CONFIDENCE & PERCEPTION OF CONSUMERS IN BANKS AND IN THE BANKING SECTOR

First part
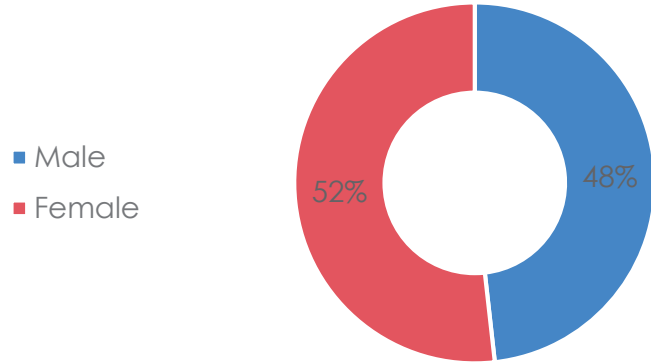
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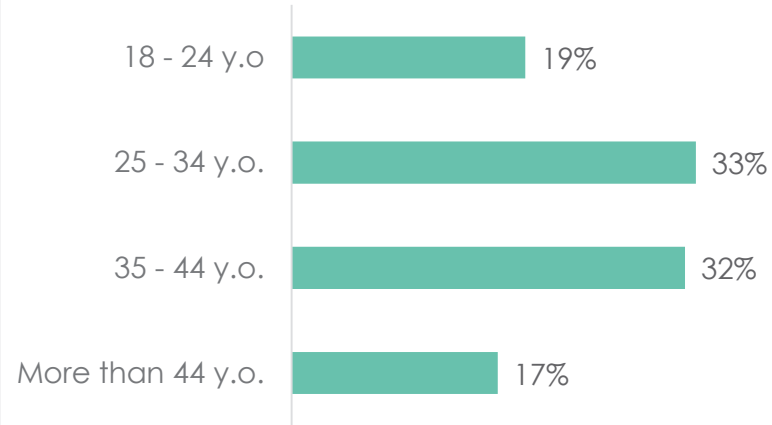
Methodology and weighting

STUDY STRUCTURE

Usage and attitudes of banks with a particular interest on digital products
Perception of banking system
Satisfaction with the banking system

SAMPLE

615 interviews done through IDRApoll with bank users only.

04 03 02 01

TIMING

June 2019

WEIGHTING PROCEDURE

Weights are applied by age and gender according to the INSTAT data on usage of banks by gender and age – through out the study all results are weighted generating an overall sample of N=622. The use of a weighted sample ensures the results are representative of the banking population.

Sample profile
Weighted

Gender

- Male
- Female

48%
52%

Age

18 - 24 y.o   19%
25 - 34 y.o.   33%
35 - 44 y.o.   32%
More than 44 y.o.   17%

Banking experience

At least 5 years   37%
6 thru 10 years   29%
11 thru 15 years   26%
16 or more years   7%

