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Expectations & Experiences
Channels and New Entrants

Summary Presentation of the Quarterly
U.S. Consumer Trends Survey

2020

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Expectations & Experiences: Channels and New Entrants 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.

Research Method

SURVEY METHOD
- Self-administered online survey
- 19 minutes (median length)

FIELD PERIOD
- February 28–March 17, 2020

⚠️ Data collection was largely completed before the WHO declared the novel coronavirus outbreak a pandemic on March 11 and the U.S. declared a national emergency on March 13

SCREENING CRITERIA
- Resides in U.S.
- 18+ years old
- Has a checking account
- Used checking account to pay bill or make a purchase in past 30 days

SAMPLE
- GenPop
- Final n=3,003

WEIGHTING
- 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, household size and number of hours spent on the Internet (with targets for this variable coming from Nielsen Scarborough)

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Channels and New Entrants: Highlights

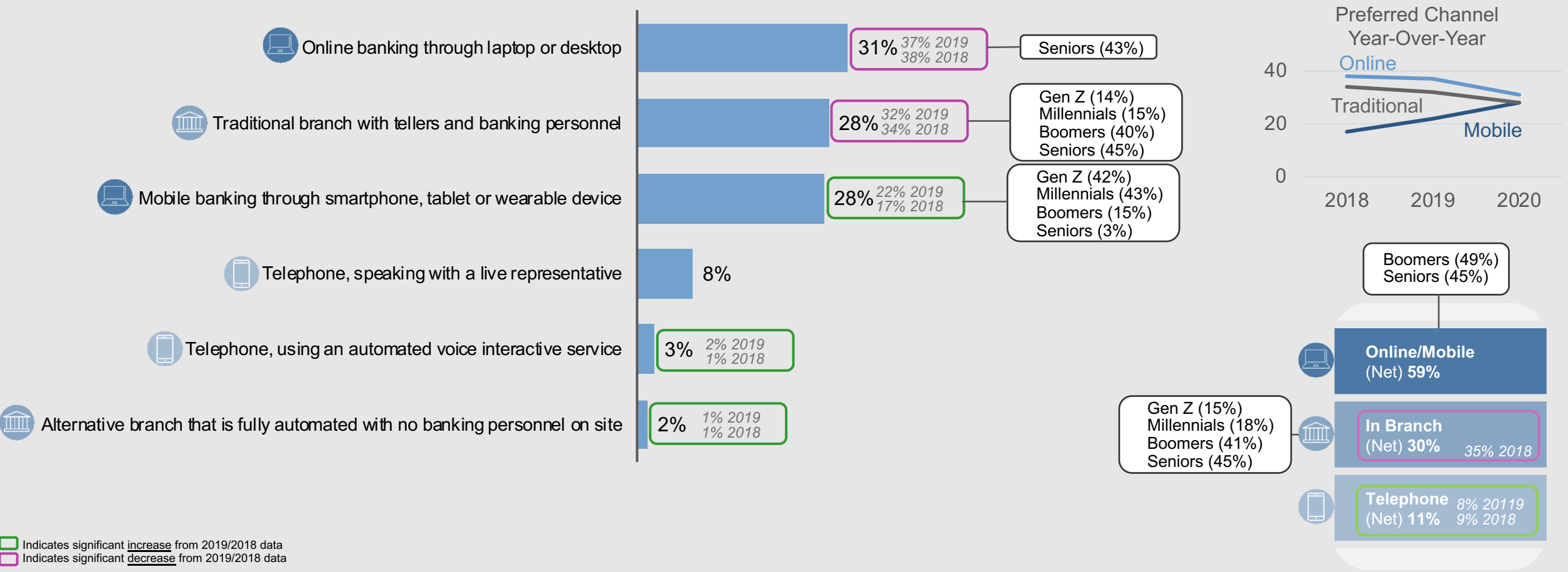**1** **Preferences shift toward mobile, but people still use multiple channels.** Mobile grew as a preferred channel, while online and branch preferences fell. Even so, the percentage of people who recently visited a branch increased slightly, with millennials making the most visits. Approximately half of all consumers say they would stay with their primary financial organization if it went all digital.

2 **Consumers are starting to pay on the go.** Digital wallet usage continues to grow. Gen X is driving much of that growth and significant majorities of Gen Z and millennials are already using digital wallets. Convenience and speed are consumers' primary reasons for using a digital wallet, followed by perceived security. Attracting nonusers remains a challenge, with most saying they simply aren't interested.

3 **Voice-activated banking and bill management gain some traction.** Use of voice devices is now common. Voice banking and bill management remain in early stages, but significant gains are seen across relatively small user bases, with age and income predicting usage.

4 **To pay bills, most look to financial organizations compared to other companies.** Willingness to use a financial organization for bill payments is steady across all age groups. Likelihood to use nontraditional players, such as tech and social media companies, is closely linked to age but still significantly lower than financial organizations.

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Consumers' Relationship With Primary Financial Institutions

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Mobile banking is now on par, or nearly so, with online and traditional branch as a preferred channel

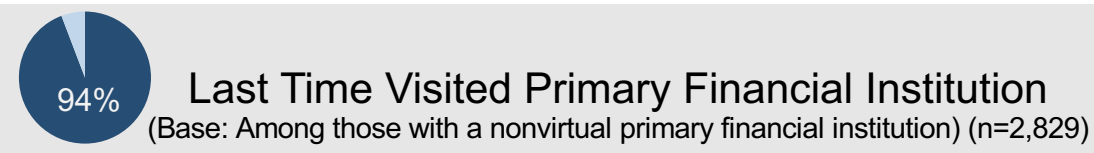## Most Preferred Method of Interaction With Primary Financial Institution
Total (n=3,003)

Online banking through laptop or desktop — 31% *37% 2019 / 38% 2018*
- Seniors (43%)

Traditional branch with tellers and banking personnel — 28% *32% 2019 / 34% 2018*
- Gen Z (14%)
- Millennials (15%)
- Boomers (40%)
- Seniors (45%)

Mobile banking through smartphone, tablet or wearable device — 28% *22% 2019 / 17% 2018*
- Gen Z (42%)
- Millennials (43%)
- Boomers (15%)
- Seniors (3%)

Telephone, speaking with a live representative — 8%

Telephone, using an automated voice interactive service — 3% *2% 2019 / 1% 2018*

Alternative branch that is fully automated with no banking personnel on site — 2% *1% 2019 / 1% 2018*
- Gen Z (15%)
- Millennials (18%)
- Boomers (41%)
- Seniors (45%)

Preferred Channel Year-Over-Year

Online / Traditional / Mobile

40 / 20 / 0

2018 | 2019 | 2020

Online/Mobile (Net) 59%

Boomers (49%)
Seniors (45%)

In Branch (Net) 30% *35% 2018*

Telephone (Net) 11% *8% 20119 / 9% 2018*

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data
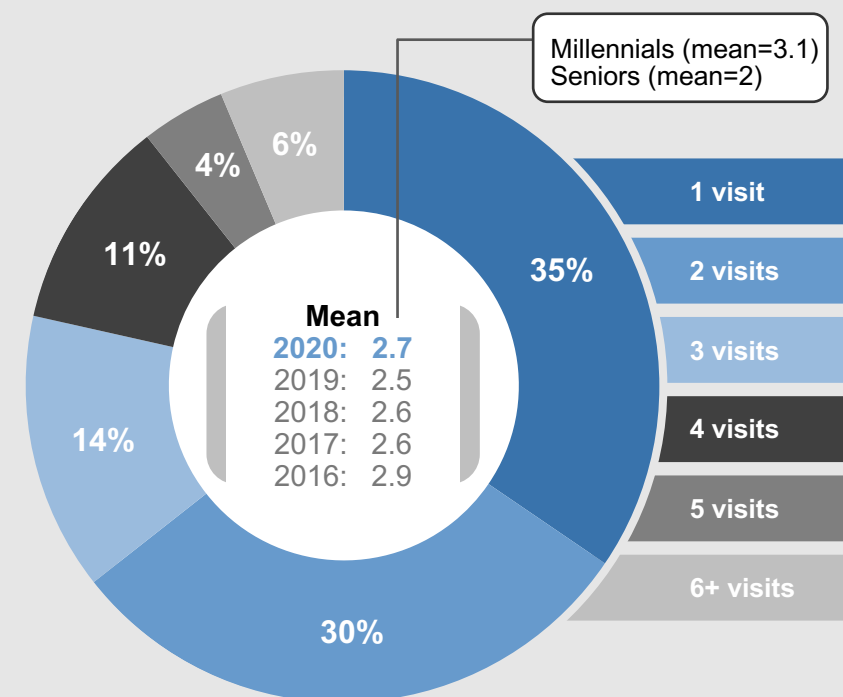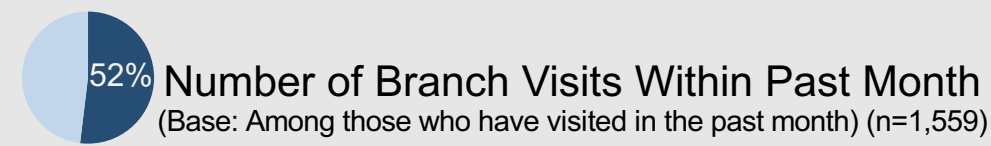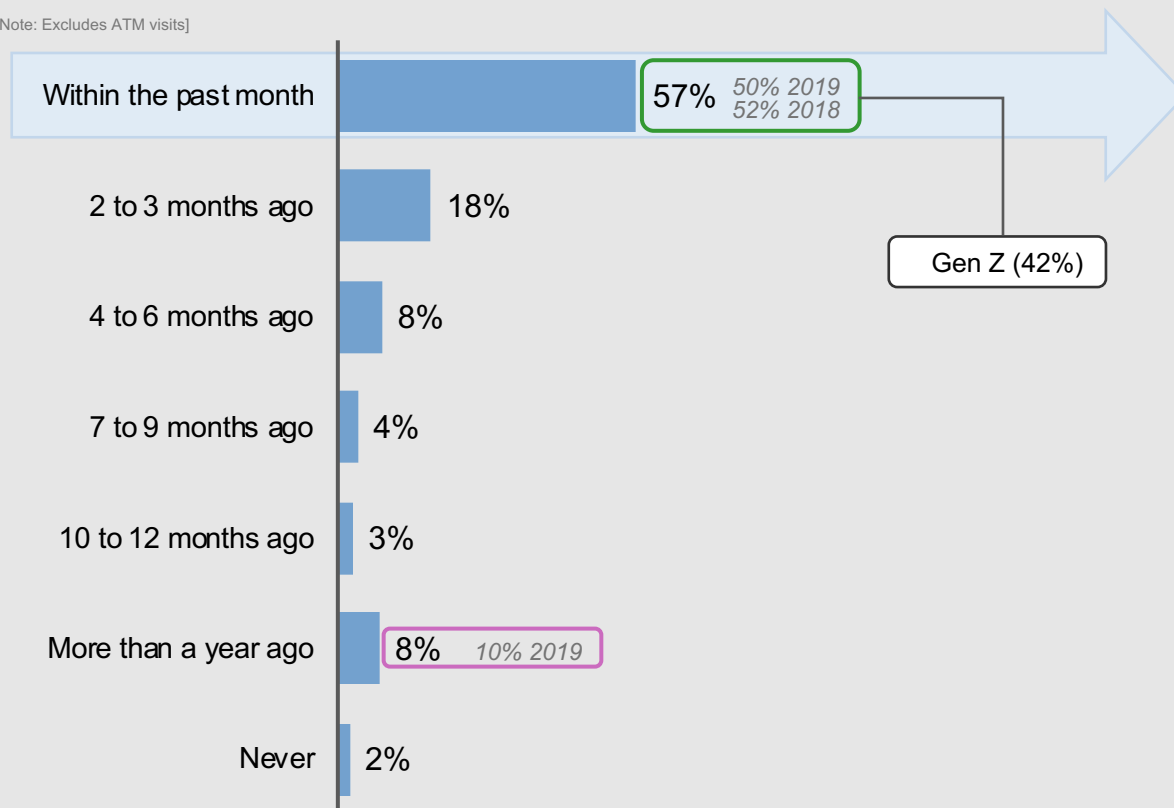
BASE: ALL QUALIFIED RESPONDENTS
Q714 In which of the following ways would you <u>most</u> prefer to interact with your primary financial organization?

