



Retail banking survey

Sustainability and retail banking

January 2023

Management summary

Climate change is one of the key challenges of our time. From companies to individuals, actions to combat its effects are becoming unavoidable. Retail banks are no exception: customers expect them to contribute to making our world more sustainable. Although overall customer satisfaction with retail banks is high and the likelihood of switching banks is low, sustainability has become the key driver behind going to another bank.

Our survey – conducted among 1,000 customers of Dutch banks – shows that 95% believe that people can make a difference for the climate and foresee an important role for banks in accelerating sustainability.

ASN Bank and Triodos Bank are considered the most sustainable banks in the Netherlands. The traditional banks ING, ABN AMRO and Rabobank are seen as less sustainable. If the current trend in climate awareness and action continues, the customer base of these traditional banks is at risk. To retain and attract customers, traditional banks must increase their sustainability efforts by improving and enriching their product offerings.

Customer satisfaction

Our survey indicates that overall customer satisfaction with retail banks is high, and even slightly higher than in 2018. Customer satisfaction is mainly influenced by the user friendliness of mobile apps and websites, and the safety and reliability of a bank.

Average grade of retail banks ['18-'22; n=1,001]

What grade do you give your bank? [0-10]¹

Ranking of satisfaction factors for retail banks ['22; n=1,001]

To what extent do the following factors determine your satisfaction with your primary bank? [0-10]



Key takeaways

- Customers consider a user-friendly app the most important requirement, with safety & reliability a close second
- Sustainability is not yet seen as a factor in customer satisfaction, either due to a lack of customer interest or banks not fulfilling customer sustainability needs
- Customers no longer care much about a bank branch nearby, with an average score of 5.4
- Favorable interest rates and low prices also do not seem to be key factors in customer satisfaction, with average scores of 5.7 and 6.1 respectively

¹ Grades in 2018 were measured on a scale from 1 to 10 / Source: Roland Berger customer survey retail banking 2018 and 2022

Customer loyalty

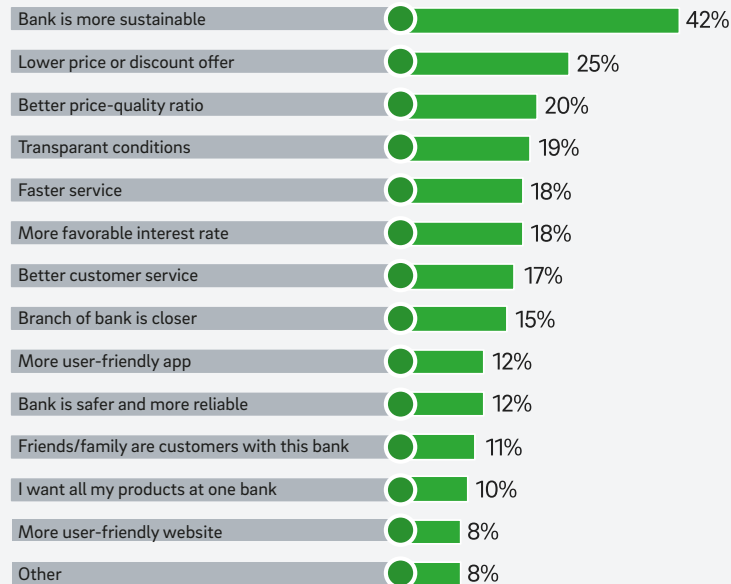
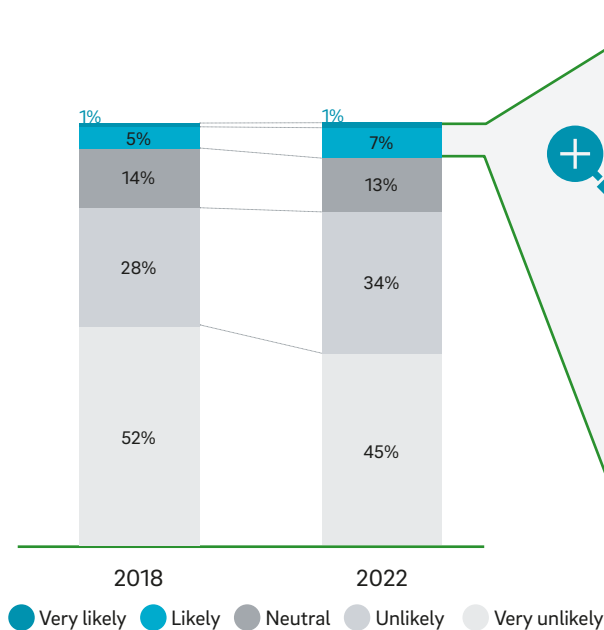
In the short term, customers, though generally reluctant to switch banks, would switch for sustainability reasons. They are more likely to switch banks than they were in 2018, with 8% indicating that it is likely or very likely. Of these 8%, 42% would switch because of another bank being more sustainable.

