



Press Release

J.D. Power and Associates Reports: Customer Loyalty and Brand Image Decline among Retail Banking Customers For a Fourth Consecutive Year

Loyalty to Banks Wanes, Particularly among Customers of Larger Institutions

WESTLAKE VILLAGE, Calif.: 22 April 2010 — For a fourth consecutive year, customer loyalty and perceptions of brand image among retail banking customers continue to decline, while satisfaction has leveled off, according to the J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM released today.

Now in its fifth year, the study finds that overall satisfaction of retail banking customers averages 748 on 1,000-point scale in 2010—a slight decrease from 749 in 2009.¹ The brand image of banks has also continued to decline, with customers perceiving banks as being more profit-driven than customer-driven, compared with 2009. In addition, the percentage of customers who say they “definitely will not” switch banks during the next 12 months has decreased significantly during the past three years to 34 percent in 2010, compared with 46 percent three years ago in the 2007 study.

The gap in loyalty intent between customers of larger and smaller banks is considerable, with 41 percent of customers at smaller banks who say they “definitely will not” switch, compared with 32 percent at larger banks. Higher customer satisfaction with in-person service and attention is an important contributor to increased loyalty at smaller banks. Acquisition rates are also improving at smaller banks, with new customers accounting for 8 percent of the customer base, compared with an industry average of 6 percent.

Poor customer service—the most common reason given for switching banks—is cited by 37 percent of customers who changed their primary bank in 2010. Performing simple service acts—such as greeting customers as they enter the branch, offering additional assistance, and thanking them for their business—may increase overall satisfaction by nearly 50 index points, yet less than 60 percent of customers report experiencing them.

“As retail banking customers become considerably less loyal, banks need to focus on getting the fundamentals right,” said Michael Beird, director of banking at J.D. Power and Associates. “Banks that get back to the basics—such as maintaining a clean branch and greeting customers upon entering—may help to alleviate some of the distress customers are experiencing and increase their overall satisfaction.”

Fees continue to have a major impact on customer loyalty, as 29 percent of customers who switched banks in 2010 cite high fees for products or services as their reason for switching.

“While fees have a significant impact on customer satisfaction, banks may mitigate this effect by giving customers choices,” said Beird. “Customers tend to be considerably less dissatisfied when they have different overdraft options, such as the ability to transfer funds from a savings account or receive a balance alert. Proactive communication may also help to lessen the negative impact of fees, as satisfaction is more than 100 points higher

¹ Due to a change in methodology for the 2010 study, scores for 2009 have been adjusted to allow for comparison with 2010 scores.

among customers who are aware of changes in fees ahead of time, compared with customers who are taken by surprise.”

The study also finds that customers may be highly satisfied even when they are charged bank fees, provided that they perceive they are receiving sufficient value in exchange. When satisfaction with fees is above average, customer’s ratings for branch access and appearance, promptness of being served, and the bank’s website navigation and range of services are also higher than average.

Use of remote banking options is becoming increasingly common, with 51 percent of customers in 2010 indicating a preference for online banking, an increase from 45 percent in 2008. In addition, 7 percent of customers report using a mobile device to execute such transactions as checking balances, transferring funds and paying bills.

The study analyzes customer satisfaction with the retail banking experience based on six factors: account activities; account information; facility; fees; problem resolution; and product offerings. Study results by region are:

California: Bank of the West ranks highest in the region with a score of 782, and performs particularly well in the account activities factor. Union Bank of California (771) and Wells Fargo (761) follow in the regional rankings.

Florida: BankAtlantic ranks highest in Florida with a score of 792 and performs well in the facility, product offerings and account information factors. SunTrust Bank (788) and Regions Bank (786) follow in the rankings.

Mid-Atlantic Region: With a score of 808, Northwest Savings Bank ranks highest in the region and performs well in fees. Susquehanna Bank follows in the rankings with 806, and First National Bank of Pennsylvania ranks third with 784.

Midwest Region: Commerce Bank ranks highest with a score of 809, and performs particularly well in five factors: account information, account activities, facility, fees and product offerings. First Midwest Bank (783) and First Bank (773) follow in the regional rankings.

New England Region: Eastern Bank ranks highest in the region with a score of 787, and performs well in the account information, account activities and fees factors. People’s United Bank (People’s Bank) follows with 771 and Webster Bank ranks third with 761.

North Central Region: With a score of 800, Flagstar Bank ranks highest in the region and performs well in five factors: account information, account activities, facility, fees and product offerings. Independent Bank (796) and Wells Fargo (775) follow in the regional rankings.

Northwest Region: Sterling Savings Bank ranks highest with a score of 767, performing particularly well in the account activities and fees factors. Wells Fargo (757) and KeyBank (747) follow in the rankings.

South Central Region: Arvest Bank ranks highest in the region with a score of 805 and performs well in the facility and fees factors. Whitney National Bank follows in the rankings with 795 and Hancock Bank ranks third with 792.

Southeast Region: United Community Bank ranks highest with a score of 815, performing particularly well in the account activity, facility and fees factors. First Citizens (Bancshares) follows with 800, while Regions Bank ranks third (790).

Southwest Region: With a score of 835, **Arvest Bank** ranks highest in the region and performs well in the facility, fees, product offerings and account information factors. FirstBank (796) and Nevada State Bank (788) follow in the regional rankings.

Texas: Frost National Bank ranks highest with a score of 829 and performs well in the account activities, account information, fees and product offerings factors. Woodforest National Bank (800) and Capital One (787) follow in the rankings.

The 2010 U.S. Retail Banking Satisfaction Study is based on responses from nearly 48,000 respondents regarding their experiences with their banking provider. The study was fielded in January and February 2010.