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An uptick in past-month branch visits is seen among Gen Z, millennials and Gen X, with millennials reporting highest use

94%

Last Time Visited Primary Financial Institution
(Base: Among those with a nonvirtual primary financial institution) (n=2,829)

[Note: Excludes ATM visits]

Within the past month	**57%** *50% 2019* *52% 2018*
2 to 3 months ago	18%
4 to 6 months ago	8%
7 to 9 months ago	4%
10 to 12 months ago	3%
More than a year ago	**8%** *10% 2019*
Never	2%

Gen Z (42%)

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data

52%

Number of Branch Visits Within Past Month
(Base: Among those who have visited in the past month) (n=1,559)

Millennials (mean=3.1)
Seniors (mean=2)

1 visit — 35%
2 visits — 30%
3 visits — 14%
4 visits — 11%
5 visits — 4%
6+ visits — 6%

Mean
2020: 2.7
2019: 2.5
2018: 2.6
2017: 2.6
2016: 2.9

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Check deposits continue to decline, but remain the leading reason for visiting primary financial institutions
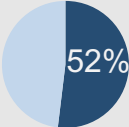
52% Reason for Visiting Primary Financial Institution in the Past Month
(Base: Among those who visited a branch in the past month) (n=1,559)

Reason	Value
Deposit a check	50% *61% 2018*
Withdraw cash	42%
Deposit cash	39% — Millennials (50%)
Cash a check	31%
Speak with a representative in person	19% *14% 2019*
Transfer money to another account I own	10%
Resolve a problem with my account(s)	9% ⬆
Change money (e.g., exchange coins for cash, exchange small bills for larger denominations)	9% ⬆
Paid a household bill	7%
Get a cashier's check or money order	7%
Transfer money to another person	7% ⬆
Open an account (e.g., checking, savings, money market, etc.)	6% ⬆
Make a loan payment in person	5%
Get a document notarized	5%
Apply for a loan	4% ⬆
Other	2%

Cash/Check (Net) **90%**

Transfer Funds (Net) **13%** *10% 2018* — Income $150k+ (25%)

Speak With a Representative (Net) **24%** — Income $150k+ (37%)

⬆ Indicates YOY significant increases, ranging from 2-4%

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data

Note: 5 response options were removed in 2020. This can result in increased responses in the remaining codes. Significant changes are therefore not recommended to release publicly.

BASE: VISITED BRANCH IN THE PAST MONTH (Q716/1)
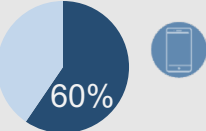Q720 For which of the following reasons, if any, did you visit your primary financial organization's branch in the past month? *Please select all that apply.*

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Mobile logins continue to rise

60%

Last Time Logged Into Primary FO Site Through Mobile Device
(Base: Uses mobile device for any banking) (n=1,787)

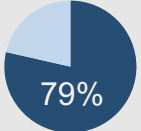Average number of mobile logins past month (among users):

13 past month *12 2019*
11 2018

79%

Last Time Logged Into Primary FO Site Through Computer
(Base: Uses computer for any banking) (n=2,359)

Average number of computer logins past month (among users):

9 past month

	Mobile	Computer
Within the last day	52% *46% 2019 30% 2018*	35% *33% 2018*
Within the last week	31% *23% 2018*	33%
Within the last 2 weeks	8%	10%
Within the last 2-4 weeks	5%	9%
2 or more months ago	2%	9%
Never	2%	4%

Within the last month (Net) 96%

Within the last month (Net) 87%

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data

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Checking balances and reviewing transactions remain the most common reasons for accessing banking sites via computer
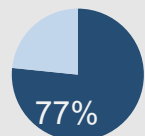
Reason for Accessing Primary Financial Organization's Banking Site Via Computer
(Base: Visited FO's site in the past month using computer) (n=2,301)

77%

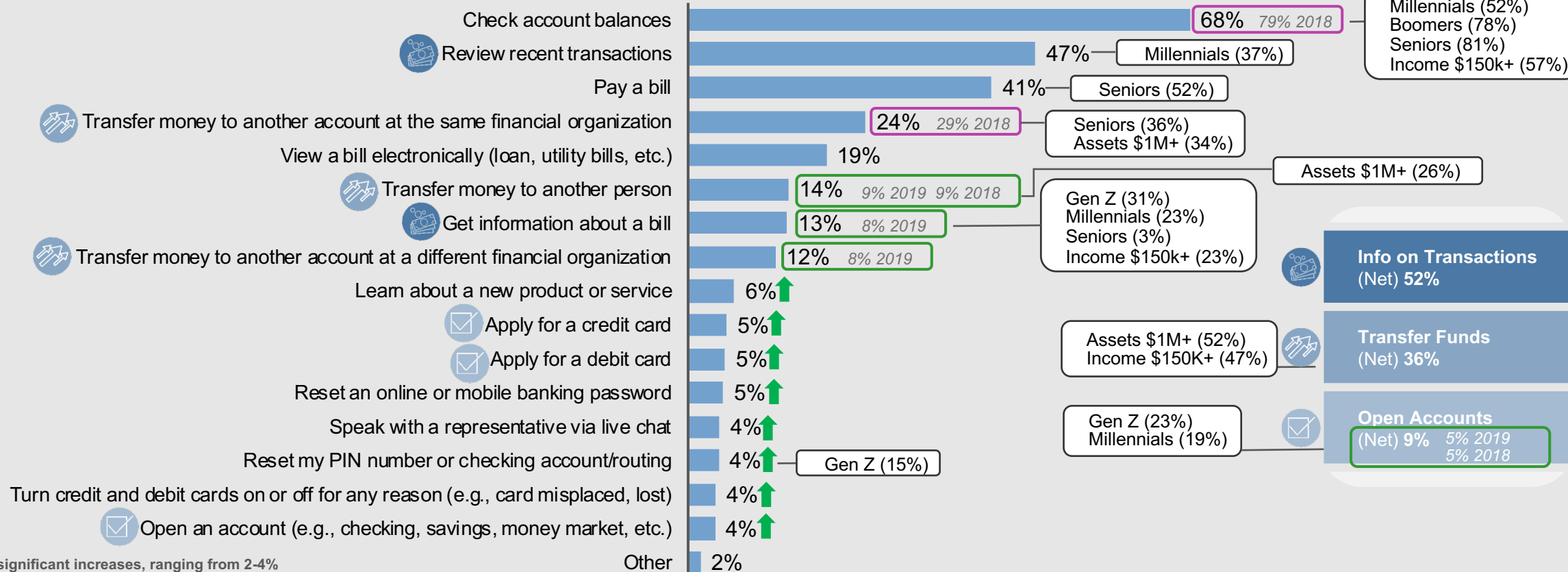| Reason	%
Check account balances	68% *79% 2018*
Review recent transactions	47%
Pay a bill	41%
Transfer money to another account at the same financial organization	24% *29% 2018*
View a bill electronically (loan, utility bills, etc.)	19%
Transfer money to another person	14% *9% 2019 9% 2018*
Get information about a bill	13% *8% 2019*
Transfer money to another account at a different financial organization	12% *8% 2019*
Learn about a new product or service	6% ↑
Apply for a credit card	5% ↑
Apply for a debit card	5% ↑
Reset an online or mobile banking password	5% ↑
Speak with a representative via live chat	4% ↑
Reset my PIN number or checking account/routing	4% ↑
Turn credit and debit cards on or off for any reason (e.g., card misplaced, lost)	4% ↑
Open an account (e.g., checking, savings, money market, etc.)	4% ↑
Other	2%

Check account balances callout:
Millennials (52%)
Boomers (78%)
Seniors (81%)
Income $150k+ (57%)

Review recent transactions: Millennials (37%)

Pay a bill: Seniors (52%)

Transfer money to another account at the same financial organization:
Seniors (36%)
Assets $1M+ (34%)

View a bill electronically: Assets $1M+ (26%)

Transfer money to another person / Get information about a bill:
Gen Z (31%)
Millennials (23%)
Seniors (3%)
Income $150k+ (23%)