Urbanity

- Urban
- Rural

15%
85%

Employment

Employed in public sector   28%
Employed in private sector   45%
Self-employed   5%
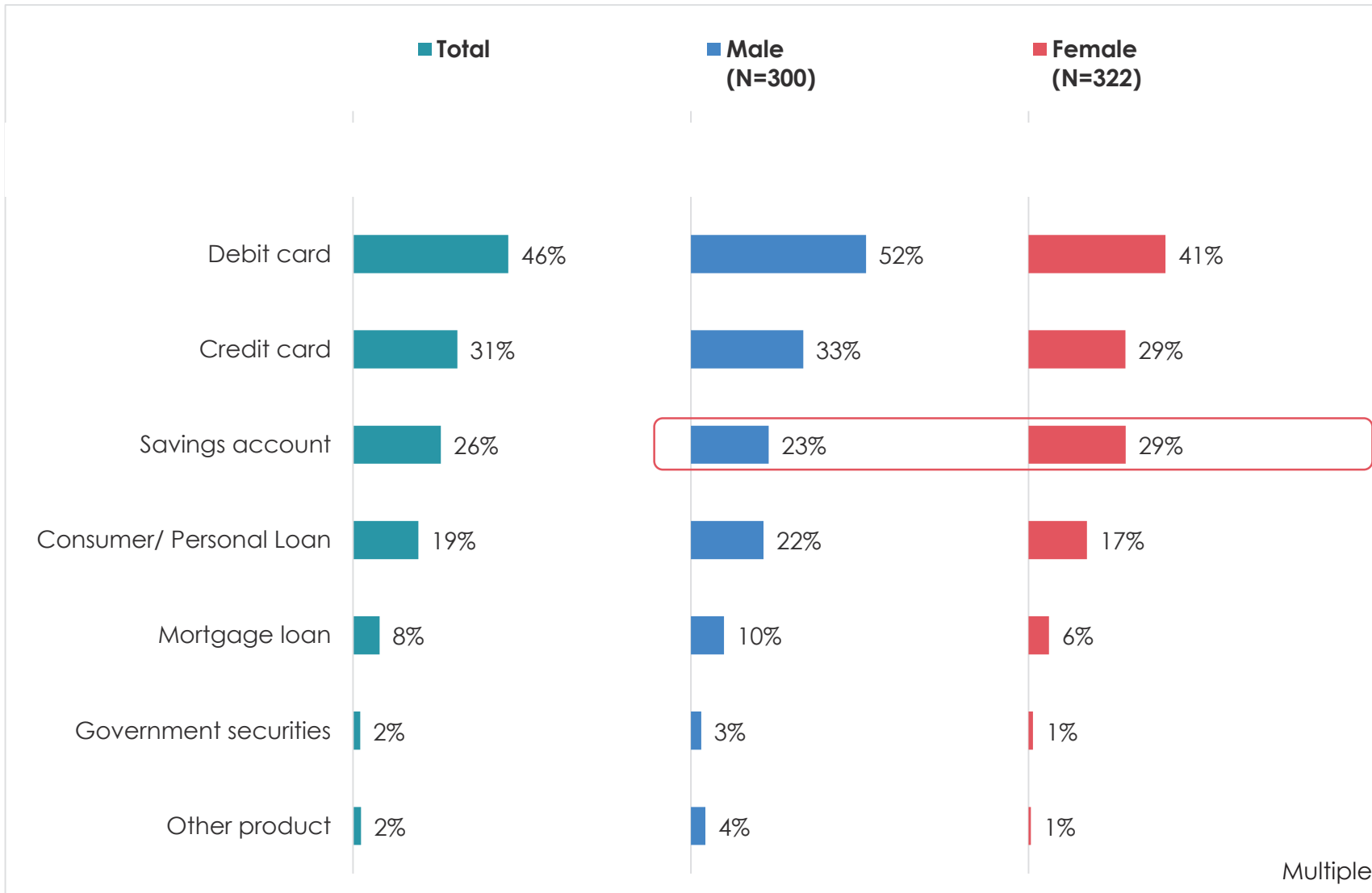Unemployed / Retired   12%
Student   10%
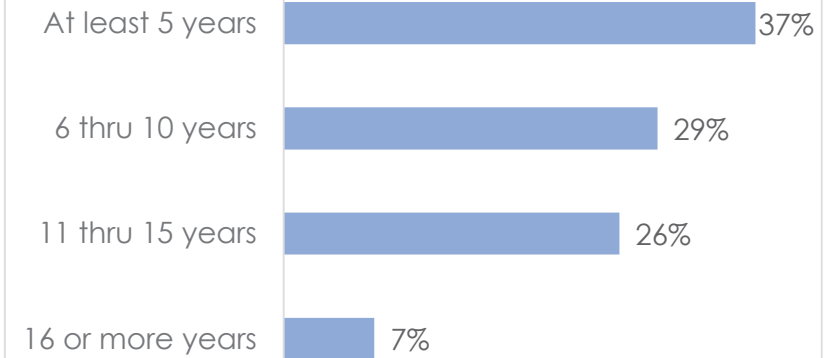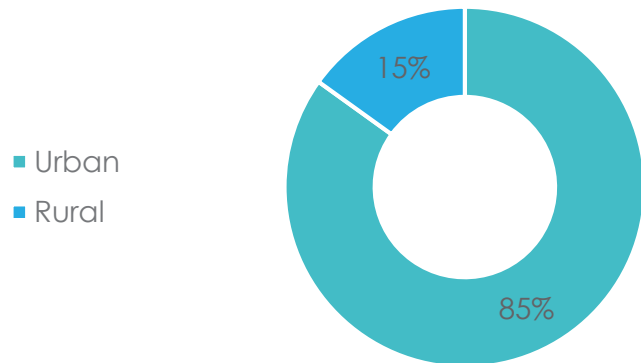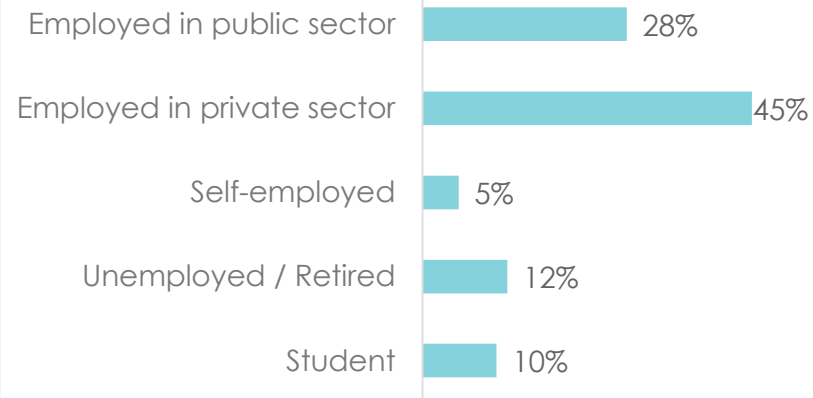
PRODUCT USAGE

