

# Through the Looking Glass

The post-COVID new normal for banking

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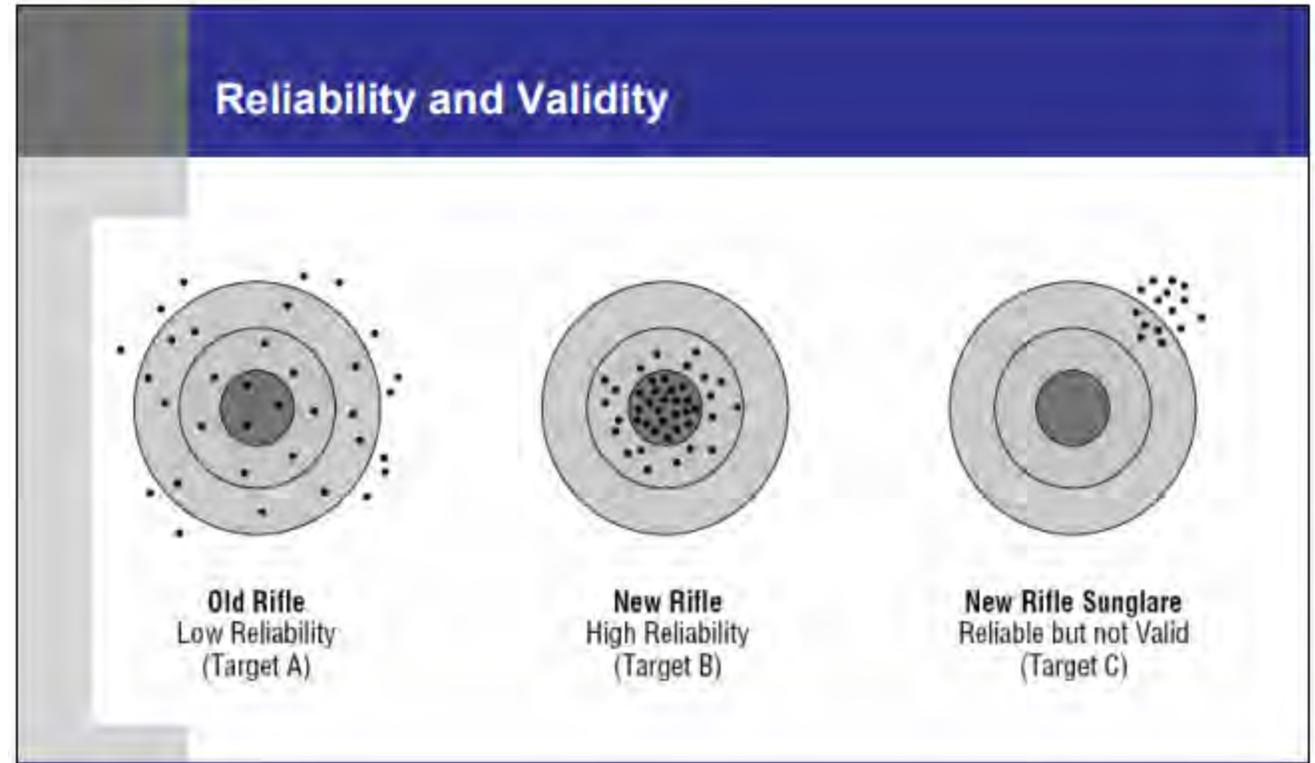