Planning to switch banks ['18-'22; n=1,001]

Are you planning to switch your primary bank? [% of resp.]

Planning to switch primary banks ['18-'22; n=1,001]

Why would you consider switching banks? [% of resp.]

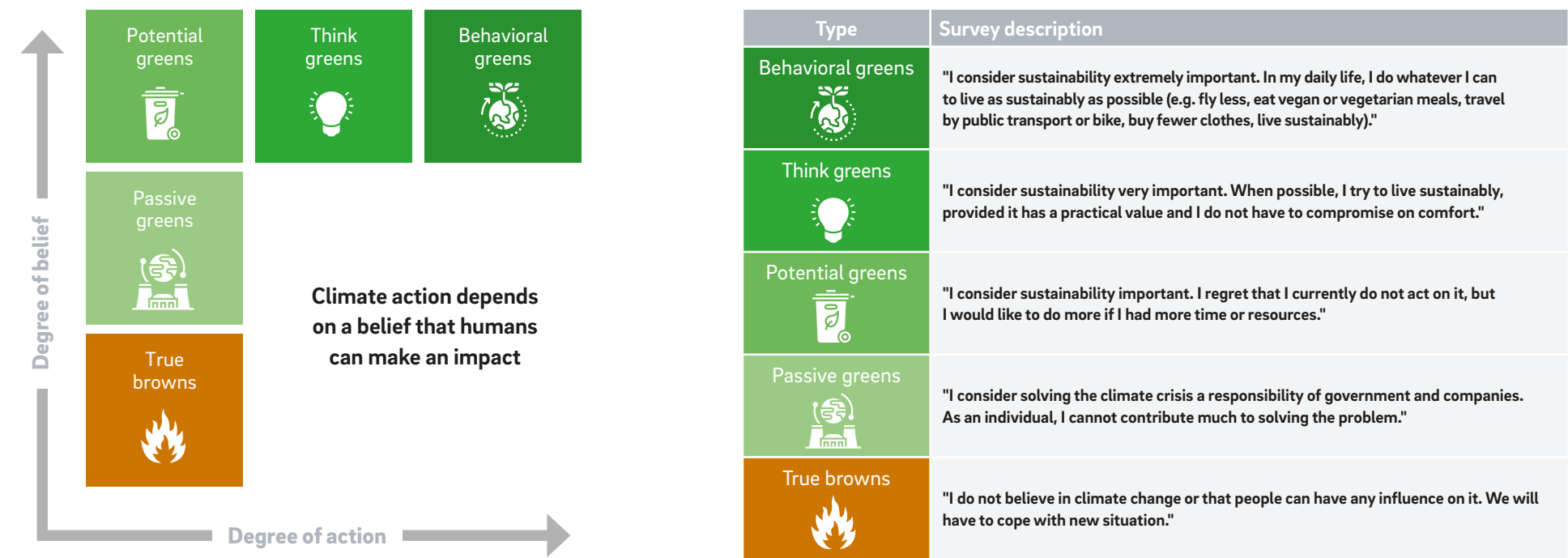


Key takeaways

- Customers are generally reluctant to switch banks, with fewer than 10% indicating plans to
- Although sustainability, low pricing and transparent conditions have minimal impact on customer satisfaction, they are important triggers for switching
- Banks can distinguish themselves from their competitors by creating a strong sustainability proposition, thereby attracting new customers

