



Press Release

J.D. Power and Associates Reports: Customer Satisfaction with Retail Banks Increases from 2010, Despite Decline in Satisfaction with Fees

WESTLAKE VILLAGE, Calif.: 21 April 2011 — Consumer sentiment toward retail banks appears to have reversed its historical downward slide, increasing in 2011 for the first time since 2007, according to the J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM released today.

The study, now in its sixth year, finds that [retail banking customer satisfaction](#) has improved by four index points from 2010 to an average of 752 (on a 1,000 point scale) in 2011. Satisfaction with most factors of the retail banking experience—account information; facility; problem resolution; and product offerings—has improved from 2010, while satisfaction with account activities has remained stable. In particular, satisfaction with in-person branch interaction, product offerings and account information have all improved significantly. In addition, customer perceptions regarding their bank’s brand reputation and image have improved in 2011 for the first time since 2008.

Satisfaction with fees, however, has decreased considerably from 2010, even though the proportion of customers who report they were charged fees by their bank has declined from 53 percent in 2010 to 43 percent in 2011. The primary driver of the decline in fee satisfaction has been changes in how fees are assessed, with 18 percent of customers in 2011 saying their fee structure had changed during the past 12 months, compared with 16 percent in 2010. When fee structures are changed, overall satisfaction decreases by an average of 84 index points.

“While there has been a concerted effort made by the banking industry to get back to basics and provide customers with a satisfying retail bank experience overall, the well-publicized attempts by banks to recoup lost revenue due to Reg E debit card revisions by dropping free checking and repricing accounts has clearly had a negative effect,” said Michael Beird, director of banking services at J.D. Power and Associates. “The good news for consumers, and the challenge for the industry, is that banks are being forced to clearly define the value they’re providing for the prices they’re charging.”

According to Beird, charging fees and delivering high levels of satisfaction are not mutually exclusive. Customers who pay fees and also express high levels of satisfaction are more likely to report having the following positive experiences: receiving a thorough needs assessment when opening an account that ensures they are using the right product; engaging in discussion of fees upfront; experiencing better personal interactions with branch and call center staff; having fewer problems; and receiving more effective resolution when problems do occur. An additional driver of improved satisfaction with fees is providing customers with a full menu of products that have tangible value, such as debit cards tied to rewards programs, free online banking and automatic overdraft protection.

“Being charged a fee does not necessarily have to result in dissatisfaction,” said Beird. “Customers who completely understand their bank’s fee structure and value the products and services they receive tend to have higher levels of overall satisfaction, despite paying fees.”

While smaller banks continue to outperform their larger counterparts, a number of large banks have performed well in 2011.¹ According to Beird, big banks have exhibited strong performance this year in the areas of service that customers value heavily. Enhancing in-person interaction with increased employee courtesy and knowledge,

¹ Large banks are defined as banks with more than 475 branches and \$50 billion in deposits.

improving the overall experience of branches and reducing problems that customers experience are all areas in which large banks have traditionally lagged their smaller peers.

The study also finds that mobile applications represent one of the fastest-growing transaction channels available to banking customers, and while adoption remains sporadic, generational differences have clearly emerged:

- In 2011, 23 percent of Generation X and Y customers (those born after 1964) indicate they use mobile banking, up from just 11 percent in 2010.
- Just 9 percent of customers born before 1965 indicate that they use mobile banking applications.

“Generation X and Y customers embrace opportunities to perform banking activities at their convenience, unrestricted by traditional banking hours,” said Beird.

The study also finds the following trends relating to social media, which also has emerged as a new and powerful communication outlet when customers have a question, comment or complaint:

- Seventy-five percent of Generation X customers and 87 percent of Generation Y customers indicate they use social media applications. More than one-half customers born before 1965 also report using social media.
- One in eight customers who indicate they use social media say that they have used it to contact their bank for service-related issues. However, only 20 percent of these customers report receiving a response from their bank.

“Banks are just now beginning to understand the risks of ignoring this powerful communication channel,” said Beird. “Among customers who post customer service inquiries on sites such as Facebook or Twitter and receive a reply, 47 percent say they would definitely reuse the bank for future products and services. This drops to just 27 percent if the bank provides no response.”

According to Beird, there are a number of key practices and characteristics common to the highest-performing banks. Customers seeking a new banking relationship should look for the following when shopping for a new bank:

- Products and services that fit the customer’s personal lifestyle, including online and mobile tools
- Branch facilities that are clean, with good lighting and hours that fit the customer’s needs
- Branch staff that are courteous, knowledgeable and friendly
- Fees and service charges that are communicated clearly, consistently and in simple terms
- Recommendations from friends, family and neighbors who already use a particular bank

Study results by region are:

California: Rabobank ranks highest in the region with a score of 796, and performs particularly well in the fees and account activities factors. Bank of the West (777) and Union Bank/Frontier Bank (766) follow in the regional rankings.

Florida: Regions Bank ranks highest in Florida with a score of 789 and performs well in the fees, account activities and account information factors. SunTrust Bank (788) and Wachovia Bank (786) follow in the rankings.

Mid-Atlantic Region: With a score of 804, Northwest Savings Bank ranks highest in the region and performs well in product offerings. Susquehanna Bank follows with a score of 792, and S&T Bank ranks third with 791.

Midwest Region: First Midwest Bank ranks highest with a score of 775, and performs particularly well in the product offerings and account information factors. Commerce Bank and UMB Bank tie to follow in the rankings with a score of 774.

New England Region: Eastern Bank ranks highest in the region with a score of 791 and performs well in the product offerings and account activities factors. Rockland Trust Co. follows with a score of 789, and TD Bank and Wachovia Bank tie to rank third with 760.

North Central Region: FirstMerit Bank and Flagstar Bank tie to rank highest in the region with a score of 802. FirstMerit Bank performs well in facility, product offerings and fees, while Flagstar Bank performs well in account activities. Huntington National Bank and Independent Bank follow in the rankings with 799, in a tie.

Northwest Region: With a score of 794, Umpqua Bank ranks highest in the region and performs well in facility and product offerings. West Coast Bank (792) and Sterling Savings Bank (789) follow in the rankings.

South Central Region: Hancock Bank ranks highest in the region with a score of 817 and performs particularly well in the product offerings and account information factors. Whitney National Bank (799) and Arvest Bank (798) follow in the rankings.