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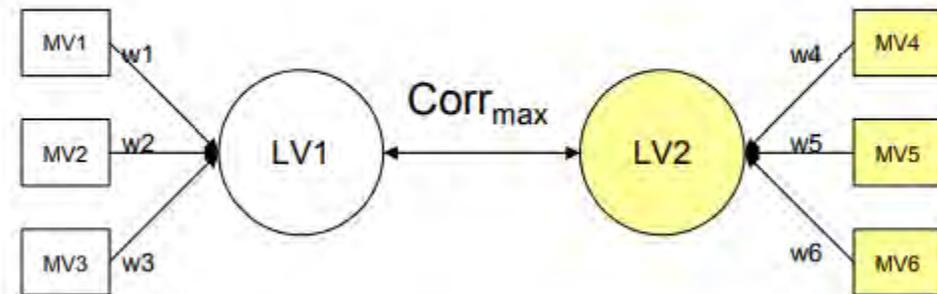
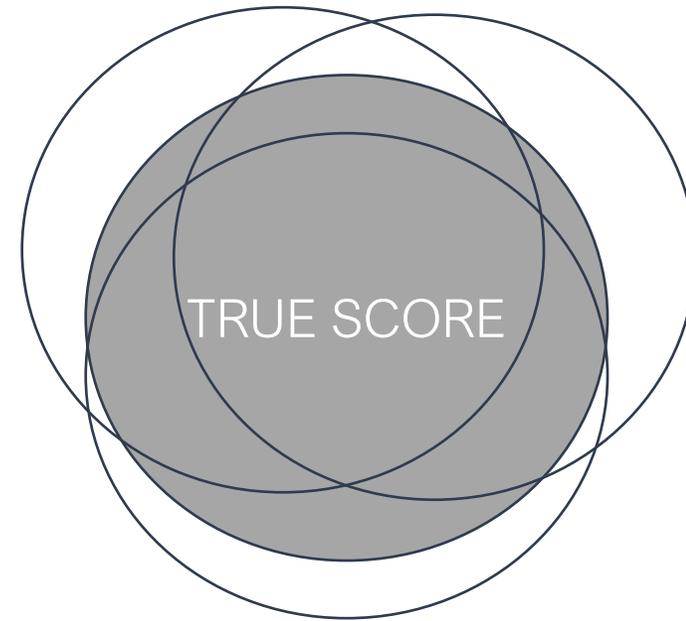
# How to Measure Properly

- Reliability- do you get similar results over time and across situations
- Validity- does it measure what we intend it to measure.



# How to Measure

- Measure-multiple measures increase precision.



# How it all works

- Model flows from left to right
- Diagnosis- weights, impacts, and importance to find what matters most.
- Prognosis- make accurate predictions based on changes made

## Credit Union Satisfaction Model

### Satisfaction Drivers

91	2.3	Products and Services
95	1.8	Branch Staff
92	1.2	Information or Communications
91	1.0	Digital Banking
86	0.8	Rates and Fees
95	0.6	Branch
92	0.3	Call Center Representative

### Satisfaction Index



### Future Behaviors

Recommend	5.0	92
Intended Loyalty	3.9	94
Add Addl Products/Services	4.9	78



Scores represent your performance as rated by customers.

