Summary

Our new Global Banking Consumer Study explores how reigniting the human connection with customers can unlock substantial latent value in banking.

These factors are creating an urgent need for banks to act.

1. **A leap in technology and its democratization** can revolutionize the customer experience.
2. **Rising interest rates** and limited competition for deposits can induce complacency.
3. **Stiff competition** from digital-only banks and non-traditional financial services businesses can reduce banks' customer touchpoints.
4. **Shifting post-pandemic customer attitudes and preferences**
   - **Shallow Satisfaction**
     Overall NPS of +23 but only 30% score their bank's customer service at least 9 out of 10
   - **Fragmentation on the rise**
     59% of consumers acquired a financial services product from a new provider in the past 12 months
   - **Frustration is real**
     46% of consumers aged 18-24 often lose track of their financial products and services
   - **Digital channels are impersonal**
     44% of consumers aged 18-44 had problems in getting human support when they needed it.
   - **Long live the branch**
     67% like seeing branches in their neighborhood as it portrays the stability and availability of their banks

Banks have an opportunity to become ultra relevant in their customers' lives, creating lasting loyalty that turns customers into advocates.

Three pivots to reinvent customer relationships... and data is the key.

1. From customer journey to customer intent
Journey thinking led banks to create experiences that it perceived customers wanted without understanding their underlying motivation. This needs to change. Banks need to understand customers' intent, including their life aspirations and reasons why they desire certain products.

2. From basic personalization to personal conversation
Banks have focused on digital servicing, resulting in channels being functionally correct but emotionally devoid. Genuine conversations come from providing advice that is relevant to customers' lives, leveraging power of cloud, data and AI and new tech like Generative AI.

3. From siloed offering to holistic propositions
The emergence of Fintechs has resulted in customers holding a greater variety of financial services with multiple different providers. Banks have the opportunity to offer holistic propositions that combine credit, debit cards, mortgages and other products, through both physical and digital touchpoints.

These pivots pave the way for 4 strategic plays:

1. Improve banking as we know it
2. Embed banking in new channels
3. Offer non-financial products
4. Explore new frontiers

Seizing these opportunities will enable banks to unlock latent value from deepened customer relationships.

We call this the "multiplier effect".

Up to **20%** potential increase in revenue that banks can get from their primary customers by:

Ramping up of sales of traditional banking products by convincing primary customers to switch the majority of their banking products to their main bank.

Providing non-financial services that are adjacent to, but beyond, the traditional scope of financial services (home buying, car purchase, travel booking)

This translates to **$100** billion in annual retail banking revenue at stake in the U.S. alone.

Download the full report