Product usage
Which of the following bank products do you currently use?
By gender

When asked about the current usage of banking products, apart the current account the most used product is the debit card (46%), although there is a significant drop from the usage of a current account. Usually, it is expected that the debit card to be jointly used with the current account, but the results show that there is a high percentage of bank users who use the current account without the debit card. However, there is a relatively high usage of credit card (31%) which can explain the lower usage of debit card to the usage of a current account.

Savings account are less used, as just 26% of respondents have one. There is a considerable fraction of bank users who use a consumer or personal loan (19%) while a very small fraction have a mortgage loan (8%). Lastly, government securities are only used by 2% of the bank users.

Considering product usage, male respondents use more almost every product included. The only product which has a slightly higher usage by the female respondents is the savings account.

Product usage
Which of the following bank products do you currently use?
By age

Legend: ■ Total ■ 18 - 24 y.o (N=117) ■ 25 - 34 y.o. (N=203) ■ 35 - 44 y.o. (N=198) ■ More than 44 y.o. (N=104)

Product	Total	18 - 24 y.o	25 - 34 y.o.	35 - 44 y.o.	More than 44 y.o.
Debit card	46%	34%	42%	52%	57%
Credit card	31%	19%	25%	41%	37%
Savings account	26%	24%	23%	24%	38%
Consumer/ Personal Loan	19%	4%	13%	31%	28%
Mortgage loan	8%	0%	4%	16%	8%
Government securities	2%	1%	1%	4%	2%
Other product	2%	1%	3%	4%	0%

