

Q2



The Personal Bank

Delivering personalized
experiences across generations

Methodology

This survey was conducted online within the United States by The Harris Poll from February 12 – 27, 2024 among 1,505 individuals who have accessed a financial account online, make financial decisions, and have a financial account. Sampling was done with the goal of representativeness among this population and weighting was completed to bring final data into line with the population.

This online survey is not based on a probability sample and therefore no estimate of theoretical sampling error can be calculated.



This report summarizes the key findings of the research.



Respondent Profile

We surveyed 1,505 individuals in the US

Gen X/Baby Boomers
(Ages 43+) = 501

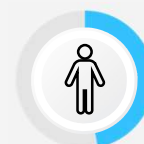
33%

Millennials
(Ages 27–42) = 502

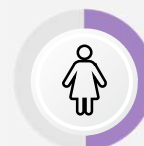
33%

Gen Z
(Ages 18–26) = 502

33%



47% Men



52% Women



65% make all the financial decisions as the primary financial decision maker.



35% make most of the financial decisions, but it is a shared responsibility.



75% bank at a location with physical branches.



25% bank with online only banks or Peer to Peer platforms.

Delivering Personalized Experiences Across Generations

Key insights from consumer study on cross-generational banking preferences

For financial institutions to better serve their account holders, understanding their banking perspectives and preferences is critical. Q2 commissioned the Harris Poll to conduct a survey among Gen Z (ages 18-26), Millennials (ages 27-42), and Gen X/Baby Boomers (ages 43 and up) to gain insights on the state of consumer banking preferences among generations and provide financial institutions with the knowledge they need to better serve their account holders. The survey questions focused on topics ranging from digital banking usage and preferences to AI, fraud and security.

When we set out to conduct this research, we anticipated some disparities between age groups. Contrary to those expectations, the survey revealed that on many issues, consumers across generations have similar perspectives, behaviors and preferences about banking.

Most notably, all generations *asked for more personalized banking experiences and are comfortable with their financial institution using data to deliver what they need. The study also reveals that consumers don't mind the use of artificial intelligence (AI) technology for fraud protection.*

74%



of respondents across generations want more personal banking experiences.

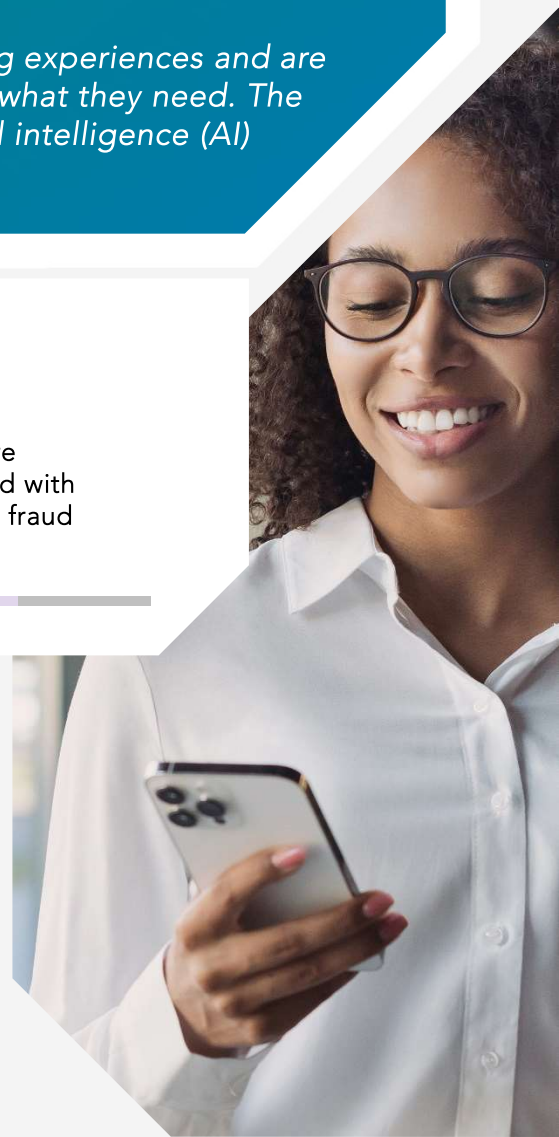
70%



of consumers are already on board with AI for advanced fraud detection.

When it comes to banking, today's generations are more alike than we think. Banking is the common denominator among generations – the necessity that spans Gen Z's tech-savvy expectations to Gen X/Baby Boomers' high-touch preferences.

This research uncovers the areas of opportunity for financial institutions to better address consumer expectations and deliver personalized experiences.



Building Collective Trust

Banking, as this study reveals, is the great unifier, linking us all through the collective trust we put in the financial institutions we bank with. Based on their own experience, **70% of consumers across all generations agree or strongly agree that the banking industry is trustworthy.** Across all levels of agreement (strongly agree to strongly disagree), the generations are separated by only a few percentage points, demonstrating again that the generations are more closely aligned on certain issues than anticipated.