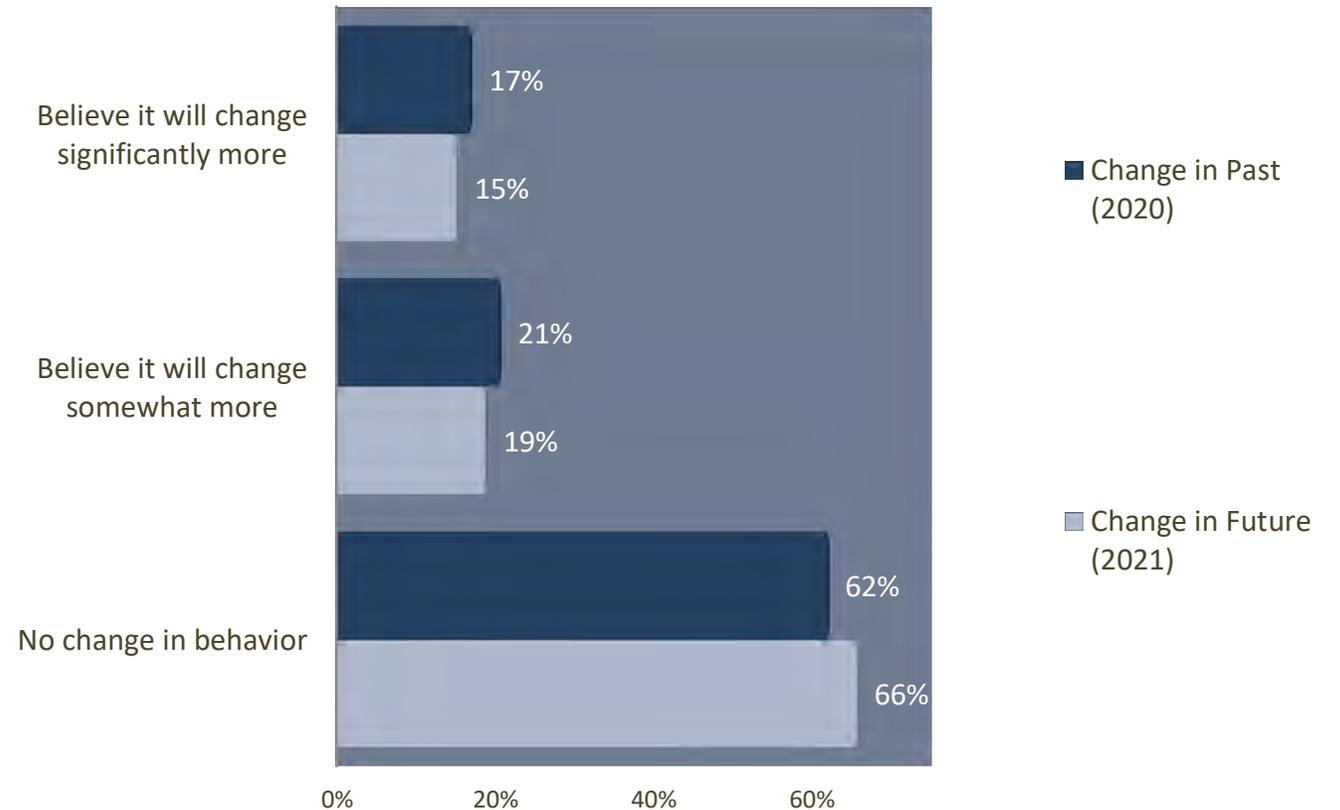


Impacts show you which driver has the most/least leverage - where improvements matter most/least to your customers

# Banking Behavior Change

- Not seismic changes
- 38% of respondents indicated at least some change
- 17% indicated it changed “significantly”
- Less change is expected for 2021