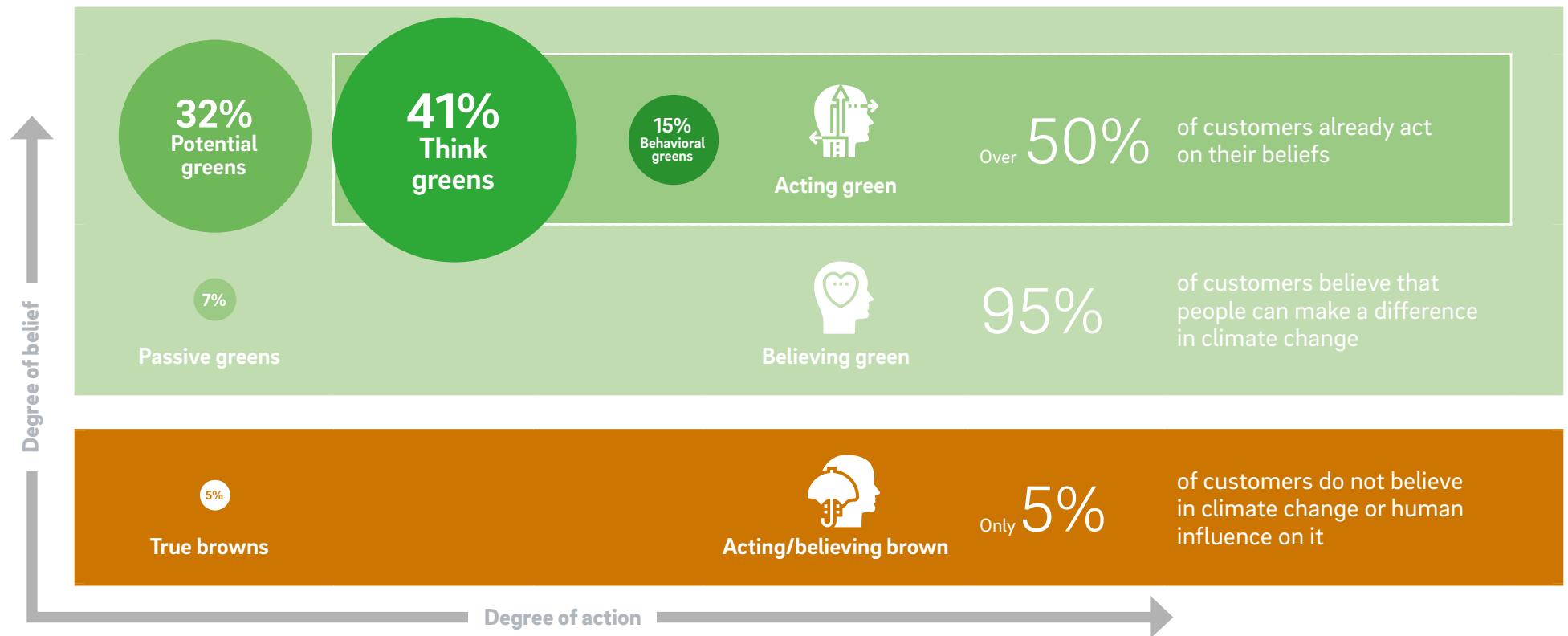
How sustainable are customers?

Customers can be segmented in terms of sustainability persona based on their belief in sustainability and actions they take accordingly. Our survey asked customers to pick their sustainability persona. For behavioral greens, sustainability is on the top of their minds, and their consumption and actions reflect this. Think greens believe in sustainability, but take action only if it has practical value and does not change their way of life too much. Potential greens believe in climate change and the human impact on it, but neither have the ability nor the motivation to act on it. Passive greens believe humans can combat climate change, but do not believe in the impact of individual action and think it should be solved by governments and companies. True browns do not believe in climate change or that humans have any influence on combating it, and therefore take no action nor make any adjustments in their consumption or behavior.



