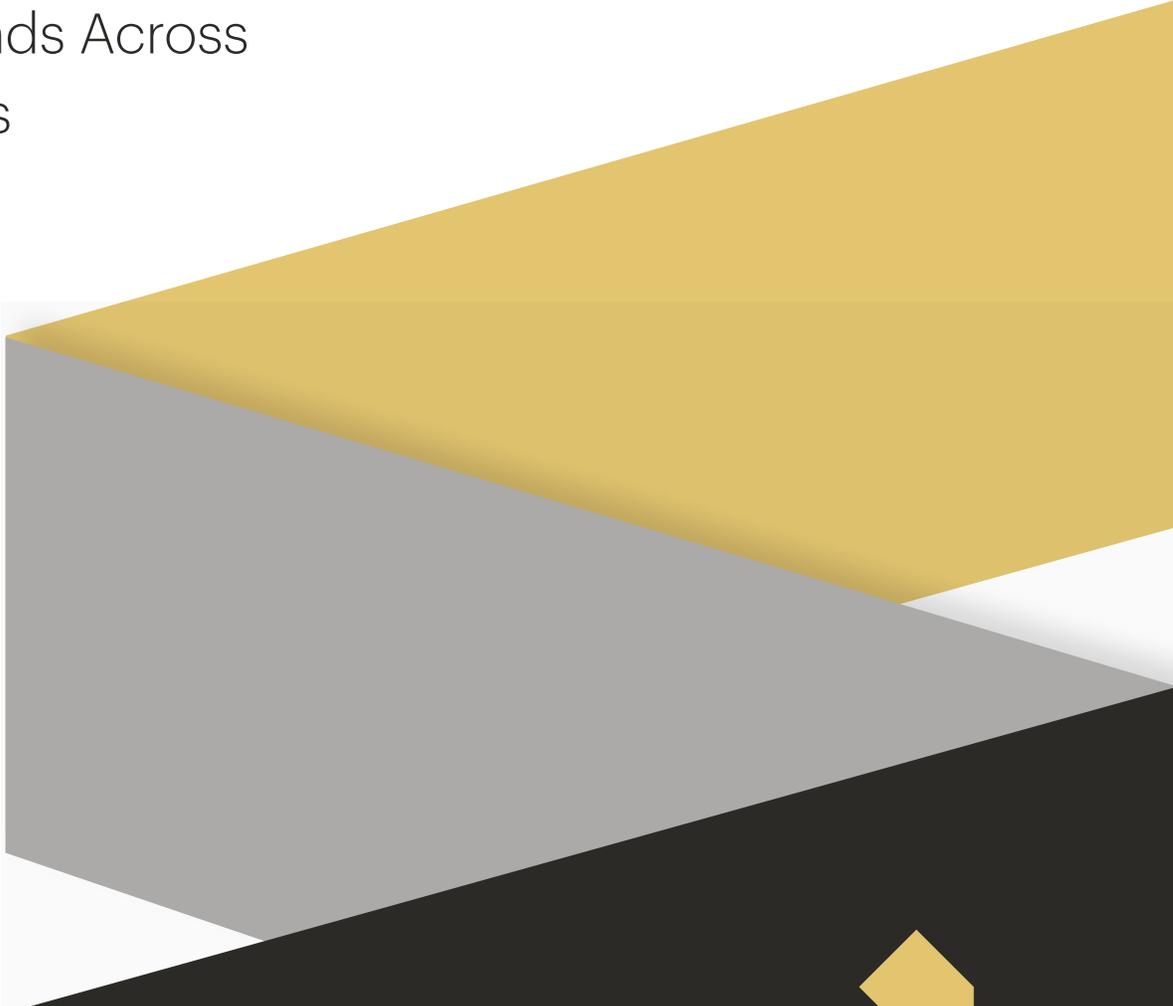


Consumer Banking Survey

Personalization, Digitization,
Loyalty Trends Across
Generations



ZAFIN

The survey was distributed to more than 1,000 American consumers and evaluated what Gen Z, millennials and those near or at retirement age expect from their banks.

Personalization

Across all generations surveyed, 88% of respondents believe it is important for their banks to provide recommendations relevant to them based upon their financial product usage and behaviors. Yet, nearly 50% of respondents said their current interactions with their bank are either not personalized at all or only slightly personalized.