Southeast Region: First Federal ranks highest with a score of 818, performing particularly well in the facility and product offerings factors. United Community Bank follows in the rankings with 813, and First Citizens Bancorp ranks third with 809.

Southwest Region: Arvest Bank ranks highest in the region with 809 and performs particularly well in facility, product offerings and fees. Zions First National Bank (782) and Bank of Oklahoma (779) follow in the rankings.

Texas: With a score of 849, Frost National Bank ranks highest in the region and performs well across all six factors, particularly account activities and fees. First Financial Bank (805) and Woodforest National Bank (792) follow in the rankings.

The 2011 U.S. Retail Banking Satisfaction Study is based on responses from nearly 52,000 retail banking customers regarding their experiences with their banking provider. The study was fielded in January and February 2011.

For more information, view [retail banking satisfaction ratings](#) at [JDPower.com](#).

About J.D. Power and Associates

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing forecasting, performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](#). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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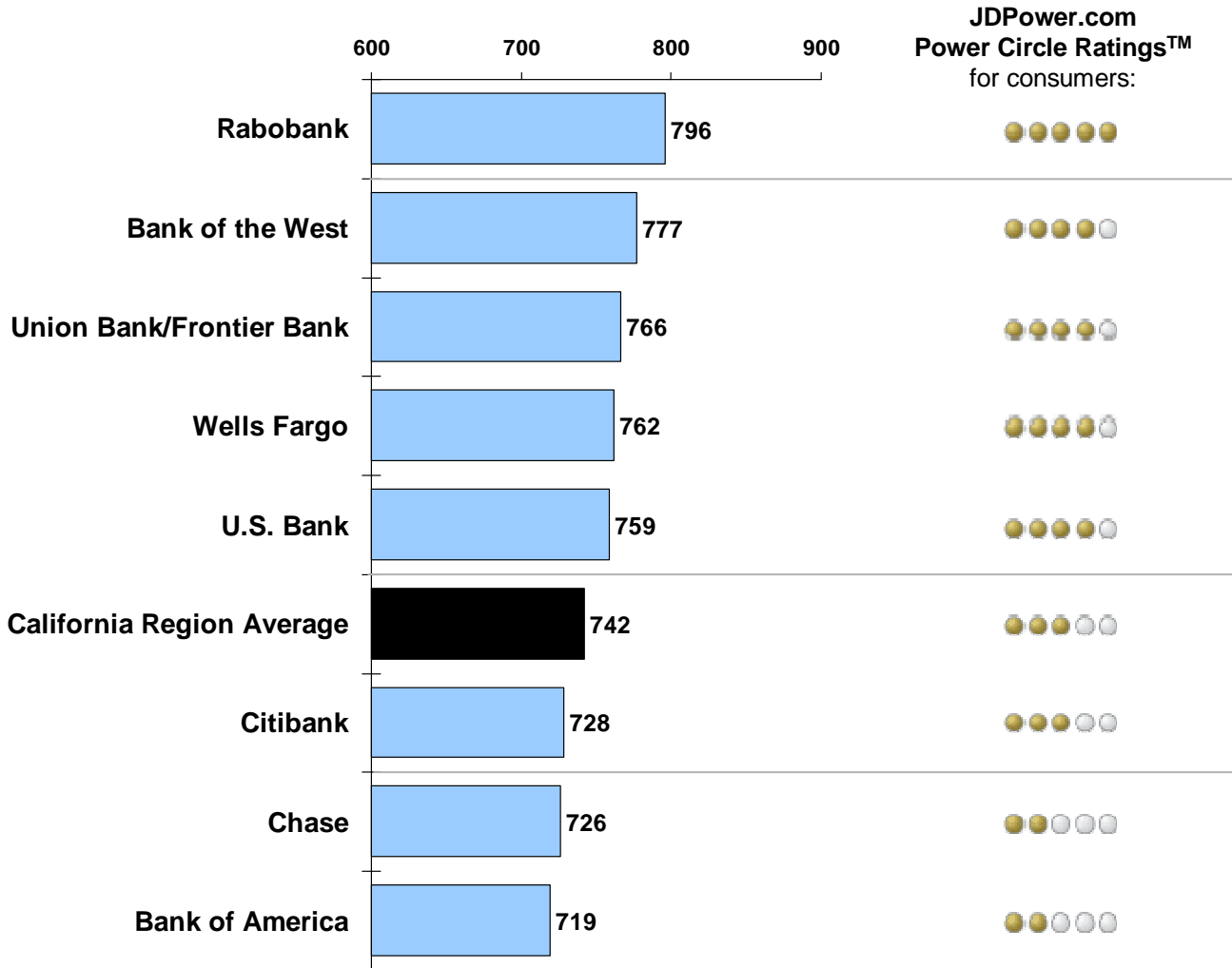
NOTE: 11 charts follow.

J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM

Customer Satisfaction Index Ranking

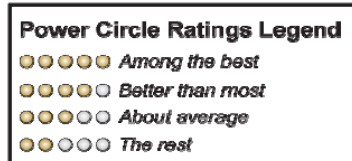
California

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are BBVA Compass (Compass Bank), California Bank & Trust, City National Bank (CA), Comerica Bank, East West Bank, First Bank (MO), Onwest Bank, Pacific Western Bank, Umpqua Bank, Wachovia Bank and West America Bank.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM



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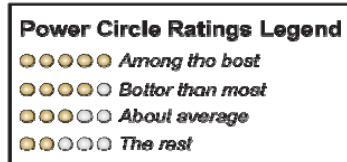
Florida

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are BankUnited, Carolina First Bank, RBC Bank and Riverside National Bank of Florida.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM

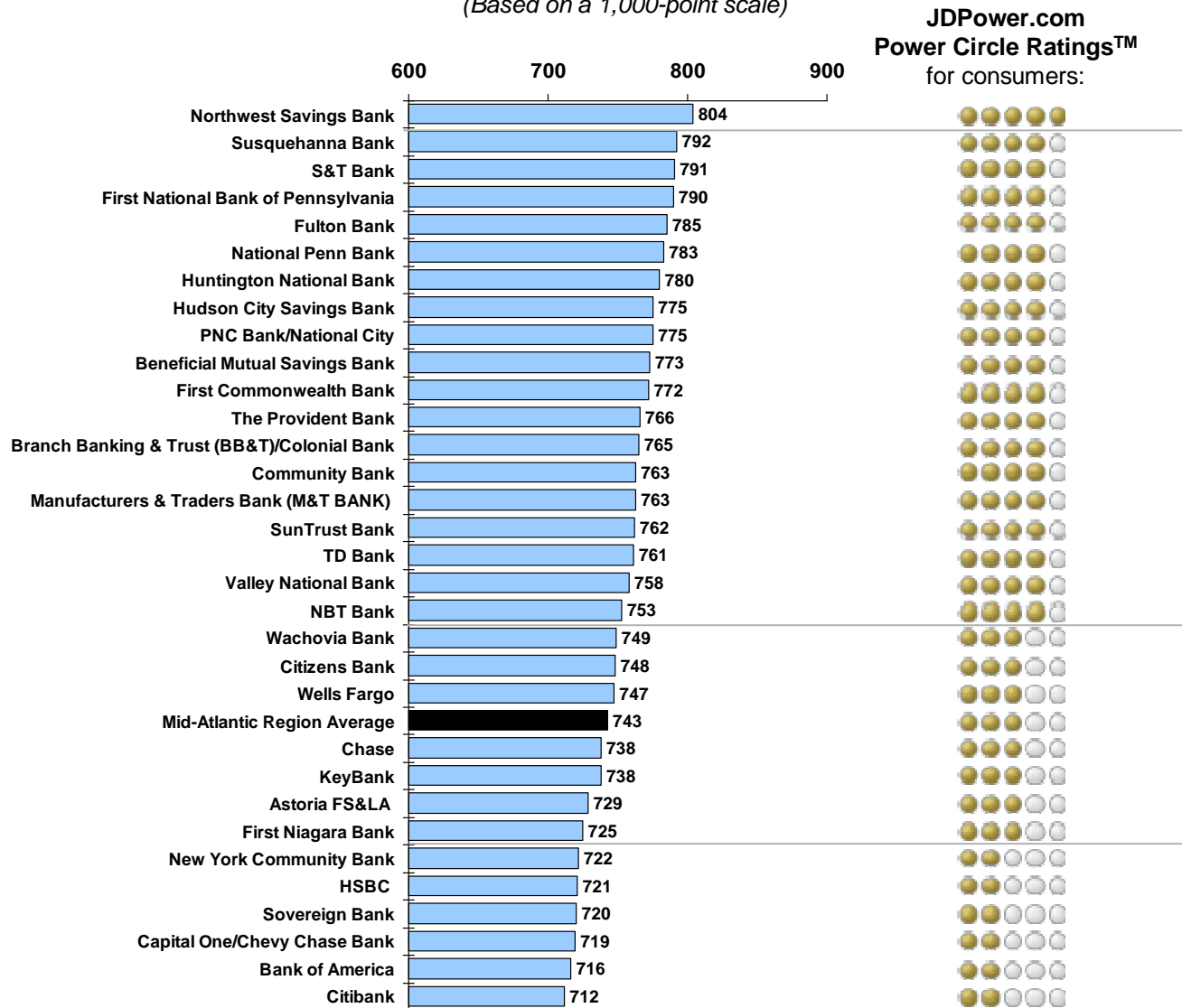


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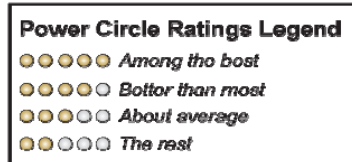
Mid-Atlantic Region
(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Apple Bank for Savings; Carter Bank & Trust; Investors Savings Bank; StellarOne Bank; Sun National Bank; Trustco Bank; Union First Market Bank; and United Bank (VA).

Included in the Mid-Atlantic region are: Delaware, Maryland, New Jersey, New York, Pennsylvania, Virginia and Washington, D.C.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM



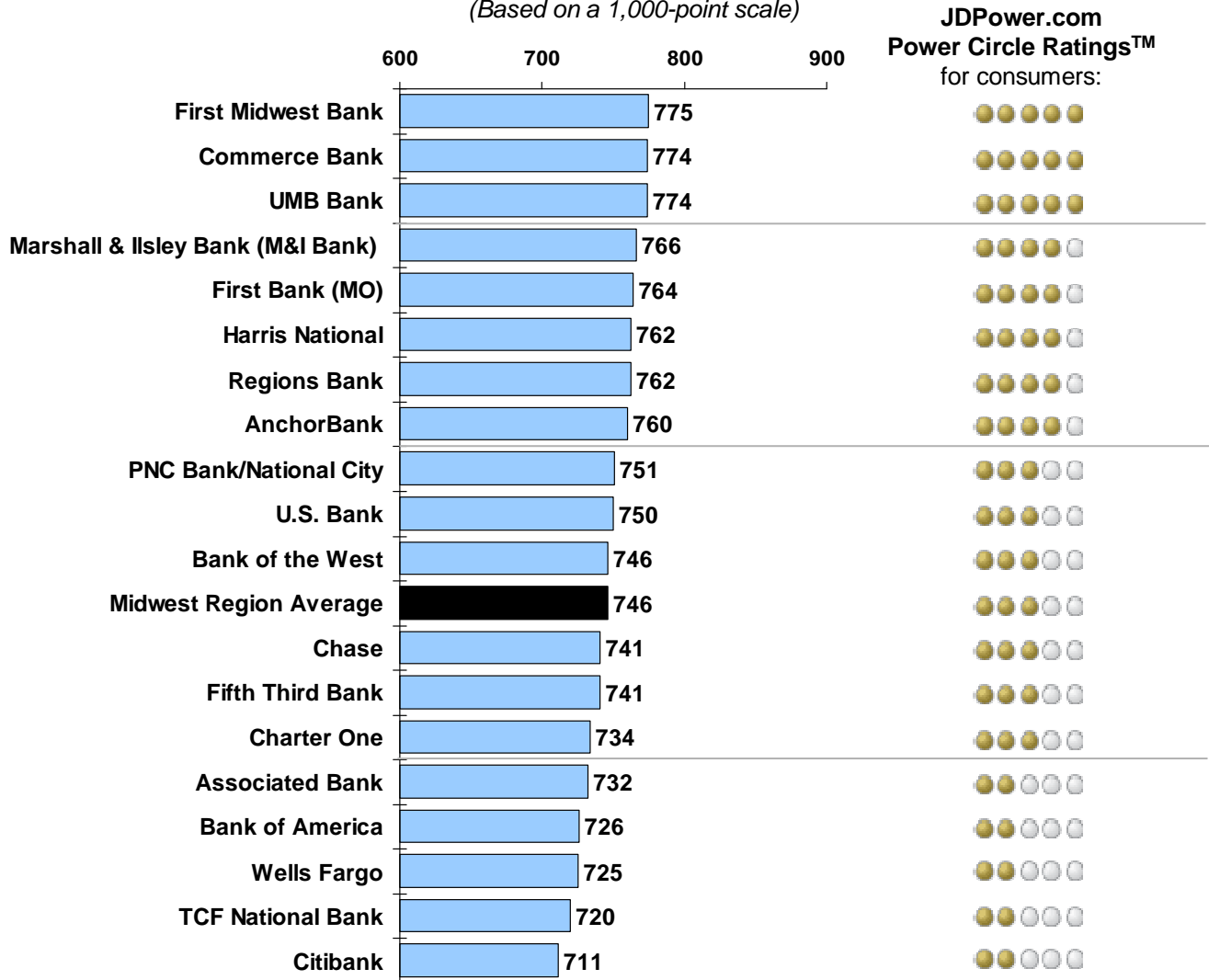
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Customer Satisfaction Index Ranking