Customer sustainability

As global temperatures continue to rise, climate change will affect our environment, our health, our safety and thus our lives. Many people are already feeling these effects. 95% of survey respondents believe that people can make a difference in combating climate change, and more than 50% already act on this belief. Only 5% do not believe in climate change or that people can have an impact on it.

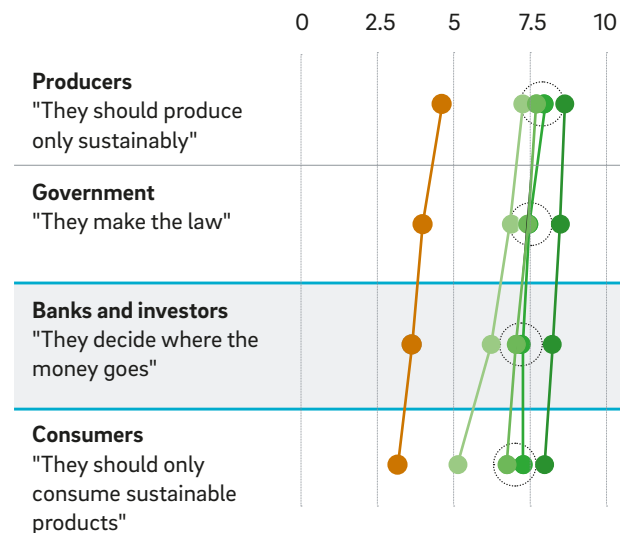


An important role for banks in accelerating sustainability

Dutch customers see an important role for banks in accelerating sustainability, mainly by lowering their own emissions and helping their customers do the same. Other responsibilities banks could take on include sustainability as a basis for investment policy and incorporating it into setting interest rates for loans.

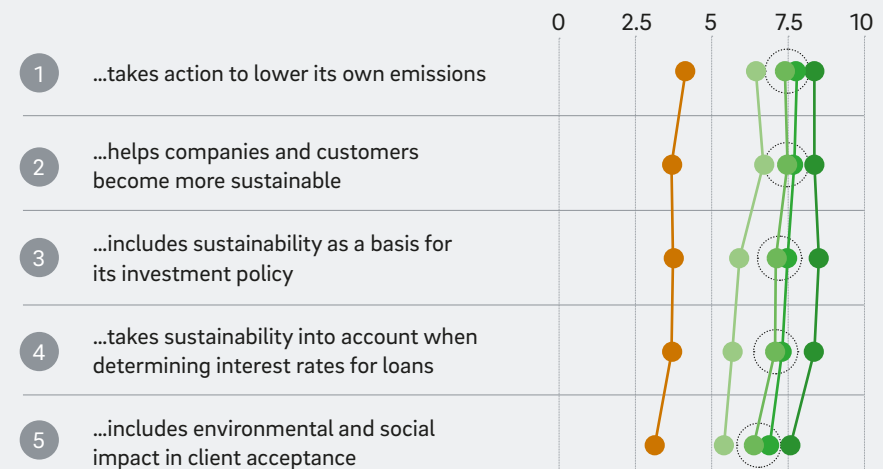
Responsibility to accelerate sustainability ['22; n=1,001]

To what extent do you hold the following parties responsible for driving and accelerating sustainability? [0-10]



Bank responsibilities ['22; n=1,001]