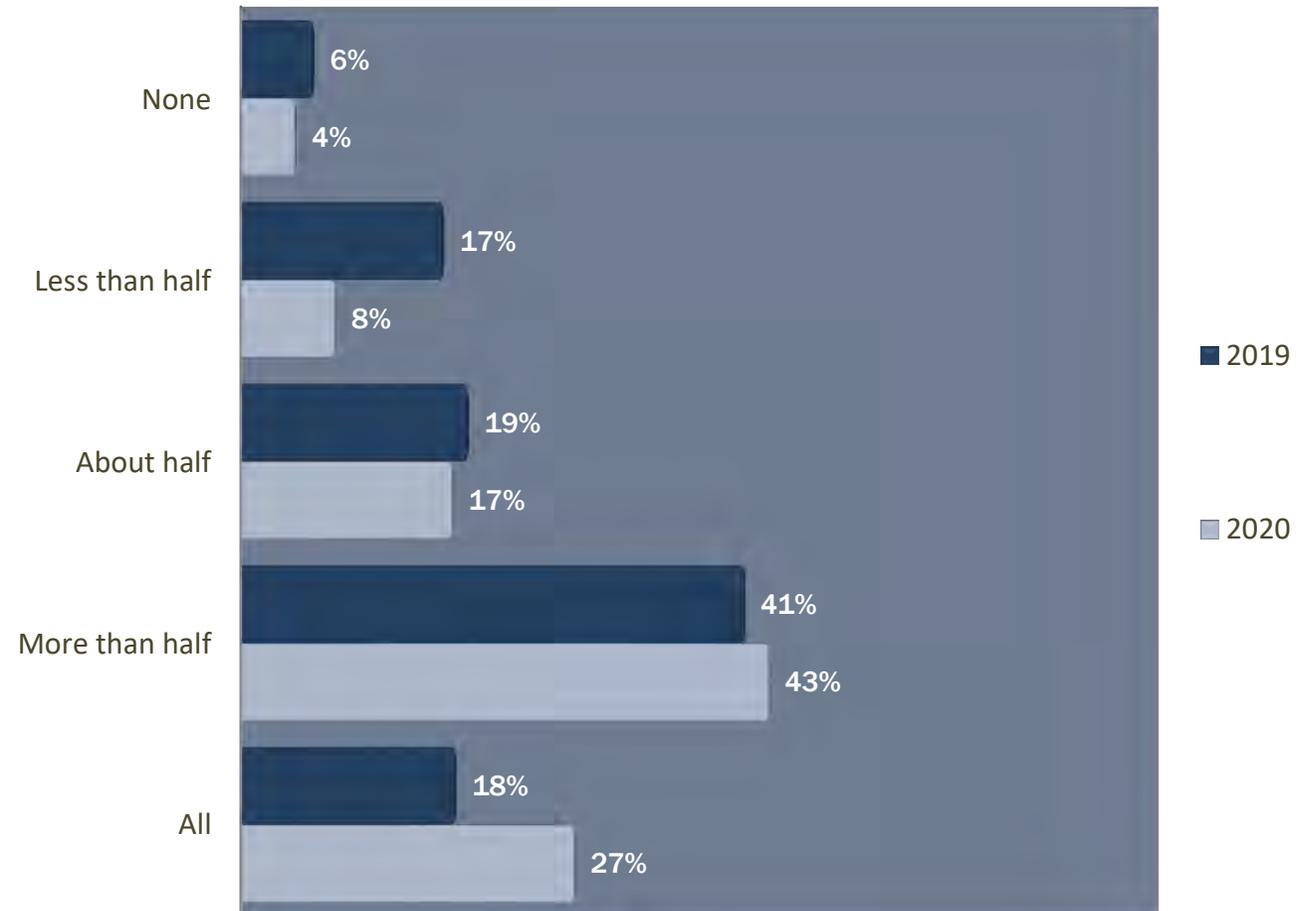
## Change in Banking Behavior



# What Changed

- The changes in banking behavior that did occur centered on how banking tasks were conducted.
- Seventy percent of respondents did more than half of their banking without any personal interaction (+11% points)