Specifically, 41% of respondents stated their current banks do not proactively offer them products, bundles, pricing and other services relevant to their financial situation, needs and goals.

Incentives are another key aspect of personalized offerings. Financial goals, such as saving for a down payment on a house or paying down student loan debt, provide great opportunities for banks to reward their customers. For millennials in particular, incentives like these play a large role in their relationship with a bank. Almost 86% of millennials said that a program offering rewards for defining and achieving financial goals would lead them to either expand their relationship with their current bank that offers this program or switch to a bank that provides such a program.

Digitization

For Gen Z and millennials, online and mobile banking capabilities are the most important factor when choosing a bank; whereas pricing (e.g., lower overdraft fees) is the most important factor for those near or at retirement age.

During the COVID-19 pandemic, most respondents (80%) agreed that their banks' online and mobile banking capabilities are making banking easier for them. However, there are long-term implications of online and mobile banking preferences that will far outlive 2020. More than the other generations surveyed, Gen Z (66%) said they value online banking and mobile banking more now than they did prior to the pandemic. About 62% of millennials and respondents near or at retirement age agree. While many banks were forced to digitize in some way this year, the results show that the key to digitization success is longevity. Banks need modern systems to match this shift.



Loyalty

When it comes to COVID-19-related loyalty, the decisions banks make now will significantly sway younger consumers' loyalty in the future. This is especially true for Gen Z, with 60% of respondents saying the resources their bank offers during the pandemic will play a role in their loyalty to that bank moving forward.

Personalized options, incentives and overall modernization are crucial to customer loyalty, and they could be the driving force behind Gen Z and millennials making the switch to a new bank. About 40% of Gen Z and 41% of millennial respondents have recently thought of opening a new account with a new bank, as opposed to 27% of respondents near or at retirement age.

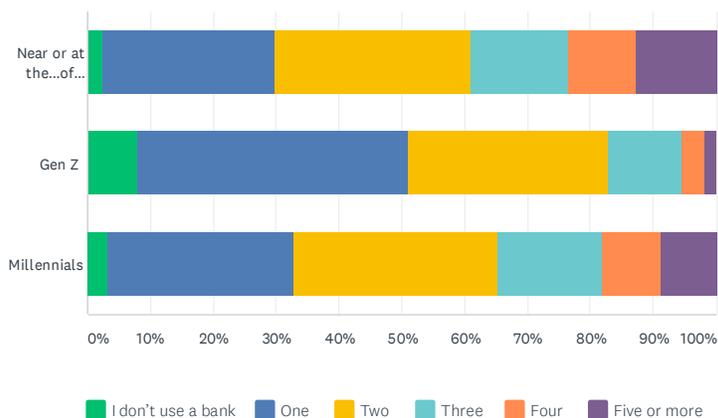
"It's widely known that the COVID-19 pandemic has accelerated the use of digital banking tools," said Alexandra Roddy, CMO and EVP of partnerships at Zafin. "The biggest takeaway, however, is that many banks have not been prepared to match consumers' desire for a more personalized banking experience because of their outdated legacy systems. This survey shows expectations have changed, and banks now have a massive opportunity to reevaluate how the systems they have in place may be holding them back from the modernization they know their customers want and need."

View the complete survey data on the next page.



How many banks do you currently have accounts or products with? (Please include all checking, savings, credit cards, mortgages, and other loans)

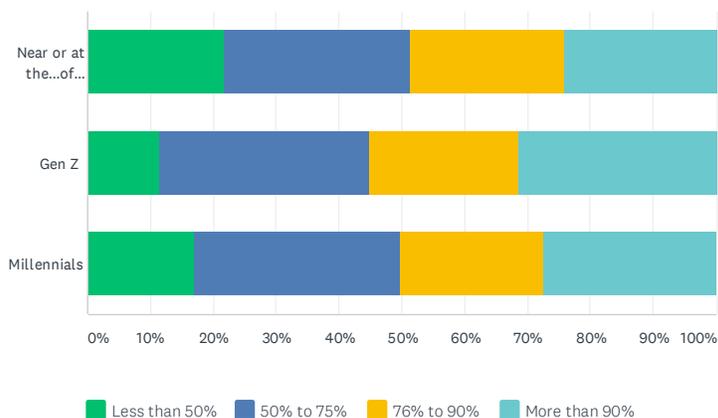
Answered: 1,204 Skipped: 0



	I DON'T USE A BANK	ONE	TWO	THREE	FOUR	FIVE OR MORE	TOTAL
Near or at the...of retirement	2.32% 9	27.32% 106	31.44% 122	15.46% 60	10.82% 42	12.63% 49	32.23% 388
Gen Z	7.80% 32	43.17% 177	31.95% 131	11.71% 48	3.66% 15	1.71% 7	34.05% 410
Millennials	3.20% 13	29.56% 120	32.51% 132	16.75% 68	9.11% 37	8.87% 36	33.72% 406
Total Respondents	54	403	385	176	94	92	1,204