Multiple
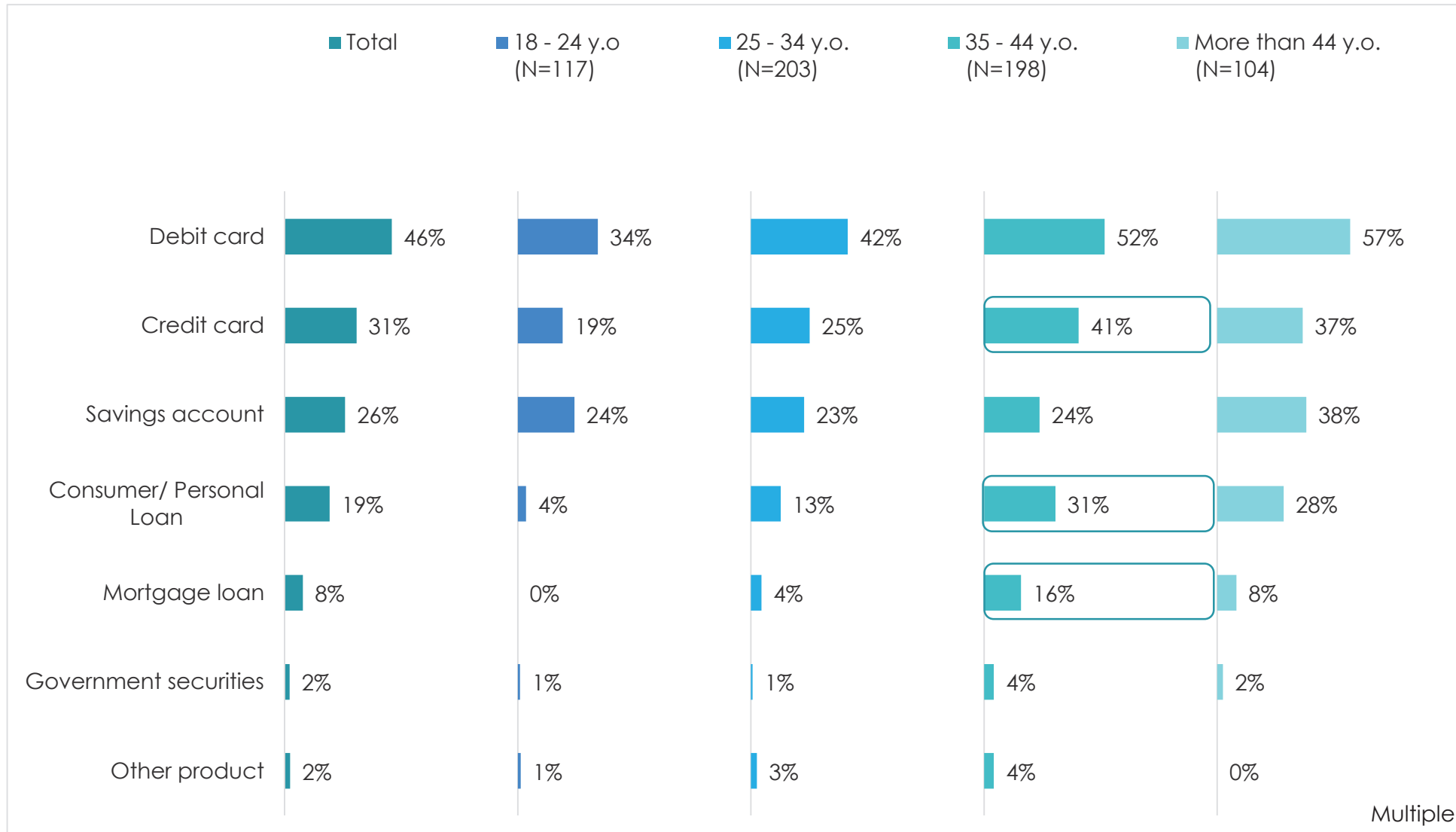
Breaking down bank usage by age, data indicate that older generations make use of more banking products (debit card, consumer/personal loan) compared to younger generations.