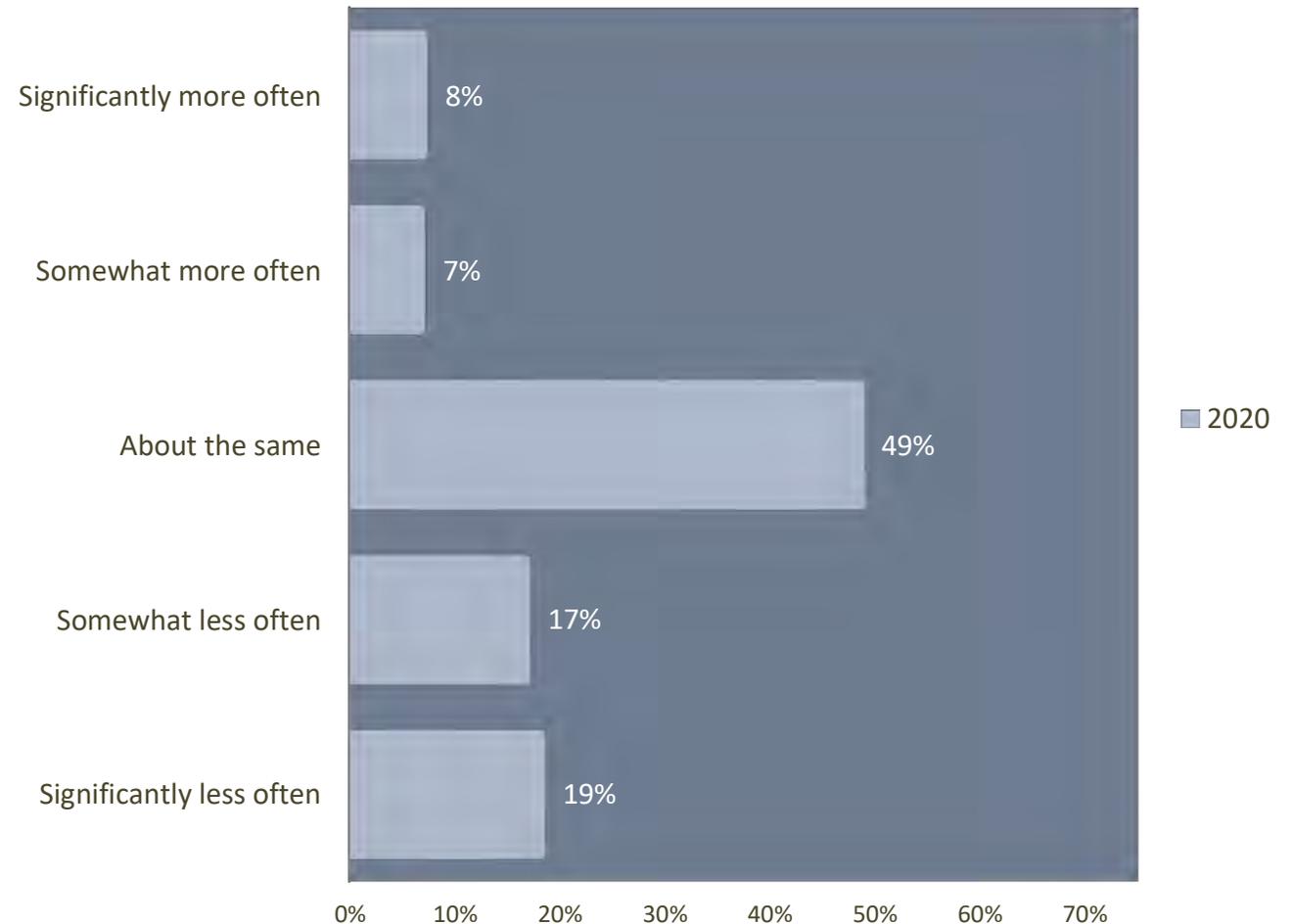
Banking Without Personal Interaction



# Are branches still important

- Branch visits lightly declined, but it was not the drastic drop-off expected. Just under half of respondents indicated that there was no difference in their branch banking behavior.
- When asked about branch visit frequency...there appears that a certain contingent of “branch loyalists” that visited the branch more often in 2020 than in pre-COVID times.