For the bank you consider as your primary, what percentage of your total financial services does it have?

Answered: 1,137 Skipped: 67

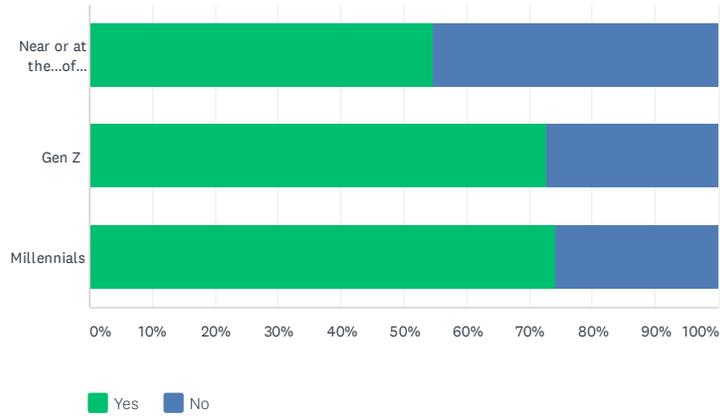


	LESS THAN 50%	50% TO 75%	76% TO 90%	MORE THAN 90%	TOTAL
Near or at the...of retirement	21.74% 80	29.62% 109	24.46% 90	24.18% 89	32.37% 368
Gen Z	11.44% 43	33.24% 125	23.94% 90	31.38% 118	33.07% 376
Millennials	16.79% 66	33.08% 130	22.65% 89	27.48% 108	34.56% 393
Total Respondents	189	364	269	315	1,137



Would you consider getting all of your financial services from a single provider? (100% with one bank?)

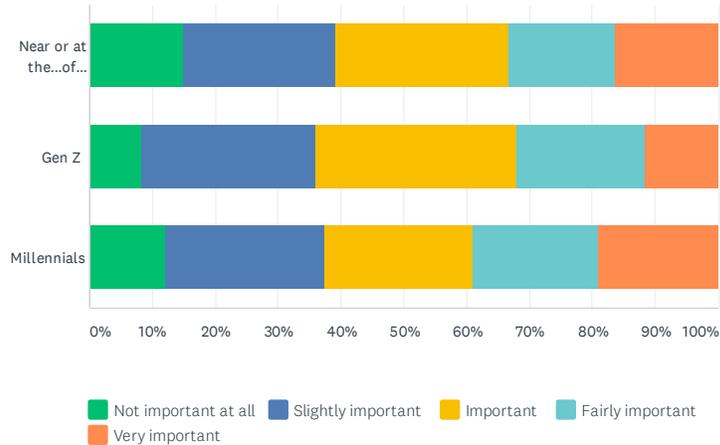
Answered: 1,137 Skipped: 67



	YES	NO	TOTAL
Near or at the...of retirement	54.62% 201	45.38% 167	32.37% 368
Gen Z	72.61% 273	27.39% 103	33.07% 376
Millennials	74.05% 291	25.95% 102	34.56% 393
Total Respondents	765	372	1,137

How important is it that your bank offers you a personalized experience that includes recommendations that are relevant to you based upon your financial product usage and behaviors, similar to what Amazon or Netflix does for its customers. (For example, a personalized loan rate)

Answered: 1,137 Skipped: 67



	NOT IMPORTANT AT ALL	SLIGHTLY IMPORTANT	IMPORTANT	FAIRLY IMPORTANT	VERY IMPORTANT	TOTAL
Near or at the...of retirement	14.95% 55	24.18% 89	27.45% 101	17.12% 63	16.30% 60	32.37% 368
Gen Z	8.24% 31	27.66% 104	32.18% 121	20.21% 76	11.70% 44	33.07% 376
Millennials	11.96% 47	25.45% 100	23.66% 93	19.85% 78	19.08% 75	34.56% 393
Total Respondents	133	293	315	217	179	1,137



To what degree do you consider your interactions with your bank to be "personalized" in the same way Amazon or Netflix personalizes experiences with its customers?

