What Millennials Expect from Their Banks

Insights on the new realities of retail banking from 285 Millennial consumers
About This Report

It’s no great surprise that Millennials see things a little bit differently. This generational mindset impacts their behavior as consumers — including the brands they choose and the ways they interact with those companies — and banks are no exception to this new wave of expectations.

Change isn’t easy, especially for large organizations with a long history of operating a certain way, but the stakes are high as more and more Millennials come of age as consumers.

That’s why Salesforce Research surveyed more than 900 U.S. consumers to discover how expectations of today’s retail banks are changing, especially among the Millennial generation.

Conducted mid-2015, this survey generated responses from 931 consumers in the U.S. Due to rounding, not all percentage totals in this report equal 100%. All comparison calculations are made from total numbers (not rounded numbers).

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If you’ve spent any length of time with someone who falls into the Millennial category, you know that they’re never far from their mobile phones. In fact, many wouldn’t even consider them “mobile” phones, but just plain “phones,” since landlines are increasingly not part of a Millennial’s day-to-day life.

01 Millennials Expect Robust Mobile Banking
When it comes to banking behavior, our research shows that 82% of Millennials agree that it’s beneficial for banks to offer mobile banking for tasks such as depositing checks. Comparing age groups, Millennials are 2.1x more likely than Baby Boomers to strongly agree with this sentiment.

To what extent do you agree that it’s beneficial for banks to offer banking activities via mobile devices?

**Millennials**
- Strongly agree: 60%
- Agree: 22%
- Neither agree nor disagree: 14%
- Disagree: 3%
- Strongly disagree: 1%

**Gen Xers**
- Strongly agree: 48%
- Agree: 23%
- Neither agree nor disagree: 20%
- Disagree: 4%
- Strongly disagree: 4%

**Baby Boomers**
- Strongly agree: 29%
- Agree: 23%
- Neither agree nor disagree: 35%
- Disagree: 7%
- Strongly disagree: 5%
Millennials are also far more likely to rely on mobile apps for banking. In fact, 75% of Millennials are at least somewhat reliant on a mobile banking app to interact with their bank for tasks such as depositing or sending checks, checking their balance, and paying bills.

More than one-quarter (27%) of Millennials are completely reliant on a mobile banking app.

Compared to other generations, they are 1.3x more likely than Gen Xers and 2x more likely than Baby Boomers to rely on a mobile banking app for regular banking activities.

To what extent do you rely on a mobile banking app to deposit or send checks, check your balance, pay bills, etc.?

**Millennials**
- Completely reliant: 27%
- Mostly reliant: 25%
- Somewhat reliant: 23%
- Not very reliant: 11%
- Not at all reliant: 13%

**Gen Xers**
- Completely reliant: 20%
- Mostly reliant: 23%
- Somewhat reliant: 21%
- Not very reliant: 12%
- Not at all reliant: 23%

**Baby Boomers**
- Completely reliant: 13%
- Mostly reliant: 9%
- Somewhat reliant: 20%
- Not very reliant: 19%
- Not at all reliant: 38%
02 Millennials Expect Real-Time Communication on Their Own Terms

Given the Millennial tendency to always be connected, it follows suit that they expect zero delay in communications – whether from a friend or a company they’ve entrusted with their business. They also want two-way communication with their bank in whichever channel is most convenient for them.
Nearly half of Millennials want to receive SMS alerts from their bank.

While 43% have signed up for SMS alerts from their bank, another 7% say they would like to receive SMS alerts, but their bank does not offer it as a service.

Spotlight on Social

While most might consider banking questions too personal for a channel like social media, there are some who communicate with their bank that way. Among those who have, 69% of Millennials expect a response from their bank via social within one hour. Ninety-four percent of Millennials say a same-day response is acceptable, while only 6% would be satisfied with a reply in two or three days.

Have you signed up for SMS (text message) alerts from your bank (e.g., overdraft notifications)?