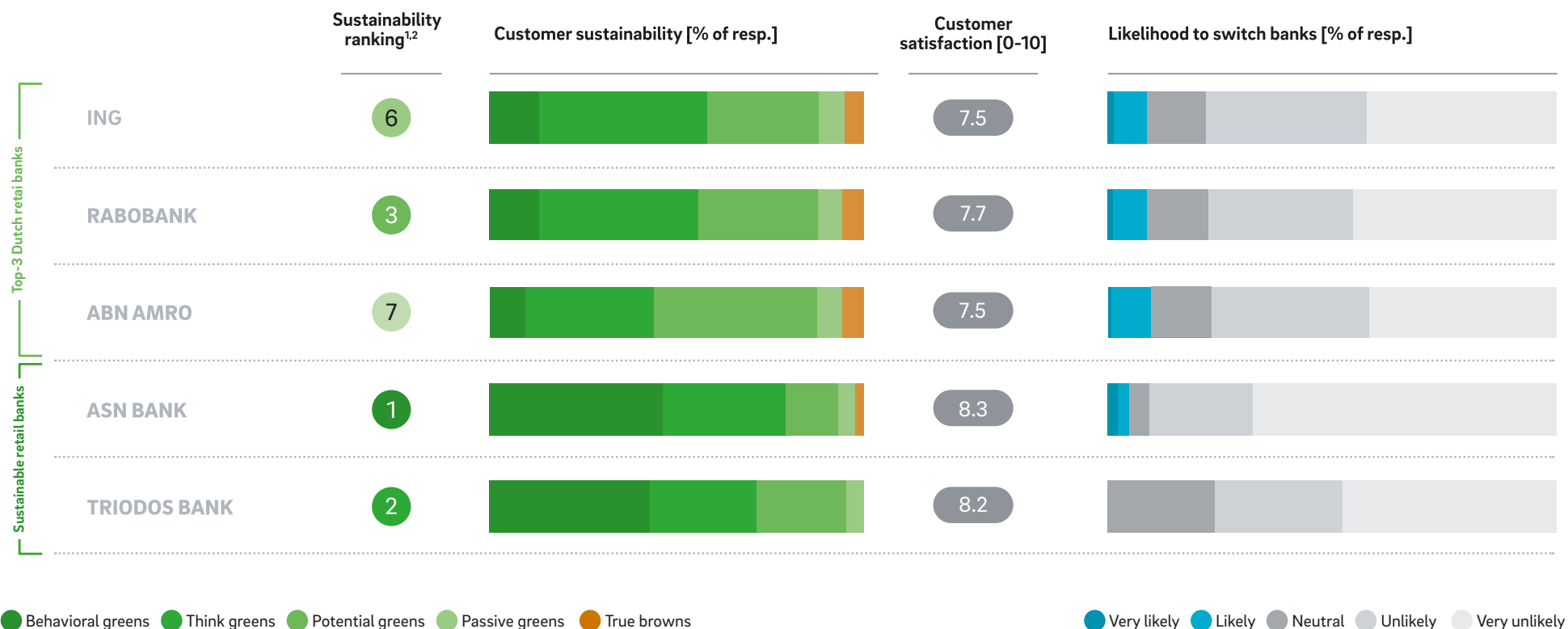
What do you see as the most important responsibilities of your bank? The bank... [0-10]



○ Total (n=1,001) ● Behavioral greens (n=150) ● Think greens (n=413) ● Potential greens (n=413) ● Passive greens (n=67) ● True browns (n=50)

Customer sustainability impact on banks

Of the retail banks included in our survey, ASN Bank and Triodos are seen as the most sustainable. They have the greenest customer base supported by the highest customer satisfaction and lowest likelihood to switch. The top-3 Dutch banks have a comparable customer breakdown from a sustainability perspective, where ING and ABN AMRO are seen as less sustainable than Rabobank.

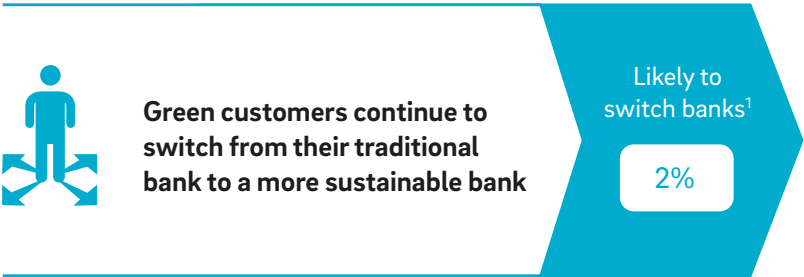


1) Ranking of banks on sustainability based on customer perspective; 2) 93 observations are attributed to SNS, Regiobank, Knab and Bunq and therefore not representative enough to show / Source: Roland Berger customer survey retail banking 2022

