



ARTICLE

# HOW WELL DO YOU KNOW YOUR CUSTOMERS?

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## How well do you know your customers?

Knowledge is powerful in every business, especially those that help with life's most sensitive and important matters. Take personal finances. Whether in times of prosperity, or, like today when facing the generational challenge of COVID-19, establishing trust with customers starts with knowledge.

Financial Wellness: **The New Digital Engagement Strategy**, a May 2020 report by FIS™ and Aite Group, takes the pulse of U.S. consumer attitudes toward banking services. The report examines consumer engagement with financial services through a

generational lens, diving into channel usage, trust in financial institutions and reasons for selecting a financial services provider.

So how well do you know your financial institution's customers? Here's a small selection of our survey findings broken down by age group.





## Young millennials

They're digitally savvy and invested in their own financial journey. Young millennials—for our survey those aged 24 through 28—are the first digital native generation. They gravitate to digital services that offer flawless functionality and exceptional experiences.

Young millennials expressed financial services pain points like not being able to get needed information without visiting or calling a branch. Not being able to access certain services online or via mobile banking apps was also a concern.

Our survey found that these millennials are serious about investing for the future, yet only 22 percent currently have a personal financial advisor. This gap offers a clear opportunity to engage these customers with personal finance management (PFM) services via the digital channels they prefer.



## Senior millennials

Senior millennials—survey respondents aged 29 through 39—are further along on their journeys. Their expectations for digital services are unsurprisingly high. They pose a mature millennial posture: knowing transactions are safe and secure was cited as a critical attribute in bank selection.

Surveyed prior to COVID-19, 28 percent of these millennials indicated they used a branch regularly. That's a small but significant market that will increasingly need to access these services, wherever they are and independent of branch availability.



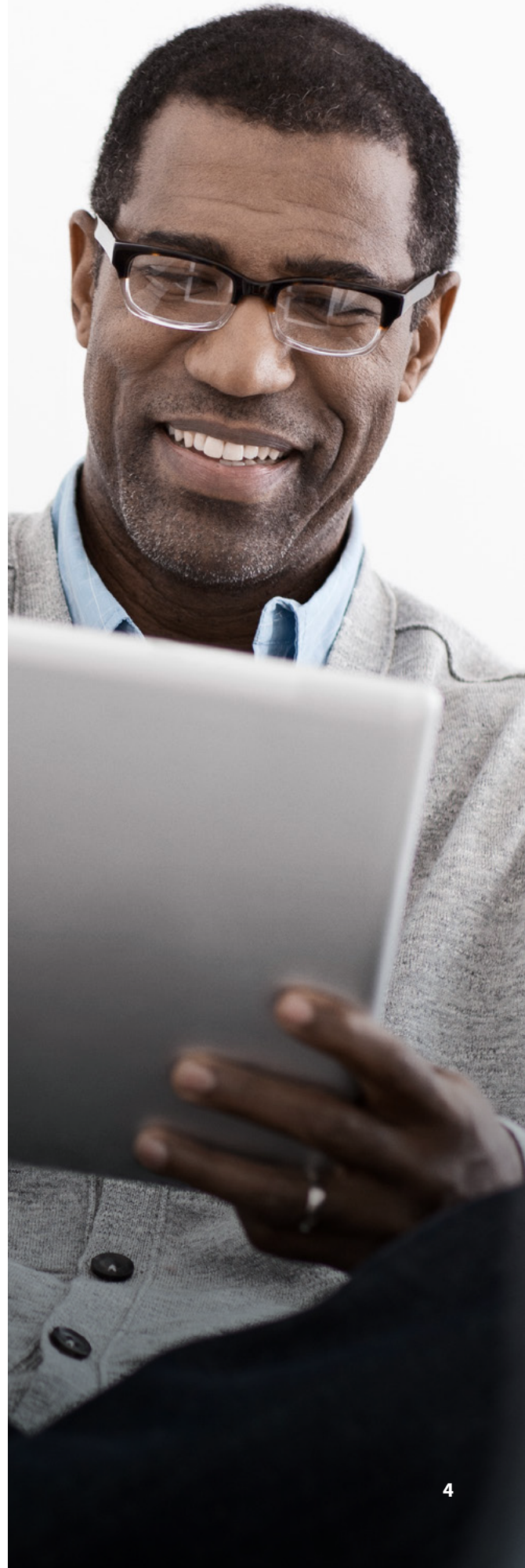


## Gen X

The needs of Gen X understandably start to change. Those aged 40 through 54 are more practical. Gen X respondents were concerned about getting a loan quickly enough to take advantage of an opportunity, finding the best investments and finding time to physically visit a branch.

Trust earned over decades means something tangible to Gen X: Almost six in 10 reported that they trust a bank more than a technology provider to provide them financial applications.

Despite looming retirement, only 29 percent of Gen X survey respondents currently have a financial advisor. Rising retirement priorities, low penetration of PFM tools and their need to find the best investments opens a wealth of opportunities for financial institutions to engage this vital demographic.



## Baby boomers

Baby boomers—those aged 55 through 73—have a finely developed sense of expectations. Those high expectations couple with pain points that offer direct paths to engage customers in their financial prime.

Although a third of baby boomers surveyed use a branch regularly, getting information without visiting a branch or calling the bank branch is a pain point. Financial institutions should seek to upgrade their digital banking services and improve education around self-service capabilities.

Thirty-six percent of baby boomers surveyed indicated they have a financial advisor. That's a higher percentage than younger generations yet represents a prime opportunity to engage this demographic in new and innovative ways.





## Seniors

Seniors—those 73 and older—are first and foremost deserving of our respect and admiration. Our most elderly customers need essential services that are tailored to their needs.

Seniors may rely on branches more than other generations, yet they also indicate they want to be able to obtain information without needing to visit or call a branch. COVID-19 elevates the importance of that ability from convenience to necessity. This opens up an opportunity to focus some digital banking initiatives on the needs of the senior demographic.



## Turning knowledge into engagement

Knowing your customer is a necessary condition for success in financial services. By investing in capabilities and partnerships that meet each group's needs, you elevate secure digital banking services to a core competency.

FIS commissioned the Performance Against Customer Expectations (PACE) consumer survey to foster a broader industry conversation about how banks and credit unions should adjust their strategic plans and tactical investments to better attract, serve and delight the full range of retail customers.





## About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.



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