

Expectations & Experiences
Our Quarterly Consumer Trends Research

Channels and New Entrants



Embrace all channels. Consumers do.

People increasingly rely on the convenience and speed of online and mobile channels to manage their financial lives. Those who already use digital solutions – from mobile banking to voice-activated banking – are using them more than ever. This doesn't make the branch any less relevant, however. This year's survey shows results consistent with the two previous years: A high number of consumers say they visit branches.

Experience tells us that what matters across channels is providing the intelligent experiences consumers expect. As more nonfinancial companies provide these experiences, the bar is higher for banking and billing organizations to understand consumer needs and meet them at every touchpoint.

Expectations & Experiences is a quarterly U.S. consumer trends survey sponsored by Fiserv. One of the longest running surveys of its kind, Expectations & Experiences builds on years of consumer survey data. The survey provides insight into people's financial attitudes and needs, enabling organizations to design and drive adoption of services that improve consumer financial health, loyalty and satisfaction.

Each survey focuses on primary issues relevant to how people move and manage money. This paper summarizes results from a survey conducted February 26–March 15, 2018, of 3,050 U.S. adults who used their checking accounts to pay a bill or make a purchase in the 30 days prior to the survey. This survey looks at consumers' preferences for how they conduct financial transactions and attitudes toward new types of providers. The survey was conducted by The Harris Poll on behalf of Fiserv. For full methodology, please see page 12.

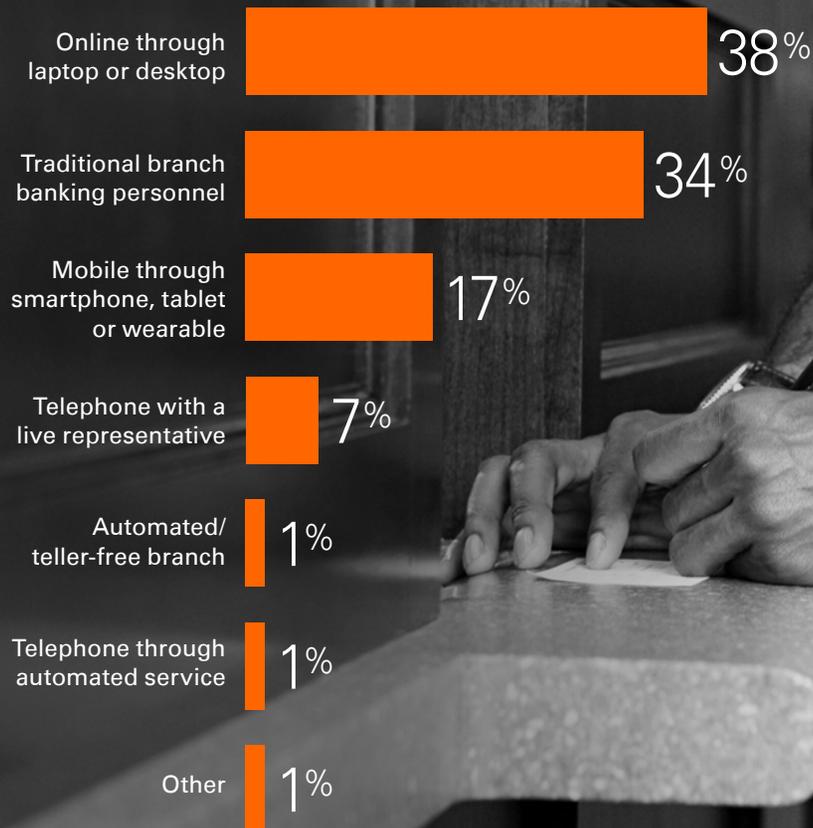


Highlights



- 1 More people prefer digital, but branches remain relevant for most.** A majority of consumers prefer to interact with their financial organization via online or mobile banking. Even so, most people with access to a brick-and-mortar branch choose to visit the branch occasionally.
- 2 The vast majority access some kind of digital banking and many are very active.** Adoption of online banking is fully mature and mobile banking is well on its way. Today, many consumers are active users with most logging in at least once per week.
- 3 Voice-activated banking remains in a nascent stage.** The percentage of consumers who already use or are interested in using voice banking remains small. However, those who do use the service have increased their usage significantly over the past year.
- 4 New kinds of providers are gaining traction.** While comfort with payments, retail and social media companies remained largely unchanged from the 2017 survey, consumers are significantly more comfortable with the idea of using technology companies for various types of financial transactions.

