

Survey shows customers give banks lackluster grades on their personalization

Article

The news: Consumers are not happy with the level of personalization they're receiving during interactions with their banks, [per](#) J.D. Power's 2022 U.S. Retail Banking Satisfaction

Study, which surveyed over 101,000 people.

Key data: The new report found that people are expressing dissatisfaction with banks' approaches to personalization **based on how well they're supported during difficult financial times**. The research firm gave higher inflation as context.

- J.D. Power found that **78% of respondents would continue using their bank** if they received personalized support, but **just 44% of banks are actually delivering it**.
- Jennifer White, the firm's senior head of banking intelligence, said, "Customers are expecting a **personalized mix of financial advice, hands-on help with problem resolution, and guidance on how to grow their money.**"
- Respondents gave **poor satisfaction marks on whether banks help save them money and time**, grading these areas lower than trust and digital channels.

J.D. Power also found that 61% of consumers are often unaware or unsure about their bank's anti-overdraft fee measures—despite how pervasive these changes have been across the industry recently.

- Anti-fee measures are highly sought-after elements in personalization, with 46% of respondents saying they want banks to help them avoid fees and 37% expressing interest in receiving alerts for their own accounts.

What banks can do better: These vulnerabilities could negatively impact customer retention—but they're not insurmountable. Banks can focus on making improvements in two areas.

Personalization: AI-powered offerings that offer financial advice can improve customer interactions. Examples **include Bank of America's Erica** assistant; **Wells Fargo's** in-app insights, **Personetics**; and **Chase's Digital Assistant**.

- Banks should also be aggressive in collecting and crunching data that could bolster customer experience, as Bank of America **does** with its **50 million data points**.
- Banks can reposition their branches to assist with outreach to specific consumer groups, **such as M&T Bank's** multicultural approach and **TD Bank's** customizable layout at its recently opened flagship in New York City.

Marketing: Banks need to raise awareness of consumer-friendly moves like cutting overdraft fee exposure. Suggestions from our recent reports on the CMO role—both **for banking** and

more broadly—include:

- **Keeping up with pop culture and popular social media platforms** to glean insights on how to communicate new initiatives.
- **Reaching out to public figures** like social media influencers and incorporating them into marketing campaigns.
- **Prioritizing omnichannel marketing campaigns**, which can help banks stay engaged with customers.
- **Interconnect marketing strategies and business strategies**, which will require CMOs to cultivate close working relationships with both CEOs and CFOs.

**Importance of a Personalized Banking Experience
According to US Banking Consumers, Jan 2021**

% of respondents



Source: Capco, "Insights for Investments to Modernize Digital Banking," May 26, 2021

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