For more information, read an article or 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 operating in key business sectors including market research, forecasting, performance improvement, Web intelligence and customer satisfaction. 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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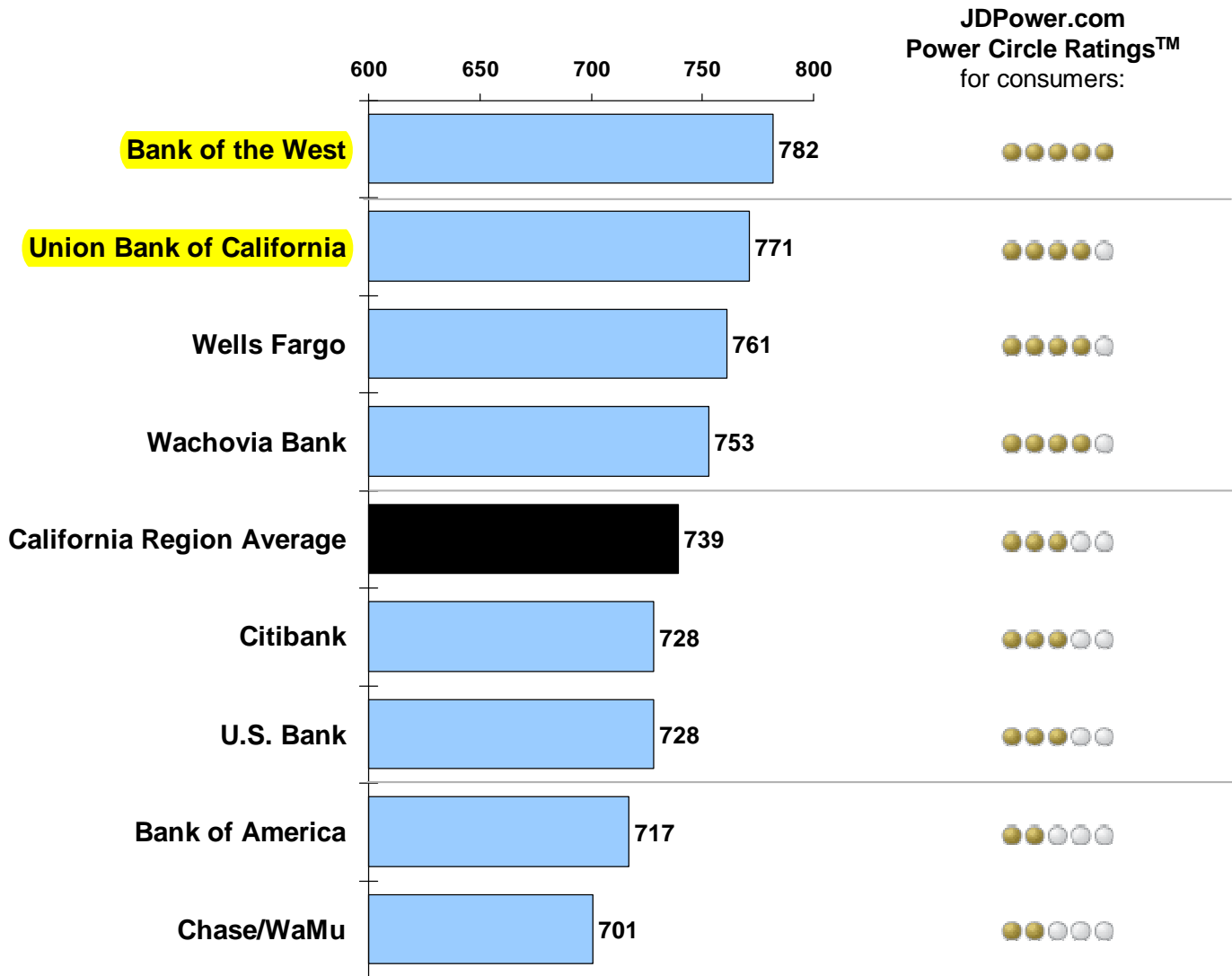
NOTE: 11 charts follow.

J.D. Power and Associates 2010 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: California Bank & Trust; California National Bank; Comerica Bank; East West Bank; Guaranty Bank; Rabobank; Umpqua Bank; and Westamerica Bank.

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM

Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings™ are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit jdpower.com/faqs. No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.

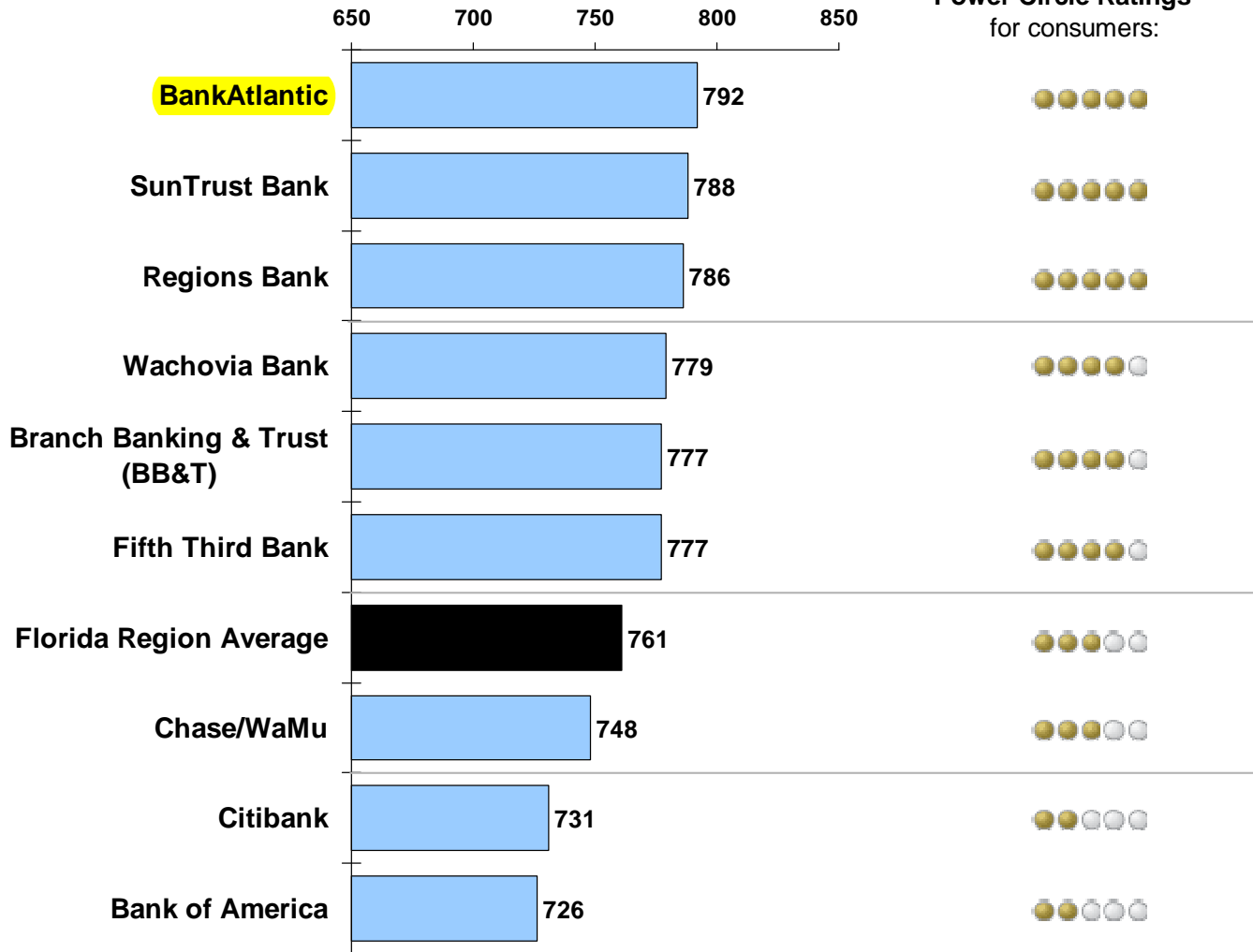
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Customer Satisfaction Index Ranking

Florida

(Based on a 1,000-point scale)

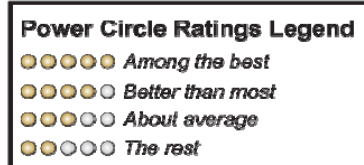
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Included in the study but not ranked due to small sample size are: Colonial Bank; National City; RBC Bank; and Riverside National Bank of Florida.