Most preferred method of interaction with primary financial organization



Survey question to all qualified respondents: In which of the following ways would you most prefer to interact with your primary financial organization?

Consumers split on preferences for online or branch interactions

A majority of consumers now prefer to interact with their primary financial organizations via digital channels (either online or mobile). The net preference for digital interactions (online plus mobile) is 56 percent – significantly higher than the 34 percent of consumers who prefer branch interactions.

Age appears to be a predictor of people's preferences

Millennials are nearly three times as likely as their older counterparts to prefer interactions through mobile banking (33 percent versus 12 percent). Similarly, 42 percent of boomers indicated a preference for online banking compared to only 32 percent of millennials.

The branch still matters

Most consumers still visit a traditional branch from time to time. More than half (52 percent) have done so within the past month and 80 percent have visited a branch in the past six months.

Why do people visit the branch?

- 89%** Deposits or withdrawals
- 10%** Transfer funds
- 6%** Open/apply for accounts
- 4%** Replace credit/debit cards

The most common reasons for visiting a branch include depositing checks (61 percent) or cash (40 percent) and withdrawing cash (44 percent).

When presented with the possibility of an automated (teller-free) branch that offered all the same products and services of a traditional branch, 24 percent of consumers said they would be likely to switch financial organizations while 32 percent said they would be likely to stay.



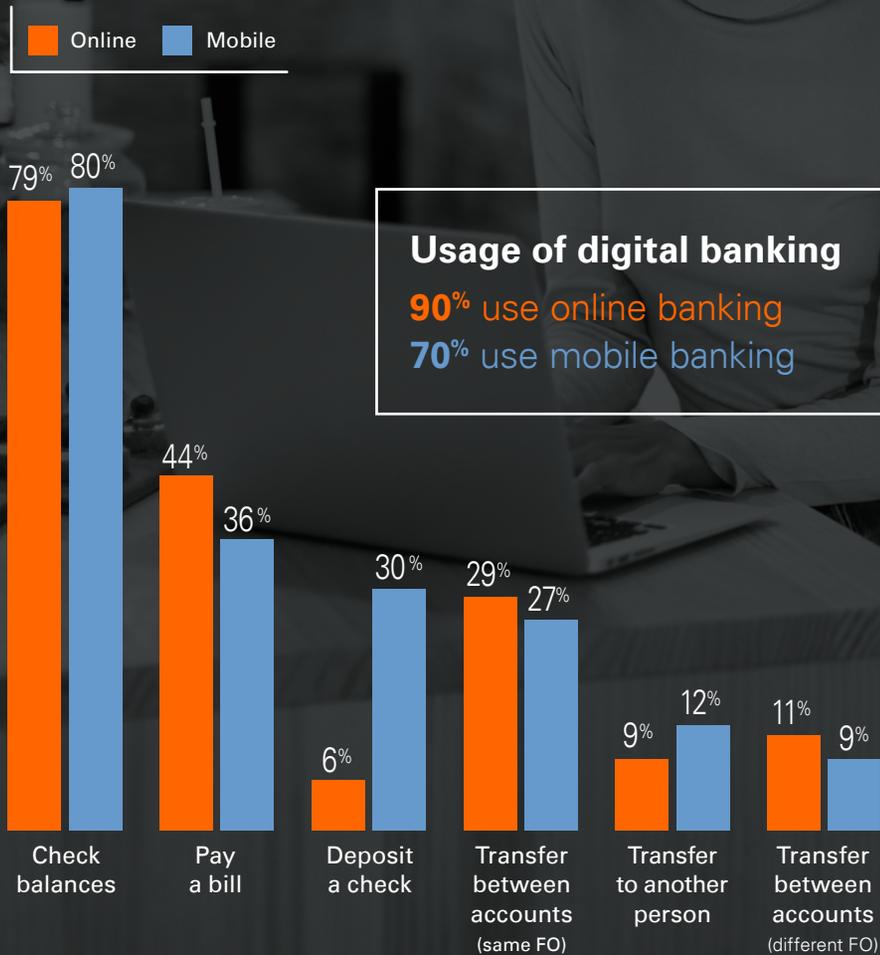
Interest in fully automated branches shows little change



