Key Insights: How Mass-Market Banking Customer Behavior Has Changed in 2020

2020 Gartner COVID-19 Customer Experience Survey
Overview

This presentation contains results from the 2020 Gartner COVID-19 Customer Experience Survey. It highlights data from the mass-market banking customer segment and how the COVID-19 pandemic affected their personal and financial lives.

Executives should use this data to understand where customer behavior and financial well-being both have changed since the onset of the crisis. The insights from this data can help leaders optimize customer experience in a rapidly changing consumer environment.

This data is part of Gartner’s research on the ever-evolving needs, behaviors and journeys of financial services consumers.
Key Findings

- COVID-19 has had a direct impact on over 50% of mass-market customers, and 30% see the virus as a major threat to their finances.

- The pandemic has created a great deal of uncertainty in consumers’ lives; the majority of customers who received help from their provider with an unexpected situation needed that help due to the pandemic.

- Despite a decline in branch interactions since the outbreak of the coronavirus, consumers frequently turned to human-based remote channels for help.

- After the pandemic ends, customers expect to increase their use of digital channels, but also frequent the branch at levels similar to before the pandemic.

- Customers generally report the customer experience is good, but there remains significant room for improving the ease of use of self-service channels.
Financial services business unit and operations executives responsible for customer experience should:

- Plan for customers to come back to branches at near prepandemic levels, but also for a continued uptick in website usage and other remote digital channels.
- Support the long-term increased use of remote-assisted channels like video and text chat, focusing on tasks that customers seek to fulfill within these touchpoints and identifying opportunities for improvement.
- Develop customer journey maps to improve organizational understanding of how customers handle unexpected financial situations. Create engagement strategies to help customers navigate these situations and define skills and knowledge competencies for frontline staff that align to these strategies.
Survey Objectives

• The main purpose of this research is to understand how customer bank interactions, channel use and financial well-being have changed since the outbreak of the COVID-19 pandemic.
• Gartner collected data in two surveys of banking customers with less than $100,000 USD in investable assets across the U.S., U.K., Canada, Australia, and Singapore:
  – *Gartner 2020 Customer Experience Survey*: conducted from late 2019 to January 2020
  – *Gartner 2020 COVID-19 Customer Experience Survey*: conducted from September 2020 to October 2020
• These results are part of two larger surveys that include wealth management clients and insurance customers. See the Methodology section for details.
Survey Findings
COVID-19’s Deep Impact

Majority Indicate a Negative Effect
Percent of Mass-Market Customers, Retail Banking, Global

Q: Which of the following has happened to you because of the coronavirus outbreak?
Note: Respondents selecting at least one incident (e.g., employer cut pay, unable to pay utility bills) are counted as experiencing a negative effect.

<table>
<thead>
<tr>
<th>No Effect</th>
<th>Direct Negative Effect from COVID-19 Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>44%</td>
<td>56%</td>
</tr>
</tbody>
</table>

COVID-19 Threat to Personal Finances
Percent of Mass-Market Customers, Retail Banking, Global

Q: How much of a threat, if any, is the coronavirus outbreak for your personal financial situation?

<table>
<thead>
<tr>
<th>Not a Threat</th>
<th>Major Threat</th>
</tr>
</thead>
<tbody>
<tr>
<td>21%</td>
<td>30%</td>
</tr>
<tr>
<td>Minor Threat</td>
<td>49%</td>
</tr>
</tbody>
</table>

n = 3,664
Source: 2020 Gartner COVID-19 Customer Experience Survey
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Most Unexpected Situations Related to COVID

Areas Provider Help Requested
Percent of Mass-Market Customers, Retail Banking, Global

<table>
<thead>
<tr>
<th>Daily Activities</th>
<th>Significant Events</th>
<th>Unexpected Situations</th>
</tr>
</thead>
<tbody>
<tr>
<td>74%</td>
<td>25%</td>
<td>25%</td>
</tr>
</tbody>
</table>

Relation to COVID-19 Pandemic
Percent of Mass-Market Customers Seeking Help for Unexpected Situations, Retail Banking, Global

- Related to COVID-19 Pandemic 68%
- Unrelated to COVID-19 Pandemic 32%

n = 3,664
Source: 2020 Gartner COVID-19 Customer Experience Survey
Q: In which of the following areas did you get help from or use the services of your provider since the outbreak of the coronavirus in your country? Please select all that apply.