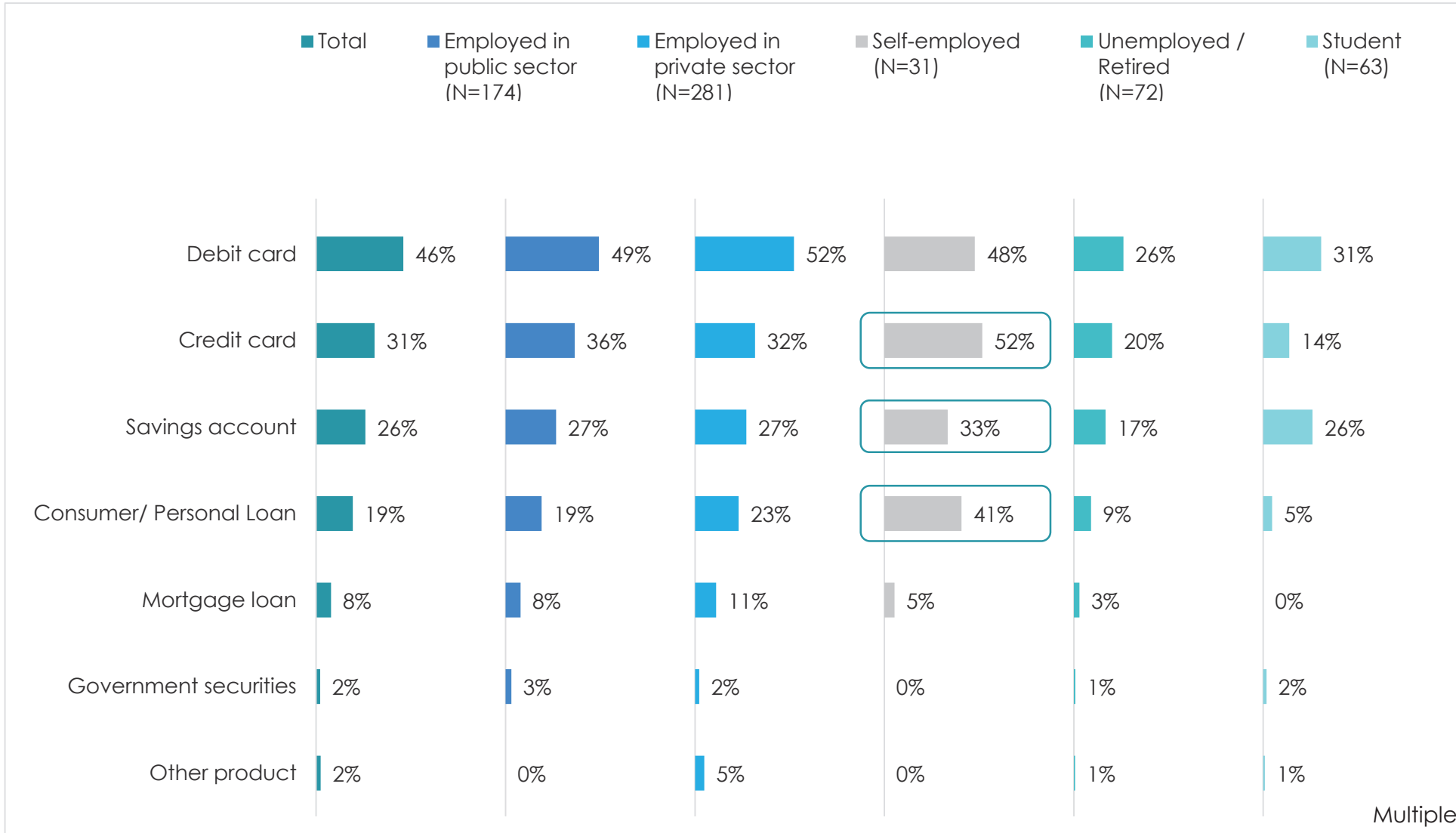
However, the "*peak*" of banking product usage remains between the ages of 35-44 y.o. This age group use credit cards, consumer or personal loans or even mortgages more that the older age group (above 44 y.o).