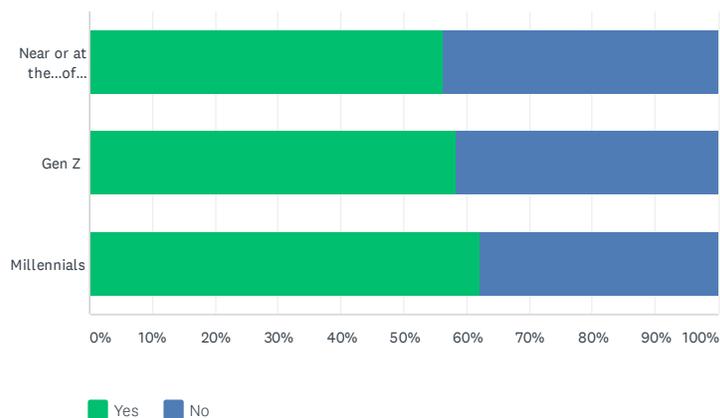
Answered: 1,137 Skipped: 67



	NOT PERSONALIZED AT ALL	SLIGHTLY PERSONALIZED	PERSONALIZED	FAIRLY PERSONALIZED	VERY PERSONALIZED	TOTAL
Near or at the...of retirement	18.75% 69	32.07% 118	19.84% 73	17.66% 65	11.68% 43	32.37% 368
Gen Z	11.97% 45	34.84% 131	33.24% 125	12.50% 47	7.45% 28	33.07% 376
Millennials	16.03% 63	34.61% 136	20.36% 80	18.58% 73	10.43% 41	34.56% 393
Total Respondents	177	385	278	185	112	1,137

Does your bank proactively offer you products, bundles, pricing and other services that are relevant to your financial situation, needs and goals? (For example, wealth management and personal loans)

Answered: 1,137 Skipped: 67

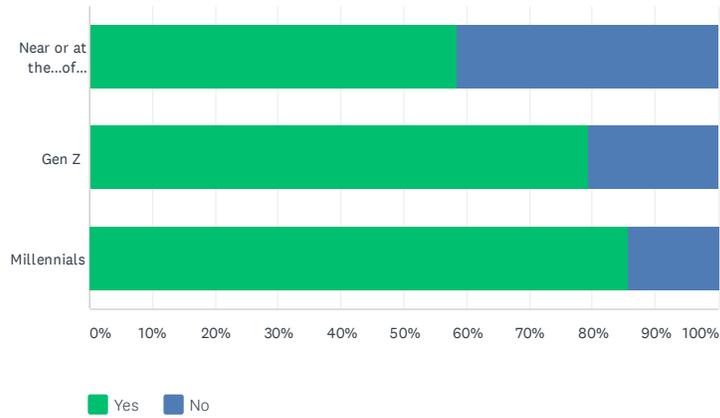


	YES	NO	TOTAL
Near or at the...of retirement	56.25% 207	43.75% 161	32.37% 368
Gen Z	58.24% 219	41.76% 157	33.07% 376
Millennials	62.09% 244	37.91% 149	34.56% 393
Total Respondents	670	467	1,137



If a bank had a program that rewarded you for defining and achieving financial goals (e.g., saving the downpayment for a house, paying down student debt, reaching a defined retirement savings goal), would you switch to that bank? Expand your relationship with that bank?