Survey question to all qualified respondents: If your primary financial organization changed all of its branches to be teller-free (i.e. there would be no people in the branch but the branch would offer a live online chat if you needed assistance), but still provided all of the same financial services and products it did before, how likely would you be to continue banking with that financial organization?

Use of online and mobile banking

(Displaying top six banking behaviors among online and mobile banking users)



Online and mobile banking consumers are very active

The vast majority of consumers have accessed online banking (90 percent) and mobile banking (70 percent). Most users are fairly active. For example, 69 percent of online users and 74 percent of mobile users logged in to their banking sites in the week prior to the survey.

Millennials are significantly more likely to have logged in to their primary financial organization's site using a mobile device (92 percent versus 62 percent of older consumers). However, among those who have ever logged in via mobile, usage is similar across age groups. Millennials (78 percent) are only slightly more likely to have used the service in the week prior to the survey than their older peers (72 percent).

Frequency of use is also high, with online banking users logging on an average of nine times in the prior month. Mobile banking users log on even more frequently – an average of 11 times per month.

Survey question to all qualified respondents: When was the last time you logged in to your primary FO's banking site on [a mobile device] [a computer]? / Survey question to those who visited FO's site in the past month: Approximately how many times did you log in to your banking site on mobile or computer in the past month? / Survey question to those who visited FO's site in the past month: For which of the following reasons did you visit your primary FO's banking site on a mobile device (smartphone, tablet, or wearable device) within the past month? Please select all that apply.

Limited growth, but high usage, for voice banking

Interest in using a voice-activated device to perform banking functions is still in a nascent stage. Only 15 percent of people rate their interest level as eight out of 10 or higher, while 44 percent are not interested as indicated by their rating of two out of 10 or lower.

Among those who expressed at least some interest in voice banking, consumers were most likely to say they would use the service to check account balances (72 percent), log in to accounts (50 percent), make bill payments (46 percent) and review recent transactions (44 percent).



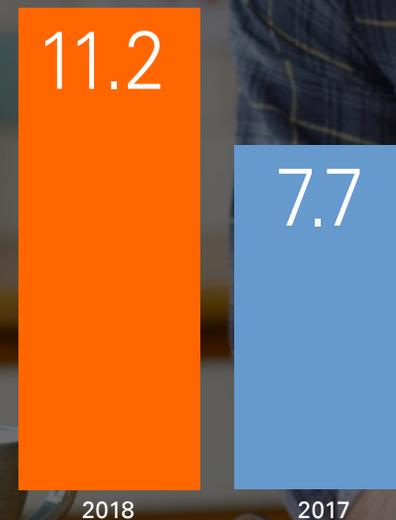
15% are interested in **using voice** to perform banking functions

Consumers who already perform banking functions by voice have significantly increased frequency of transactions. In 2017, voice banking users estimated performing an average of 7.7 functions using a voice-activated device in the prior 30 days. That figure rose to 11.2 in the 2018 survey.

Survey question to those interested in banking via voice-activated device: Which of the following banking functions would you like to perform using a voice-activated device? Please select all that apply. / Survey question to those who have used a voice-activated device in past year: In the past 30 days, how many times have you used a voice-activated device for the following functions?