Reset my PIN number: Gen Z (15%)

Info on Transactions
(Net) **52%**

Transfer Funds
(Net) **36%**
Assets $1M+ (52%)
Income $150K+ (47%)

Open Accounts
(Net) **9%** *5% 2019 5% 2018*
Gen Z (23%)
Millennials (19%)

↑ Indicates YOY significant increases, ranging from 2-4%

☐ Indicates significant <u>increase</u> from 2019/2018 data
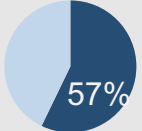☐ Indicates significant <u>decrease</u> from 2019/2018 data

Average Number of Specified Tasks Via Computer=2.7

BASE: VISITED FO'S SITE IN THE PAST MONTH (Q717b/1-5)
Q725b For which of the following reasons did you visit your primary financial organization's banking site on <u>a computer</u> (laptop or desktop) within the past month? *Please select all that apply.*
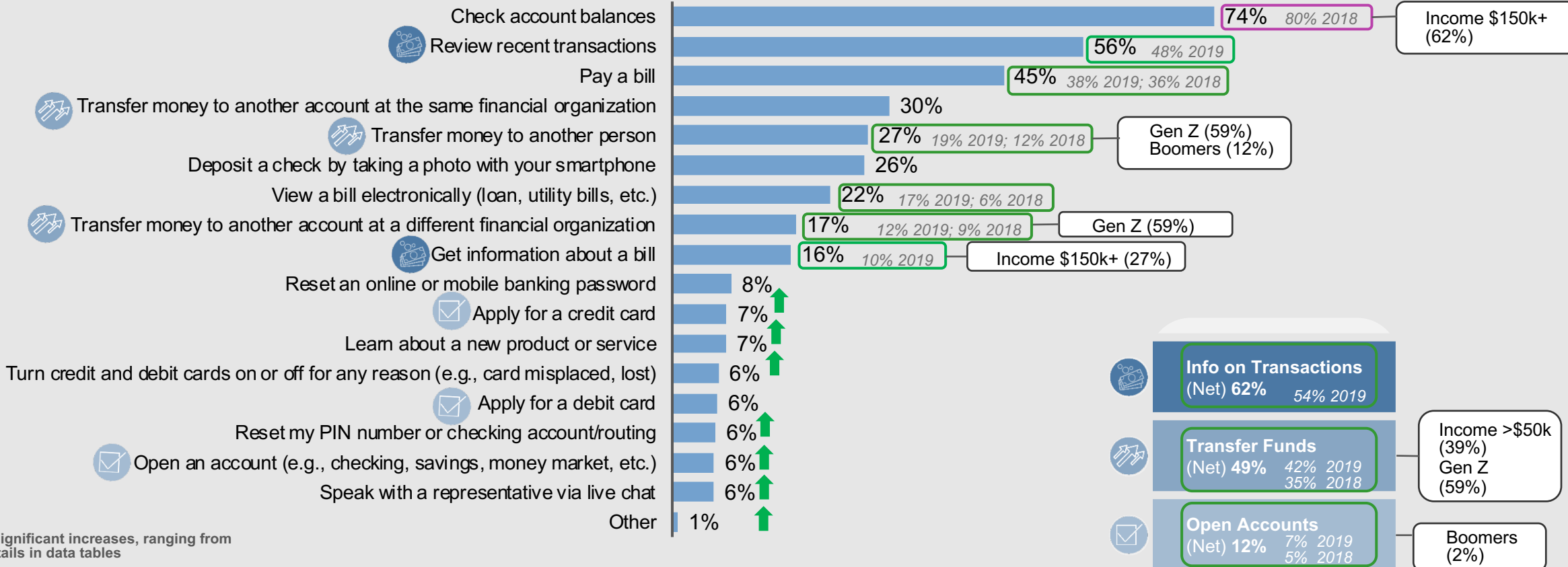
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Consumers' top reasons for accessing banking sites via mobile similar to online; mobile bill pay continues to grow

57% Reason for Accessing Primary Financial Organization's Banking Site Via Mobile
(Base: Visited FO's site in the past month using mobile) (n=1,717)

Reason	Value
Check account balances	**74%** *80% 2018* → Income $150k+ (62%)
Review recent transactions	**56%** *48% 2019*
Pay a bill	**45%** *38% 2019; 36% 2018*
Transfer money to another account at the same financial organization	30%
Transfer money to another person	**27%** *19% 2019; 12% 2018* → Gen Z (59%) Boomers (12%)
Deposit a check by taking a photo with your smartphone	26%
View a bill electronically (loan, utility bills, etc.)	**22%** *17% 2019; 6% 2018*
Transfer money to another account at a different financial organization	**17%** *12% 2019; 9% 2018* → Gen Z (59%)
Get information about a bill	**16%** *10% 2019* → Income $150k+ (27%)
Reset an online or mobile banking password	8% ↑
Apply for a credit card	7% ↑
Learn about a new product or service	7% ↑
Turn credit and debit cards on or off for any reason (e.g., card misplaced, lost)	6% ↑
Apply for a debit card	6% ↑
Reset my PIN number or checking account/routing	6% ↑
Open an account (e.g., checking, savings, money market, etc.)	6% ↑
Speak with a representative via live chat	6% ↑
Other	1% ↑

↑ **Indicates YOY significant increases, ranging from 3-4%pts; see details in data tables**

□ Indicates significant <u>increase</u> from 2019/2018 data
□ Indicates significant <u>decrease</u> from 2019/2018 data

Info on Transactions (Net) **62%** *54% 2019*

Transfer Funds (Net) **49%** *42% 2019; 35% 2018* → Income >$50k (39%) Gen Z (59%)

Open Accounts (Net) **12%** *7% 2019; 5% 2018* → Boomers (2%)

Average Number of Specified Tasks Via Mobile = 3.7

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Approximately half of consumers would stay with their primary financial institution if it went all digital

Expected Reactions to Primary Financial Institution Changing From Traditional to a Digital/Virtual Bank
Total (n=3,003)

Imagine your bank notified you that it was going all digital (no branches). It would have online and mobile access only with customer service through live chat and phone.
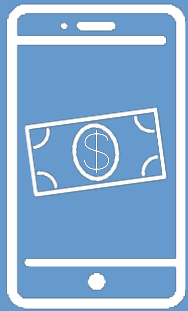
Would you use this digital bank as your primary financial institution?

- Yes — 49%
- No — 25%
- Not sure — 26%
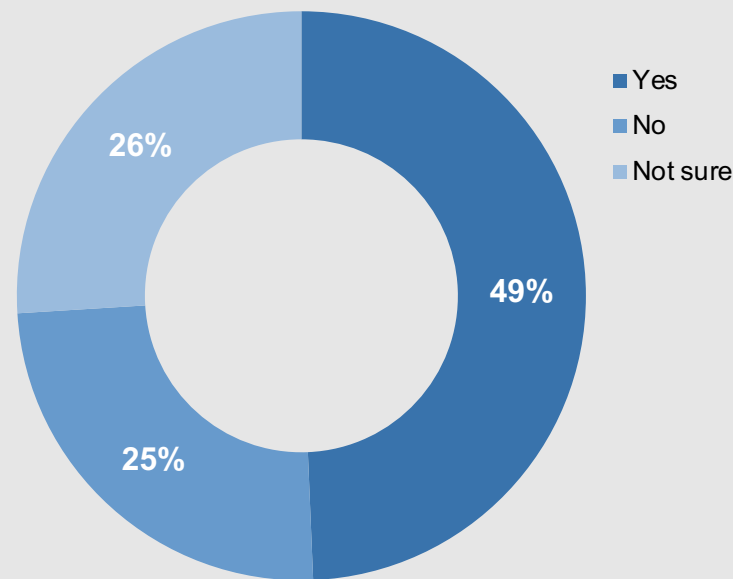
Percentage Responding "Yes" Would Use Digital Bank by Generation

Gen Z	Millennials	Gen X	Boomers	Seniors
69%	70%	57%	33%	25%

< $50K	$50K-$99.9K	$100K-$149.9K	$150K+
43%	50%	56%	61%

Large Nat'l Bank	Credit Union	Community Bank	Other Nat'l/Regional Bank
56%	43%	32%	35%

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Digital Wallets

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Digital wallet use continues to grow, primarily among millennials and Gen X

Have Used a Digital Wallet
Total (n=3,003)

Used Any
(Net) **59%** *51% 2019*

Highest among Gen Z (83%) and millennials (81%) who over-index on all devices (with the same rank order as displayed below)

Income $150K+(30%)

Boomers (60%)
Seniors (69%)

36% *33% 2019* *

24% *16% 2019* **

18%

17%

15% *10% 2019* **

9% 2019 **
0%

41% *49% 2019*

| Other nonfinancial institution based digital wallet (e.g., PayPal, Square) | Smartphone digital wallet (e.g., Apple Pay, Android Pay, Samsung Pay, Google Pay) | A mobile app from a retailer (e.g., Starbucks, Walmart Pay) | Online payment from a credit card network (e.g., Masterpass, Visa Checkout) | A mobile app from a financial institution (e.g., Chase Pay) | Other digital wallet | No, I have not used any of the above forms of mobile or digital payments |

* YOY changes in nonfinancial institution based digital wallet attributable primarily to boomers
** For other digital wallets, notable increases were in millennials and Gen X

☐ Indicates significant <u>increase</u> from 2019 data
☐ Indicates significant <u>decrease</u> from 2019 data

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Users cite convenience, speed and security as reasons for selecting digital wallets

59% Reasons for Using a Digital Wallet in the Past 12 Months
(Base: Among those who have used a digital wallet in past 12 months) (n=1,760)
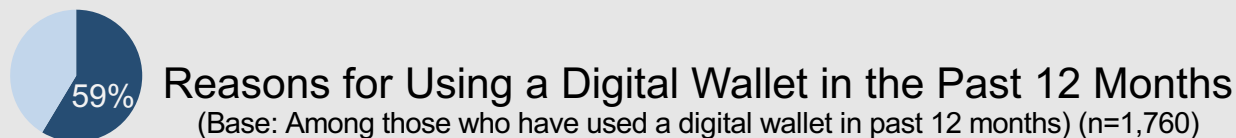
Digital Wallet Users

Top reasons for digital wallet payments are the same across all types of digital wallets used

Reason	%
Convenience	59%
It is faster than other payments (e.g., cash, credit cards)	40% *34% 2019*
It is a more secure way to pay	32%
For the rewards points	22%
It seems safer than carrying a physical wallet	22% *15% 2019*
I don't have to carry a physical wallet	16% *11% 2019*
I don't like to carry multiple cards	16% *12% 2019*
I like to use the newest forms of payment available	15% *11% 2019*
Other	5%

Gen Z (55%)
Income $150K+(52%)

Convenience (Net) **65%**

Safety/Security (Net) **43%**
36% 2019
30% 2018

Millennials (30%) are nearly twice as likely as boomers (16%) to believe that **digital wallets are safer** than physical wallets.