Further supporting this point, **89% of respondents find their overall experience with their primary banking providers satisfying,** stemming from ease of service to swift mobile banking solutions. The banking industry, as the data reports, continues to be trusted across generations. Financial institutions can leverage this trust to find more ways in which they can deliver personalized experiences and frequent, impactful touchpoints for their account holders.



70%

of consumers, across generations believe the banking industry is trustworthy.

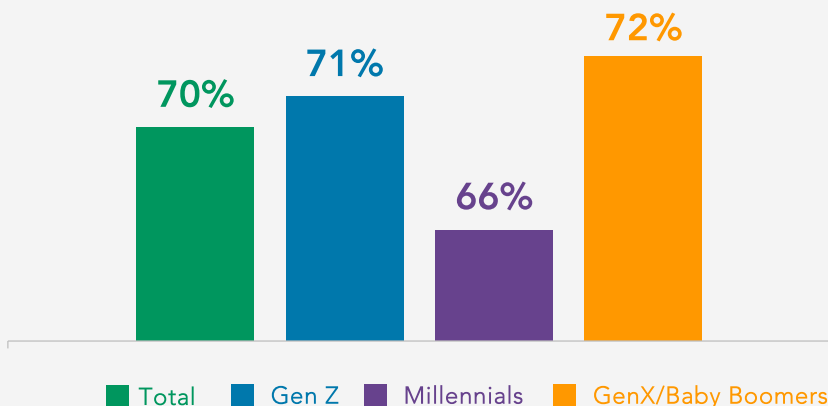


89%

are satisfied with their primary banking provider, largely on the basis of service – ease of service and swift mobile banking solutions.



Please provide your level of agreement with the following statement: "Based on my own experiences, I believe the banking industry is trustworthy."



Delivering Data-Driven, Personalized Digital Banking Experiences

While trustworthiness in the banking industry remains high, 41% of consumers affirmed their financial institutions provided occasional support or choices that reflect their dreams and priorities. Only 22% said it regularly feels like their financial institutions anticipate their needs. This finding reveals an area of opportunity for financial institutions to better anticipate and deliver the right solutions and services to their account holders.

To further this point, and as indicated earlier, 74% of respondents across generations want more personal banking experiences. Respondents seem to understand that financial institutions need data to deliver personal digital banking experiences, and 66% of consumers across generations are comfortable with their financial institution using their data to personalize their experiences.

At the heart of the personalized banking experience is the ever-evolving digital world. A sizable 55% of consumers choose online routes for their banking needs, with 48% logging into their bank's mobile app or website daily. This digital trend underscores the building blocks of new banking beliefs where accessibility, convenience and personalized experiences call the shots.



41%

of consumers affirmed their financial institutions provided occasional support or choices that reflect their dreams and priorities.



22%

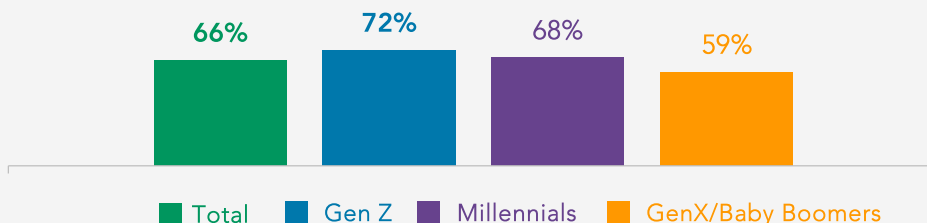
of consumers say it only regularly feels like their financial institution is reading their mind.



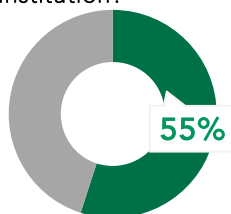
66%

of consumers are comfortable with their financial institution using their data to personalize their experiences.

How comfortable are you with your financial institution using your data to personalize your experiences?

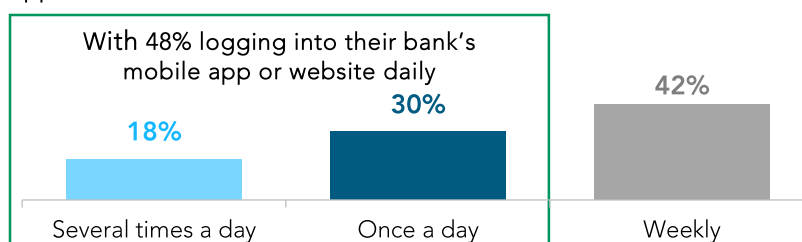


What is your preference when it comes to interacting with your primary financial institution?



of consumers choose online routes for their banking needs

How frequently do you access your primary financial institution's mobile app or website?



