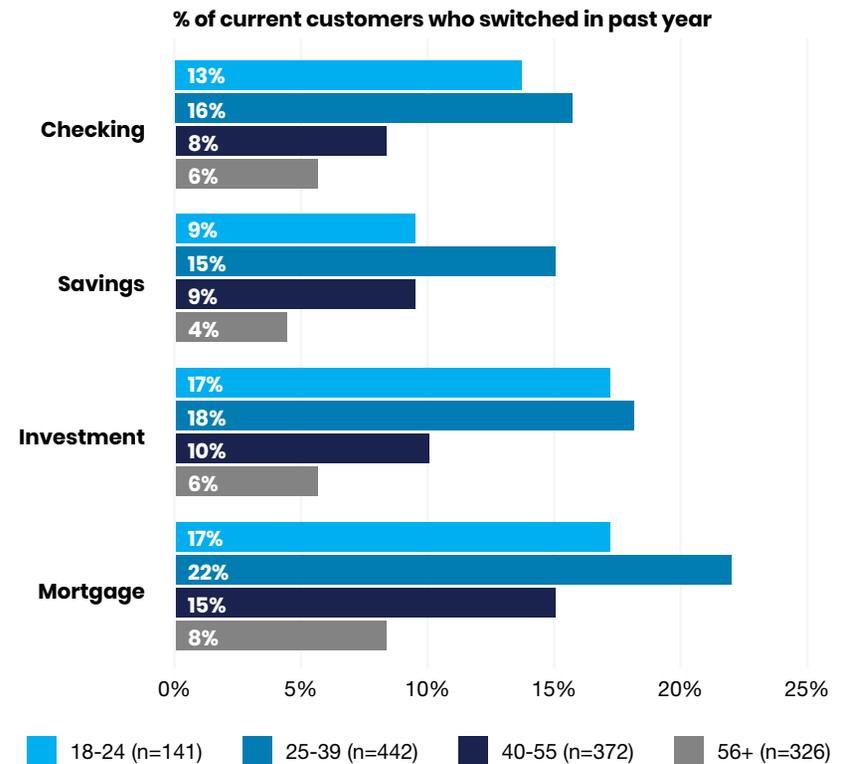
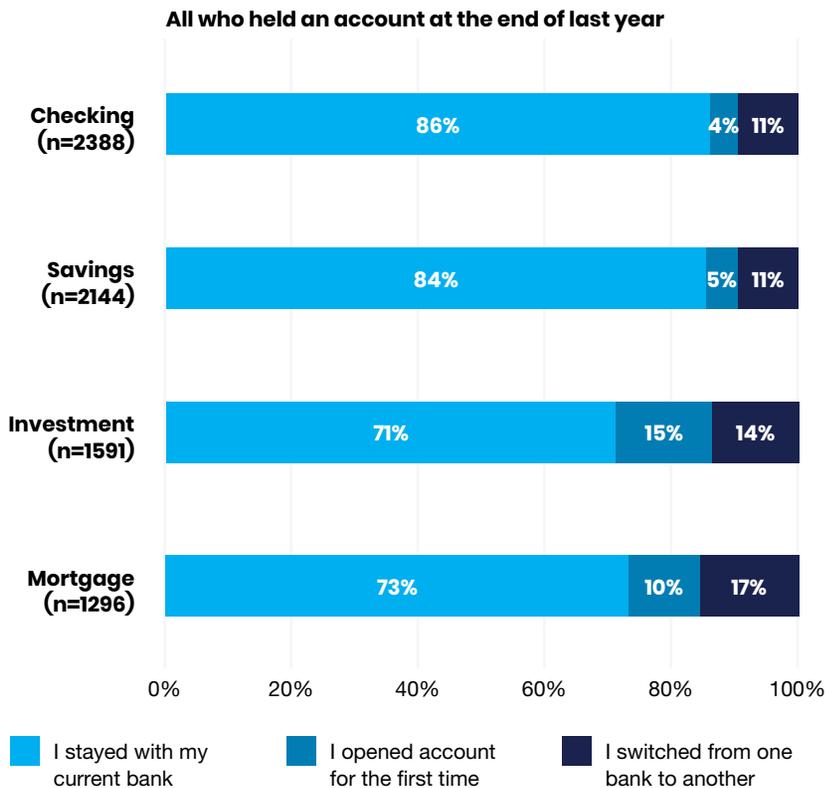


Despite hurdles, bank switching has been prevalent in the past year, especially for mortgage accounts

Among those with each type of account, mortgages saw the largest proportion of switchers.