Answered: 1,137 Skipped: 67

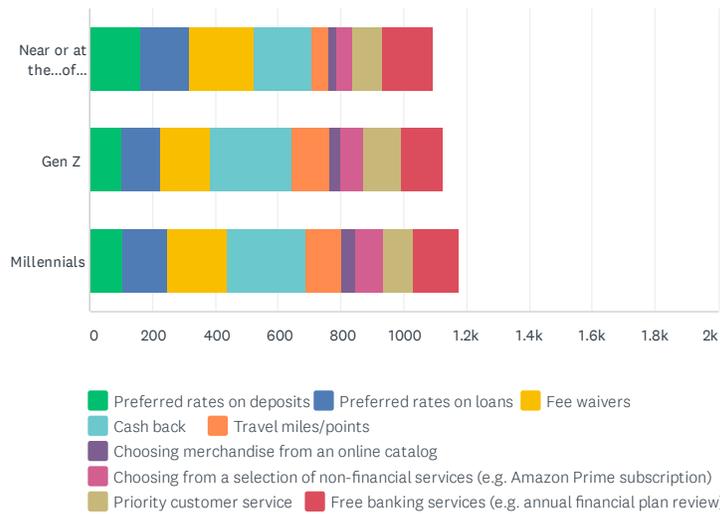


	YES	NO	TOTAL
Near or at the...of retirement	58.42% 215	41.58% 153	32.37% 368
Gen Z	79.26% 298	20.74% 78	33.07% 376
Millennials	85.75% 337	14.25% 56	34.56% 393
Total Respondents	850	287	1,137



Which of these banking benefits are most relevant to you and would foster a stronger relationship between you and your bank? (Select the three most important to you)

Answered: 1,131 Skipped: 73

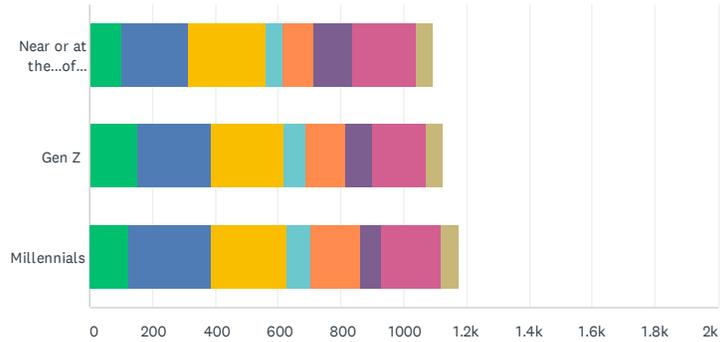


	PREFERRED RATES ON DEPOSITS	PREFERRED RATES ON LOANS	FEE WAIVERS	CASH BACK	TRAVEL MILES/POINTS	CHOOSING MERCHANDISE FROM AN ONLINE CATALOG	CHOOSING FROM A SELECTION OF NON-FINANCIAL SERVICES (E.G. AMAZON PRIME SUBSCRIPTION)	PRIORITY CUSTOMER SERVICE	FREE BANKING SERVICES (E.G. ANNUAL FINANCIAL PLAN REVIEW)	TOTAL
Near or at the...of retirement	44.23% 161	42.58% 155	56.87% 207	50.55% 184	14.01% 51	7.69% 28	13.19% 48	27.20% 99	43.68% 159	96.55% 1,092
Gen Z	26.93% 101	32.80% 123	42.93% 161	68.80% 258	31.73% 119	9.60% 36	20.00% 75	31.20% 117	36.00% 135	99.47% 1,125
Millennials	26.79% 105	36.73% 144	48.47% 190	63.27% 248	29.85% 117	11.48% 45	21.68% 85	24.23% 95	37.50% 147	103.98% 1,176
Total Respondents	367	422	558	690	287	109	208	311	441	1,131



In general, which of these is the most important factor for you when selecting a bank?

Answered: 1,131 Skipped: 73



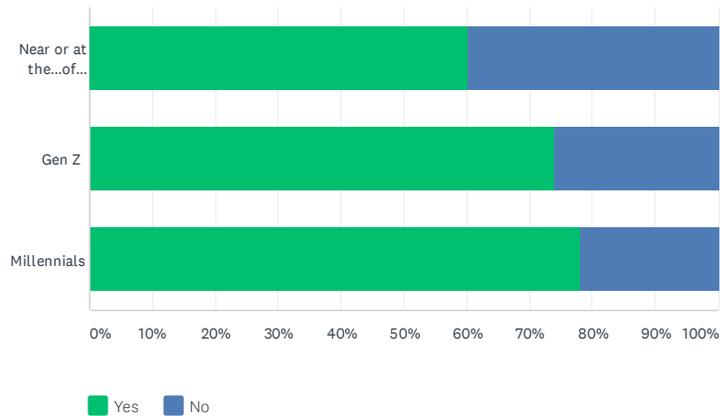
- Brand recognition (Safety and soundness)
- Better online & mobile banking capabilities (e.g. depositing a check via mobile app)
- Better pricing (lower fees for ATMs and overdrafts; better rates on deposits and loans)
- More bundled products (incentives for opening additional accounts or lines of credit)
- More relevant reward programs (such as cash back)
- Stronger speed and quality of service (availability of someone to help when needed)
- Security and Trust
- Transparency