The year-over-year lift, however, spans generations.

☐ Indicates significant <u>increase</u> from 2019 data
☐ Indicates significant <u>decrease</u> from 2019 data

Most digital wallet users are satisfied with the experience

59%
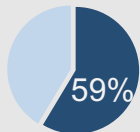
Overall Satisfaction With Digital Wallets
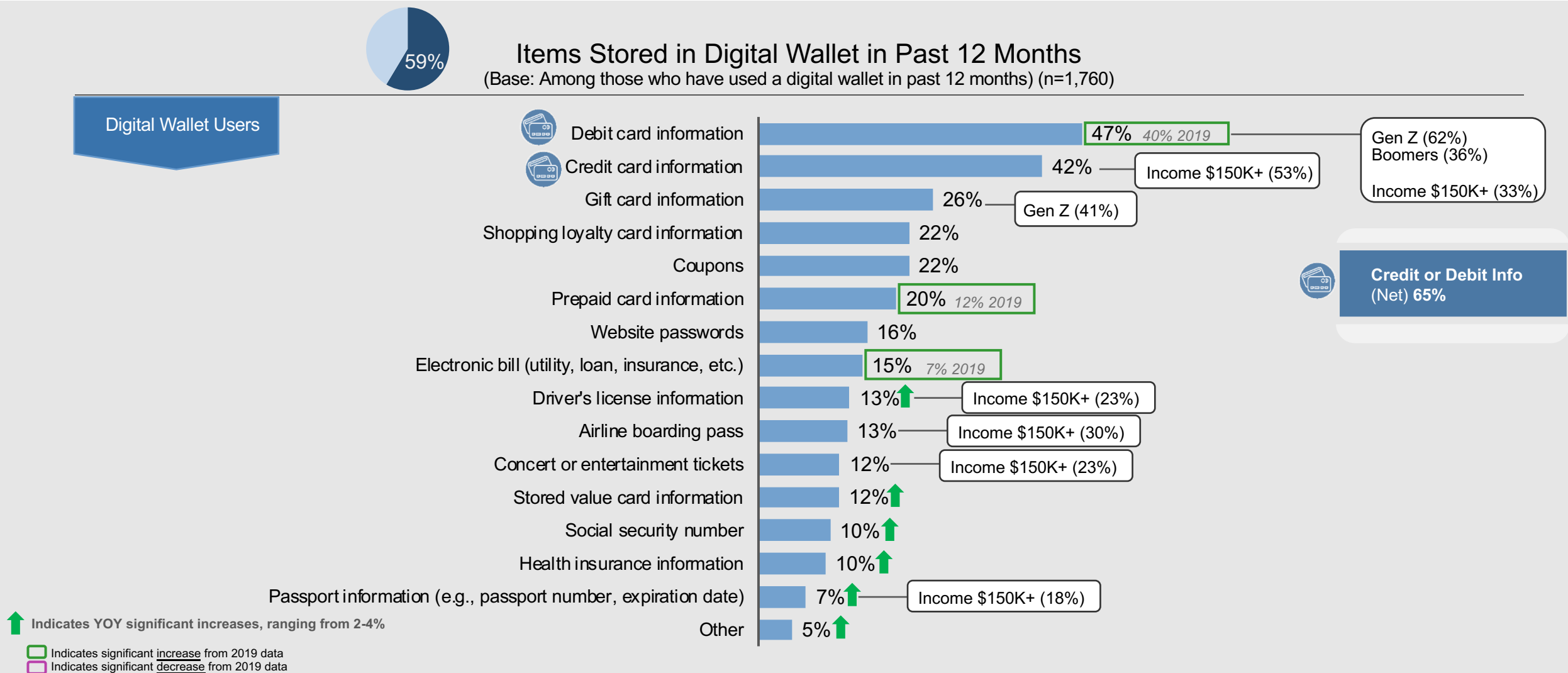(Base: Among those who have used a digital wallet in the past 12 months) (n=1,760)
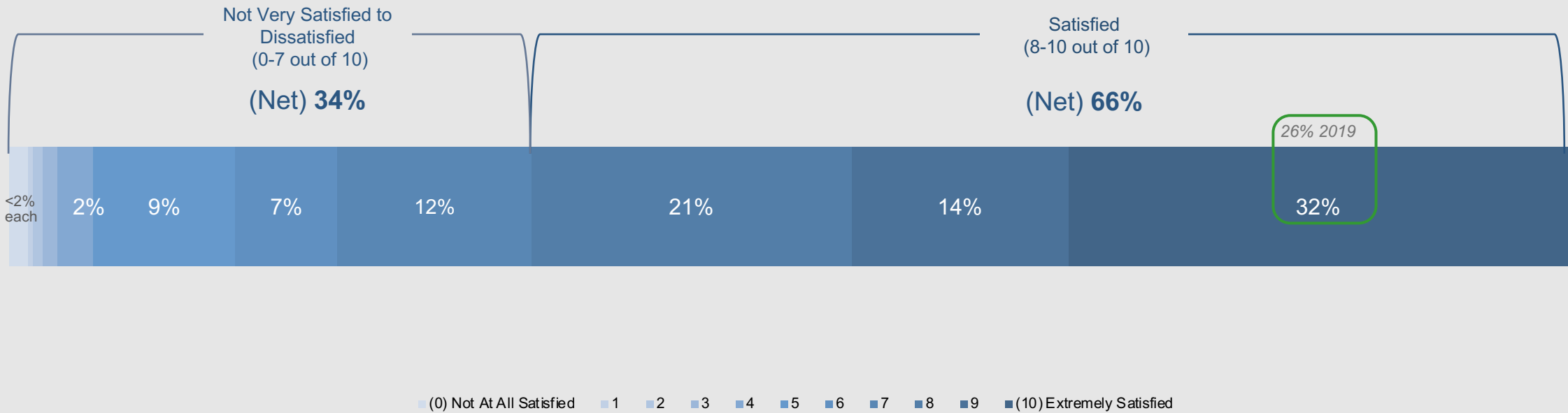
Digital Wallet Users

Not Very Satisfied to Dissatisfied
(0-7 out of 10)

(Net) **34%**

Satisfied
(8-10 out of 10)

(Net) **66%**

26% 2019

<2% each	2%	9%	7%	12%	21%	14%	32%

(0) Not At All Satisfied   1   2   3   4   5   6   7   8   9   (10) Extremely Satisfied

Indicates significant <u>increase</u> from 2019 data
Indicates significant <u>decrease</u> from 2019 data

BASE: HAVE USED A DIGITAL WALLET IN THE PAST 12 MONTHS (Q1602/1-6)
Q1625 How would you rate your overall satisfaction with the digital wallet? Please use the scale below, where "0" means "Not At All Satisfied" and "10" means "Extremely Satisfied."
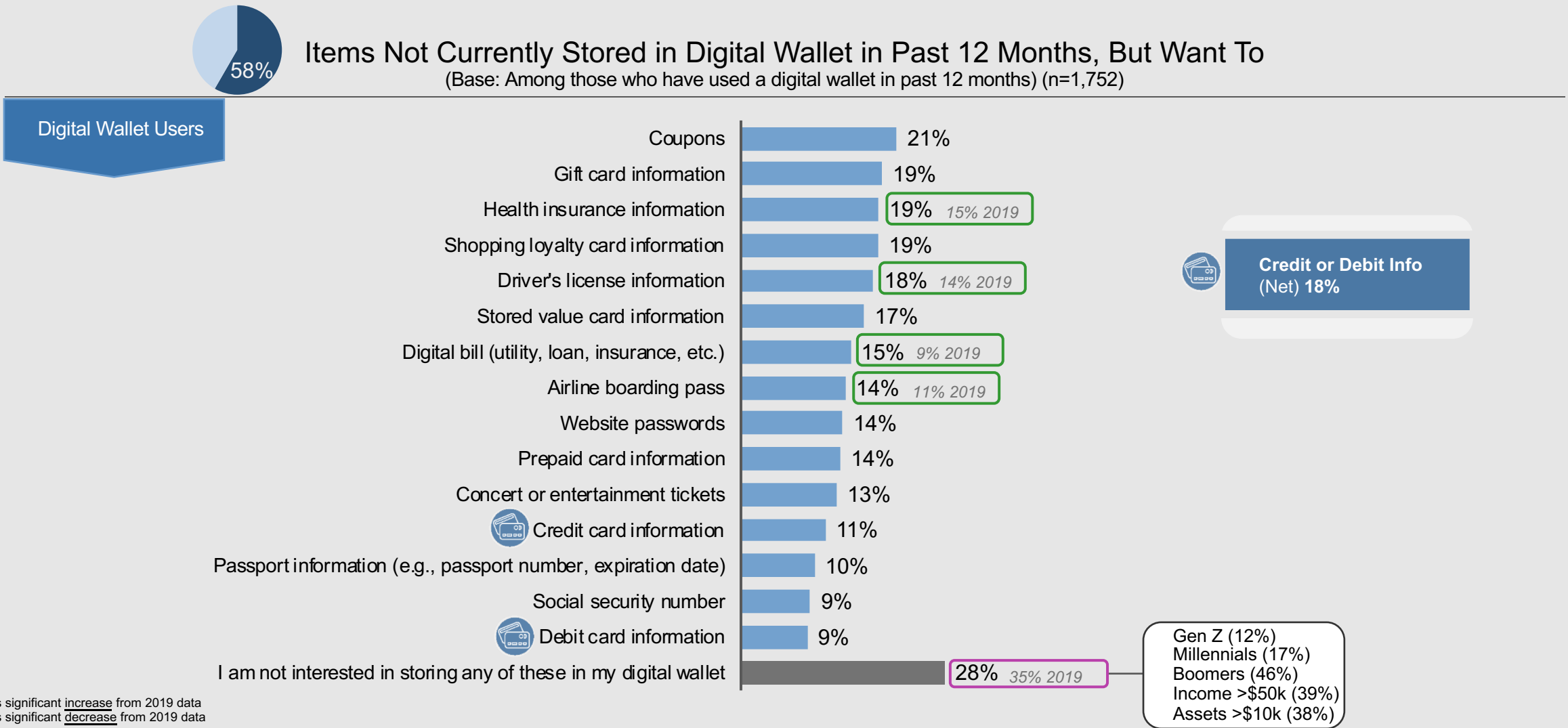
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Credit and debit card information are most commonly stored in digital wallets; storing identification information remains low