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM



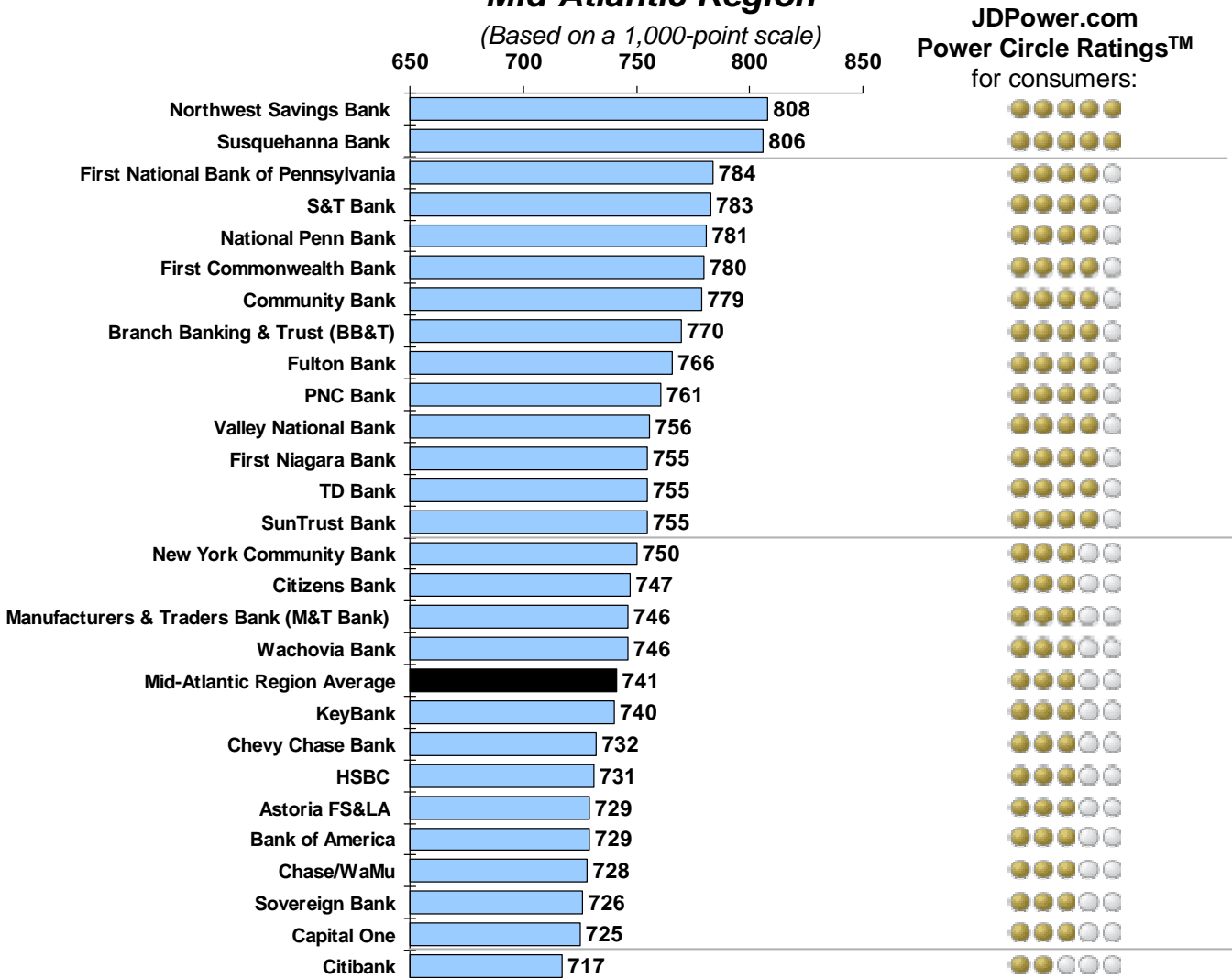
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Customer Satisfaction Index Ranking

Mid-Atlantic Region

(Based on a 1,000-point scale)

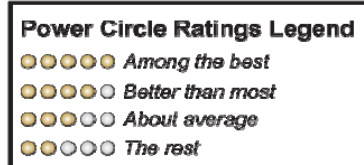


Included in the study but not ranked due to small sample size are: Apple Bank for Savings; Beneficial Mutual Savings Bank; Carter Bank & Trust; Harleysville National Bank & Trust; Hudson City Savings Bank; Huntington National Bank; National City; NBT Bank; The Provident Bank; StellarOne Bank; Sun National Bank; and TrustCo.