Midwest Region

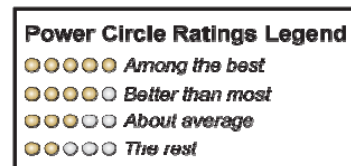
(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Bank Midwest, Bank Mutual, Bremer Bank, First American Bank, FirstMerit Bank, Great Southern Bank, Johnson Bank and MB Financial Bank.

Included in the Midwest region are: Iowa, Illinois, Kansas, Missouri, Minnesota and Wisconsin.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM

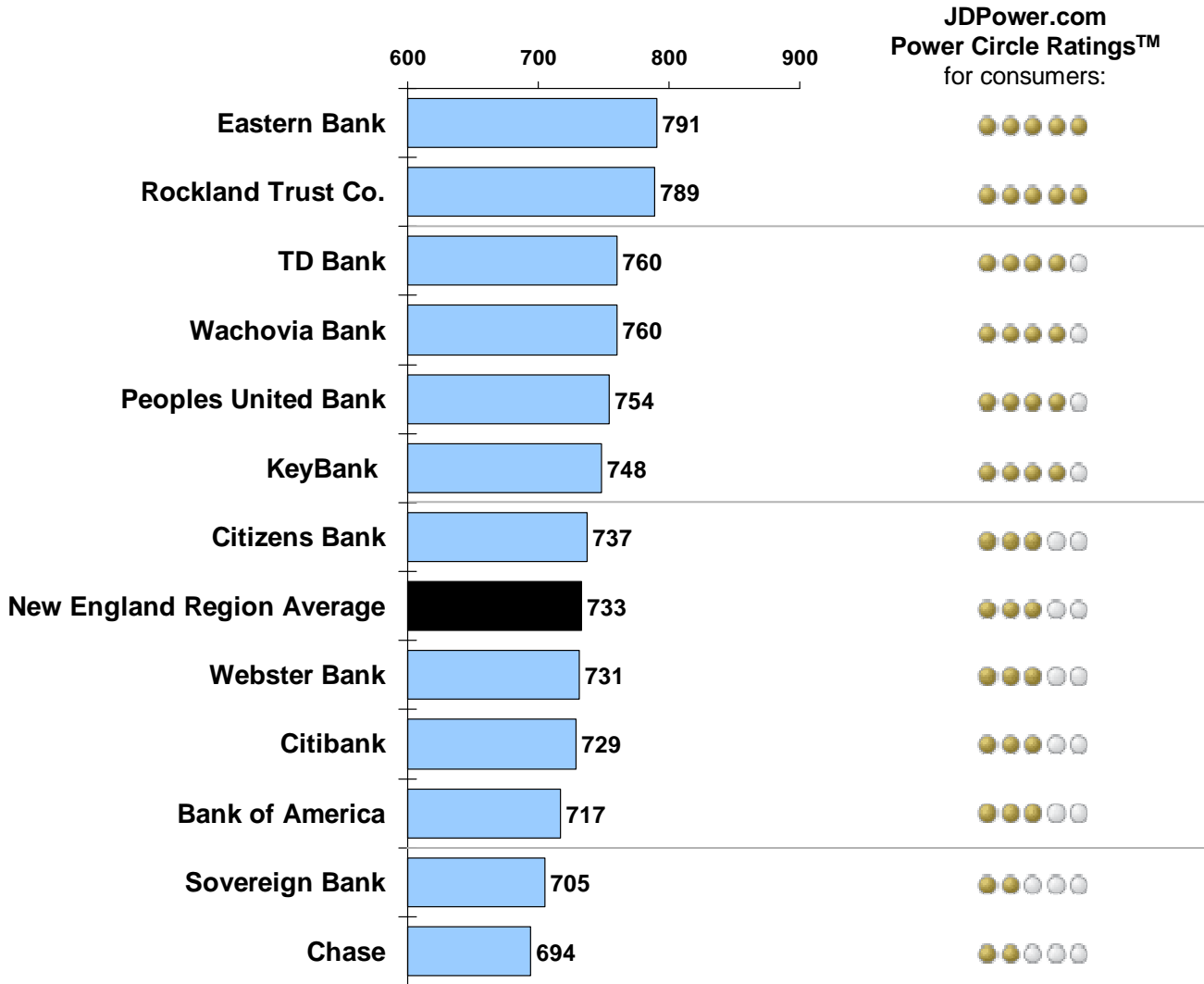


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Customer Satisfaction Index Ranking

New England Region (Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are NewAlliance Bank and Wells Fargo.