59%

Digital Wallet Users

Items Stored in Digital Wallet in Past 12 Months
(Base: Among those who have used a digital wallet in past 12 months) (n=1,760)

Item	%
Debit card information	47% *40% 2019* → Gen Z (62%), Boomers (36%), Income $150K+ (33%)
Credit card information	42% → Income $150K+ (53%)
Gift card information	26% → Gen Z (41%)
Shopping loyalty card information	22%
Coupons	22%
Prepaid card information	20% *12% 2019*
Website passwords	16%
Electronic bill (utility, loan, insurance, etc.)	15% *7% 2019*
Driver's license information	13% ↑ → Income $150K+ (23%)
Airline boarding pass	13% → Income $150K+ (30%)
Concert or entertainment tickets	12% → Income $150K+ (23%)
Stored value card information	12% ↑
Social security number	10% ↑
Health insurance information	10% ↑
Passport information (e.g., passport number, expiration date)	7% ↑ → Income $150K+ (18%)
Other	5% ↑

Credit or Debit Info (Net) **65%**

↑ Indicates YOY significant increases, ranging from 2-4%

□ Indicates significant <u>increase</u> from 2019 data
□ Indicates significant <u>decrease</u> from 2019 data

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Retail-related information remains underused, but attractive to some

58%

Digital Wallet Users

Items Not Currently Stored in Digital Wallet in Past 12 Months, But Want To
(Base: Among those who have used a digital wallet in past 12 months) (n=1,752)

Item	Value
Coupons	21%
Gift card information	19%
Health insurance information	19% *15% 2019*
Shopping loyalty card information	19%
Driver's license information	18% *14% 2019*
Stored value card information	17%
Digital bill (utility, loan, insurance, etc.)	15% *9% 2019*
Airline boarding pass	14% *11% 2019*
Website passwords	14%
Prepaid card information	14%
Concert or entertainment tickets	13%
Credit card information	11%
Passport information (e.g., passport number, expiration date)	10%
Social security number	9%
Debit card information	9%
I am not interested in storing any of these in my digital wallet	28% *35% 2019*

Credit or Debit Info
(Net) **18%**

Gen Z (12%)
Millennials (17%)
Boomers (46%)
Income >$50k (39%)
Assets >$10k (38%)

☐ Indicates significant <u>increase</u> from 2019 data
☐ Indicates significant <u>decrease</u> from 2019 data

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Digital wallet nonusers indicate little interest in future use

41%
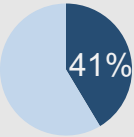
Summary of Details Among Nonusers
(Base: Among those who have not used a digital wallet in the past 12 months) (n=1,243)

Digital Wallet Nonusers

Interest in Using Digital Wallets
(0-10 Scale)

6%	**Interested (8-10)**
28%	**Neutral (3-7)**
66%	**Not Interested (0-2)**
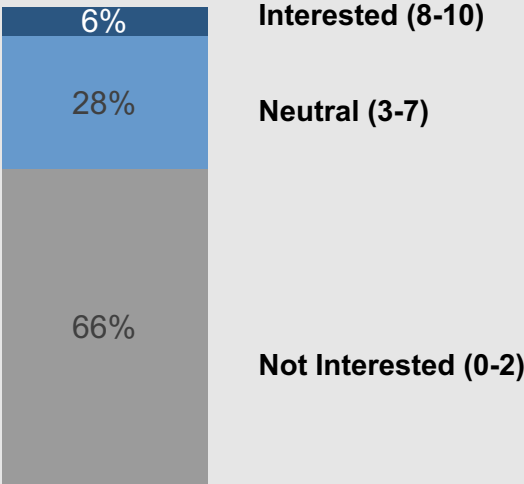
Reasons for Not Using a Digital Wallet in the Past 12 Months

I am just not interested in using it	67%
I don't think it's secure	37%
I don't know how it works	25%
It is too confusing to use	16%
Not supported at enough retailers	8%
I've never heard of it before	7%
FI does not offer it	5%
Other	4%
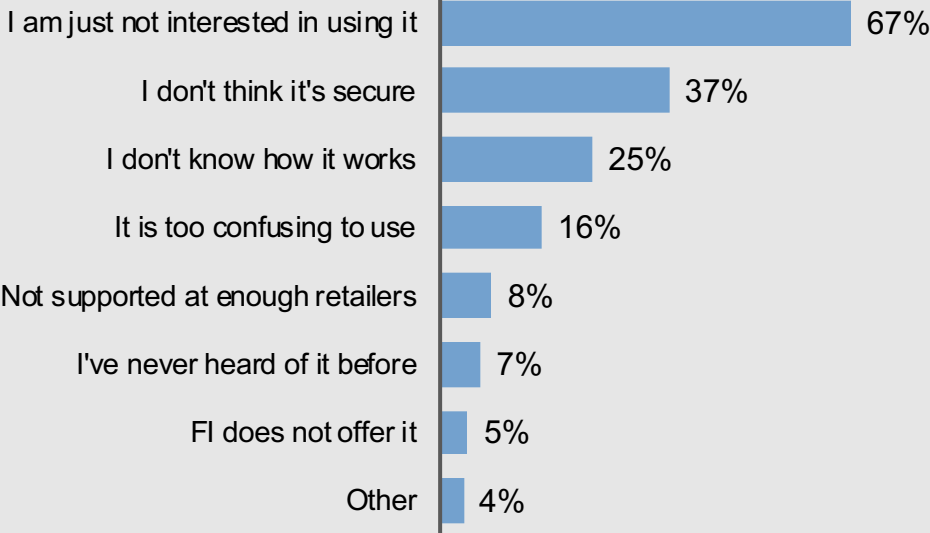
Among the 15% of the total banking population that do not use digital wallets but are neutral-to-interested, there are no capabilities that would clearly promote increased appeal.
Approximately 25%-33% of these consumers would consider using a digital wallet for activities like bill pay, contactless ATM withdrawals, disabling cards for fraud or receiving alerts for bill pay.

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Voice-Activated Services

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Use of voice activation is age-dependent, with Gen X showing largest growth across devices

General Voice Activation

Voice Activation Use in the Past Year by Devices
Total (n=3,003)

Used Any (Net)

66%
57% 2019
57% 2018

Gen Z (87%)
Millennials (86%)
Boomers (50%)
Seniors (42%)

Income $150K+ (82%)
Assets $1M+ (79%)

Smartphone
(e.g., Siri, Cortana, Google Now, etc.)
52% *43% 2019* / *43% 2018*

Hands-free voice-activated device
(e.g., Amazon's Echo, Google's Home, etc.)
27% *21% 2019* / *17% 2018*

Cable television or smart TV
22% *16% 2019* / *12% 2018*

Laptop or desktop computer
20% *14% 2019* / *12% 2018*

Tablet
19% *15% 2019* / *12% 2018*

Car-based voice control
15%

Wearable device
11% *13% 2019*

Other
0% *6% 2019* / *5% 2018*

None, I have not used a voice-activated device in the past year
34% *43% 2019* / *43% 2018*

Gen Xers and boomers demonstrate the greatest increases in usage since 2019

Generation	Increase in # of Devices (out of 7 total)
Gen X	7
Boomers	4
Millennials	3
Gen Z	2

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data

Understanding of uses for voice activation is increasing

General Voice Activation

Opinions Toward Using Voice Activation for Various Uses
Total (n=3,003)

Banking and Bill Pay

■ Possible (Net)

■ Not Sure

■ Not possible (Net)

Use	Possible (Net)	Not Sure	Not possible (Net)
Use search to answer a question or find something	82% (64% 2019)	11%	7%
Check the weather	79% (68% 2019)	14%	8%
Set a reminder or alarm	76% (65% 2019)	14%	11%
Compose text messages	73%	16%	11%
Check on a bill due date or amount owed	47%	33%	20%
Perform bank functions (e.g. check balance, review transactions)	43% (34% 2019)	34%	24%
Pay a household bill (Question added in 2020)	38%	36%	26%

☐ Indicates significant <u>increase</u> from 2019 data
☐ Indicates significant <u>decrease</u> from 2019 data

Younger generations and those with higher incomes/assets over-index on estimations of the possibility of using voice activation across uses

BASE: ALL QUALIFIED RESPONDENTS
Q1402 Select which statement best reflects your opinion on the ability to use voice activation for each of the following uses? *[Random display of 4 tasks out of 7]*

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Use of voice activation for bill management and banking functions increases slightly

General Voice Activation

Usage of Voice Activation in the Past 30 Days

Usage of Voice Activation by Function/Task
(Base: Among those who have used VAD in past year) (n=2,043)

68%

Function/Task	2020	2019
Checked the weather	55%	45% 2019
Used search to answer a question or find something	53%	
Listened to music	52%	47% 2019
Set a reminder or alarm	42%	35% 2019
Received directions	42%	
Composed text messages	37%	
Listened to the news	30%	23% 2019
Smart-home functions	21%	16% 2019
Managed bills	13%	10% 2019
Performed banking functions	13%	9% 2019
Other / None of these	13%	

Younger generations and those with higher incomes/assets over-index on use of voice activation with many tasks

Frequency of Voice-Activation Usage
(Base) Used VAD in past 30 days for banking (n=242)
(Base) Used VAD in past 30 days for managing bills (n=256)

8%   **9%**

To Perform Banking Functions

12%
50%
21%
17%

Mean: 8
Median: 4

To Manage Bills

21%
43%
20%
16%

Mean: 7.8
Median: 4

■ 1 ■ 2-5 ■ 6-10 ■ 11+

☐ Indicates significant increase from 2019 data
☐ Indicates significant decrease from 2019 data

Use caution in interpretation of trended usage by function given addition of "None of these" option in 2020.
If used in PR materials, clearly note this change in response options.