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

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM



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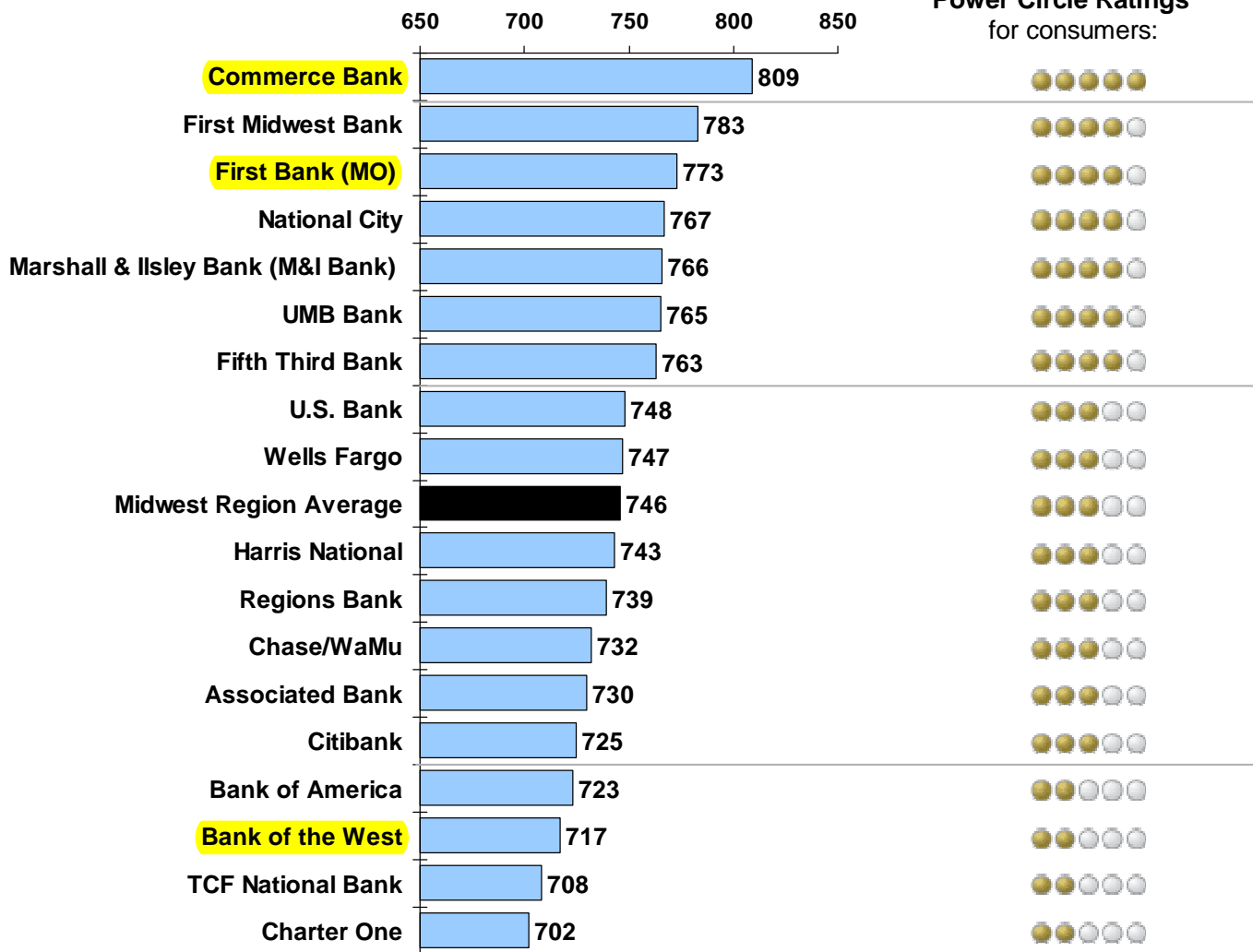
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Customer Satisfaction Index Ranking

Midwest Region

(Based on a 1,000-point scale)

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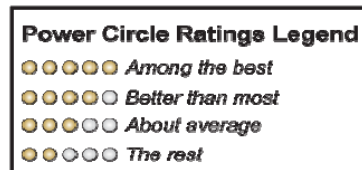


Included in the study but not ranked due to small sample size are: AMCORE Bank; AnchorBank; Bank Mutual; Bremer Bank; First American Bank; Great Southern Bank; Johnson Bank; and MB Financial Bank.

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

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM



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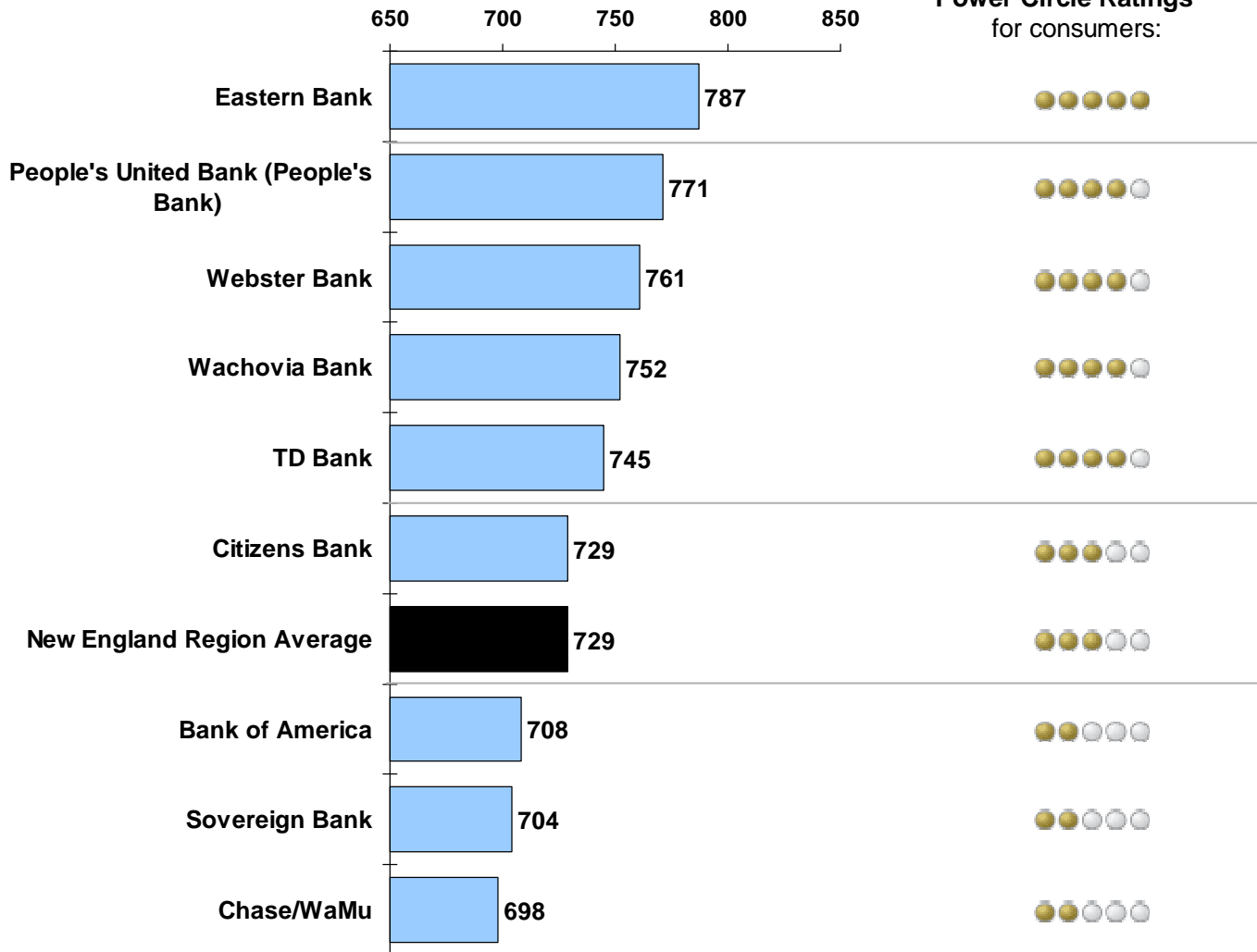
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Customer Satisfaction Index Ranking

New England Region

(Based on a 1,000-point scale)

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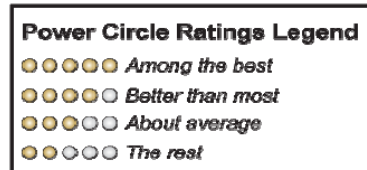


Included in the study but not ranked due to small sample size are: Citibank; KeyBank; NewAlliance Bank; and Rockland Trust Co.