	BRAND RECOGNITION (SAFETY AND SOUNDNESS)	BETTER ONLINE & MOBILE BANKING CAPABILITIES (E.G. DEPOSITING A CHECK VIA MOBILE APP)	BETTER PRICING (LOWER FEES FOR ATMS AND OVERDRAFTS; BETTER RATES ON DEPOSITS AND LOANS)	MORE BUNDLED PRODUCTS (INCENTIVES FOR OPENING ADDITIONAL ACCOUNTS OR LINES OF CREDIT)	MORE RELEVANT REWARD PROGRAMS (SUCH AS CASH BACK)	STRONGER SPEED AND QUALITY OF SERVICE (AVAILABILITY OF SOMEONE TO HELP WHEN NEEDED)	SECURITY AND TRUST	TRANSPARENCY	TOTAL
Near or at the...of retirement	27.47% 100	58.79% 214	68.41% 249	14.01% 51	28.02% 102	32.69% 119	56.32% 205	14.29% 52	96.55% 1,092
Gen Z	40.80% 153	62.40% 234	61.87% 232	17.60% 66	35.20% 132	22.13% 83	45.60% 171	14.40% 54	99.47% 1,125
Millennials	32.14% 126	66.33% 260	61.22% 240	19.13% 75	41.07% 161	17.09% 67	48.72% 191	14.29% 56	103.98% 1,176
Total Respondents	379	708	721	192	395	269	567	162	1,131



Are you more likely to recommend a bank to your friends and family if the bank rewards you when they open an account?

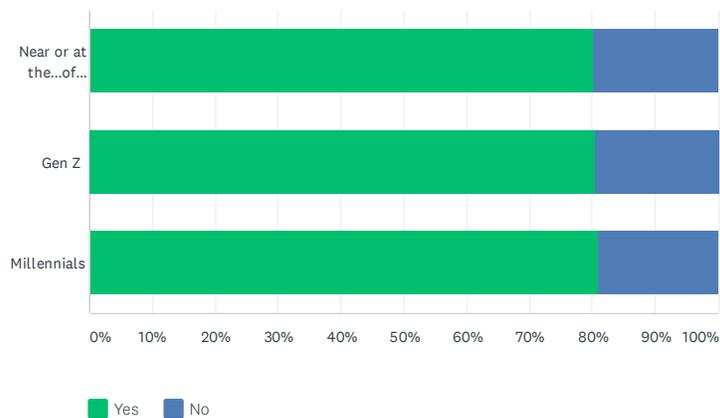
Answered: 1,131 Skipped: 73



	YES	NO	TOTAL
Near or at the...of retirement	60.16% 219	39.84% 145	32.18% 364
Gen Z	73.87% 277	26.13% 98	33.16% 375
Millennials	78.06% 306	21.94% 86	34.66% 392
Total Respondents	802	329	1,131

Are your bank's online and mobile banking capabilities making banking easier for you during the COVID-19 pandemic?

Answered: 1,131 Skipped: 73

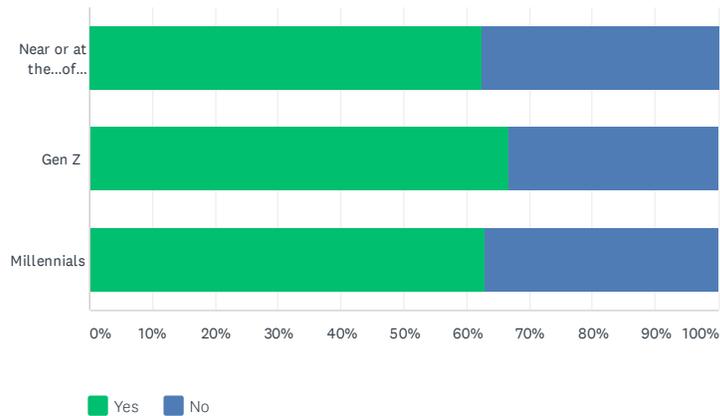


	YES	NO	TOTAL
Near or at the...of retirement	80.22% 292	19.78% 72	32.18% 364
Gen Z	80.53% 302	19.47% 73	33.16% 375
Millennials	80.87% 317	19.13% 75	34.66% 392
Total Respondents	911	220	1,131



Has COVID-19 made you value online and mobile banking more than you did previously?