BASE: HAVE USED VOICE-ACTIVATED DEVICE IN PAST YEAR (Q1410/1-8) Q1417 In the past 30 days, have you used a voice-activated device for any of the following functions?
BASE: USED VOICE VAB FOR BANKING OR BILL MANAGEMENT (Q1417/9/10) Q1419 How many times in the past 30 days have you … used voice to perform banking functions? … used voice to manage bills (e.g., to check bill due date, amount due)?

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When consumers use voice-activated banking, they tend to do so across a variety of banking activities

13%

Banking or Payment Activities Conducted Via Voice Past 30 Days
Used voice for banking or bill management (n=359)

Activity	Percentage
Check account balance	66%
Pay a bill	62%
Set payment reminder	56%
Check amount due on bill	55%
Check bill due date	54%
Review recent transactions	47% — Assets $100K+ (58%)
Make a recurring payment	39%

Average Number of Banking Activities Conducted By Voice Past 30 Days (from list provided) = 3.8
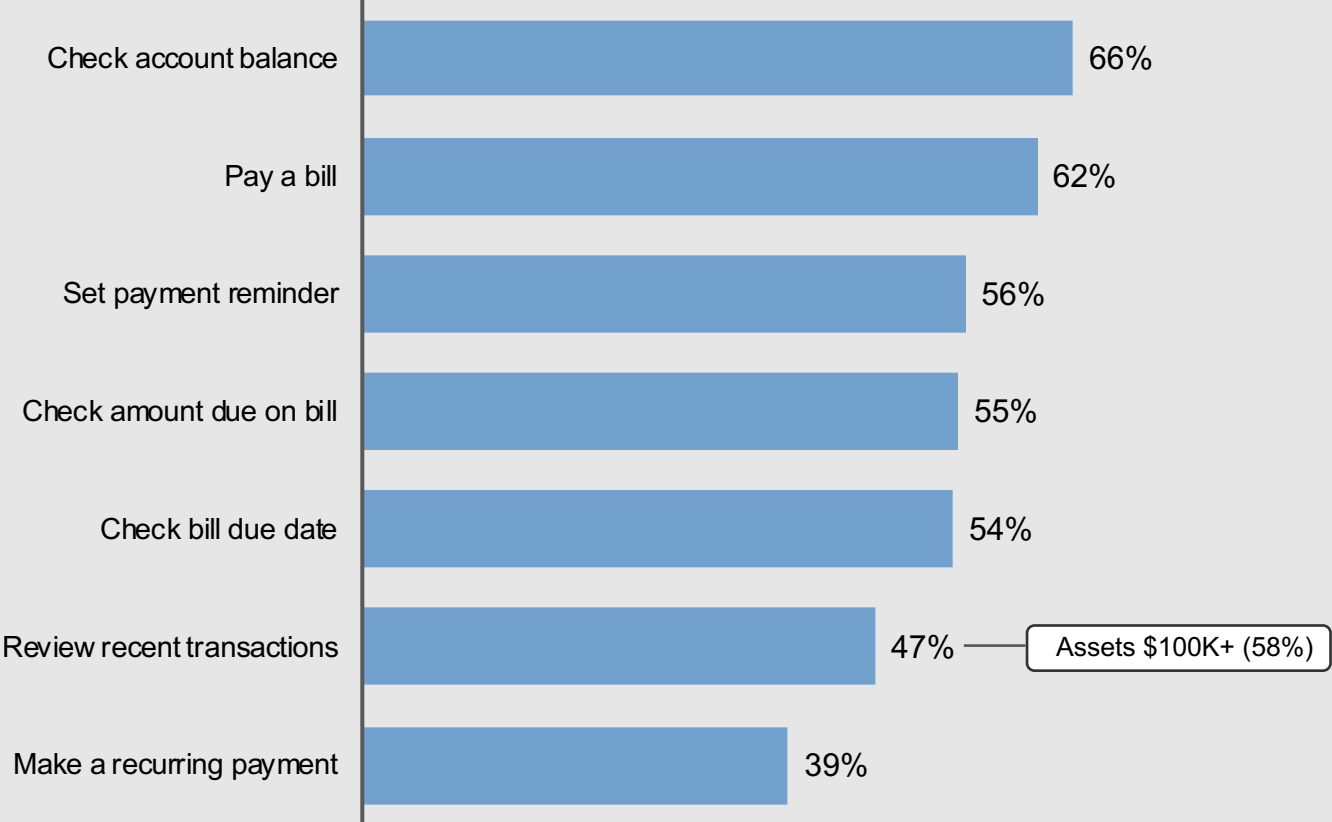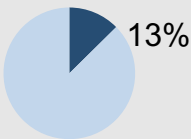
Note: New question in 2020

BASE: HAVE USED VAB (Q1417/9.10)
Q1417a Which of the following banking or payment activities did you accomplish using voice activation in the past 30 days?

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Consumers, especially millennials and Gen X, increasingly recognize the benefits of voice-activated banking

Voice-Activated Banking

Perceived Benefits of Using Voice to Perform Banking Functions
Total (n=3,003)

Any Benefits (Net) | **60%** | *51% 2019*
47% 2018

Year-over-year increases in perceived benefits is
strongest **among millennials (+15%)** and **Gen X (+11%)**
compared with notable but weaker increases among boomers (+6%).

29% 2019
25% 2018
33%

26% 2019
22% 2018
31%

23% 2019
24% 2018
31%

20% 2019
20% 2018
26%

Gen Z (22%)
Millennials (18%)
Boomers (58%)
Seniors (66%)

Income $150K+ (23%)

49% 2019
53% 2018
40%

| Would be faster than using the touchpad on a mobile device | Can do other things with my hands at the same time | More convenient than using the touchpad on a mobile device | Simplifies interactions requiring multiple menus | None - no benefits to using voice for banking functions |

Relative benefits of voice-activated banking are similar across age groups.
Gen Z, millennials and Gen X are significantly more likely to see these benefits over boomers and seniors (generally by +10-20 % pts.)
Likewise, higher income consumers also are more likely to see benefits than younger income consumers.

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data

BASE: ALL QUALIFIED RESPONDENTS
Q1430 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.*

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Leading barriers for using voice activation for banking are lack of need, privacy and preference for a laptop or desktop

Voice-Activated Banking

Reasons Preventing Use of Voice Activated Device to Perform Banking Functions
Total (n=3,003)

Reason	Value
I don't see a need for using it	**34%** *40% 2019; 45% 2018*
It seems less secure than using a touchpad	33%
I would rather speak to a human than a virtual assistant	33%
I am worried that a stranger might overhear me	33%
I prefer using my laptop or desktop	**31%** *34% 2019*
I wouldn't want a family member or friend to overhear me	22%
The touchpad on my mobile device works fine	20%
I have had trouble with voice activation in the past	**16%** *21% 2018*
Nothing	**10%** *8% 2018*

Top barriers for younger consumers, particularly Gen Z, relate primarily to security.

Top barriers for boomers and seniors relate to preference for current ways of banking and not seeing a need.

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data

BASE: ALL QUALIFIED RESPONDENTS
Q1440 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.*

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Consumers increasingly acknowledge the benefits of voice-activated banking, but privacy and security concerns remain

Voice-Activated Banking

Attitudes Toward Using Voice to Perform Banking Functions - Percentage Agree
Total (n=3,003)

Most Negatively Endorsed Attitudes → Most Positively Endorsed Attitudes

Negatively Valenced Attitudes | **Positively Valenced Attitudes**

★ Top Driver from 2019 analysis

Attitude	Value	2019
I am concerned that using it would lead to privacy/security issues	73%	
I am concerned that I would make a mistake using it	60%	55% 2019
It would be more hassle than it is worth	51%	55% 2019
I believe my primary financial institution offers this	23%	17% 2019
It would allow me to perform different mobile banking transactions than I currently do	32%	23% 2019
It would allow me to perform more mobile banking transactions than I currently do	33%	23% 2019
It could help me monitor my finances more regularly ★	38%	25% 2019
It might give me more flexibility in my schedule ★	38%	27% 2019
It would make my life easier ★	38%	28% 2019
I would be willing to try it if it was offered to me	42%	35% 2019

I don't know how to do this
39% *34% 2019*

☐ Indicates significant <u>increase</u> from 2019 data
☐ Indicates significant <u>decrease</u> from 2019 data

Millennials and Gen Xers and those with high incomes tend to have the most positive views of voice-activated banking.
Most of the year-over-year increases in perceived positive attitudes are seen across millennials, Gen X and boomers.