Included in the New England region are: Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island and Vermont.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM



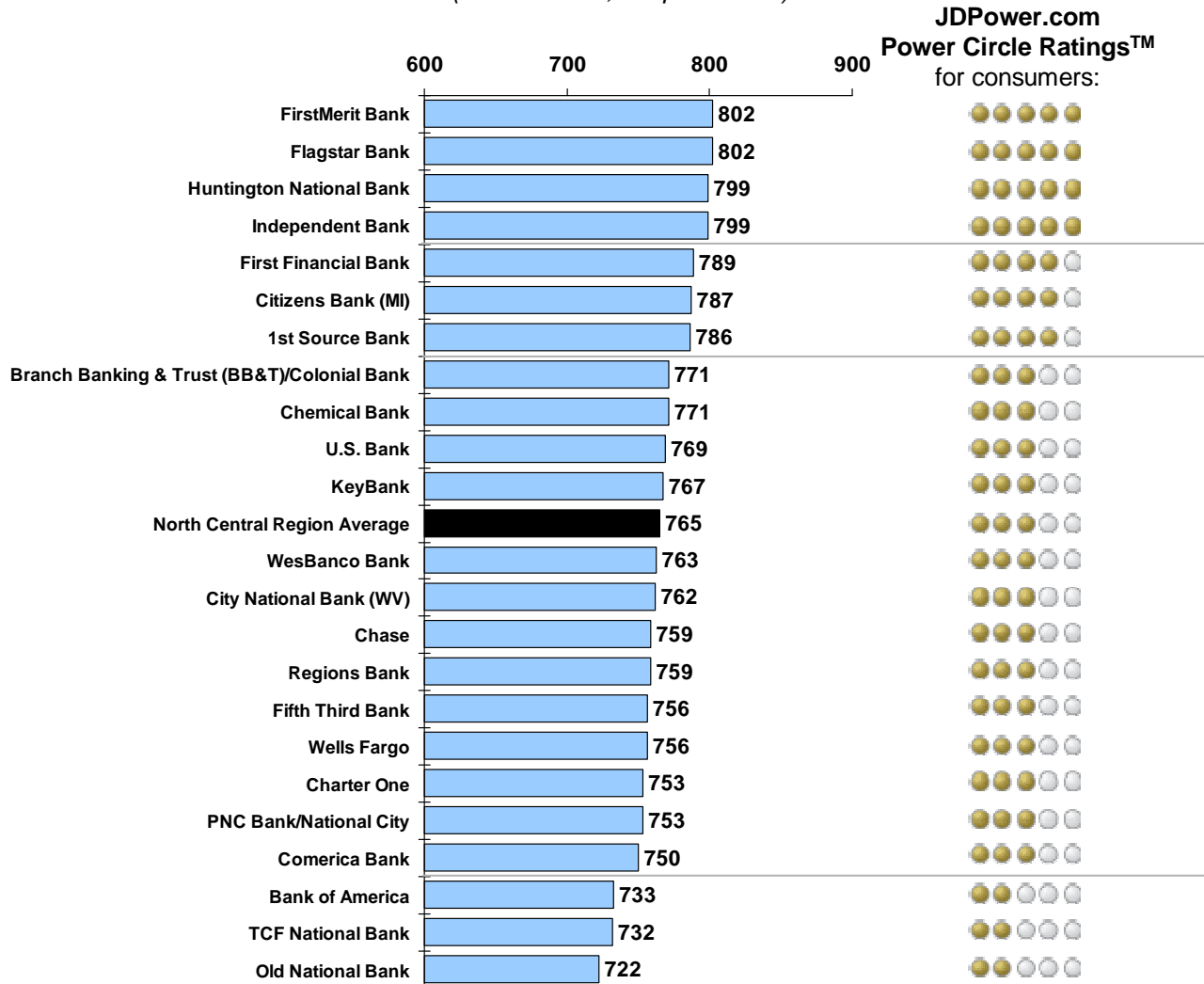
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Customer Satisfaction Index Ranking

North Central Region

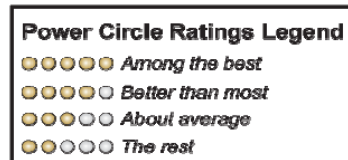
(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are:
Community Trust Bank, First Merchants Bank, MainSource Bank, Park
National Bank and United Bank (WV).

Included in the North Central Region are: Indiana, Kentucky, Michigan, Ohio
and West Virginia.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction
StudySM