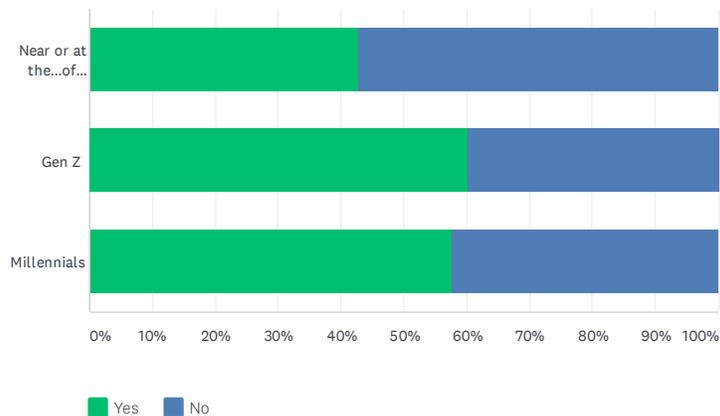
Answered: 1,131 Skipped: 73



	YES	NO	TOTAL
Near or at the...of retirement	62.36% 227	37.64% 137	32.18% 364
Gen Z	66.67% 250	33.33% 125	33.16% 375
Millennials	62.76% 246	37.24% 146	34.66% 392
Total Respondents	723	408	1,131

Are the resources your bank is offering to help you through the COVID-19 pandemic (for example, a pause on a mortgage loan payment) a factor in your loyalty with that bank?

Answered: 1,131 Skipped: 73

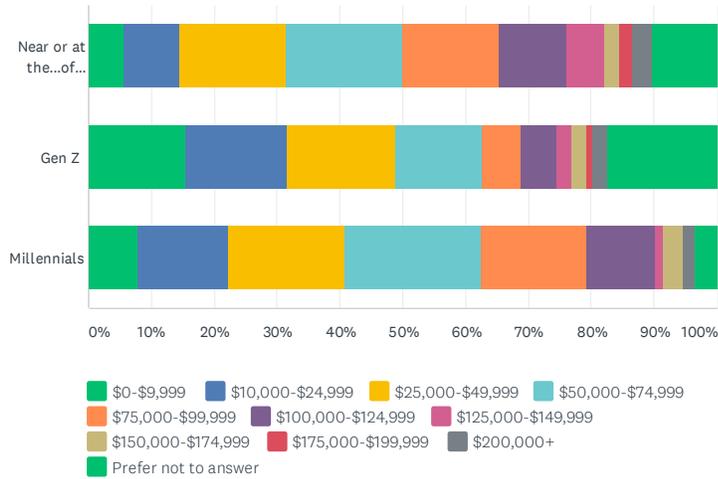


	YES	NO	TOTAL
Near or at the...of retirement	42.86% 156	57.14% 208	32.18% 364
Gen Z	60.27% 226	39.73% 149	33.16% 375
Millennials	57.65% 226	42.35% 166	34.66% 392
Total Respondents	608	523	1,131