Seniors (54%)

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Interest in voice activation for banking is highest among younger generations; use cases are typically for reviews of account activity

Voice-Activated Banking

Interest in Voice-Activated Banking and Associated Activities

Interest in Voice-Activated Banking Through Financial Organization
(Base: Split sample - half of All Qualified)
(n=1,501)

29% — Interested (8-10 out of 10)

Millennials (45%)
Boomers (17%)

Income $150K+ (44%)

33% — Neutral / Not highly interested nor disinterested (3-7 ouf ot 10)

Gen Z (54%)

38% — Not interested (0-2 out of 10)

Gen Z (22%)
Millennials (19%)
Boomers (53%)
Seniors (62%)
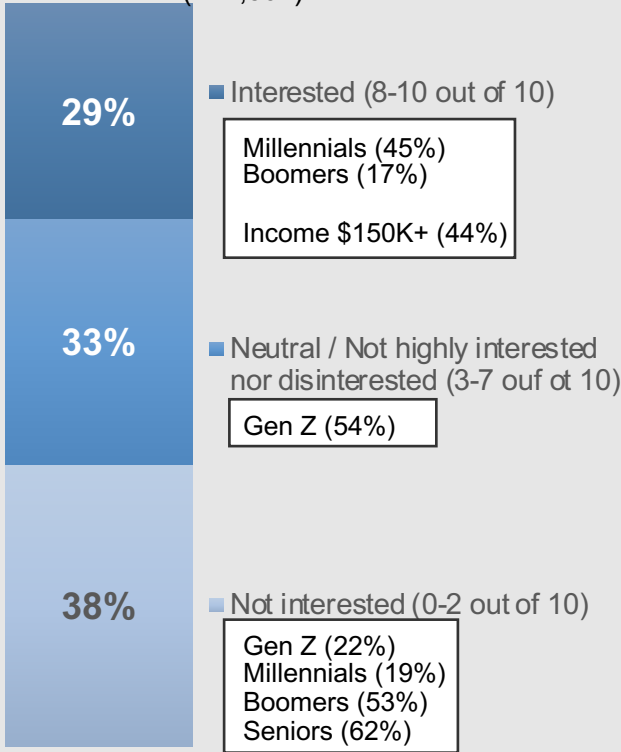
Activities for Voice-Activated Banking for Banking Through Financial Organization Among Users and Interested Nonusers

Activity	Users (n=111)	Interested Nonusers (n=512)
Check account balances	74%	73%
Review recent transactions	69%	65%
Log in to my account	68%	61%
Pay a person	52%	37%
Transfer money between accounts	41%	42%
Open an account (e.g., checking, savings, money market, etc.)	37%	19%
Turn credit and debit cards on or off for any reason (e.g., card misplaced, lost, etc.)	36%	31%
Apply for a debit card	34%	20%
Apply for a credit card	32%	24%
Reset an online or mobile banking password	27%	20%

Largest discrepancies between expected and actual usage

■ Users (n=111)
■ Interested Nonusers (n=512)

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Interest in voice activation with bill pay activities is on par with interest for general banking; use cases are varied

Voice-Activated Bill Management

Interest in Voice-Activated Bill Management and Associated Activities

Interest in Voice-Activated Banking for Bill Management
(Base: Split sample - Half of All Qualified)
(n=1,502)

- **25%** ■ Interested (8-10 out of 10)

  Millennials (41%)
  Boomers (14%)
  Seniors (8%)

  Income $150k+ (42%)

- **33%** ■ Neutral / Not highly interested nor disinterested (3-7 out of 10)

- **42%** ■ Not interested (0-2 out of 10)

  Millennials (22%)
  Boomers (56%)
  Seniors (65%)

  Income $150K+ (22%)
  Assets <$10K (54%)
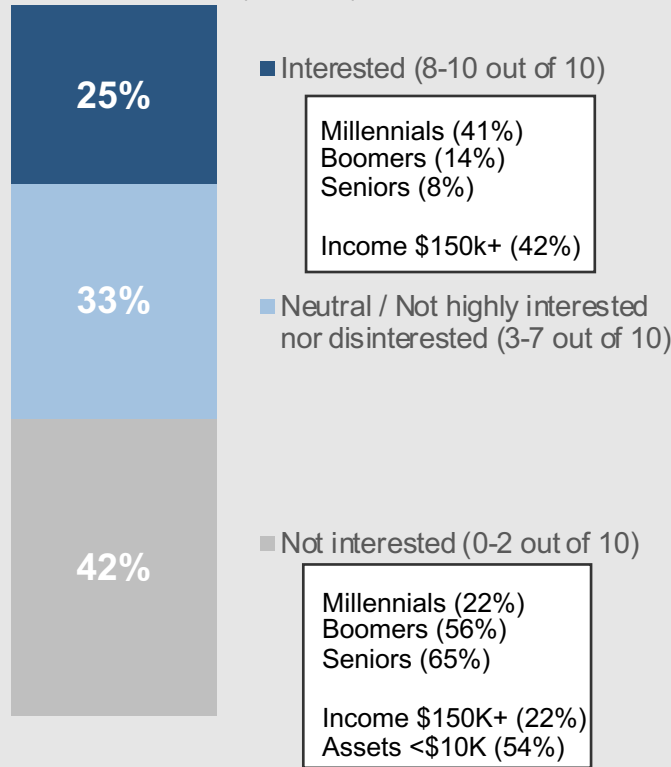
Activities for Voice-Activated Banking for Bill Management Among Users and Interested Nonusers

Activity	Users (n=98)	Interested Non-Users (n=456)
Check bill due date	70%	70%
Make a bill payment	65%	58%
Get information about a bill	62%	52%
Check a bill balance due	62%	63%
Ask a question about a bill	60%	49%
Call customer service about a bill	59%	47%
Review an electronic bill	55%	44%
Set up bill pay reminders	52%	54%
Set up a bill to be paid online	50%	43%

■ Users (n=98)
■ Interested Non-Users (n=456)

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Smartphones remain the leading choice for voice-activated banking

Voice-Activated Banking

Device Most Interested in Using to Perform Banking Functions Using Voice
(At least somewhat interested in using voice for banking or bill management)

■ Financial organization banking functions (n=623)

■ Bill management (n=554)

	Smartphone (e.g., Siri, Cortana, Google Now, etc.)	Laptop or desktop computer	Hands-free voice-activated device (e.g., Amazon Echo or Google Home)	Tablet	Cable television or smart TV	Car based voice control	Wearable device	Nothing - I would not be interested in using any device for this purpose
Financial organization banking functions	46%	19%	13%	6%	4%	4%	2%	6%
Bill management	50%	20%	11%	7%	3%	3%	1%	5%

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Digital Disbursements

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Electronic payments are often preferred for receiving disbursements; many forms of electronic payments show increased use

Payments Received in the Past Year and Leading Payment Type Issued
Total (n=3,003)

	Leading Payment Issued	Preferred Payment Issued
Store refund — 37% *42% 2018*	Gift card (38%) (2019 e-pay to credit card) ⚠️	Electronic payment to credit card (22%)
Payment from an employer for hourly wages — 32%	Electronic payment to bank acct. (65%)	Electronic payment to bank account (56%)
Store rebate — 22% *27% 2018*	Gift card (40%)	Gift card (28%)
Third-party rebate — 18%	Electronic/mobile payment (45%)	Electronic/mobile payment (39%)
Payment for freelance work — 15% *11% 2019 10% 2018*	Electronic/mobile payment (46%)	Electronic/mobile payment (37%)
Medical reimbursement — 10% *13% 2018*	Paper check (50%)	Paper check (31%)
Loan disbursement — 9% *6% 2019 7% 2018*	Electronic payment to bank acct. (56%)	Electronic payment to bank account (35%)
Payment for rent, sublet or vacation rental — 9% *5% 2019 4% 2018*	Electronic payment to bank acct. (44%) (2019 paper check)	Electronic payment to bank account (25%)
Payment for legal class-action settlement — 9%	Paper check (61%)	Paper check (33%)
Insurance claim payment — 9%	Paper check (51%) ⚠️	Electronic payment to bank account (33%)
None of these — 27%		

Year-Over-Year Trends in Payment Types Issued

Several payment types emerge with increased usage across the most common disbursement types:

➢ Electronic payment to bank account

➢ Electronic payment to credit cards

➢ Electronic/mobile payments

⚠️ Instances in which the top Preferred Payment form differs from the top Leading Payment form

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data

Used Any (Net) 73%

READ AS: 37% of consumers received a store refund in the past year. Of these, 38% received it via gift card and 22% said that electronic payments on their credit card are their preferred payment issued.

Transfer speed and convenience continue to be the top-cited benefits of digital payments
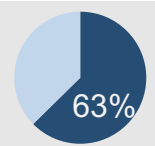
63% 👍 Digital Payment Preferences: Reasons <u>Would</u> Prefer Digital Payments
(Base: Among those who prefer digital payments) (n=1,881)
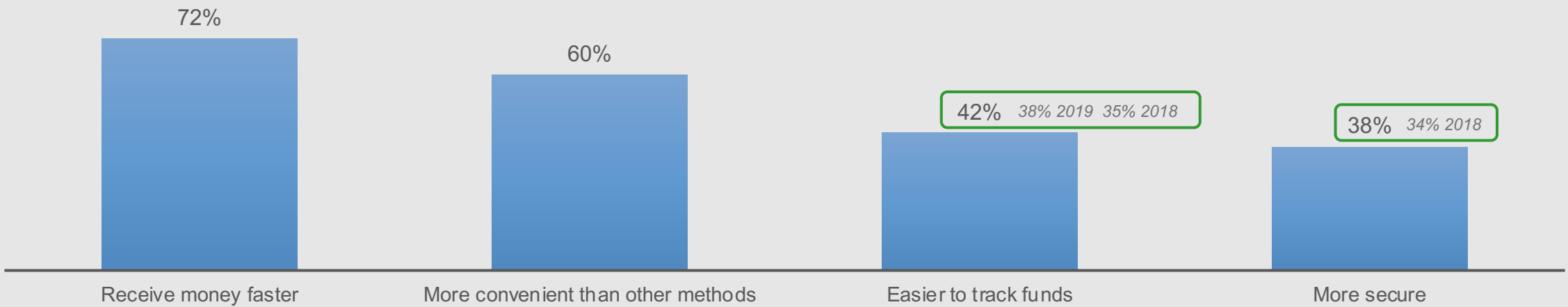
72%

60%

42% *38% 2019 35% 2018*

38% *34% 2018*

Receive money faster

More convenient than other methods

Easier to track funds

More secure

☐ Indicates significant <u>increase</u> from 2019/2018 data
☐ Indicates significant <u>decrease</u> from 2019/2018 data

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Nontraditional Channels: Usage and Attitudes

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Traditional banks and credit unions most likely to be used to pay bills, followed by payments, retail and technology companies

98%
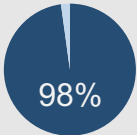
Likelihood to Use Each Company Type for Paying Bills
(Base: Involved in bill pay) (n=2,938)

Company Type	Definitely would use / Already use	Probably would use	May or may not use	Probably would not use	Definitely would not use
Traditional bank or credit union	66%	17%	9%	3%	5%
Payments company	29%	19%	18%	10%	24%
Retail company	19%	15%	18%	16%	33%
Technology company	15%	15%	20%	15%	34%
Social media company	11%	8%	11%	12%	57%
Financial software company	9%	11%	19%	17%	44%

Legend:
- ■ Definitely would use / Already use
- ■ Probably would use
- ■ May or may not use
- ■ Probably would not use
- ■ Definitely would not use

Likelihood to Use for Bill Payment by Age Group
Percentage Probably/Definitely Would Use for Bill Payment

Axis: Total, Gen Z, Millennials, Gen X, Boomers, Seniors (0% – 100%)

Legend:
- Traditional bank or credit union (e.g., Chase, Bank of America, Wells Fargo, etc.)
- Payments company (e.g., PayPal, Western Union, etc.)
- Retail company (e.g., Walmart, Amazon, Target, etc.)
- Technology company (e.g., Apple, Google, Samsung, etc.)
- Financial software company (e.g., Mint, Acorns, Robinhood, etc.)
- Social media company (e.g., Facebook, Twitter, LinkedIn, etc.)