Customers aged 25–39 are the most likely to have switched accounts in the past year for any account type.

Have you made changes to any of the following types of accounts in the past 12 months?



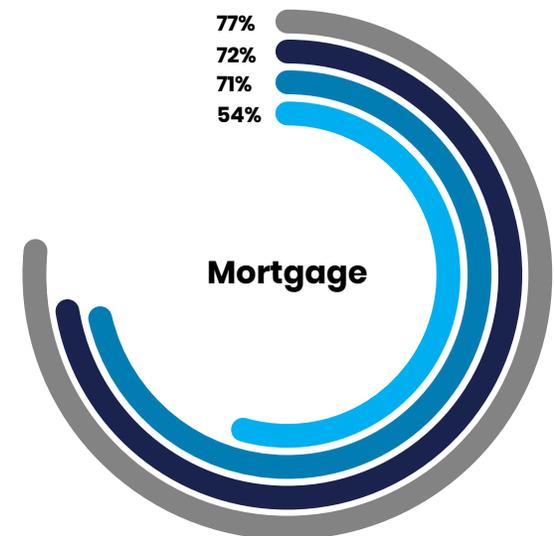
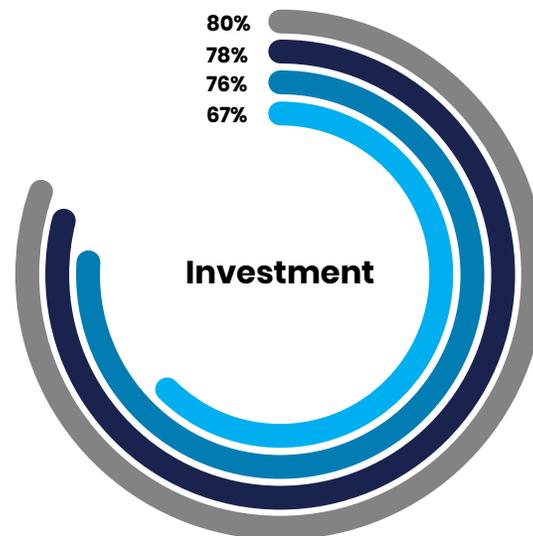
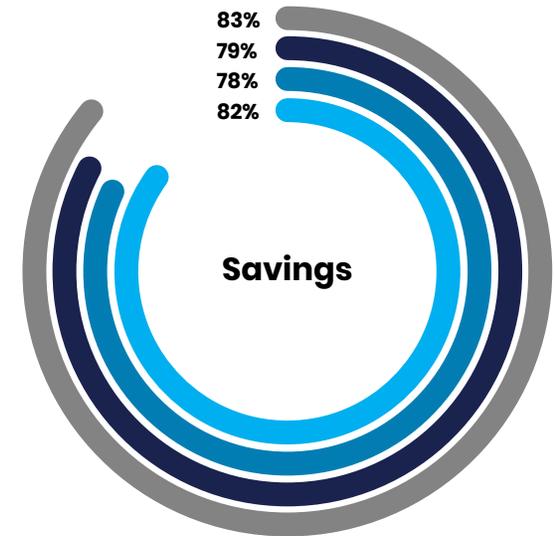
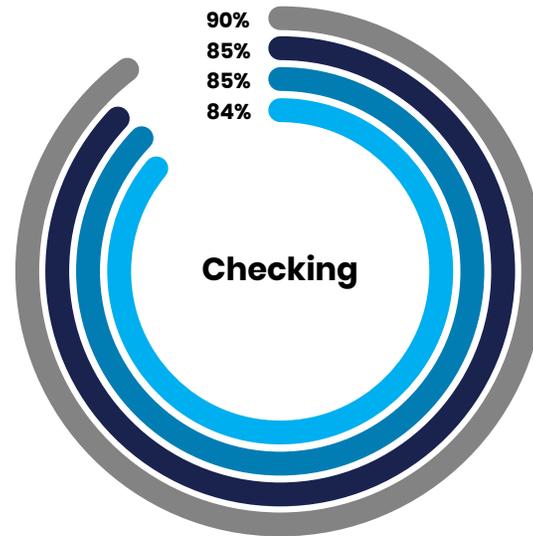
While customers are largely satisfied with their checking accounts, satisfaction is lower among younger generations and with mortgage accounts

Customers aged 56+ are most satisfied with their accounts, but the gap between them and customers aged 40-55, and those aged 25-39, is typically narrow.