Household Income

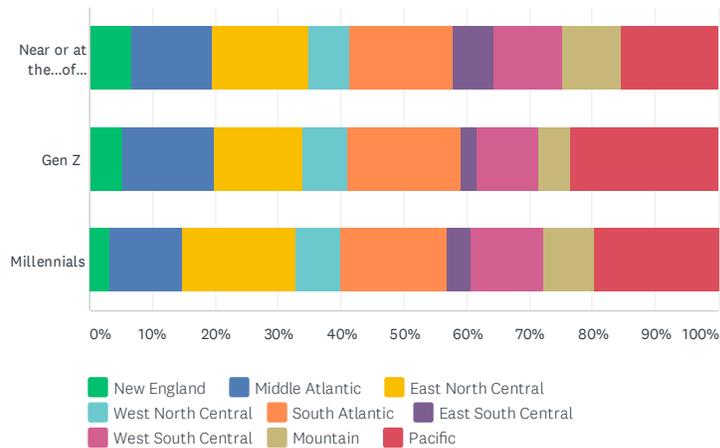
Answered: 1,186 Skipped: 18



	\$0-\$9,999	\$10,000-\$24,999	\$25,000-\$49,999	\$50,000-\$74,999	\$75,000-\$99,999	\$100,000-\$124,999	\$125,000-\$149,999	\$150,000-\$174,999	\$175,000-\$199,999	\$200,000+	Prefer not to answer
Near or at the...of retirement	5.61% 21	8.82% 33	17.11% 64	18.45% 69	15.24% 57	10.96% 41	5.88% 22	2.41% 9			
Gen Z	15.48% 63	15.97% 65	17.44% 71	13.76% 56	6.14% 25	5.65% 23	2.46% 10	2.46% 10			
Millennials	7.90% 32	14.32% 58	18.52% 75	21.73% 88	16.79% 68	10.86% 44	1.48% 6	2.96% 12			
Total Respondents	116	156	210	213	150	108	38	31			

Region

Answered: 1,173 Skipped: 31

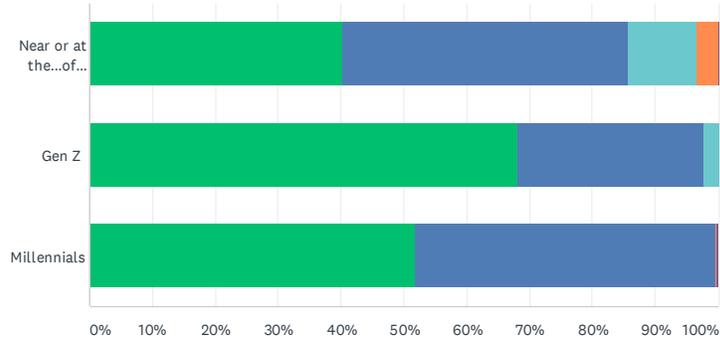


	NEW ENGLAND	MIDDLE ATLANTIC	EAST NORTH CENTRAL	WEST NORTH CENTRAL	SOUTH ATLANTIC	EAST SOUTH CENTRAL	WEST SOUTH CENTRAL	MOUNTAIN	PACIFIC	TOTAL
Near or at the...of retirement	6.68% 25	12.83% 48	15.51% 58	6.42% 24	16.31% 61	6.42% 24	11.23% 42	9.09% 34	15.51% 58	31.88% 374
Gen Z	5.24% 21	14.71% 59	13.97% 56	6.98% 28	18.20% 73	2.49% 10	9.98% 40	4.99% 20	23.44% 94	34.19% 401
Millennials	3.27% 13	11.31% 45	18.09% 72	7.29% 29	16.83% 67	3.77% 15	11.81% 47	8.04% 32	19.60% 78	33.93% 398
Total Respondents	59	152	186	81	201	49	129	86	230	1,173



Device Type

Answered: 1,186 Skipped: 18



■ iOS Phone / Tablet
 ■ Android Phone / Tablet
 ■ Other Phone / Tablet
■ Windows Desktop / Laptop
 ■ MacOS Desktop / Laptop
 ■ Other

	IOS PHONE / TABLET	ANDROID PHONE / TABLET	OTHER PHONE / TABLET	WINDOWS DESKTOP / LAPTOP	MACOS DESKTOP / LAPTOP	OTHER	TOTAL
Near or at the...of retirement	40.11% 150	45.72% 171	0.00% 0	10.70% 40	3.48% 13	0.00% 0	31.53% 374
Gen Z	68.06% 277	29.73% 121	0.00% 0	2.21% 9	0.00% 0	0.00% 0	34.32% 407
Millennials	51.85% 210	47.65% 193	0.00% 0	0.00% 0	0.25% 1	0.25% 1	34.15% 405
Total Respondents	637	485	0	49	14	1	1,186



About Zafin

Zafin is a global leader in cloud-based product and pricing solutions for banks, enabling business users to define and execute micro-segmented, customer-centric product and pricing strategies within a compliant framework.

Our cloud-based applications deliver game-changing business results while integrating easily with legacy back-end systems and customer-facing channels. The Zafin suite of applications can be implemented quickly, with minimal to no changes to existing infrastructure to improve the precision, integrity and flexibility of product and pricing terms at the segment and individual customer level.

Zafin is a trusted partner to many of the world's largest financial institutions, delivering growth, increasing agility and flexibility in the marketplace, empowering business leaders to address markets and serve customers, all while streamlining regulatory compliance and increasing operational efficiency.

To learn more visit www.zafin.com

