

Secret to Nationwide, Multiproduct Success in Retail Banking: Not Making Mistakes

PNC Edges Out Chase to Rank Highest in Inaugural J.D. Power National Bank Satisfaction Study

COSTA MESA, Calif.: 28 Sept. 2017 — National retail banks have invested heavily in digital transformation and marketing initiatives designed to position themselves as the best one-stop shops for all consumer banking, credit card, loan and investment needs. When it comes to real-world customer satisfaction, though, the biggest drivers of success are low problem incidence and consistency across all lines of bank business, according to the inaugural J.D. Power 2017 National Bank Satisfaction Study,SM released today.

The inaugural study is designed to provide a comprehensive view of customer experience with all bank product lines for the six national banks in the United States, which account for 45%¹ of total in-market deposits nationwide. Evaluating bank customer experience across six factors—channel interactions; deposit accounts; credit accounts; investment accounts; convenience; and problem resolution—the study finds that **PNC** scores highest in overall customer satisfaction (855 on a 1,000-point scale), edging out **Chase** (854) by just one point. The two leaders far outperformed the national average customer satisfaction score of 835.

“The largest retail banks in the nation are playing a different game than smaller, regionally focused rivals, so they should be evaluated on their own scale,” said **Bob Neuhaus, Financial Services Consultant at J.D. Power**. “These banks offer a full line of products, including deposits, credit and investments, and to achieve high levels of customer satisfaction in every market, they must deliver consistently on all of these. Ultimately, our study shows that the ability to minimize customer problems and deliver consistently across all lines of business are among the keys to success in building that nationwide base of strong customer relationships.”

Following are key findings of the study:

- **Banks cannot afford to make mistakes:** The common denominator among the top-performing banks in the study is a lower number of reported problems, which can include such issues as incorrect fees and service charges; processing and transaction errors; unauthorized activity; and poor customer service. PNC and Chase tie for the lowest problem incidence in the study (10% of customers indicate having experienced a problem). On average, overall satisfaction among customers who did not experience problems is 845, which drops to 765 among those who experience just one problem.
- **Consistency is critical to multiproduct strategy:** Top-performing national banks excel in delivering consistent performance across all product lines, with PNC and Chase both outperforming the national average for overall satisfaction with deposit accounts, credit accounts, overall convenience and channel interactions. Importantly, overall satisfaction, loyalty and retention increase as the number of individual banking products used increases, with 71% of bank customer

¹ Source: SNL Financial

who use the bank for deposits, credit and investments saying they “definitely will” reuse the bank, compared with just 49% of customers who use the bank solely for deposits who say the same.

- **Millennial money in motion:** Younger customers in the Millennial² and Gen Z demographics are the most likely to have multiproduct relationships with their banks. Among Millennials, 22% maintain deposit, credit and investment accounts with their retail bank. That number increases to 24% of Gen Z customers, but falls to just 11% of Boomers and 15% of Gen X. This finding is noteworthy in light of the fact that 65% of Gen Y banking customers who have switched banks in the past year, have gone from a midsize bank to a big bank.
- **Tailored financial advice, proactive contact drive trust:** Among customers who indicate their bank provides financial advice that they trust, 86% say they received proactive contact from the bank tailored to their specific needs. Another 61% say the bank advice completely met their needs; 60% say they completely understand product features and benefits; and 58% say they are very satisfied with the fairness of fees.

Bank Rankings

PNC (855) performs highest in the study. The bank receives a rating of 6.33 on a 7-point scale for good reputation—the highest among the six national banks in the study—and ties with second-ranked **Chase** (854) for the lowest problem incidence in the study. **U.S. Bank** (842) ranks third in overall customer satisfaction.

The National Bank Satisfaction Study measures customer satisfaction for the six largest retail banks in the United States. The 2017 study is based on responses from more than 5,784 retail banking customers and was fielded in June-July 2017.

See the online press release at <http://www.jdpower.com/pr-id/2017171>.

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. These capabilities enable J.D. Power to help its clients drive customer satisfaction, growth and profitability. Established in 1968, J.D. Power is headquartered in Costa Mesa, Calif., and has offices serving North/South America, Asia Pacific and Europe. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer.