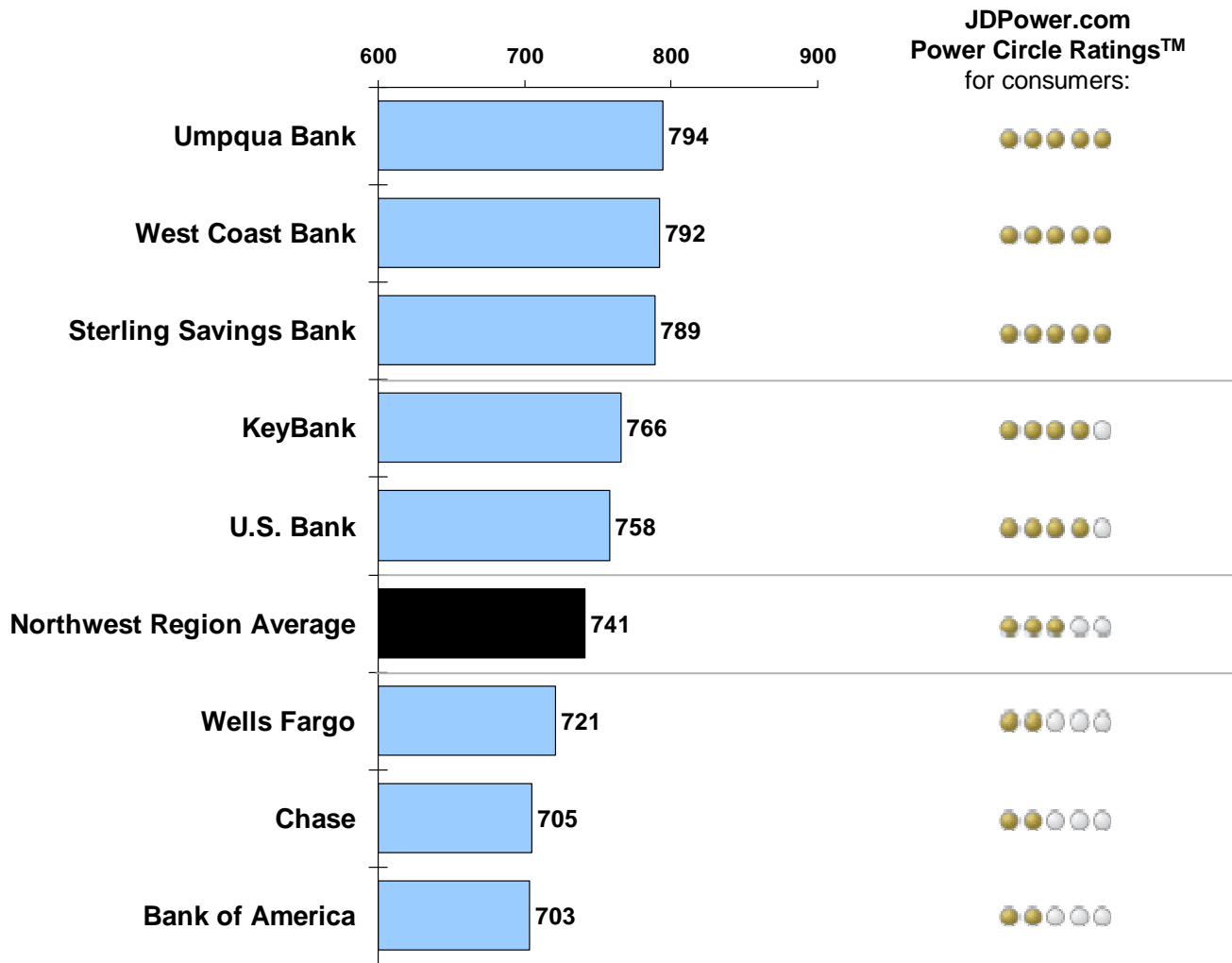


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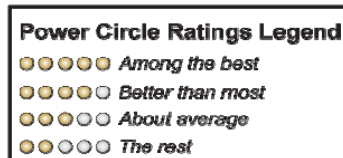
Northwest Region
(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Banner Bank, Columbia State Bank, Union Bank/Frontier Bank and Washington FS&LA.

Included in the Northwest region are Oregon and Washington.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM

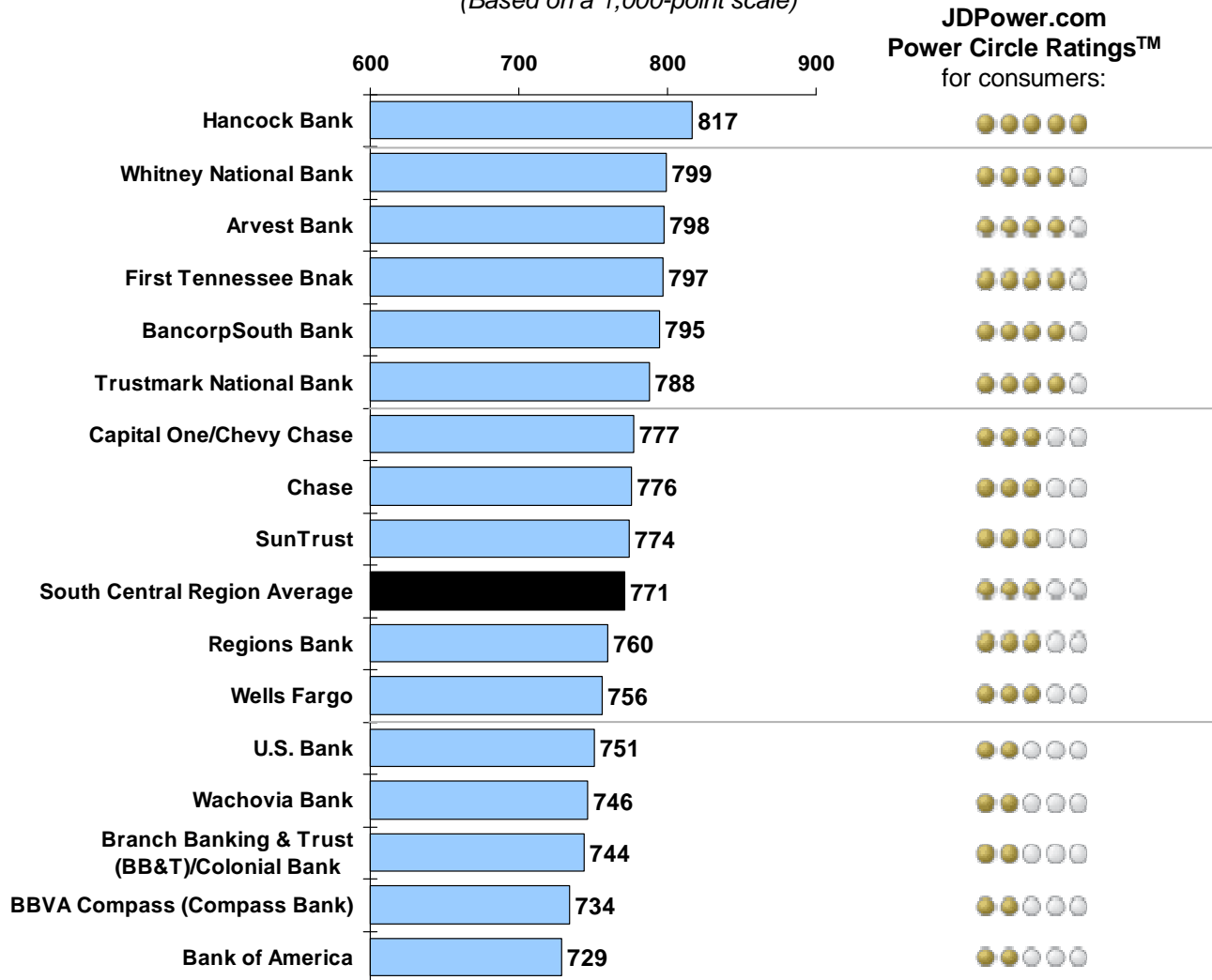


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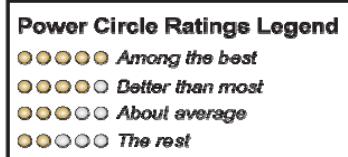
South Central Region (Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: First Security Bank, Iberia Bank, RBC Bank, Renasant Bank and Simmons First Bank.