Number of voice banking functions performed in past 30 days

(among users of voice-activated devices)



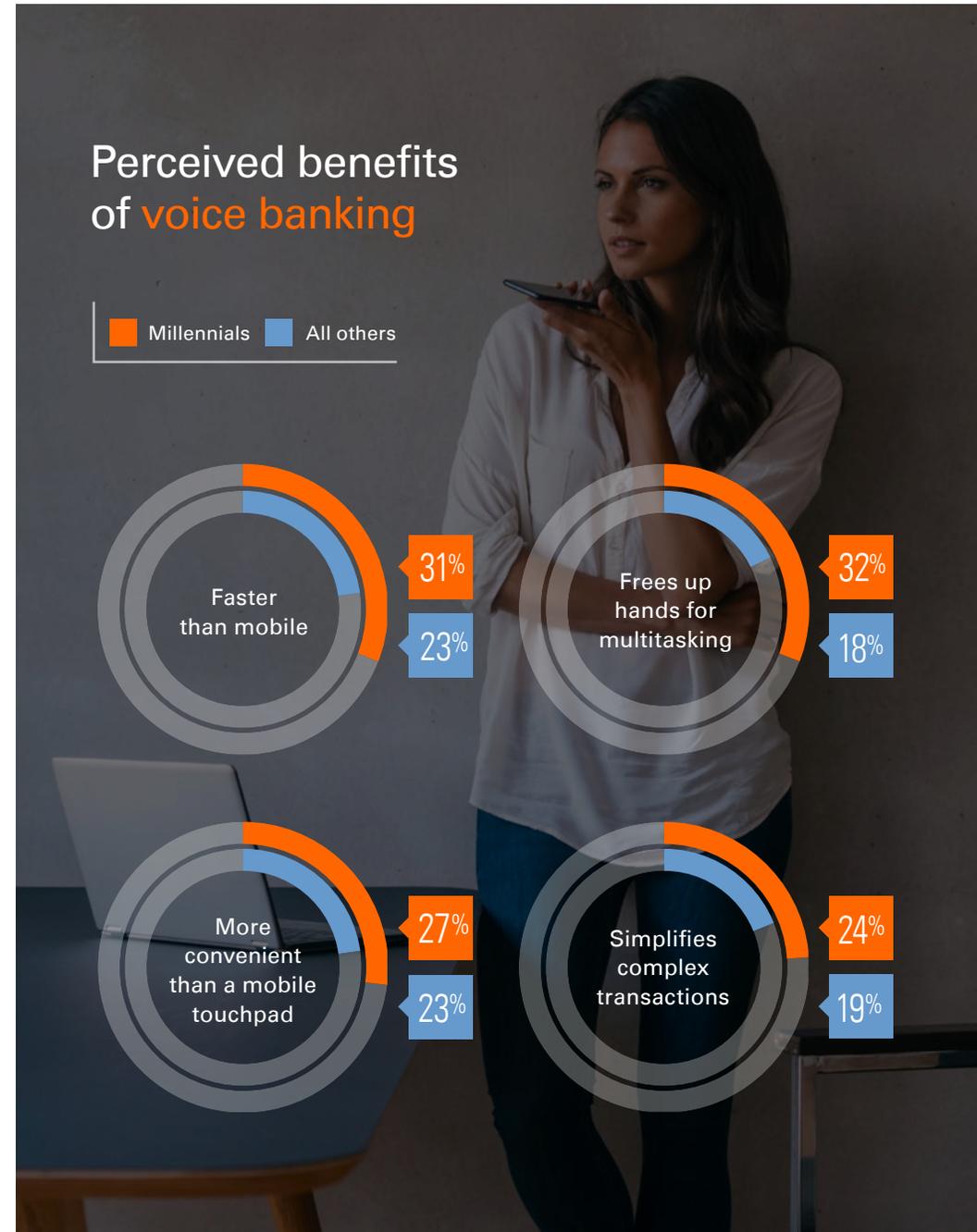
Millennials are most likely to see benefits of voice banking

Despite limited interest, 47 percent of consumers can identify at least one benefit to voice banking. Most commonly, people say it would be faster (25 percent) and more convenient (24 percent) to bank via voice-activated device than a mobile device.