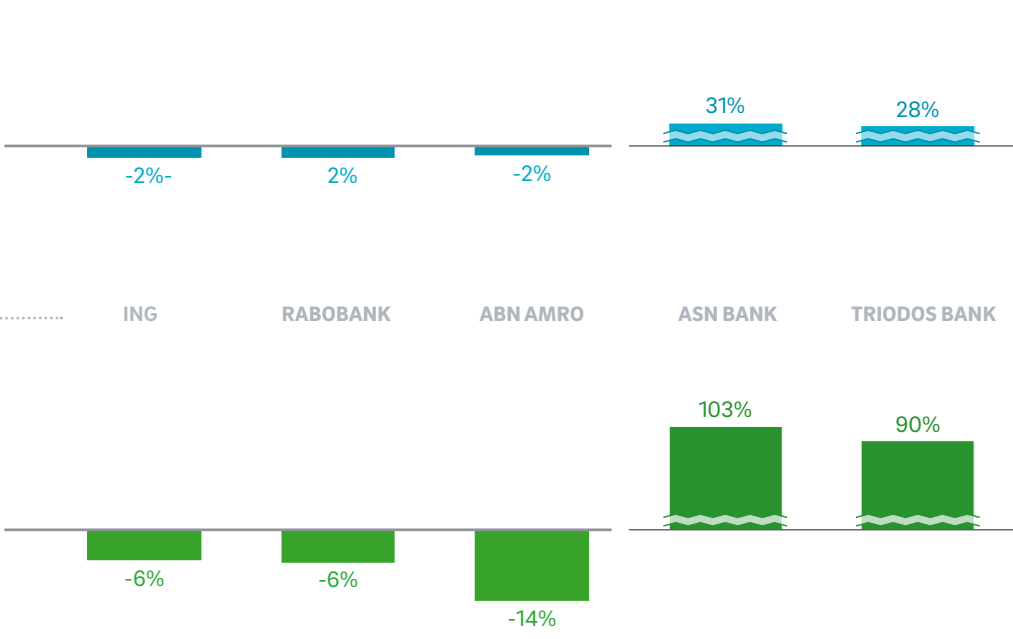
Traditional banks at risk

Given that the top-3 banks are seen as less sustainable and that sustainability is the key reason for switching banks, the customer base of the top-3 banks is at risk. In the base case scenario – in which the survey’s switching likelihood continues – 6% of the total customer base of the top-3 banks is at risk. In an accelerated scenario – in which we expect that customers will become more sustainable and increasingly act on it – 26% of the total customer base of the top-3 banks is at risk. ABN AMRO is particularly exposed given its relatively high passive green customer base.

Base case scenario



Banks perceived as less sustainable will lose customers to more sustainable banks



Accelerated scenario

1) Likely to switch banks: 9% of behavioral greens and 3% of think greens are likely to switch because of sustainability, resulting in 2% of customers likely to switch banks
Source: Roland Berger customer survey retail banking 2022

Moving forward

To retain or strengthen their customer base, traditional banks must increase their sustainability efforts by improving and enriching their product offerings.

ACTIONS TO INCREASE SUSTAINABILITY EFFORTS:

Enhance the product portfolio, also beyond banking initiatives

- Help customers become more aware of their own carbon footprint, including tracking and compensation schemes
- Provide customers with insights into the sustainability impact of their savings and investments
- Integrate sustainability in all lending products instead of offering this as an add-on or a separate loan
- Add energy label improvements in qualifying for a mortgage interest rate discount
- Develop dedicated energy transition products to support customers in their own transition, with upfront loan approval and support throughout the entire customer journey

Embed sustainability as a key driver in improving engagement with existing customers and attracting new ones

- Foster awareness among staff on the bank's customer build-up from a sustainability perspective
- Increase the sustainability focus by adding sustainability persona to customer profiles
- Link existing customer engagements and satisfaction programs to the sustainability personas
- Closely monitor the customer base and the potential shift between personas over time
- Develop targeted digital marketing schemes for each sustainability persona

Contact – Our experts are here to help you



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