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

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Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM



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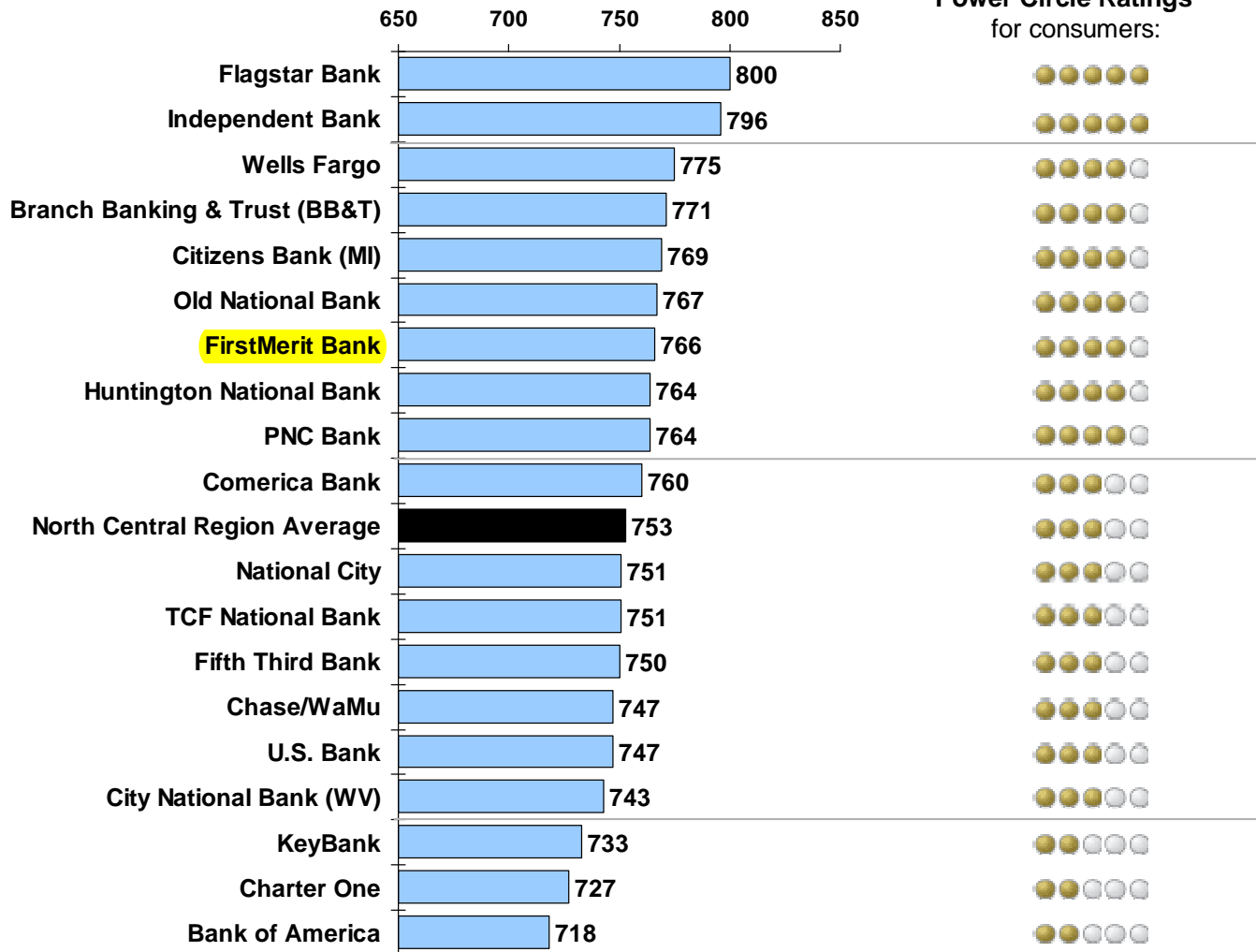
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Customer Satisfaction Index Ranking

North Central Region

(Based on a 1,000-point scale)

JDPower.com
Power Circle RatingsTM
for consumers:



Included in the study but not ranked due to small sample size are: 1st Source Bank; Chemical Bank; Community Trust Bank; First Merchants Bank; MainSource Bank; Park National Bank; Regions Bank; United Bank; and WesBanco Bank.