Millennials are more likely than their older peers to perceive a variety of benefits to voice banking

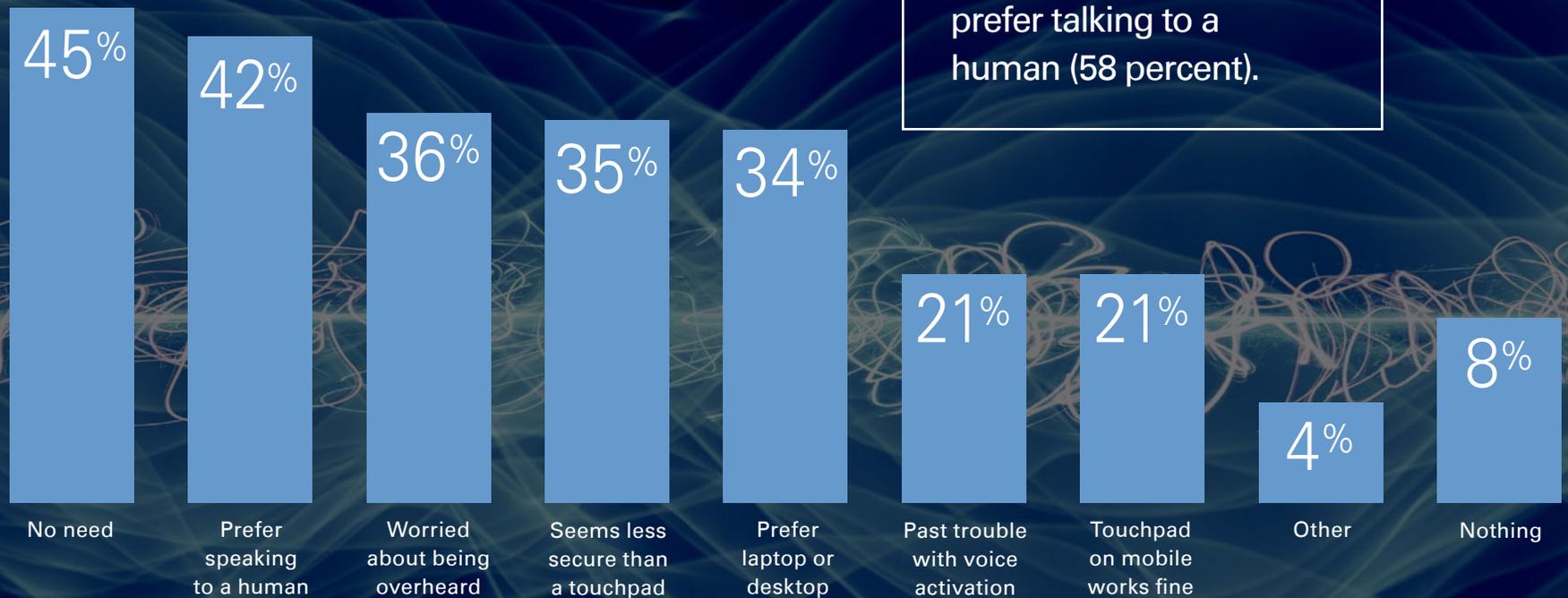
The most common benefit cited by millennials is the ability to free up their hands so they can perform other tasks (32 percent of millennials versus 18 percent of other age groups).

Survey question to all qualified respondents: Which of the following would you consider to be the benefits of using your voice to perform banking functions via a voice-activated device? Please select all that apply.



What's keeping people from voice-activated banking?

