Achieving High Levels Of Customer Satisfaction Remains A Challenge For Retail Banks...

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Especially for National and Regional Brands

Each quarter since 4Q11 about 60% of retail banking customers reported highest overall satisfaction with their bank, yet satisfaction varied widely across national (49%), regional (59%), and predominantly online (68%) banks.

Phoenix Marketing International, one of the top research companies in the U.S., announced today findings from recent online surveys among retail banking customers age 25+ and with annual household income of at least $25,000. Respondents participating in the monthly Phoenix brand health and advertising performance studies in 3Q12 reported high overall satisfaction with their bank (% top-two ratings on a seven point scale) which ranged from a peak of 91% to a low of 41%. This customer satisfaction metric averaged 59% among the top-twenty two banks in 3Q12, down from 60% in each of the first two quarters of 2012 and on par with the 4Q11 metric.

Predominantly online banks (especially Ally, Charles Schwab Bank, ING Direct, and USAA Federal Savings) have the most satisfied customers, with over two-thirds reporting high satisfaction each quarter since 4Q11. â€œNot only do online banks have more satisfied customers than their brick and mortar competitors, our historical data show that about 80% of their account holders are very likely to remain a customer for another year,â€• stated Daniel Rivera, Senior Analyst for banking research conducted by Phoenix in both the U.S. and Canada.

Following predominantly online banks are regional banks which, as a group, have received top satisfaction ratings from about 59% of their customers quarterly since 4Q11. Leading regional banks, based on share of highly satisfied account holders, are BB&T, PNC Bank, and TD Bank with satisfaction metrics equivalent to the average received by predominantly online banks. In addition to exemplary levels of satisfaction reported by their customers, on average 79% of study respondents with accounts at these banks reported in 3Q12 they are very likely (% top-two ratings on a seven point scale) to remain a customer for another year.

Customer satisfaction remains lowest among national banks for which, as a group, only about one-half of their customers reported the highest level of overall satisfaction in 3Q12. However, this is a modest improvement from 46% measured in 4Q11. â€œWhile customer satisfaction is lower for account holders at national banks than for those with accounts at regional banks, customers at both national and regional banks report similar likelihood to remain at their bank for another year,â€• adds Rivera. The Phoenix program shows that in 3Q12 about 70% of retail banking customers at either large national or regional banks are very likely to stay with their bank.

The monthly Phoenix Retail Banking study has been conducted since 2005 and was recently administered to 2,600 banking consumers, querying their impression and consideration of companies offering retail banking products and services. Tracked U.S. banks include Ally Bank, Bangor Savings Bank, Bank Atlantic, Bank of America, BB&T, Charles Schwab Bank, Citibank, Citizens Bank, Colonial Bank, Compass Bank, Deutsche Bank, E*Trade, Emigrant, Fifth Third Bank, First Citizens Bank, Frost Bank, Harris Bank, HSBC, ING DIRECT, JP Morgan Chase, Key Bank, M&T Bank, Metro Bank, OneMain Financial, Peoples United Bank, PNC Bank, RBC Bank, Regions Bank, Sovereign Bank, SunTrust, TD Bank, Trustco Bank, US Bank, USAA Federal Savings Bank, Webster Bank, and Wells Fargo. Phoenix has also accumulated performance evaluations for nearly one million media ads which provide custom demographic, attitudinal, and behavioral norms for copy testing multi-media ads.

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