MOBILE MOBILITY: UNDERSTANDING YOUTH DISSATISFACTION IN MOBILE AND ONLINE SERVICES

One in ten customers plans to change banks soon. Many are younger

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Conventional wisdom states that it’s much easier to retain clients than attract new ones. With that in mind, it’s crucial for banks to understand what drives customer satisfaction, and what can cause unhappy clients to leave.

Corporate Insight recently conducted an online survey of 1,000 bank customers to understand the relative importance of online and mobile banking features and the overall customer experience. Our Bank Customer Survey Report summarizes our key findings and highlights pertinent themes and trends found in the total survey sample.

When we asked participants about the likelihood of moving their primary checking account, 10% reported that they would “probably” or “definitely” switch accounts in the near future.

On average, these dissatisfied banking customers were younger and held fewer liquid household assets than the overall sample.

More strikingly, mobile banking customers were reportedly twice as likely to switch bank accounts. The survey found that

14% of participants who had logged into their bank account via a mobile device in the past year reported that they would “probably” or “definitely” switch accounts, as compared to only 7% of non-mobile banking customers. This emphasizes the need for banking firms to provide effective mobile banking offerings.

Next stop isn’t necessarily a bank …

The survey also asked participants which type of financial institution they would likely move to in the event they leave their bank.

Over three quarters (77%) of participants said that they might move to a different bank. However, a surprising 48% reported that they might switch to a credit union. Mobile customers once again stood out, as they were much more likely than others to switch their primary checking account to a self-directed brokerage account. And 13% of dissatisfied mobile customers reported that they would switch to a self-directed brokerage, as opposed to only 2% of non-mobile banking customers.

What influences customer satisfaction?

Several pillars of the customer relationship with the bank drive how happy they are with its service, the survey found.

These factors include product involvement, customer service, and website quality.

1. Product involvement. Generally, more frequent use of products and services is positively correlated to customer satisfaction.

Over three quarters (78%) of survey participants with a credit card at their primary bank reported that they were “very” or “extremely satisfied” with their bank. Customers who use billpay are more satisfied with their bank than those that do not.

2. Customer service. Study participants did not contact customer service very often--yet customer service means a great deal.

A surprising 69% of survey participants typically contact Customer Service once a year or less often. However, those infrequent interactions have an outsized impact on satisfaction.

Nearly all (93%) customers who are likely to recommend their bank to a friend or colleague were also “very” or “extremely satisfied” with their customer service experience on the phone.

3. Quality of web offerings. Survey participants were asked how they value certain aspects of their bank’s website. Customers who were likely to recommend their primary bank reported that they value ease of navigation and strong user authentication over other attributes.

Customers under the age of 40 also rated access to mobile banking “very” or “extremely important” more than three times as frequently as did older participants.

Looking ahead

While a significant percentage of customers are dissatisfied with their banks, there is no simple explanation for customer loyalty.

As banks compete, with a widening range of rivals, they need to remember this: Rates and fees may appear as a significant factor in customer demand, but they should not underestimate the importance of good customer service and competitive Web and mobile platforms.