Harnessing the Power of AI for Fraud Detection

Remarkably, the consensus among all generations doesn't stop at trustworthiness of financial institutions or the desire for personalized experiences. It extends further into the realm of emerging technologies, particularly artificial intelligence (AI). A whopping 70% of consumers are already on board with AI for advanced fraud detection, and an impressive 48% demand higher levels of security for their financial data in the future.

When it comes to the use of AI by their financial institution, the majority (66%) of all consumers surveyed are comfortable with data-based personalization from their financial institution. Gen Zers are the most comfortable (72%) followed by Millennials (68%), and 59% of GenX/Baby Boomers, which is higher than one might expect for that age group.

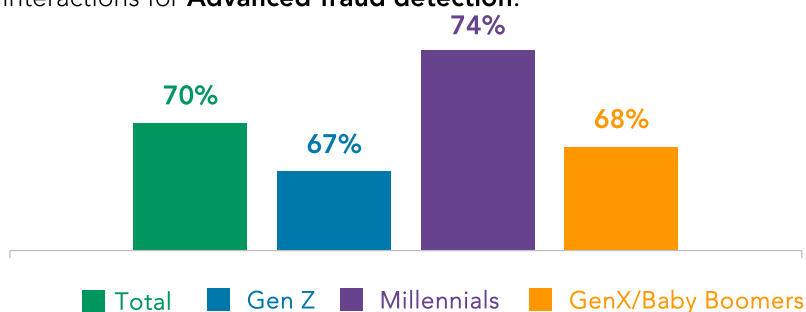
With this level of comfort in AI utilization among consumers, financial institutions have a great opportunity for exploration and expansion with personalized banking experiences. Aligning banking services with this consumer sentiment will not only validate consumer trust and satisfaction in the banking industry but will also propel banking services into an exciting new era of personalized, secure and intuitive banking solutions.



70%

of consumers are already on board with AI for advanced fraud detection.

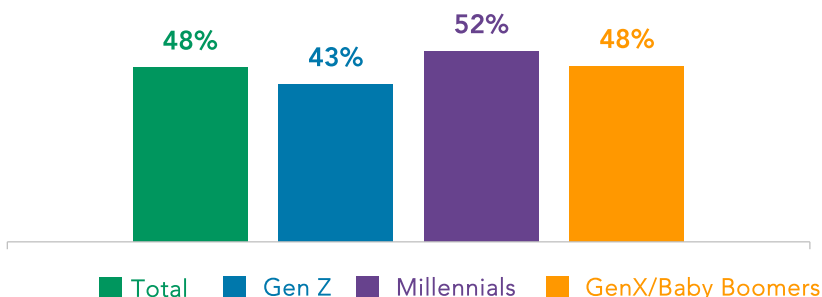
Please provide your rating for the acceptability of the use of AI technology, such as Gen AI in your banking / financial institution interactions for **Advanced fraud detection**.



48%

demand higher levels of security for their financial data in the future.

In the next five years, how do you expect your bank / financial institution to change? **Respondents selected:** Stronger Security: increased protection for your financial data



Serving the Gen Z Generation

Understanding the needs and desires of Gen Zers and how to serve them is top of mind for financial institutions today. It is estimated that \$72 trillion in assets will be passed down to younger generations over the next 20 years. Not only do financial institutions want to understand the banking needs of Gen Zers but they also want to be the primary financial institution for the Gen Z generation as they acquire wealth. Community financial institutions have an opportunity to gain primacy and Gen Z deposits by using segment analysis and differentiated banking capabilities to evolve alongside this cohort. Sixty percent of Gen Zers said they have noticed a positive impact on their financial habits or goals as a result of personalized digital banking features, compared to just 33% of Gen Xers and Baby Boomers.

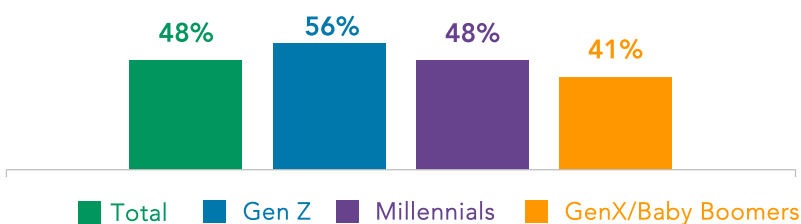
For young consumers, banking has become more than transactional: It's integrated into their everyday lives. Compared to their older counterparts, Gen Zers rely more heavily on digital banking services to help guide their decision-making and improve their financial status. Fifty-five percent of Gen Zers access their bank's mobile app or website every day, compared to just 41% of Gen Xers and Baby Boomers. At the same time, in-person banking services are important to Gen Zers too, further signaling their dependency and trust in financial institutions. Sixty-five percent of Gen Zers prefer opening an account in person, compared to 58% of Millennials, Gen Xers and Baby Boomers.