n = 824
Source: 2020 Gartner COVID-19 Customer Experience Survey
Q: Did you get help from or use the services you provider for [unexpected situation] because of the coronavirus pandemic? Please select one response only.
More Customers Seeking Help for Income Loss

Increase in Unemployment
Percent of Mass-Market Customers Unemployed, Retail Banking, Global

<table>
<thead>
<tr>
<th></th>
<th>Before Pandemic</th>
<th>During Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>n = 3,523</td>
<td>3%</td>
<td>11%</td>
</tr>
<tr>
<td>n = 3,664</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q: What is your current employment status? Please select one response only.

Customers Seek Provider Help for Loss of Income
Percent of Mass-Market Customers Seeking Help on Unexpected Situation, Retail Banking, Global

<table>
<thead>
<tr>
<th></th>
<th>Before Pandemic</th>
<th>During Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>n = 842</td>
<td>13%</td>
<td>20%</td>
</tr>
<tr>
<td>n = 824</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q: Which of the following options best describes the type of unexpected situation for which you most recently got help? Please select one response only

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Mass-Market Customer Income Crisis

Income Effects of COVID-19
Percent of Mass-Market Customers, Retail Banking, Global

- Employer cut pay or reduced hours: 17%
- Job loss but working again: 11%
- Temporary job loss still not working: 9%
- Permanent job loss: 7%
- Applied for unemployment benefits: 13%

Q: Which of the following has happened to you because of the coronavirus outbreak? Please select all that apply.
Source: 2020 Gartner COVID-19 Customer Experience Survey
An Expected Shift Toward Technology

Interaction Type
Percent of Mass-Market Customers, Retail Banking, Global

Before Pandemic
- 25% Only People
- 27% Mostly People
- 20% Mix of People and Technology
- 16% Mostly Technology
- 12% Only Technology

During Pandemic
- 21% Only People
- 24% Mostly People
- 20% Mix of People and Technology
- 17% Mostly Technology
- 18% Only Technology

n = 3,523 (Before Pandemic); n = 3,664 (During Pandemic)
Q: What best describes how you interacted with your provider to complete the action. Please consider all the ways that you had to interact as you tried to complete the action. Please select one response only.

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Customers Use Digital Channels More and Branch Less

Changes in Channel Reported Used in Customer Interactions

Percent of Mass-Market Customers, Retail Banking, Global

<table>
<thead>
<tr>
<th>Channel</th>
<th>Pre-Pandemic Data</th>
<th>During Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch</td>
<td>54%</td>
<td>41%</td>
</tr>
<tr>
<td>Website</td>
<td>43%</td>
<td>43%</td>
</tr>
<tr>
<td>Phone</td>
<td>41%</td>
<td>40%</td>
</tr>
<tr>
<td>Mobile App</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>Email</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Chat or Text</td>
<td>8%</td>
<td>14%</td>
</tr>
<tr>
<td>Video App</td>
<td>4%</td>
<td>8%</td>
</tr>
<tr>
<td>Chatbot</td>
<td>3%</td>
<td>8%</td>
</tr>
<tr>
<td>Virtual Assistant</td>
<td>2%</td>
<td>6%</td>
</tr>
</tbody>
</table>

n = 3,523 (Before Pandemic); n = 3,664 (During Pandemic)

Note: Branch was a single option in the 2020 Gartner Customer Experience Survey and a combination of Teller in Branch and Bank Rep. in Branch in H2 2020 Gartner Customer Experience Survey


Q: Which of the following options describe how you interacted with people/technology to complete your action? Please select all that apply.
Banks Largely Maintained the Experience

Successful Interactions Improved

Percent of Mass-Market Retail Banking Customers Selecting Top Two Responses on Seven-Point Scale for Each Statement, Global

Q: To what extent do you agree or disagree with the following statements. Please select one response in each row.