Included in the South Central region are: Alabama, Arkansas, Louisiana, Mississippi and Tennessee.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM

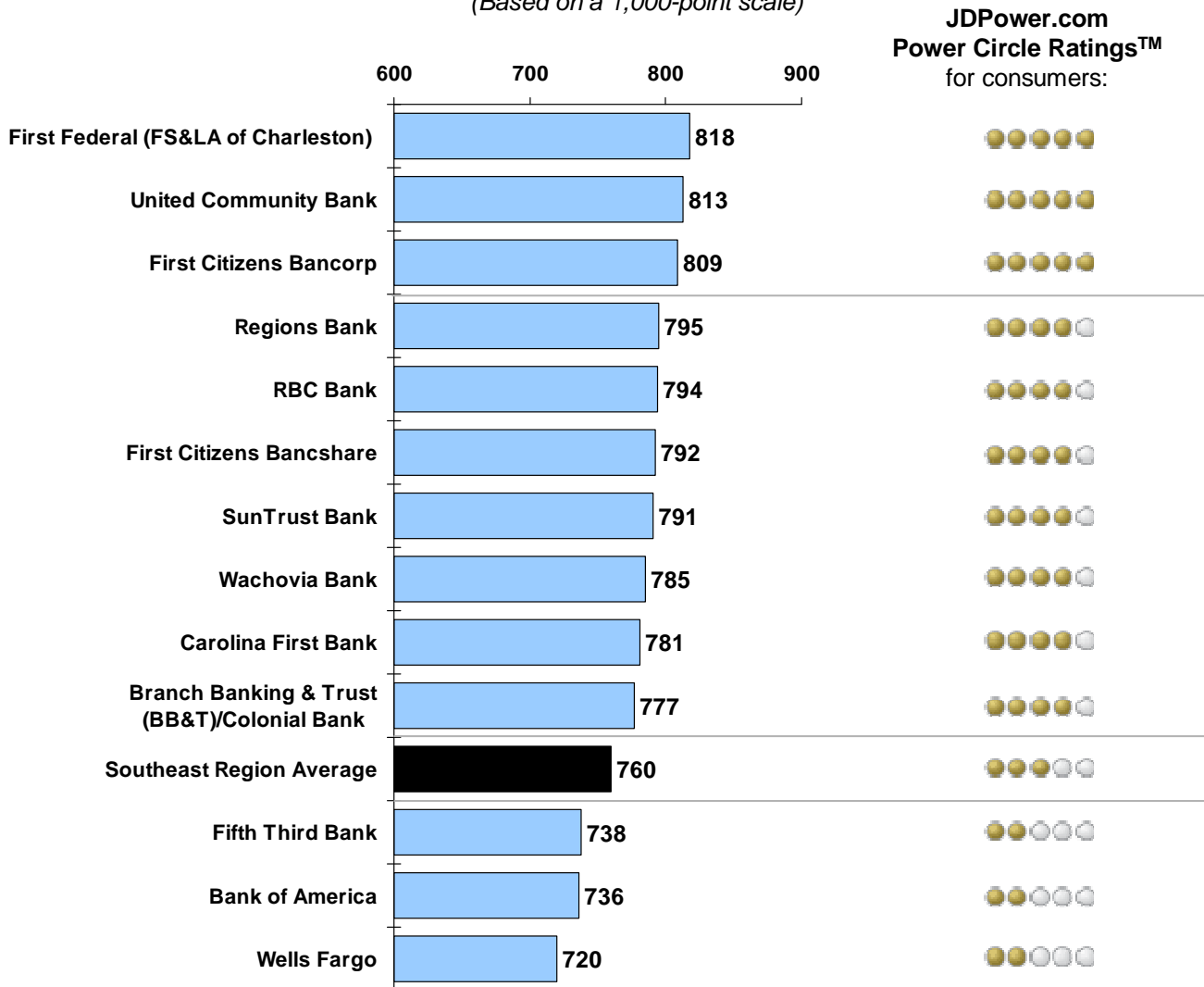


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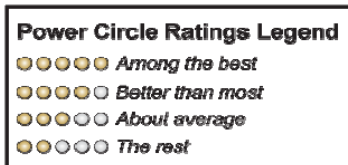
Southeast Region
(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size is South Carolina Banking & Trust (SCBT).

Included in the Southeast region are: Georgia, North Carolina and South Carolina.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM