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

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM



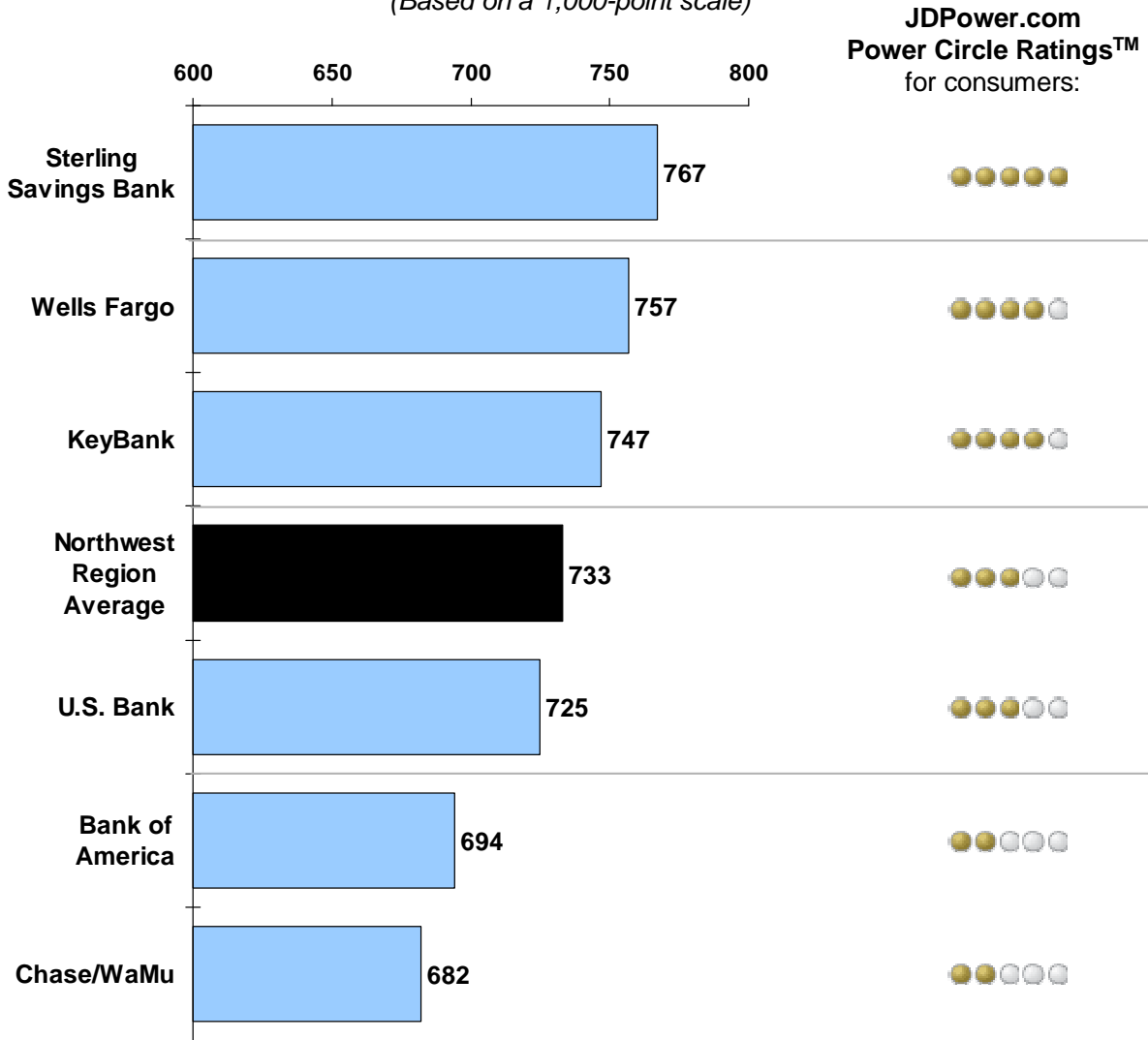
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J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM

Customer Satisfaction Index Ranking

Northwest Region

(Based on a 1,000-point scale)

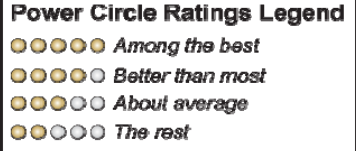


Included in the study but not ranked due to small sample size are: Banner Bank; Columbia State Bank; Umpqua Bank; and West Coast Bank.

Included in the Northwest region are Oregon and Washington.

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM



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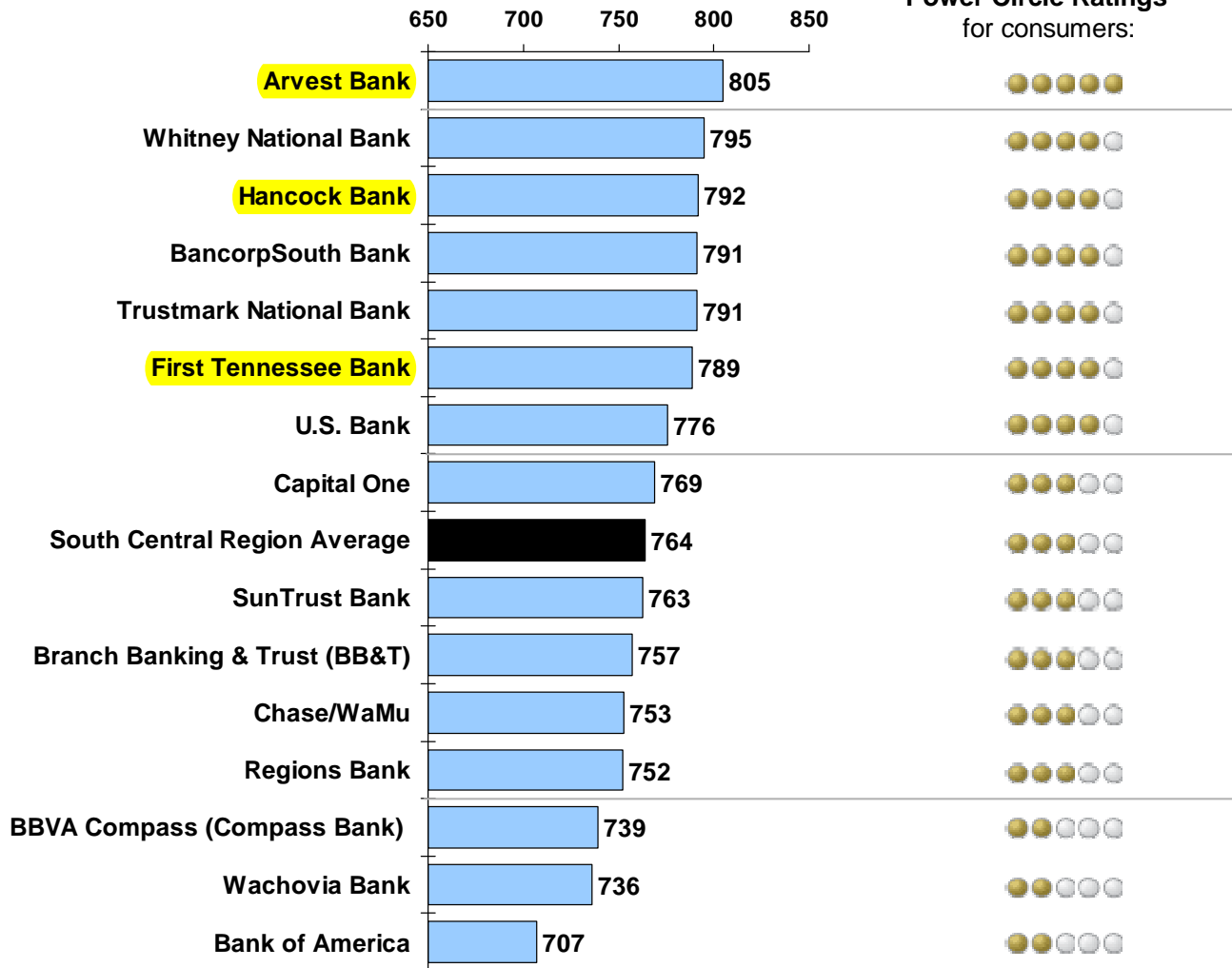
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Customer Satisfaction Index Ranking

South Central Region

(Based on a 1,000-point scale)

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Power Circle RatingsTM
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Included in the study but not ranked due to small sample size are: Colonial Bank; First Security Bank; GreenBank; IBERIABANK; RBC Bank; Renasant Bank; and Simmons First Bank.