Opportunity exists to improve satisfaction with investment and mortgage accounts, particularly among younger demographics.

Please rate your overall satisfaction with the bank accounts you are currently using.

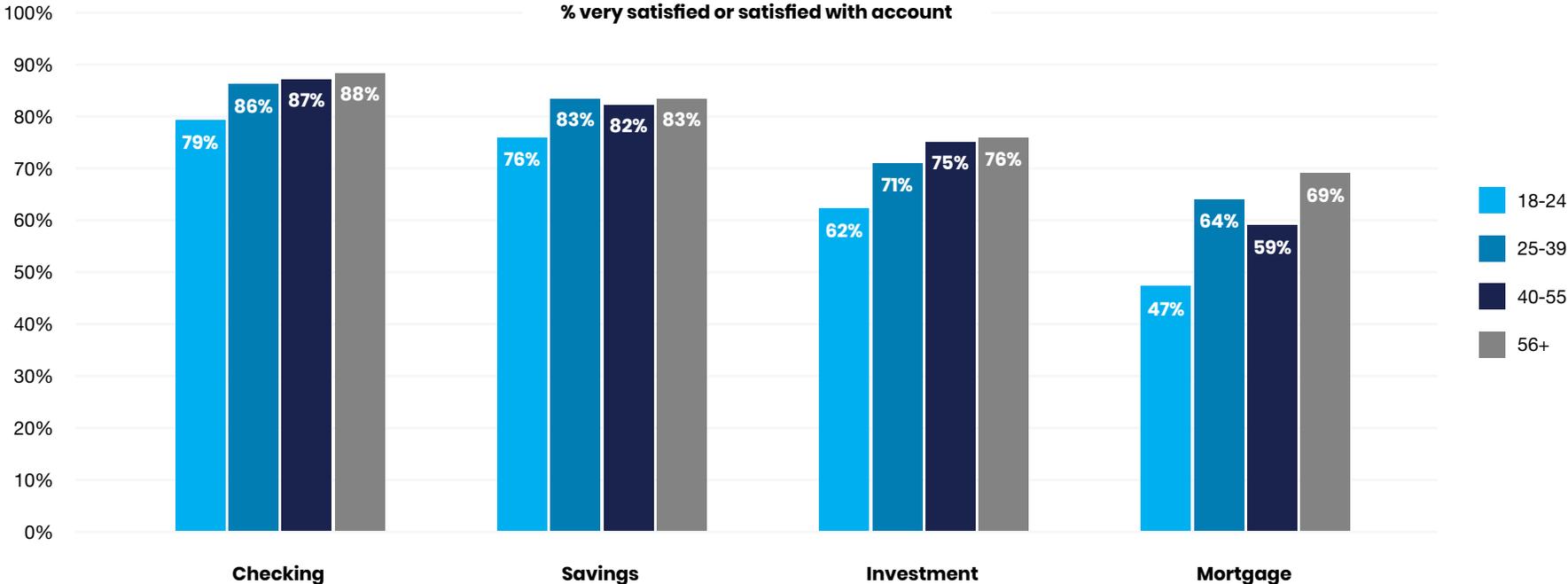
% very satisfied or satisfied with account



Mirroring overall satisfaction, satisfaction with digital tools was lowest in younger generations and with mortgage accounts

Satisfaction with digital tools is similar across age groups, except that the 18-24 age group are somewhat less satisfied. Once again, mortgage and investment accounts fall behind other types in terms of satisfaction most noticeably among younger account holders. Great opportunity exists to improve digital experiences with investment and mortgage accounts.