Older age groups (over 44 y.o.) have significantly higher tendency than younger age groups to save, as 38% of them have a savings account.

Product usage
Which of the following bank products do you currently use?
By employment

	Total	Employed in public sector (N=174)	Employed in private sector (N=281)	Self-employed (N=31)	Unemployed / Retired (N=72)	Student (N=63)
Debit card	46%	49%	52%	48%	26%	31%
Credit card	31%	36%	32%	52%	20%	14%
Savings account	26%	27%	27%	33%	17%	26%
Consumer/ Personal Loan	19%	19%	23%	41%	9%	5%
Mortgage loan	8%	8%	11%	5%	3%	0%
Government securities	2%	3%	2%	0%	1%	2%
Other product	2%	0%	5%	0%	1%	1%

Multiple

Considering differences loan products, the higher fraction of users stands among the self-employed, as 52% of them have a credit card while 41% have a consumer or personal loan. This category also have a high percentage of users of savings account. But, considering the small sample of this category, the results should be interpreted with caution, as they are indicative only.

Looking through the factor of employment, it can be observed that unemployed/retired respondents as well as students, are less likely to use bank products and services (debit and credit cards, savings accounts or loans). Students and unemployed or retired seem to be very basic users of banking products.

Considering other categories, there are little differences between the employed in public or private sector, while they are moderate users of banking products.

Product usage
Which of the following bank products do you currently use?
By usage of digital banking products

Legend:
- ■ Total
- ■ Use digital banking products (N=331)
- ■ Do not use digital banking products (N=291)

Product	Total	Use digital banking products	Do not use digital banking products
Debit card	46%	64%	27%
Credit card	31%	44%	18%
Savings account	26%	30%	22%
Consumer/ Personal Loan	19%	26%	12%
Mortgage loan	8%	12%	4%
Government securities	2%	4%	1%
Other product	2%	4%	.5%

Multiple
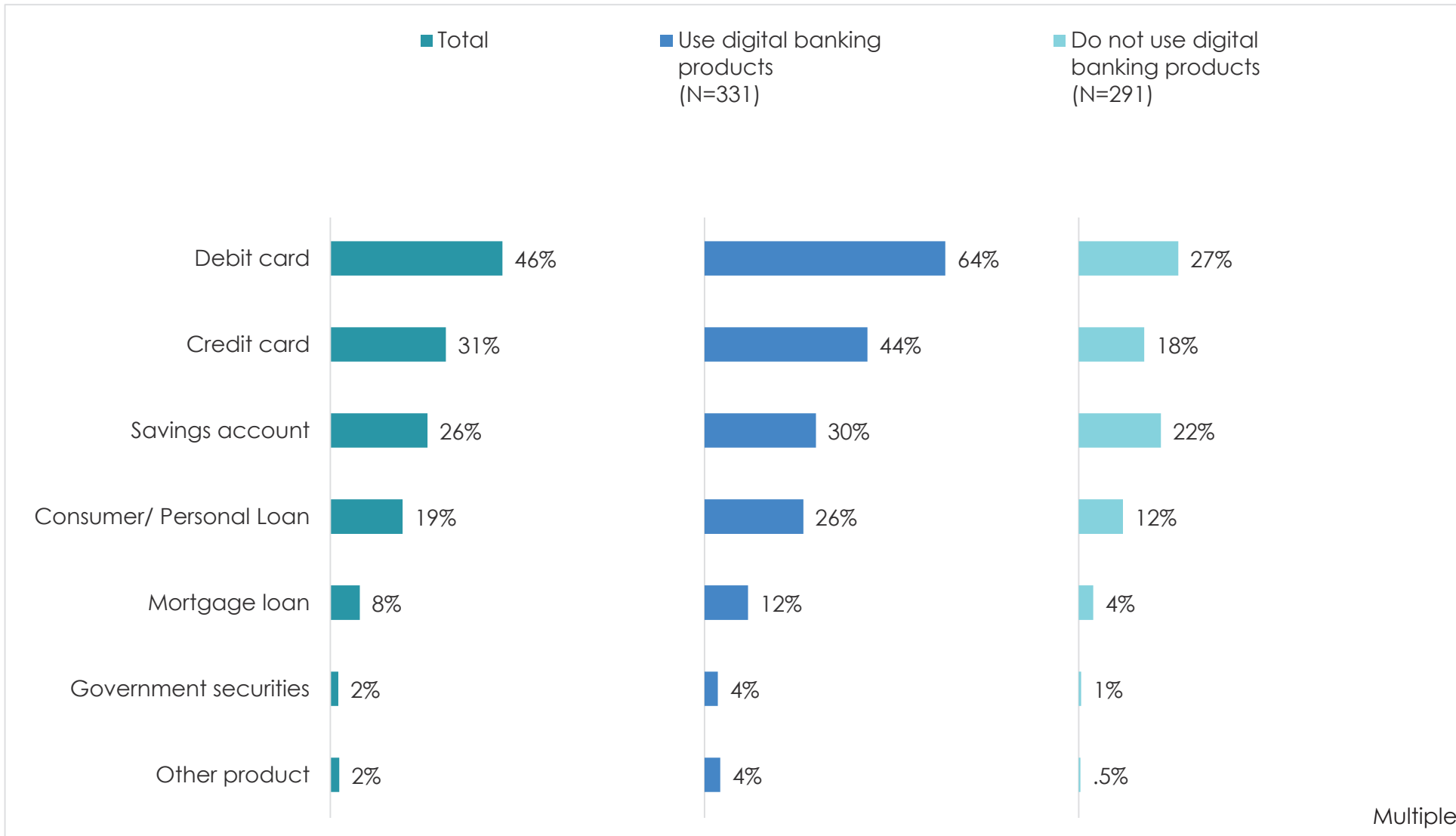
Bank users who do not use digital banking products are also less likely to own a debit/credit card, have a savings account or use other bank services and products.