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

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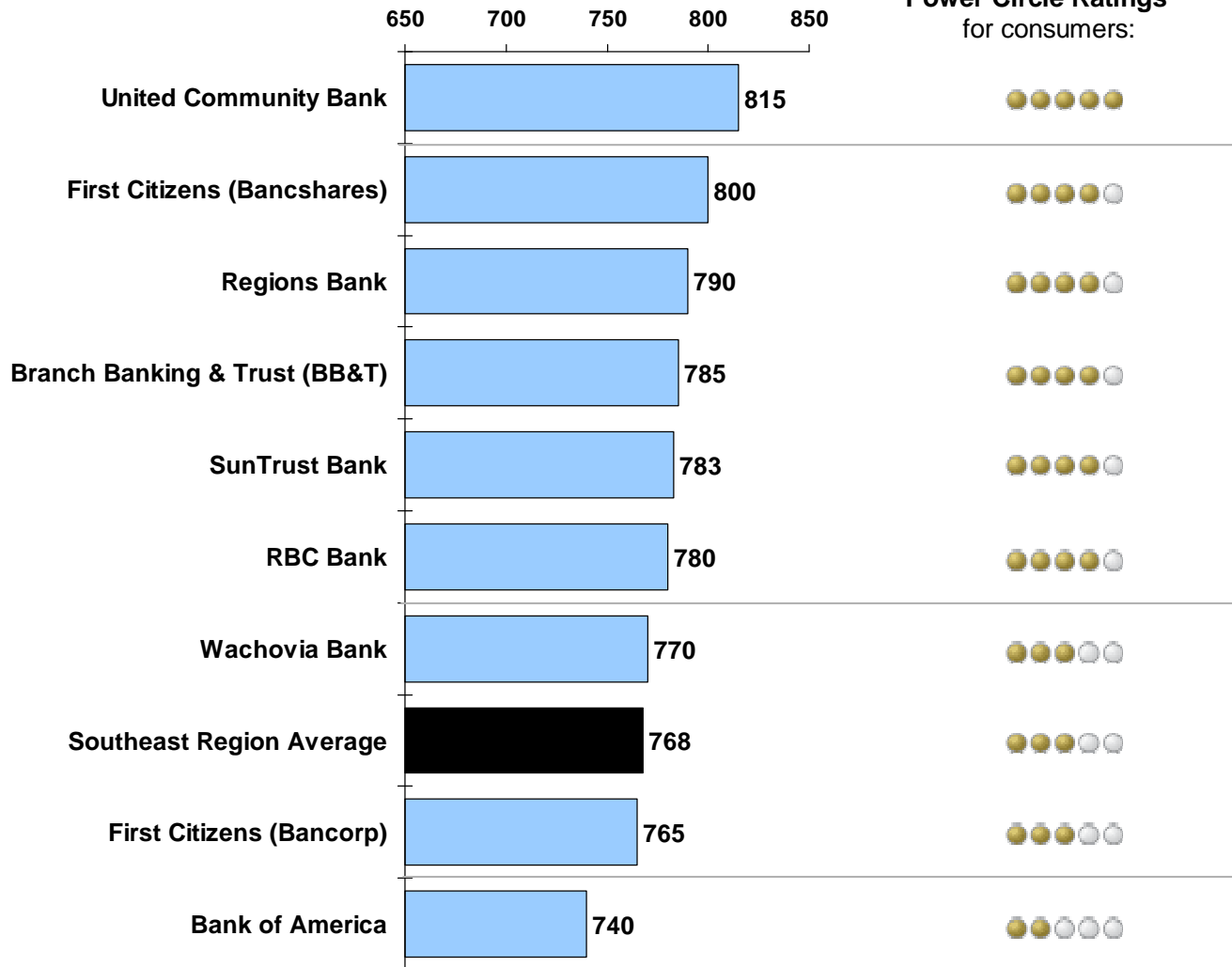
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Customer Satisfaction Index Ranking

Southeast Region

(Based on a 1,000-point scale)

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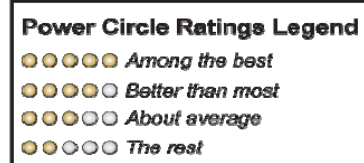


Included in the study but not ranked due to small sample size are: Bank of North Georgia; Carolina First Bank; Fifth Third Bank; and First Federal.

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

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM



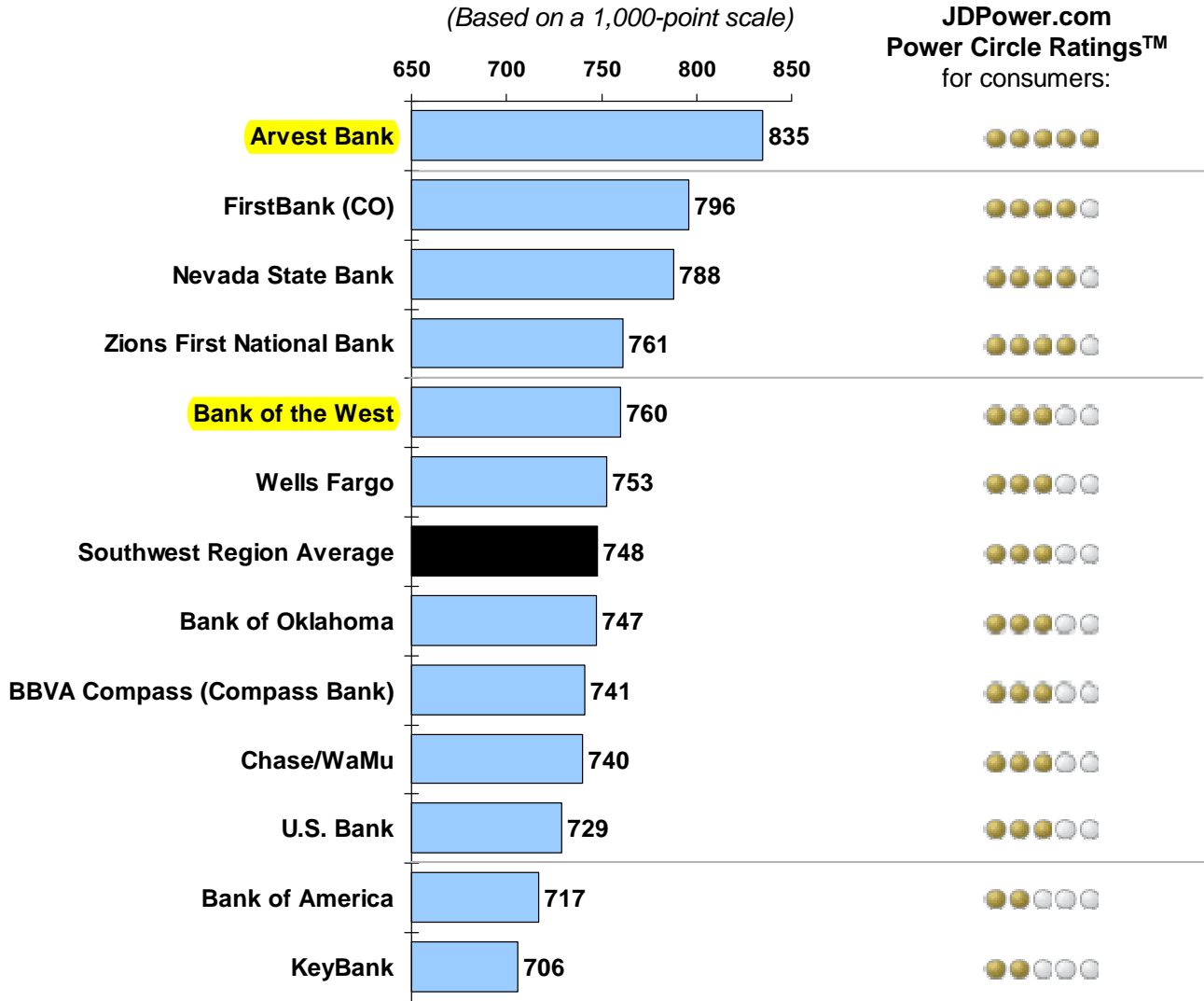
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J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM

Customer Satisfaction Index Ranking

Southwest Region

(Based on a 1,000-point scale)

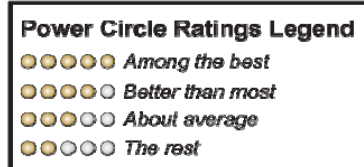


Included in the study but not ranked due to small sample size are: BancFirst; Marshall and Ilsley Bank (M&I Bank); MidFirst Bank; National Bank of Arizona; and Wachovia Bank.

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

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

Source: J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM



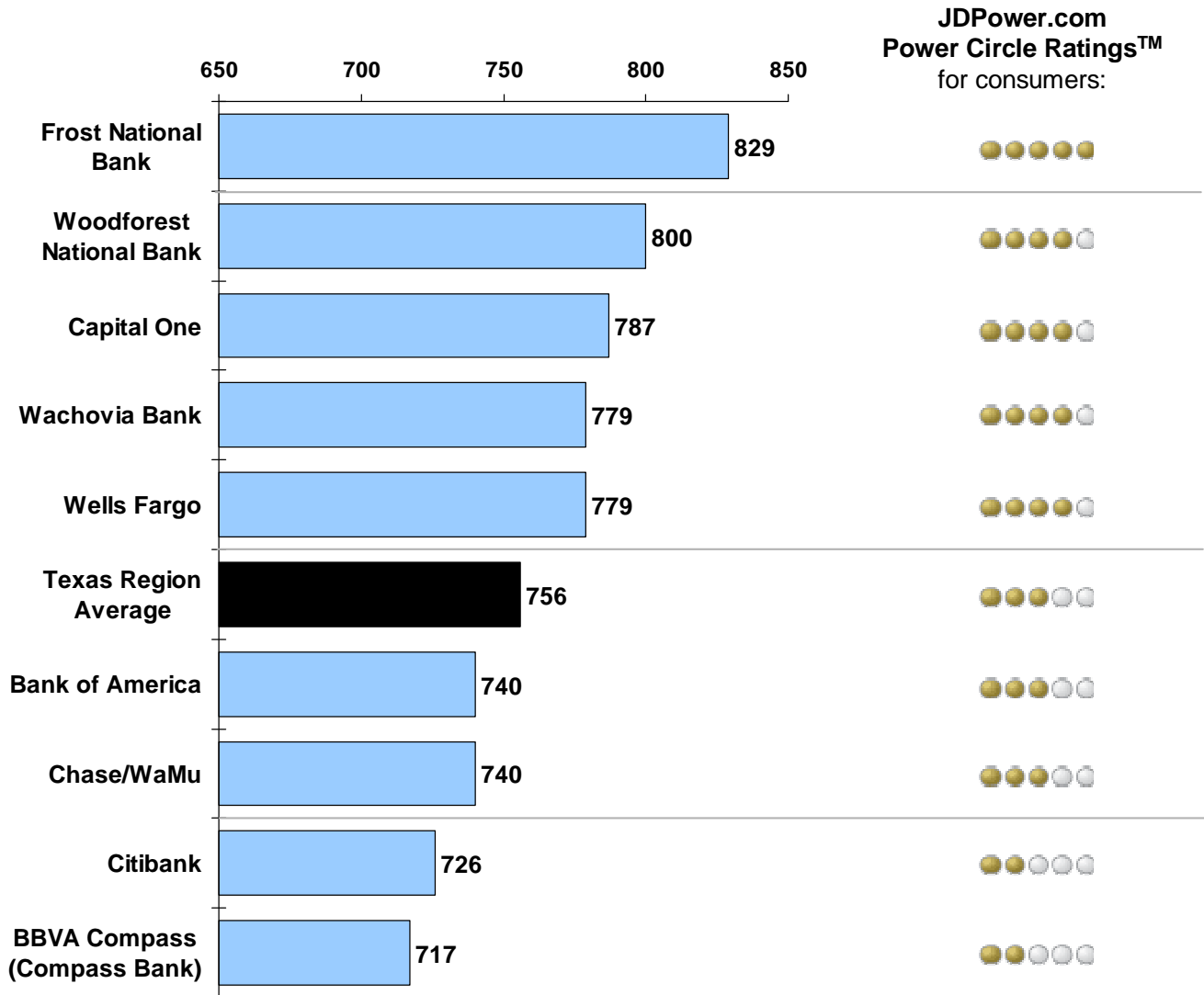
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J.D. Power and Associates 2010 U.S. Retail Banking Satisfaction StudySM

Customer Satisfaction Index Ranking

Texas

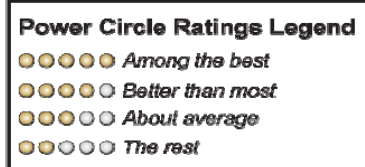
(Based on a 1,000-point scale)



Included in the study but not ranked due to small sample size are: Amegy Bank; Bank of Texas; Comerica Bank; Guaranty Bank; International Bank of Commerce; Prosperity Bank; and Regions Bank.

Note: The study has been expanded from 2009 to include several smaller banks in 2010.

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