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After current usage, perceived convenience and security most influence whether consumers would consider a company for bill pay

Drivers of Use for Household Bill Pay – Comparison of Traditional and Nontraditional Company Types
Summary of Top Predictors Across Companies and Within Individual Models

Top Predictors for All Companies
(Average strength of predictive power, indexed to highest predictor at 100)

N=2,739

Currently use for any reason	87
Convenience	79
Security	66

🏆 No. 1 Driver for Retail Companies

🏆 No. 1 Driver for Social Media Companies

Individual Models
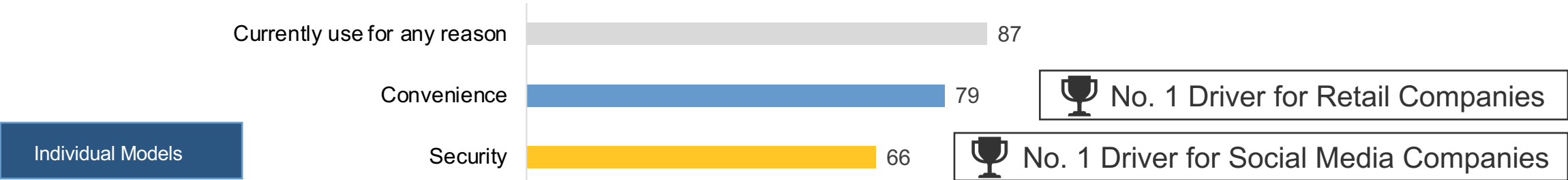
Most Considered for Bill Pay (by 83%)	Next Most Considered for Bill Pay (by 48%)	Moderately Considered for Bill Pay (by 33-31%)		Least Considered for Bill Pay (21-20%)	

Traditional Banks/ Credit Unions		Payment Companies		Retail Companies		Technology Companies		Financial Software Companies		Social Media Companies	
Currently use any reason	100.0	Currently use any reason	100.0	Convenience perceptions	100.0	Currently use any reason	100.0	Currently use any reason	100.0	Security perceptions	100.0
Convenience perceptions	73.2	Convenience perceptions	77.6	Security perceptions	82.7	Convenience perceptions	96.6	Convenience perceptions	83.2	Currently use any reason	53.6
Security perceptions	55.9	Security perceptions	32.7	Currently use	66.8	Security perceptions	64.2	Security perceptions	61.1	Convenience perceptions	41.4
Banking tech adoption status	23.0	Banking tech adoption status	22.4	Age	29.5	Age	43.9	Tech adoption status	43.5	Age	28.9

Other moderately strong predictors* include (average strength across models in parentheses): Bank tech adoption (28), Tech adoption (28), Age (26), Used mobile bill pay (22), Used mobile P2P (15), Paid via mobile at retail (12), Education (9). * Footnote displays any predictors with strength of 10 or more in any one model

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Likelihood to use for bill pay, convenience and security track closely across company types

98%

Summary of Metrics Related to Bill Pay Among Traditional and Nontraditional Company Types
(Base: Involved in bill pay) (n=2,938)

Company Type	Likelihood to Use to Pay Bills If Available *Probably/Definitely*	Believes to Be Convenient for Paying Bills If Available *Very Convenient*	Security Perceptions *Very Secure*
Traditional Bank/Credit Union E.g., Chase, Bank of America, Wells Fargo	83%	69%	64%
Payments Company E.g., PayPal, Western Union	48%	40%	40%
Retail Company E.g., Walmart, Amazon, Target	33%	25%	21%
Technology Company E.g., Apple, Google, Samsung	31%	29%	24%
Financial Software Company E.g., Mint, Intuit, NerdWallet	21%	19%	17%
Social Media Company E.g., Facebook, Twitter, LinkedIn	20%	17%	10%

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Demographics and Financial Profile

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Household Financial Background

Household Finance Involvement	
Involved (Net)	98%
I am the primary decision maker	68%
I share financial decision making equally with someone else in the household	27%
I am involved in some specific decisions, but not all	3%
I am not involved at all	2%

Financial Services Used to Access Accounts	
Online banking	78%
Mobile banking	59%
Person-to-person payment	39%
Personal financial management service	13%
None of these	8%

Finance Actions in the Past Year	
Checked/Monitored Credit Score (Net)	66%
Checked my credit score	64%
Subscribed to a credit monitoring service	15%
Opened Debit or Credit Card(Net)	39%
Opened a credit card	30%
Opened a debit card	20%
Used a mobile payment app (bank and nonbank) to make retail payments at a store	37%
Transferred money to someone I know using my smartphone	33%
Received a Loan (Net)	66%
Received a loan from a financial organization (e.g., personal loan, home loan, auto loan)	16%
Received a loan from a nonfinancial organization (e.g., Quicken Loans, SoFi, Lending Club, etc.)	7%
Added a document (e.g., coupon, bill, boarding pass, event ticket) to the digital wallet on my smartphone	18%
Paid a household bill using Apple Pay, Google Pay, or Chase Pay	21%
None of these	17%

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Financial Account Background

Financial Accounts Held in Household	
Checking account	100%
Savings account	78%
Credit card issued by a bank, credit union or other financial organization	72%
Debit card issued by a bank, credit union or other financial organization	71%
Investment account	40%
Car loan	31%
First mortgage	31%
Stocks, bonds or mutual funds	29%
Overdraft protection	29%
Money market account	19%
Certificate of deposit (CD)	17%
Personal loan	17%
Student loan	13%
Home equity line of credit	11%

Uses for Checking Account in Past 30 Days	
Pay a bill	94%
Make a deposit	75%
Make a purchase	73%
Transfer Money (Net)	59%
Transfer money to another account at the same financial organization	38%
Transfer money to another person	24%
Transfer money to another account at a different financial organization	32%
Something else	5%
I have not used my checking account in the past 30 days	-

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Demographics

Gender	
Male	45%
Female	55%

Generation	
Gen Z (18–23)	5%
Early Millennials (24–31)	12%
Late Millennials (32–39)	12%
Gen X (40–55)	27%
Early Boomers (56–65)	18%
Late Boomers (66–74)	20%
Seniors (75+)	6%

Urbanicity	
In an urban area or city area	26%
In a suburban area next to a city	49%
In a small town or rural area	25%

Racial Background	
White	70%
Hispanic	13%
Black/African American	9%
Asian/Pacific Islander	7%

Marital Status	
Married or civil union	50%
Never married	23%
Divorced	13%
Separated	2%
Widow/widower	6%
Living with partner	6%

Household Income	
Less than $50K (Net)	31%
Less than $15,000	5%
$15,000 to $24,999	6%
$25,000 to $34,999	8%
$35,000 to $49,999	12%
$50K–$99K (Net)	34%
$50,000 to $74,999	19%
$75,000 to $99,999	15%
$100K–$149K (Net)	22%
$100,000 to $124,999	13%
$125,000 to $149,999	9%
$150+ (Net)	10%
$150,000 to $199,999	6%
$200,000 to $249,999	2%
$250,000 or more	3%
Decline to answer	2%

Region	
South	39%
West	22%
Midwest	22%
Northeast	17%

Demographics

Investable Assets	
Less than $10,000	22%
$10K–$99K (Net)	30%
$10,000 to $49,999	16%
$50,000 to $99,999	14%
$100K–$999K (Net)	29%
$100,000 to $499,999	21%
$500,000 to $999,999	7%
$1M+ (Net)	7%
$1,000,000 - $4,999,999	6%
$5,000,000 or more	1%
Not sure/prefer not to provide	13%

Education	
High school graduation or less (NET)	37%
Less than high school	0%
Completed some high school	2%
Completed high school	32%
Job-specific training program(s) after high school	3%
Some college (NET)	29%
Some college, but no degree	18%
Associate degree	11%
4-year college degree (Net)	26%
College (such as B.A., B.S.)	24%
Some graduate school, but no degree	1%
Graduate degree (such as MBA, MS, M.D., Ph.D.)	8%

Employment	
Employed full time	42%
Employed part time	8%
Self-employed full time	6%
Self-employed part time	2%
Not employed, but looking for work	3%
Not employed and not looking for work	1%
Not employed, unable to work due to a disability or illness	4%
Retired	27%
Student	1%
Stay-at-home spouse or partner	6%

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Report Notes

Throughout this report:

- ✓ A dash (-) denotes a value of zero

- ✓ A 0% denotes a value less than one percent but greater than zero

- ✓ Percentages may not add up to 100% due to computer rounding or the acceptance of multiple responses

- ✓ Unless otherwise noted, results for the total sample size are displayed

- ✓ Results based on small samples (n<100) should be interpreted as directional only

Subgroup analysis:

Throughout the deck, statistically significant differences are noted by the following subgroups of interest. Please also note that due to space limitations not every significant difference among these groups of interest are displayed; some that were thought to be less interesting or telling were omitted. Statistical significance testing was conducted at the 95% level of confidence and was pre-specified. All comparative claims made in this report are statistically significant unless they are noted as a "trend" or "directional." Subgroup differences higher than total are in black; sub-group differences that are below total are in red.

Generation	Income	Investable Assets
• Gen Z (18–23) • Millennials (24–39) • Gen Xers (40–55) • Boomers (56–74) • Seniors (75+)	• Low Income (<$50K) • Middle Income ($50K–$99K) • High Income (>$100K)	• Low (<$10K) • Middle ($10K–$99K) • High (>$100K)

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