

***Youbiquity Finance* Research Summary**

Overview

The *Youbiquity Finance* research aimed specifically at financial services organisations identifies current and future consumer attitudes and behaviours towards retail financial services (branch/call centre/mobile and future media).

Key research themes and supporting data

- **Consumers & money** – Cautious and watchful, providers must be on alert

Consumers are paying more attention to their finances. Customers want confidence that their data is secure, leading them to a higher level of trust.

- Consumers are spending more time and energy managing their money (65 percent)
- They are on the lookout for the best deal (57 percent), which is different from four years ago
- Despite the onset of digital media, the branch remains popular with 64 percent choosing it as their channel of choice for the future
- Banks need to provide a more personalised and local future service (47 percent stated that they would prefer to phone the branch)
- People don't have high levels of trust in financial services providers, particularly in the UK (31 percent)

- **Service context** – Banks need to cut back on customer effort to win new business

Consumers resent the effort involved in the retail finance processes. In an environment that is becoming 'one click', customer satisfaction is a key differentiator.

- Customers are having to wait to be served by banks and over 40 percent say they have to exert high or very high effort when making purchases
- The Net Promoter Score (an established measurement used by banks) is negative for the whole industry, although better in the US and Germany where service levels seem higher. Levels of recommendation are very low and large global banks are undifferentiated – even if service levels aren't too shabby
- Even given these recessionary times, 55 percent agree 'I am more likely to switch my bank due to bad customer service than to get a slightly better deal'

- **Branch futures** – Second most popular channel, used for reassurance and inspiration

The research outlined the pivotal part that the branch still has, but also highlighted that the underlying infrastructure needs to be adapted to meet the expectations of a 21st century consumer. The branch experience needs to be comparable with what the retail sector is offering, including greater use of video, hands-on demos, internet terminals in-store and Wi-Fi.

- The branch is a place to resolve problems and is still used in purchasing – US, Spain & Germany
- Better branch design is needed and in-branch technology e.g. self-service kiosks, should be employed
- Research indicated that 32 percent of consumers were partial to more 'high-tech' systems such as one that alerts staff when a consumer has entered the bank so that services can be tailored to the individual

- Bank representatives in-branch need better skills and knowledge, according to 38 percent of UK and 39 percent of Spanish consumers. Customers who visit the bank branch are generally high value to banks (sales) or high-complexity (customers with problems or wanting reassurance)
- **Call Centre experience** – Customers prefer a branch to a centralised call centre or an overseas site

The contact centre remains important in terms of providing advice and guidance. Consumers want to be able to contact someone local, with the perfect scenario being able to call someone with the potential of being able to follow that up, face to face.

- Consumers are still very reliant on call centres, particularly when something goes wrong
- Self-service technology is popular and a range of applications could be adopted
- Poor messaging during call queuing is a major source of frustration, according to 40 percent of consumers
- Despite the opportunity to use a single ID, nearly half of consumers find security, passwords and ID&V a barrier to good customer relationships. 41 percent agree – ‘I like the idea of organisations using technology to identify me by my voice & save time on the call’
- Increasingly, consumers want help while in the online process. So instead of just giving up on the internet, they can access help through web-chat (28 percent), click to call (21 percent), co-browse (13 percent) or video chat (12 percent)
- **Mobile Banking and Payments** – Set to take off in 2012

Whilst consumers are enthusiastically adopting mobile banking, persistency of usage is lower than expected. It is still very fragmented, with many initiatives and pilots involving mixes of banks, retailers, mobile network providers, handset providers, payment providers and alternative payment providers. Consumers are becoming more interested in mobile payments, but no one solution is dominant.

- Mobile banking is very popular (24 percent have tried it), even given concerns about security
- 31 percent would feel comfortable making mobile payments, although concerns about security are significant – the cashless society could be here soon
- Ten percent of consumers say that they have used their credit cards/smartphone to make payments for low-value items by a contactless device in-store (figure rises to 17 percent for the 16-24 age group)
- **Future media** – Social media and collaboration is on the back burner in finance

Social Media’s progress is prolific but its progress is slow in the financial services sector and is still not seen as a serious consideration. The research outlined that whilst consumers are willing to use mobile apps, they are less sure about using online forums and social media to collaborate with others over their finances.

- Only seven percent of consumers are interested in peer-to-peer lending. A similar number want to help other consumers with problems with their financial products and services online
- Social media as a form of customer service is only popular for a small number of consumers (five percent)
- Only three percent of consumers want to share their Facebook profile with providers
- However, 25 percent of 16-24 year olds would like to use video-chat to speak to a bank



Working together

- **Multi-channel cred(it)** – Channel fragmentation is on-going and demanded by consumers, so integration is a must. The agent comes to the internet with consumers wanting web-chat, co-browsing, video-chat, etc

The research highlights that customers are expecting to have even more engagement across all channels including newer channels, such as video chat, going forward.

- Customers expect banks to tie together disparate channels and personal data – the average number of channels used to purchase a product is 2.9
- Web-chat, co-browsing and video-chat are set to grow with consumers demanding help while they are online
- Proactive outbound messaging is popular for service and sales – over 60 percent would welcome it
- **Geographical differences that can also be referred to:**
 - Banks least trusted in the UK and Spain
 - UK consumers are global leaders in online and digital finance
 - Local banks in US, Germany and Spain offer better service than larger providers
 - Service levels rated highest in the US
 - Spain leads the rest of the world in mobile banking