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Yes</th>
<th>No</th>
<th>SMS not available but interested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Millennials</td>
<td>43%</td>
<td>50%</td>
<td>7%</td>
</tr>
<tr>
<td>Gen Xers</td>
<td>37%</td>
<td>53%</td>
<td>10%</td>
</tr>
<tr>
<td>Baby Boomers</td>
<td>27%</td>
<td>66%</td>
<td>8%</td>
</tr>
</tbody>
</table>
02 Millennials Expect Real-Time Communication on Their Own Terms

Mobile occupies two of the top three ways that Millennials want to receive alerts from their banks. Thirty percent of Millennials would like to receive an SMS, and another 28% would prefer push notifications to their mobile app (compared to just 17% and 4% of Baby Boomers, respectively). With the exception of email (see next section), Millennials expect to be communicated with in the opposite manner of Baby Boomers.

How do you prefer to receive alerts or notifications from your bank (e.g., account overdraft)?

<table>
<thead>
<tr>
<th></th>
<th>Millennials</th>
<th></th>
<th>Gen Xers</th>
<th></th>
<th>Baby Boomers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>58%</td>
<td></td>
<td>53%</td>
<td></td>
<td>57%</td>
<td></td>
</tr>
<tr>
<td>SMS/text message</td>
<td>36%</td>
<td></td>
<td>32%</td>
<td></td>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Phone call</td>
<td>20%</td>
<td></td>
<td>21%</td>
<td></td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Push notification to a mobile app</td>
<td>28%</td>
<td></td>
<td>11%</td>
<td></td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Private message (Facebook/Twitter)</td>
<td>3%</td>
<td></td>
<td>4%</td>
<td></td>
<td>2%</td>
<td></td>
</tr>
</tbody>
</table>
Email is still the primary channel that all consumer age groups rely on to receive notifications from their bank. Millennials are no exception this time, with 58% selecting email as a preferred communication channel (compared to 56% of total consumers surveyed).
Consumers preferring to receive **alerts or notifications** from their bank (e.g., account overdraft) via email

Consumers preferring to receive **promotional offers** or regular communications (not time-sensitive) from their bank via email

When it comes to receiving promotional offers or regular communications that are not time-sensitive from their bank, 66% of Millennials prefer email. This is consistent with findings from consumers of all age groups.

In further support of email, of the channels we inquired about in this study – email, SMS, phone call, push notification, private social message – email is the number one channel where Millennials say they’ve increased the number of products and services from their bank as a result of a message via that channel.
Last Look: What Millennials Expect from Their Bank

Robust Mobile Banking

82% of Millennials agree that it’s beneficial for banks to offer mobile banking for tasks such as depositing checks.

27% of Millennials are completely reliant on a mobile banking app.

Real-Time Communication on Their Own Terms

2/3 of the ways that Millennials want to receive alerts from their bank are via mobile channels.

69% of Millennials expect a response from their bank via social channels within one hour.

Email (Tried and True)

66% of Millennials prefer email when it comes to receiving promotional offers or regular communications that are not time-sensitive from their bank.

Email is still the primary channel that all consumer age groups rely on to receive notifications from their bank.
Methodology

In the fall of 2015, Salesforce Marketing Cloud conducted a survey using Google Consumer Surveys. A total of 1,184 responses were collected from a representative cross-section of consumers residing in the United States that bank with U.S. commercial banks for personal use. Of those, 285 represent the Millennial population.

Google Consumer Surveys makes use of inferred demographic and location information to employ stratified sampling by distributing surveys based on the targeted audience. Demographics are inferred through respondents’ browsing history (double-click cookies for age and gender/IP address for geography) and are matched against existing government statistical data. Post-stratification weighting is used to compensate for sample deficiencies, removing survey sample bias, to provide a more accurate result with lower root-mean-square error (RMSE) to better represent the Current Population Survey (CPS).