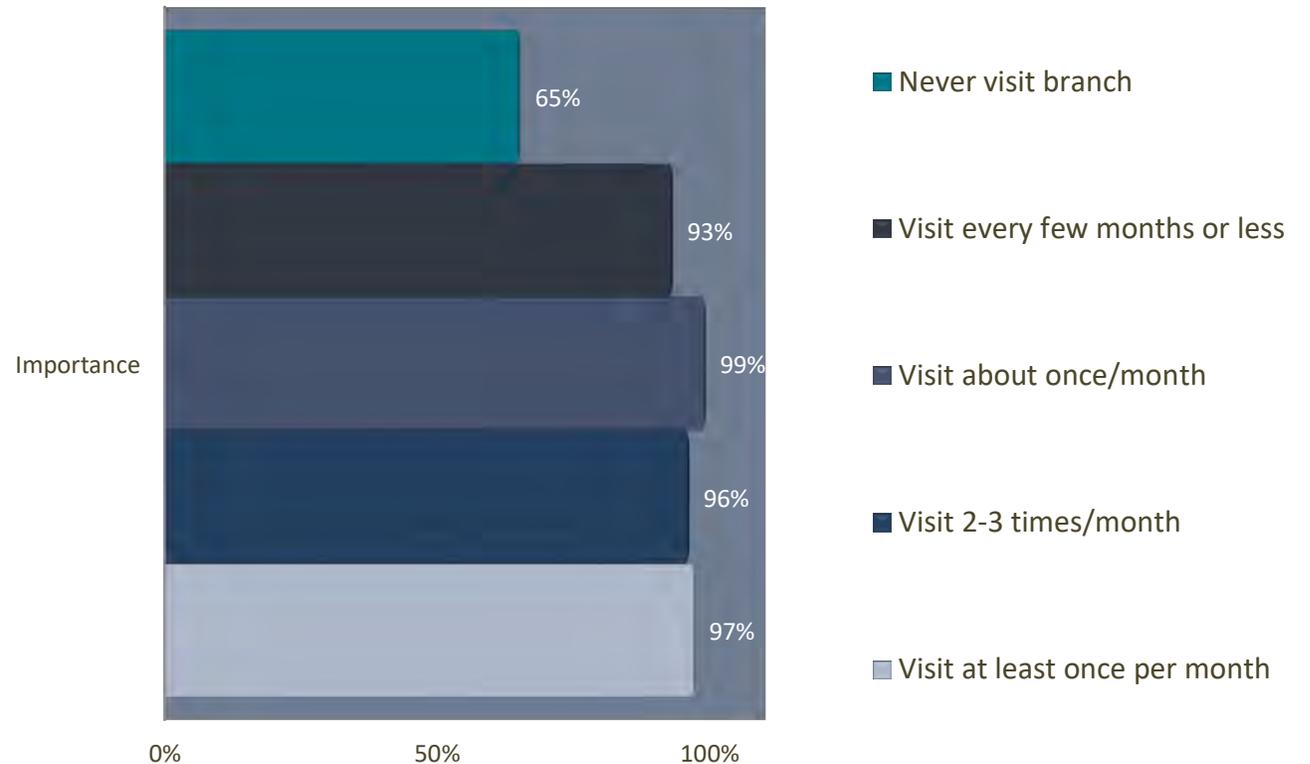
Branch Visits vs Last Year



# Branches are part of the CU experience

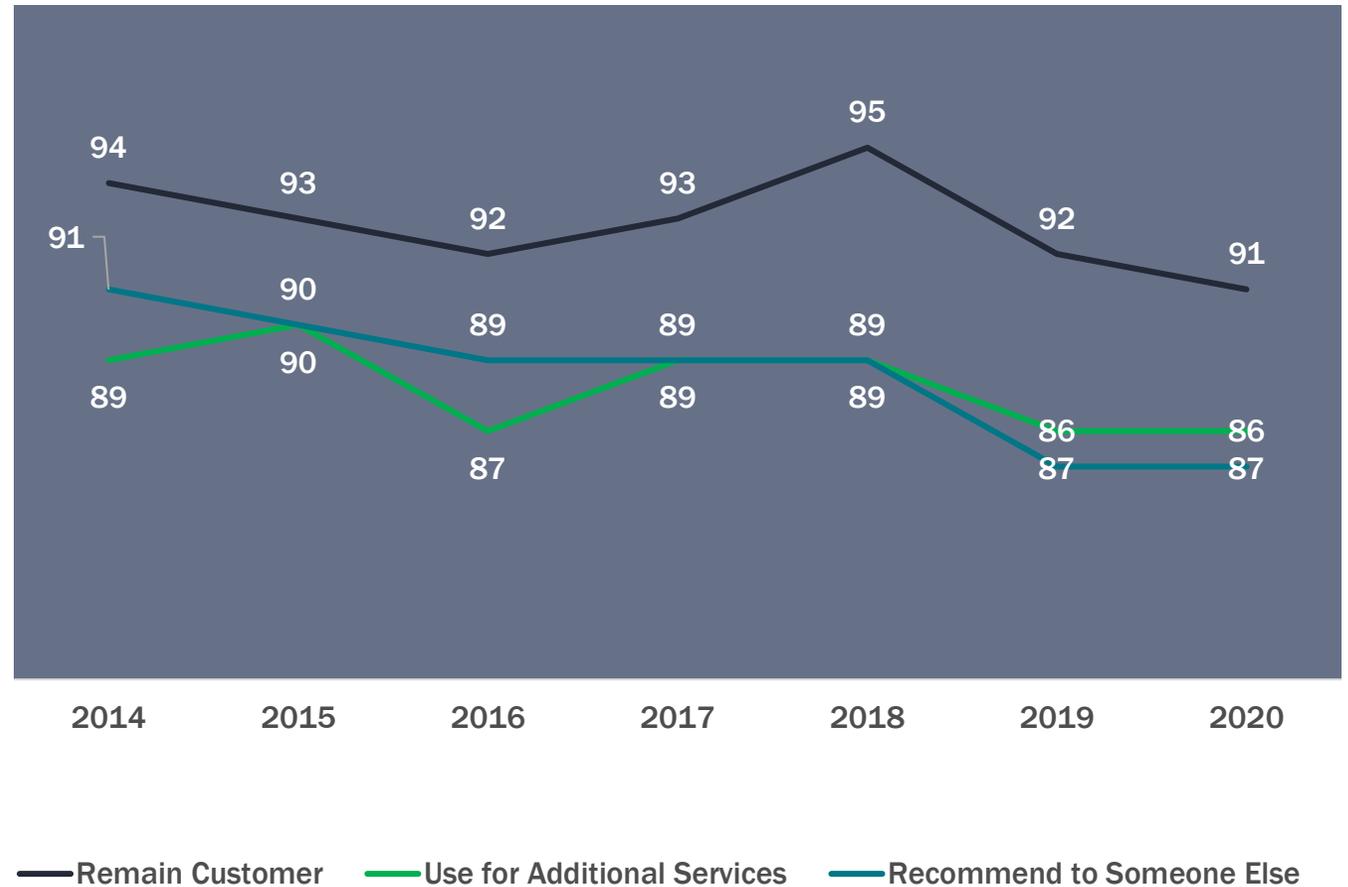
- Branch importance remained high and stable across most usage segments, as almost all respondents felt that a branch was necessary.
- Even among those respondents who claimed to never have visited a branch, just under two-thirds (65%) still felt that a branch was at least “somewhat important”.