Factors that prevent voice banking use



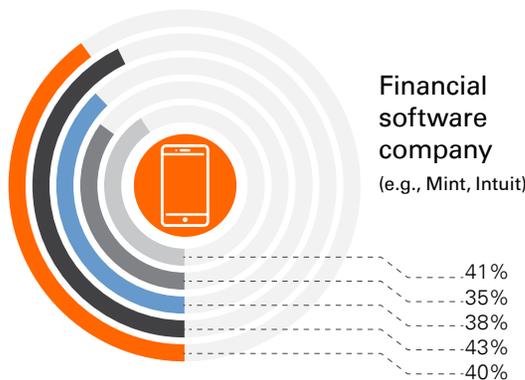
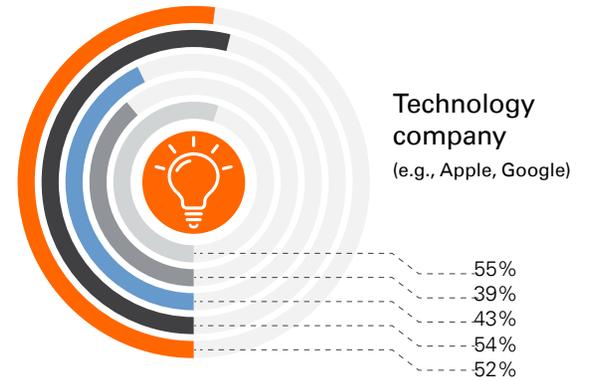
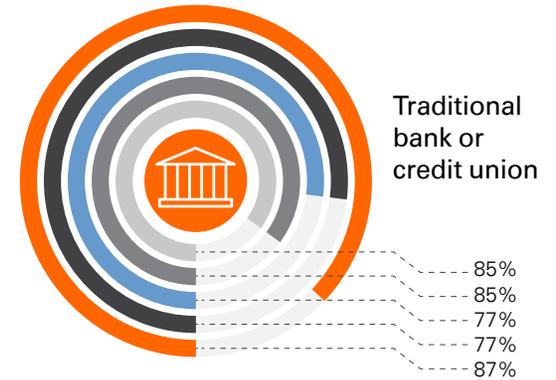
Seniors are most likely to say they have **no need for voice banking** (58 percent) or that they prefer talking to a human (58 percent).

Survey question to all qualified respondents: Still thinking of performing banking functions via a voice-activated device, what would prevent you from using a voice-activated device to perform such transactions? Please select all that apply.

New financial services entrants may be gaining ground

Comfort with different types of companies to conduct financial transactions

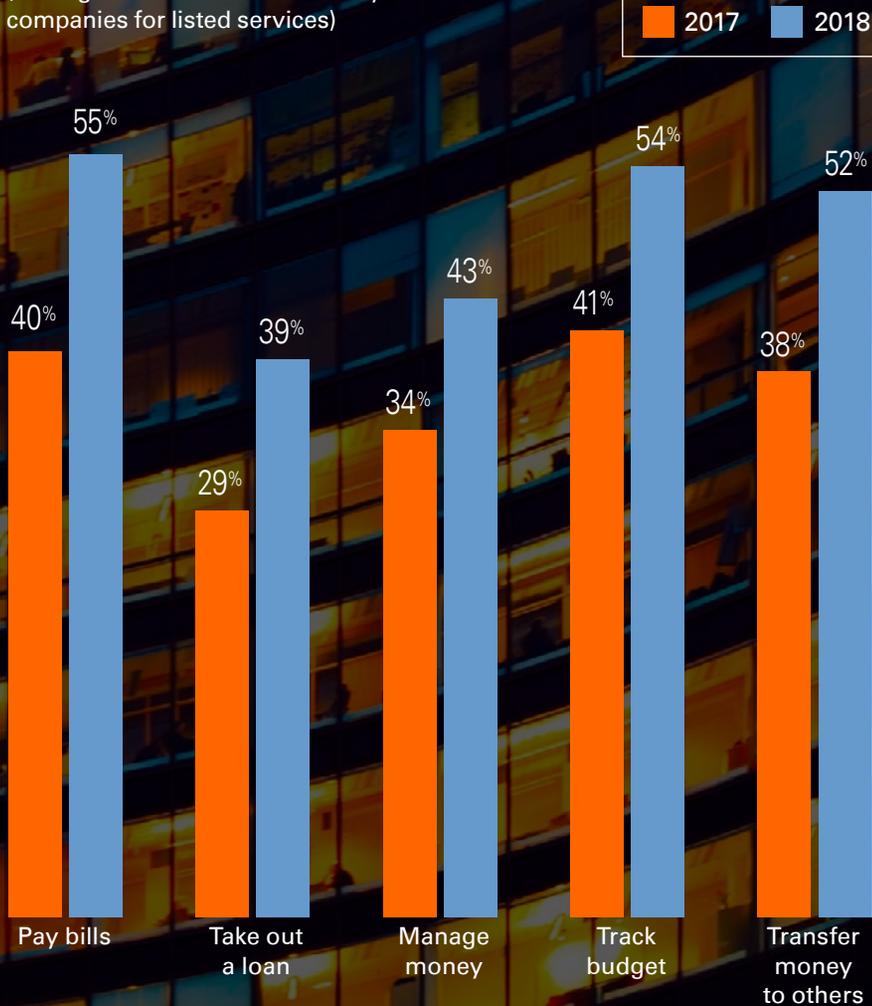
- Pay my bills
- Take out a loan
- Manage my money
- Track my budget
- Transfer money to others