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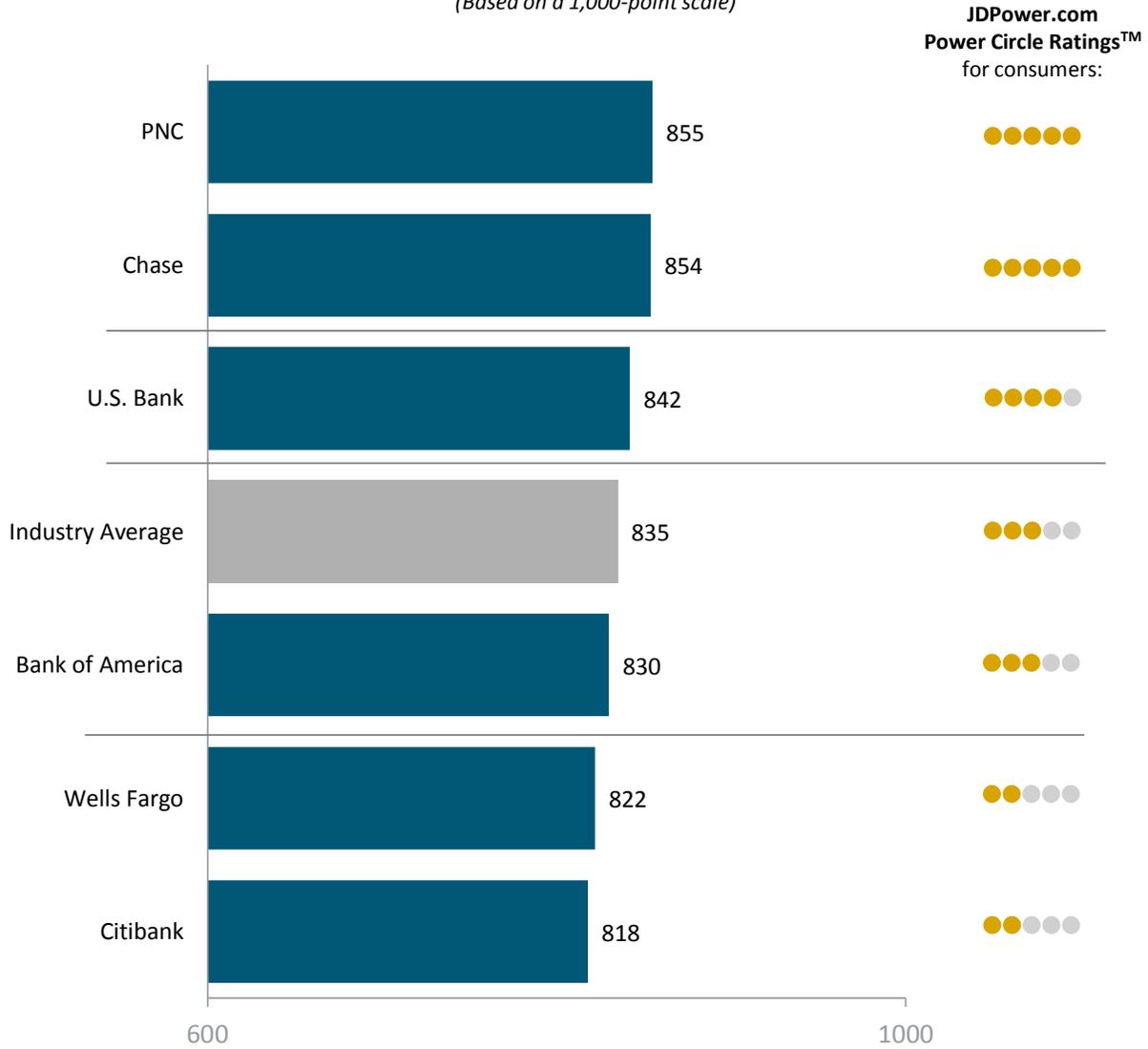
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NOTE: One chart follows.

² J.D. Power defines the generations as Pre-Boomers (born before 1946); Boomers (1946-1964); Gen X (1965-1976); Gen Y (1977-1994); Gen Z (1995-2004). Millennials (1982-1994) are a subset of Gen Y.

J.D. Power 2017 National Bank Satisfaction StudySM

Customer Satisfaction Index Ranking (Based on a 1,000-point scale)



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power 2017 National Bank Satisfaction StudySM

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