56%

of Gen Zers access their bank's mobile app or website every day, compared to just 41% of Gen Xers and Baby Boomers.

How frequently do you access your primary financial institution's mobile app or website? **Respondents selected:** Daily

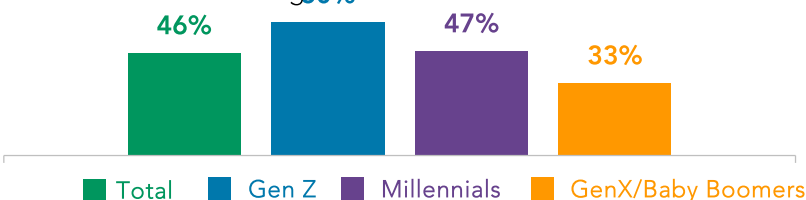


60%

of Gen Zers said they have noticed a positive impact on their financial habits or goals due to personalized digital banking features, compared to just 33% of Gen Xers and Baby Boomers.

Please provide your level of agreement with the following statements...

Respondents selected: I have noticed a positive impact on my financial habits or goals due to the personalized features in my online or mobile banking service.

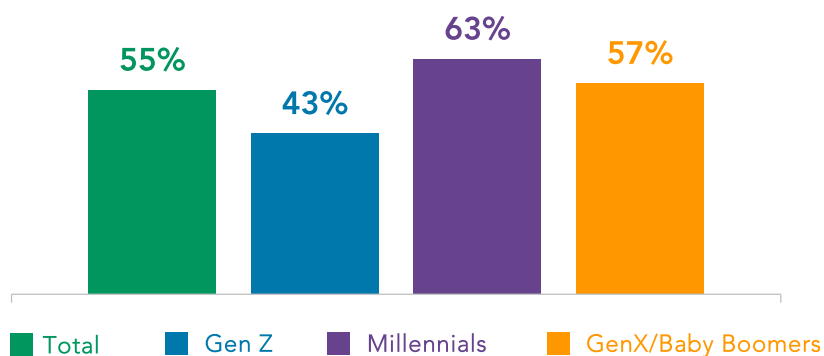




43% of Gen Z prefer banking online, compared to **63%** of Millennials and **57%** of Gen Xers and Baby Boomers.

Embracing Online Interactions

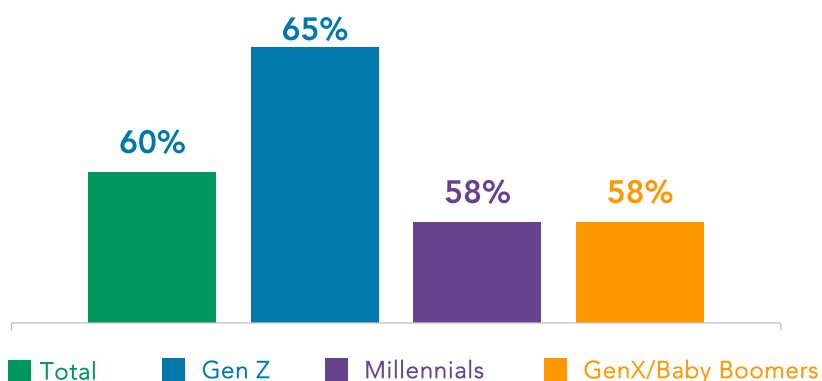
What is your preference when it comes to interacting with your primary financial institution? **Respondents selected:** I prefer online interactions for my banking needs



65% of Gen Zers prefer opening an account in person, compared to **58%** of Millennials, Gen Xers and Baby Boomers.

Opening New Accounts: In-Person Preference

How do you complete the following tasks...
Respondents selected: Open a new account in Person



Conclusion

The key to delivering personalized experiences for every stage of an account holder's life journey lies at the heart of modern banking – a generational unifier catering to consumers of all ages. Consumers are looking for financial institutions they can trust who are uniquely suited to address their needs. Financial institutions must know their account holders, serve them by providing tailored services that understand and anticipate their individual needs, and grow relationships with them that go beyond traditional banking.

Financial institutions can ace personalization by leveraging the best of both worlds – the efficiency and security of digital platforms and the human touch of traditional, in-person banking. Yet, the real win lies in striking a balance – and knowing when and how to leverage each, while addressing unique needs.

With this, financial institutions can transcend traditional roles and become trusted partners in their account holders' financial journeys, anticipating their needs, and delivering a customized experience at every life stage.

The future of banking, therefore, isn't just about unified service but about creating individualized experiences that resonate with the unique needs of every consumer.

To learn more about how your financial institution can deliver personal digital banking experiences, please visit: <https://www.q2.com/solutions/consumer-banking>.