Branch Importance % (Somewhat or Very Important) by User Segment



# Measuring what they say

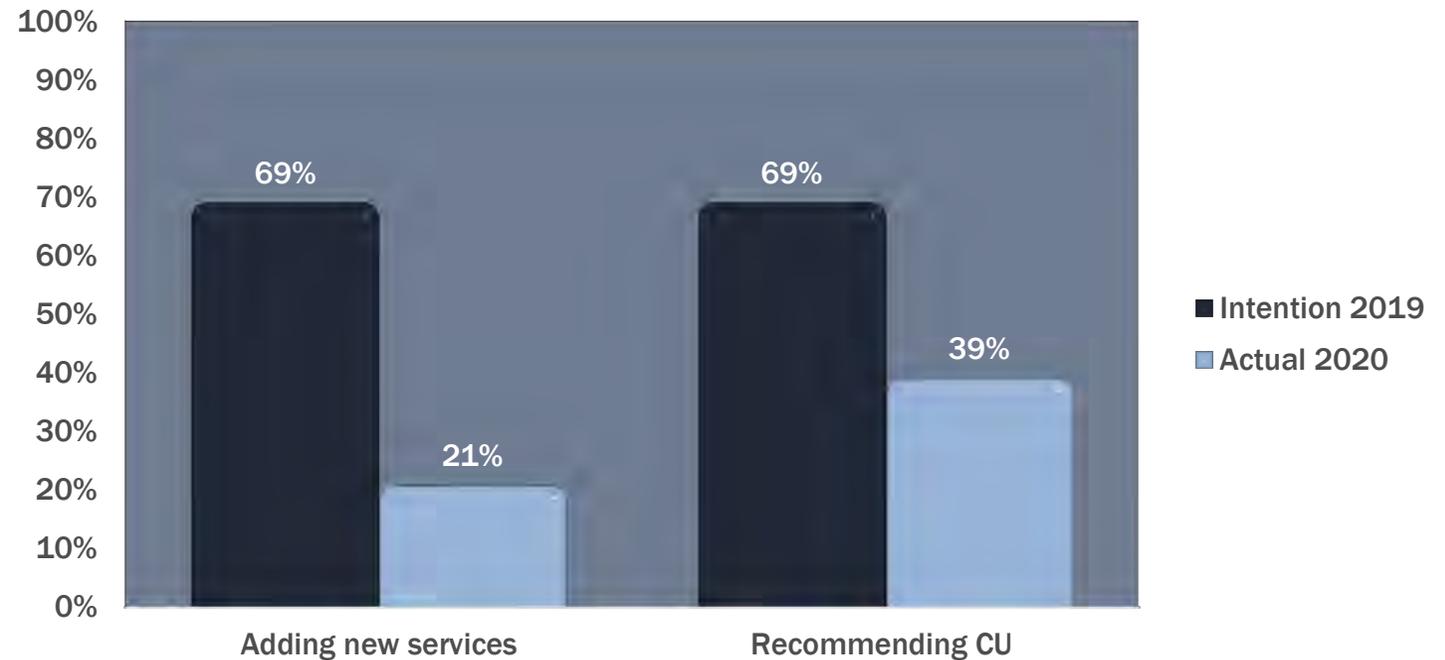
- Most members are loyal, plan to use additional services, and are willing to recommend to others.
- But do intentions translate to action?



# Measuring what they do

- Most have measuring only have of the equation
- Fill the gap between intention and action.
- Don't leave new business "on the table".

Difference between 2019 Intention and 2020 Actual Promotion



Friends and...