Survey question to those who do not currently use company type: Assuming it is available, how comfortable would you be using a [INSERT COMPANY TYPE] to perform the specific banking needs below?

Comfort with tech companies for transactions

(among those who don't currently use tech companies for listed services)



Growing comfort with tech companies for financial transactions

Consumers' comfort with using traditional financial organizations has remained steady since the 2017 survey. However, those saying they are "somewhat comfortable" or "very comfortable" with other types of providers has increased.

Most notably, consumers' comfort with technology companies has grown significantly

For example, in 2017, 40 percent of people said they would be comfortable using a technology company to pay bills compared to 55 percent of people in the 2018 survey.

Survey question to those who do not currently use company type: Assuming it is available, how comfortable would you be using a [INSERT COMPANY TYPE] to perform the specific banking needs below? / Note: In the data reported here, "comfort" is defined as the net of those selecting "somewhat comfortable" or "very comfortable" in response to the survey question.

About Fiserv

Fiserv, Inc. (NASDAQ:FISV) enables clients to achieve best-in-class results by driving quality and innovation in payments, processing services, risk and compliance, customer and channel management, and business insights and optimization. For more than 30 years, Fiserv has been a global leader in financial services technology. Fiserv is a FORTUNE 500 company and this year was honored to be named to the FORTUNE Magazine list of **World's Most Admired Companies**® for the fifth consecutive year. For more information, visit [fiserv.com](https://www.fiserv.com).

About The Harris Poll

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, visit [theharrispoll.com](https://www.theharrispoll.com).

Methodology

The survey was conducted online within the U.S. by The Harris Poll from February 26–March 15, 2018. A total of 3,050 interviews were conducted among U.S. adults ages 18 and older who met the following criteria: Someone in the household currently has a checking account with a bank, credit union, brokerage firm or other financial organization and has used their checking account to pay a bill or make a purchase in the past 30 days. The data were weighted to ensure that relevant demographic characteristics of the sample matched those of the U.S. general population. All respondents (not only those who met the qualifying criteria) were weighted to U.S. Census Bureau demographic profiles for the U.S. population, age 18+ on education, age, gender, race, income, region, marital status, employment status, household size and number of hours spent on the internet (with targets for this variable coming from Nielsen Scarborough).

Notes: The reference questions and answer text provided here have in some cases been shortened due to space constraints. The complete text for any questions referenced in this report is available upon request. Age groups referenced in the survey are defined as follows: early millennials (18–26), late millennials (27–37), Gen X (38–52), early boomers (53–63), late boomers (64–71) and seniors (72+).

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