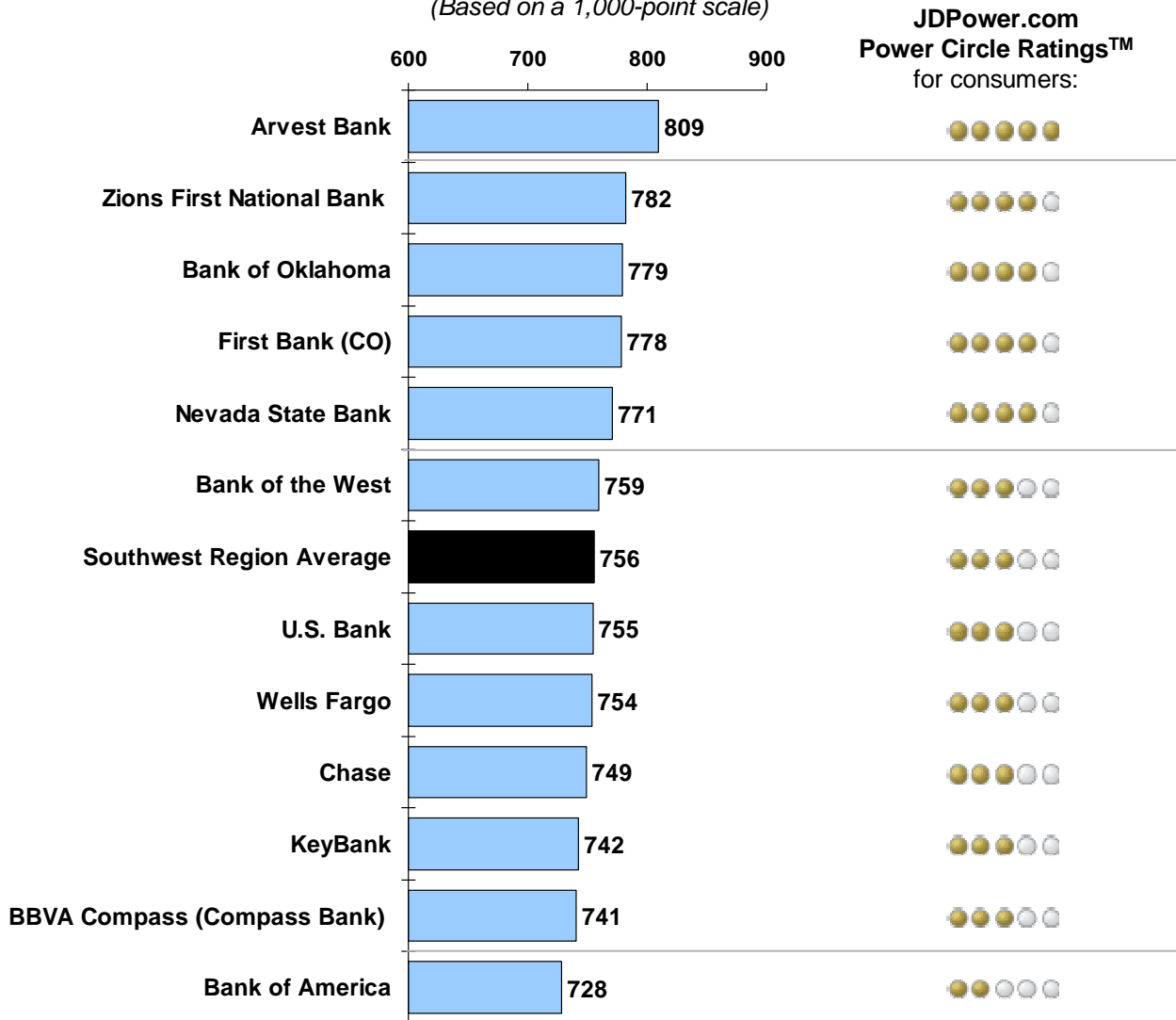


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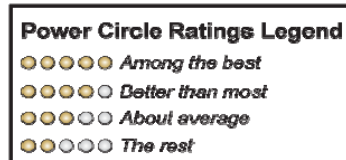
Southwest Region
(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: BancFirst, Marshall & Ilsley Bank (M&I Bank), MidFirst Bank, National Bank of Arizona and Wachovia Bank.

Included in the Southwest region are: Arizona, Colorado, New Mexico, Nevada, Oklahoma and Utah.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM



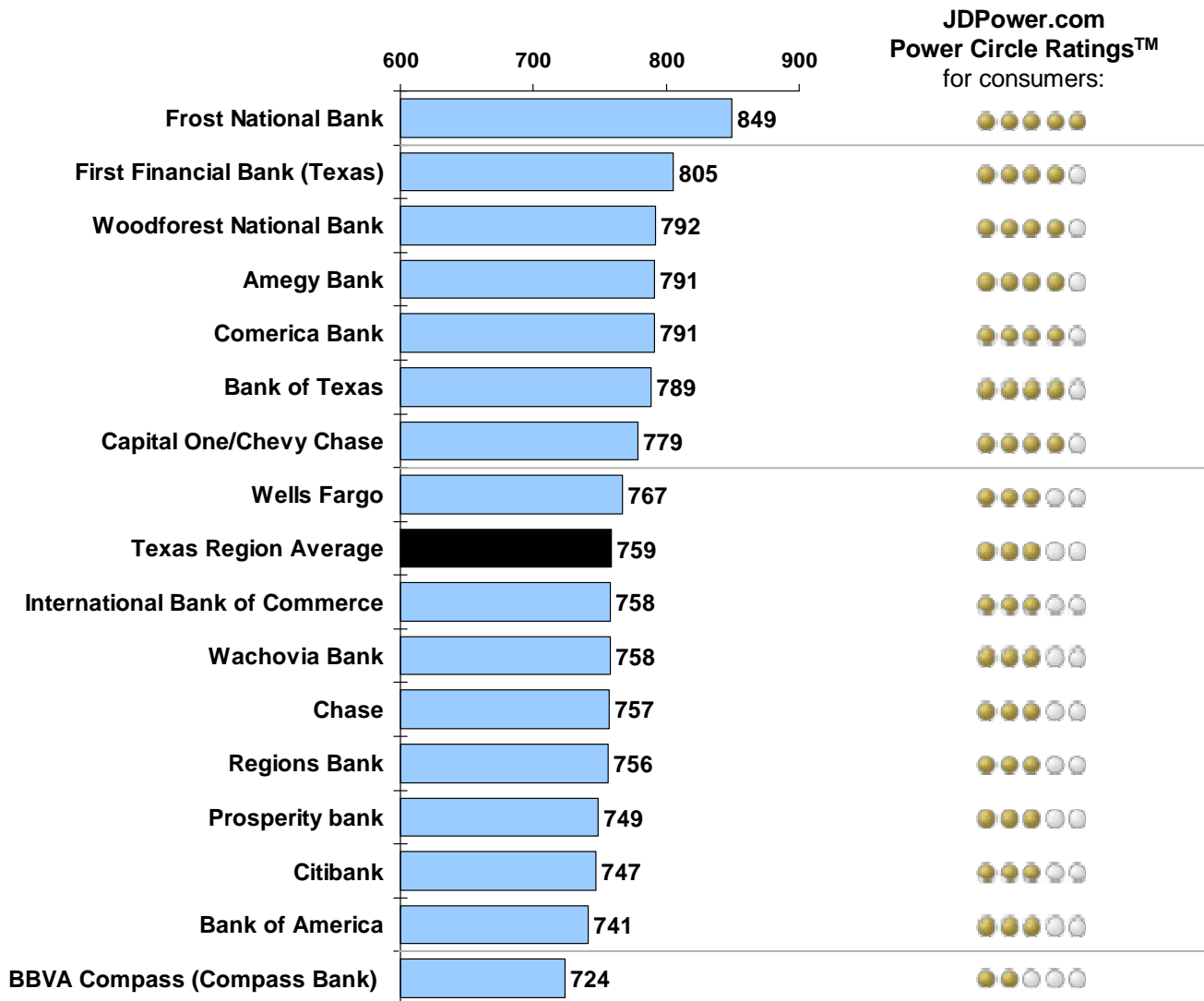
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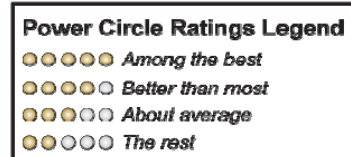
Texas

(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size is Sterling Bank.

Source: J.D. Power and Associates 2011 U.S. Retail Banking Satisfaction StudySM



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