The results show a clear pattern, as they indicate that customers who do not use digital banking products are very basic in regard to other banking products as well. Their approach to the bank is simple and driven by necessities not utilities as may be to the other group.

Product usage
Which of the following bank products do you currently use?
By years of bank usage

Legend: ■ Total ■ Up to 5 years (N=231) ■ 6 thru 10 years (N=183) ■ 11 thru 15 years (N=164) ■ 16 or more years (N=44)

Product	Total	Up to 5 years (N=231)	6 thru 10 years (N=183)	11 thru 15 years (N=164)	16 or more years (N=44)
Debit card	46%	32%	47%	57%	76%
Credit card	31%	23%	27%	42%	44%
Savings account	26%	19%	22%	33%	50%
Consumer/ Personal Loan	19%	6%	18%	40%	20%
Mortgage loan	8%	1%	9%	15%	13%
Other product	2%	1%	2%	6%	0%
Government securities	2%	.5%	.5%	5%	8%

Multiple

Disaggregating by experience with the bank, the data shows that there is a positive relation between the years of using the bank and product usage. The more someone uses a bank, the more product they are likely to use.

By specifically looking into the categories, respondent who have 11 thru 15 years of experience of using a bank, have a higher fraction of loan product (consumer/personal/ mortgage) users than other categories, even the more experienced ones.

The most experienced group, those who have more than 16 years of experience, make more use of debit and credit cards as well as savings accounts.
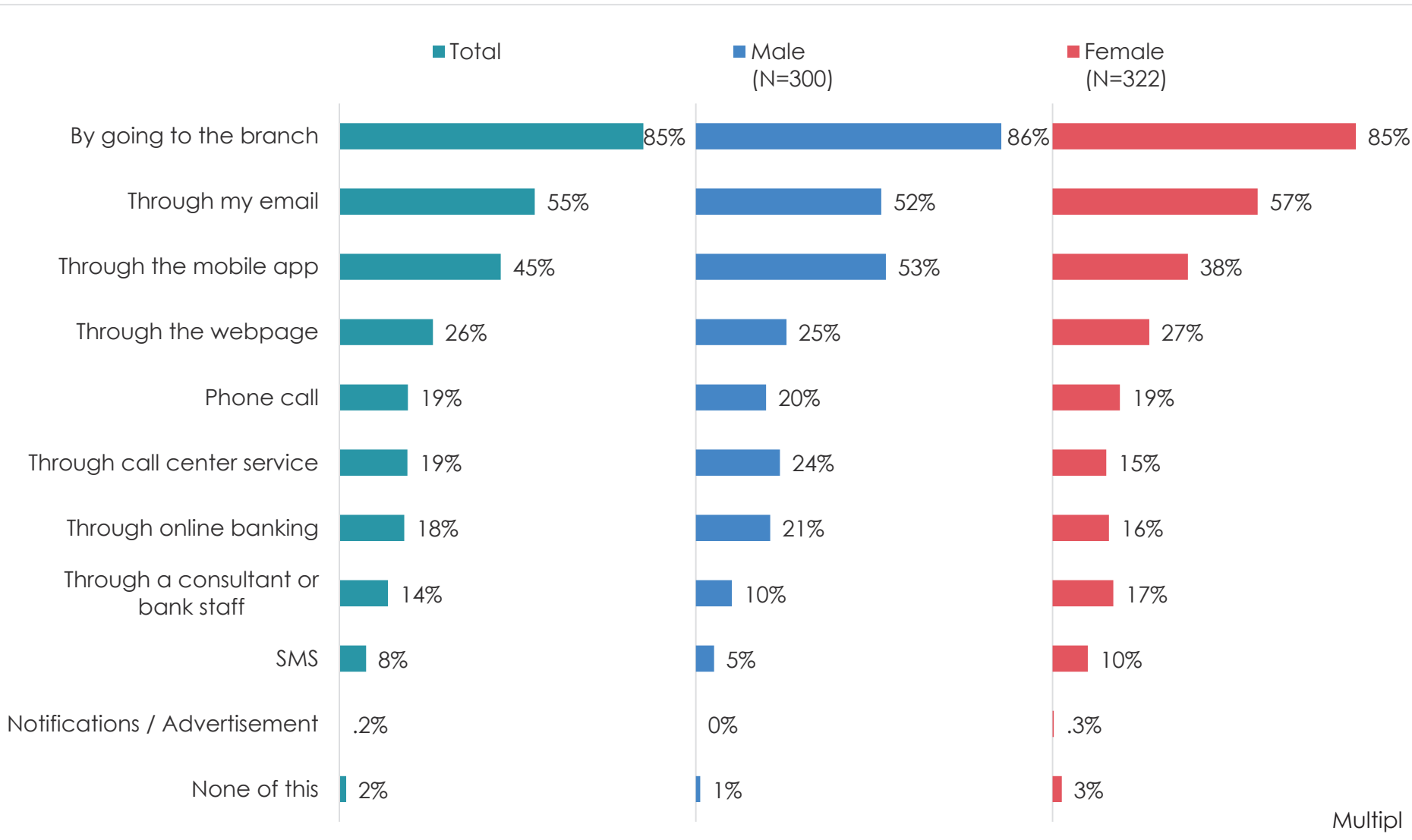
CONTACT WITH THE BANK