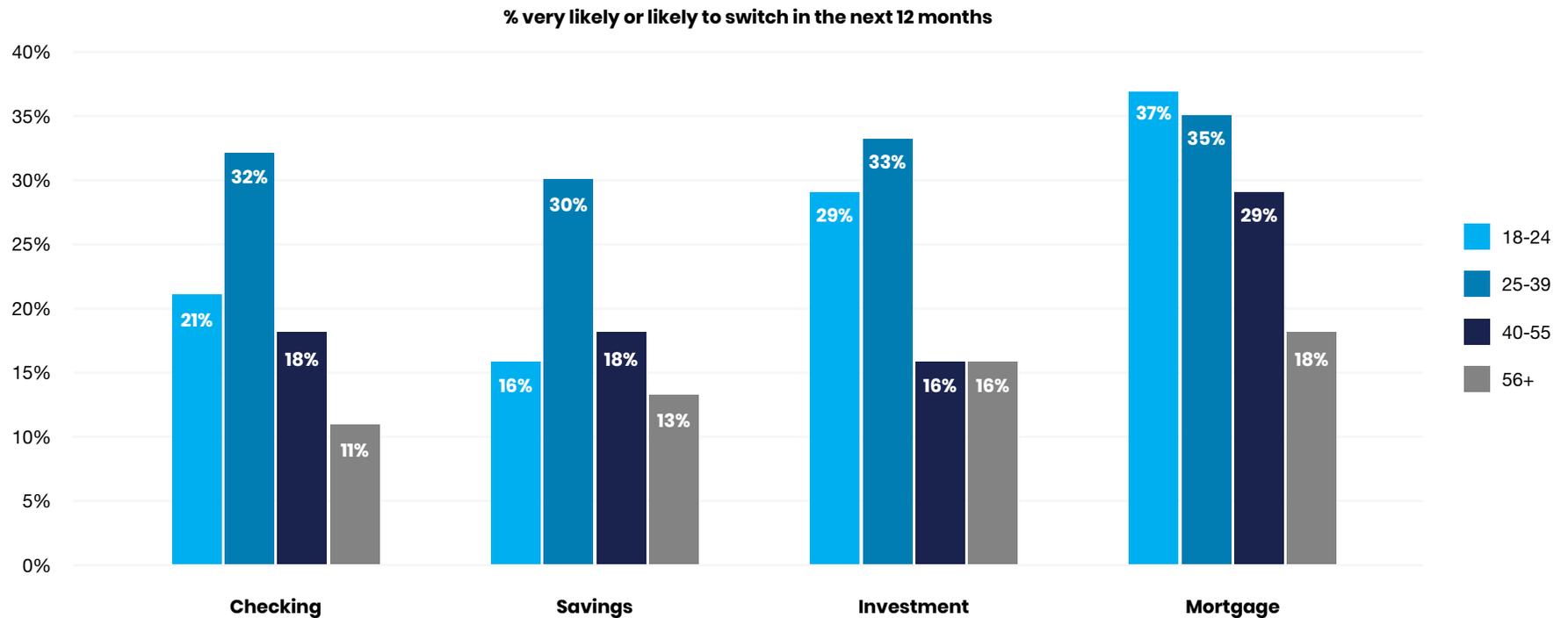
Please rate your overall satisfaction with the digital tools/platforms (website, mobile app, chatbot) for the following bank accounts you are currently using.



Banks should expect to see switching behavior in the coming year

For most account types, customers aged 25-39 are most likely to consider switching. Except for mortgages, those aged 40-55 behave similarly to the 56+ age group.