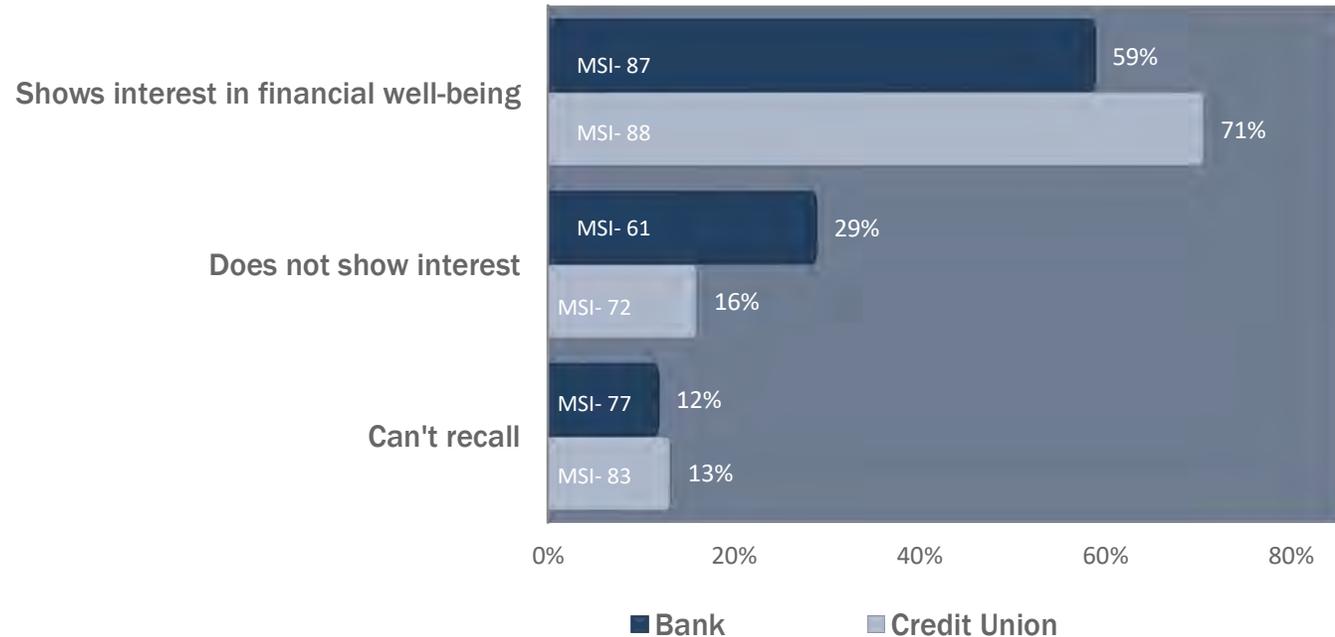
*Thank You For  
Being a Friend*



# ...Financial Well-Being

- Especially important for credit unions as it appears to be a customer experience differentiator compared to banks.
- Credit unions were more often able to demonstrate a financial concern for their members (71%) compared to banks (59%).
- Interest in members financial well-being will continue to drive people's choice of financial institution and ongoing brand loyalty.
- Institutions should track this metric closely.

## Interest in Financial Well-Being and Satisfaction



# The last word

- The data from 2020 suggest some directions that may positively steer the new normal for credit union banking in the near future.

- While conventional wisdom suggested a large pandemic-related migration from in-person banking to digital banking, the actual change in behavior was less drastic. The minor gains digital banking saw in 2020 will most likely continue. The number of activities that people will feel comfortable conducting digitally will also continue to grow slowly.
- While the pandemic may have slightly accelerated digital banking adoption, the branch remains important in the hearts and minds of the banking consumer. A notable membership segment will always go to a branch. As a result, it is important to continue digital banking expansion, but not to the detriment of the branch experience.
- During the pandemic, many banking customers suffered some sort of financial hardship. Showing an interest in the financial well-being of members positively affects member satisfaction.
- Flexible banking channels and interest in members' financial well-being gave comfort to credit union members throughout the pandemic. The successful credit union will capitalize on that goodwill as we all transition to the post-pandemic new normal.

## Preliminary 2021 Results

- Banks rose from 78 to 81.
- Credit Unions drop four points (81).



*To be continued...*



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