Q: For the action that you took with your provider, how would you rate the overall quality of your experience? Please select one response only.

n = 3,523 (Before Pandemic); n = 3,664 (During Pandemic)

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Customers Find Video and Chatbot Hard to Use

Ease of Using Each Channel
Percent of Mass-Market Customers Who Used Each Channel, Retail Banking, Global

- Branch Agent: 55% Easy to very easy, 23% Moderately easy, 11% Neither difficult nor easy, 11% Very difficult to Moderately difficult
- Branch Teller: 57% Easy to very easy, 19% Moderately easy, 12% Neither difficult nor easy, 11% Very difficult to Moderately difficult
- Website: 59% Easy to very easy, 21% Moderately easy, 8% Neither difficult nor easy, 11% Very difficult to Moderately difficult
- Phone: 53% Easy to very easy, 22% Moderately easy, 14% Neither difficult nor easy, 10% Very difficult to Moderately difficult
- Mobile App: 62% Easy to very easy, 19% Moderately easy, 14% Neither difficult nor easy, 9% Very difficult to Moderately difficult
- Email: 49% Easy to very easy, 23% Moderately easy, 14% Neither difficult nor easy, 14% Very difficult to Moderately difficult
- Chat or Text: 49% Easy to very easy, 22% Moderately easy, 15% Neither difficult nor easy, 15% Very difficult to Moderately difficult
- Video App: 38% Easy to very easy, 22% Moderately easy, 15% Neither difficult nor easy, 24% Very difficult to Moderately difficult
- Chatbot: 43% Easy to very easy, 22% Moderately easy, 13% Neither difficult nor easy, 22% Very difficult to Moderately difficult
- Virtual Assistant: 43% Easy to very easy, 16% Moderately easy, 21% Neither difficult nor easy, 19% Very difficult to Moderately difficult

Source: 2020 Gartner COVID-19 Customer Experience Survey
Q: Overall, how difficult or easy did you find completing your action with the people, technologies or applications you used to interact with your provider? Please select one response in each row.
More Customers Now Open to Digital and Remote Channels

Channel Customers Recall Typical Use Before Pandemic and Expectations of Use After Pandemic

Percent of Mass-Market Customers, Retail Banking, Global

<table>
<thead>
<tr>
<th>Channel</th>
<th>Recalled Usage Prior to Pandemic</th>
<th>Expected Usage After Pandemic Subsides</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch</td>
<td>54%</td>
<td>49%</td>
</tr>
<tr>
<td>Website</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Phone</td>
<td>37%</td>
<td>41%</td>
</tr>
<tr>
<td>Mobile App</td>
<td>34%</td>
<td>40%</td>
</tr>
<tr>
<td>Email</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>Chat or Text</td>
<td>14%</td>
<td>20%</td>
</tr>
<tr>
<td>Video App</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>Chatbot</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>Virtual Assistant</td>
<td>7%</td>
<td>7%</td>
</tr>
</tbody>
</table>

n = 3,664

Source: 2020 Gartner COVID-19 Customer Experience Survey

Q: Prior to the outbreak of the coronavirus in your country, which of the following options describes the people [or technologies or applications] you would have typically used to complete a similar action with your provider? Please select all that apply.

Q: And after the coronavirus outbreak in your country has subsided, which of the following options describes the people [or technologies or applications] you expect to use to complete an action similar to the one you completed with your provider? Please select all that apply.
Methodology

• For the purposes of this research, we segmented the respondents by asset size to analyze the mass market segment — retail banking consumers with less than $100,000 USD in investable assets.
• The results presented are based on two Gartner customer experience surveys.
  – Wave one: conducted via an online panel from late 2019 to January 2020, collecting responses from 3,523 mass market respondents.
  – Wave two: conducted via an online panel from September 2020 to October 2020, collecting responses from 3,664 mass market respondents.
• All respondents shown in this analysis were screened to be banking consumers, age 18 and over, who currently have at least one financial service product
  – Wave one: respondents eligible to participate if they interacted with their financial services provider in the last 12 months.
  – Wave two: respondents eligible to participate if they interacted with their financial services provider since the outbreak of the coronavirus in their country.
• Quotas and weights were applied for age, gender, region and income at the country level so that the sample mirrors the distribution of the retail banking population.
• The results of this study are representative of the respondent base and not the “global” retail banking population as a whole.
• The survey was developed collaboratively by a team of Gartner researchers and quantitative analysts and was reviewed, tested and administered by Gartner’s Primary Research Management team.
Want to learn more? Visit: Gartner for Financial Services