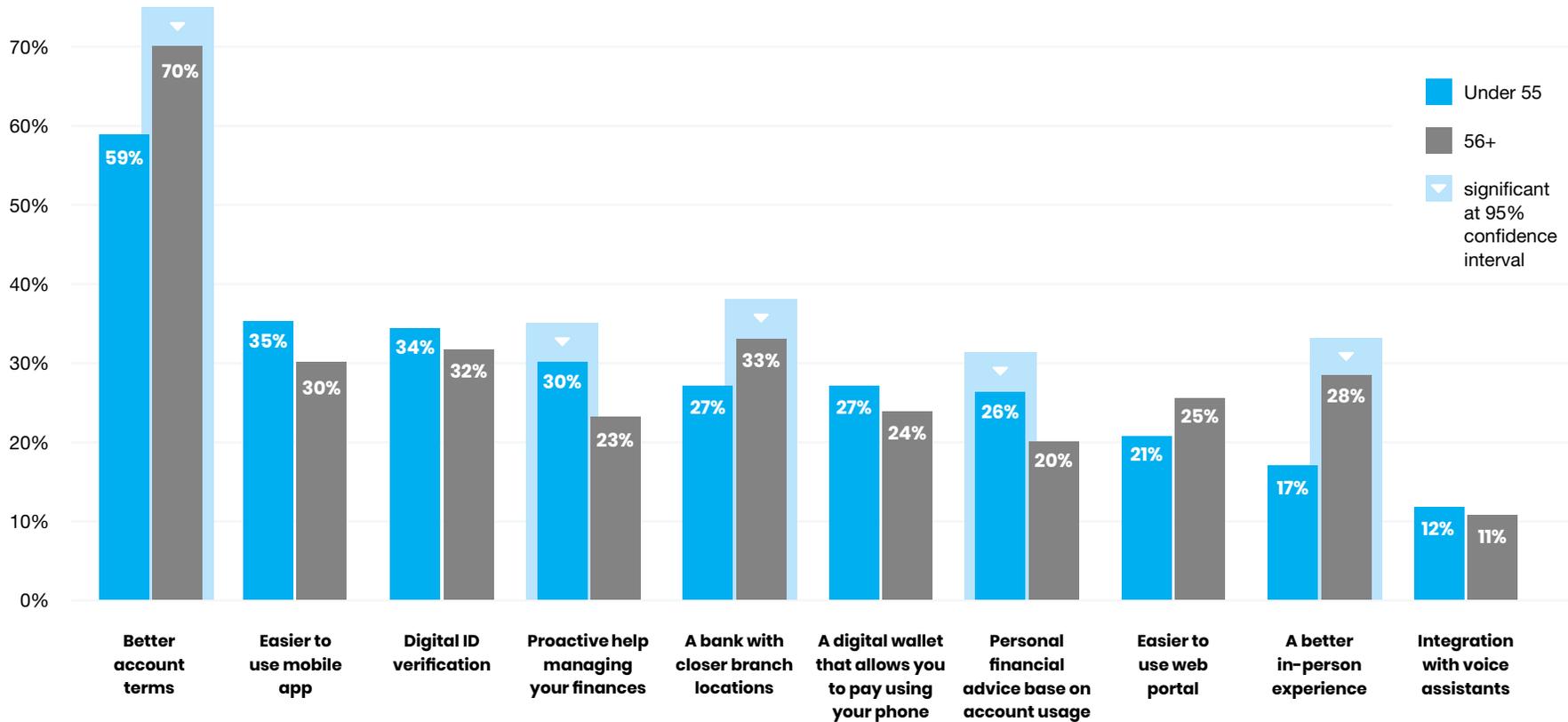
Please indicate how likely you would be to switch banks for the following accounts in the next 12 months.



Better digital experiences have the potential to attract consumers in all age brackets

While better account terms are predictably most likely to tempt customers to switch, other features such as mobile apps and digital ID verification are also motivating. Younger groups showed interest in tools that help in proactively managing finances and offer tailored financial advice.

Please rank the top 3 things that would be most likely to cause you to switch banks in the future for any type of account.



Younger consumers are significantly more likely to consider switching banks due to positive reviews and digital experiences

All groups saw the value in being able to self service their accounts and were also motivated by positive reviews. Younger account holders were more likely to say they would switch for a better overall or digital experience and felt that switching was easier and something they would be more likely to do versus in previous time periods.

Please indicate your agreement with the following statements.	% Agree (Under 55 n=955)	% Agree (Over 55 n=326)
I like to be able to access my account and complete transactions at a time that works with my schedule	81%	83%
I would prefer to do business with a bank that has positive reviews	80%	84%
Digital banking fits with my lifestyle	▶ 78%	68%
I would switch banks to get the best overall experience	▶ 70%	57%
If I read positive reviews about a digital bank, I would consider switching to that bank	▶ 54%	32%
Switching bank accounts is easier than it used to be	▶ 49%	42%
I would switch banks to get better digital features	▶ 46%	27%
I am more likely to switch bank accounts now than in the past	▶ 40%	27%
I worry that banks are pushing me away from in-person banking	31%	▶ 41%
I will go back to traditional, face-to-face banking once COVID-19 is over	30%	30%
I prefer doing banking face to face	29%	33%

▶ significant at 95% confidence interval

About Mobiquity

Mobiquity is a digital consultancy that partners with the world's leading brands to design and deliver compelling digital products and services for their customers. Its approach balances human needs with usefully applied technology, unbound creativity with research and analytics, and agile development with strict engineering and security standards. Mobiquity's end-to-end services consider every dimension of a digital business from marketing to IT, providing strategy, experience design, product engineering, cloud services, and analytics. Mobiquity is an AWS Partner Network (APN) Premier Consulting Partner and has worked with AWS since 2011 to deliver 100% cloud-based innovation to its clients.

Whether you are looking to improve your existing digital experience, thinking about how to make your current web or mobile experience more accessible and human centric, or researching partners to build a digital banking experience from scratch, Mobiquity can help. We have worked with a variety of banking clients and welcome the opportunity to help you, wherever you are on the digital transformation journey.

To learn more, visit www.mobiquity.com. →