Contact with the bank
By which of the following means did you contact the bank this last 6 months?
By gender

Legend: ■ Total ■ Male (N=300) ■ Female (N=322)

	Total	Male (N=300)	Female (N=322)
By going to the branch	85%	86%	85%
Through my email	55%	52%	57%
Through the mobile app	45%	53%	38%
Through the webpage	26%	25%	27%
Phone call	19%	20%	19%
Through call center service	19%	24%	15%
Through online banking	18%	21%	16%
Through a consultant or bank staff	14%	10%	17%
SMS	8%	5%	10%
Notifications / Advertisement	.2%	0%	.3%
None of this	2%	1%	3%

Multipl...

About 85% of the respondents contact the bank directly by visiting the branch, while there is a high fraction who has made contact via email or through the mobile app. The last is used to contact the bank by 45% of the respondents, while only 18% contact the bank through out online banking.

Other forms of contacts, include the bank's webpage, call center services and direct contact with the staff.

Further data indicates that female bank users are more willing to use their email as a common form of interaction, compared to males. On the other hand, male bank users, are more likely to use their bank's mobile app. Comparing between gender, there are small differences when considering other ways of contacting the bank.

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Contact with the bank
By which of the following means did you contact the bank this last 6 months?
By age

Legend: ■ Total ■ 18 - 24 y.o (N=117) ■ 25 - 34 y.o. (N=203) ■ 35 - 44 y.o. (N=198) ■ More than 44 y.o. (N=104)

	Total	18 - 24 y.o (N=117)	25 - 34 y.o. (N=203)	35 - 44 y.o. (N=198)	More than 44 y.o. (N=104)
By going to the branch	85%	78%	82%	87%	95%
Through my email	55%	49%	54%	64%	45%
Through the mobile app	45%	41%	49%	46%	41%
Through the webpage	26%	24%	24%	31%	24%
Phone call	19%	15%	18%	21%	23%
Through call center service	19%	20%	20%	20%	15%
Through online banking	18%	16%	16%	19%	24%
Through a consultant or bank staff	14%	12%	10%	19%	14%
SMS	8%	4%	7%	9%	11%
Notifications / Advertisement	.2%	0%	1%	0%	0%
None of this	2%	4%	2%	2%	0%

Multiple

Looking through age groups, the older ones have a higher tendency of contacting the bank by personally going to the branch, while interestingly, they are the age group with the higher fraction of online banking usage. (However, considering the methodology of the survey, even this group is composed of active internet users).
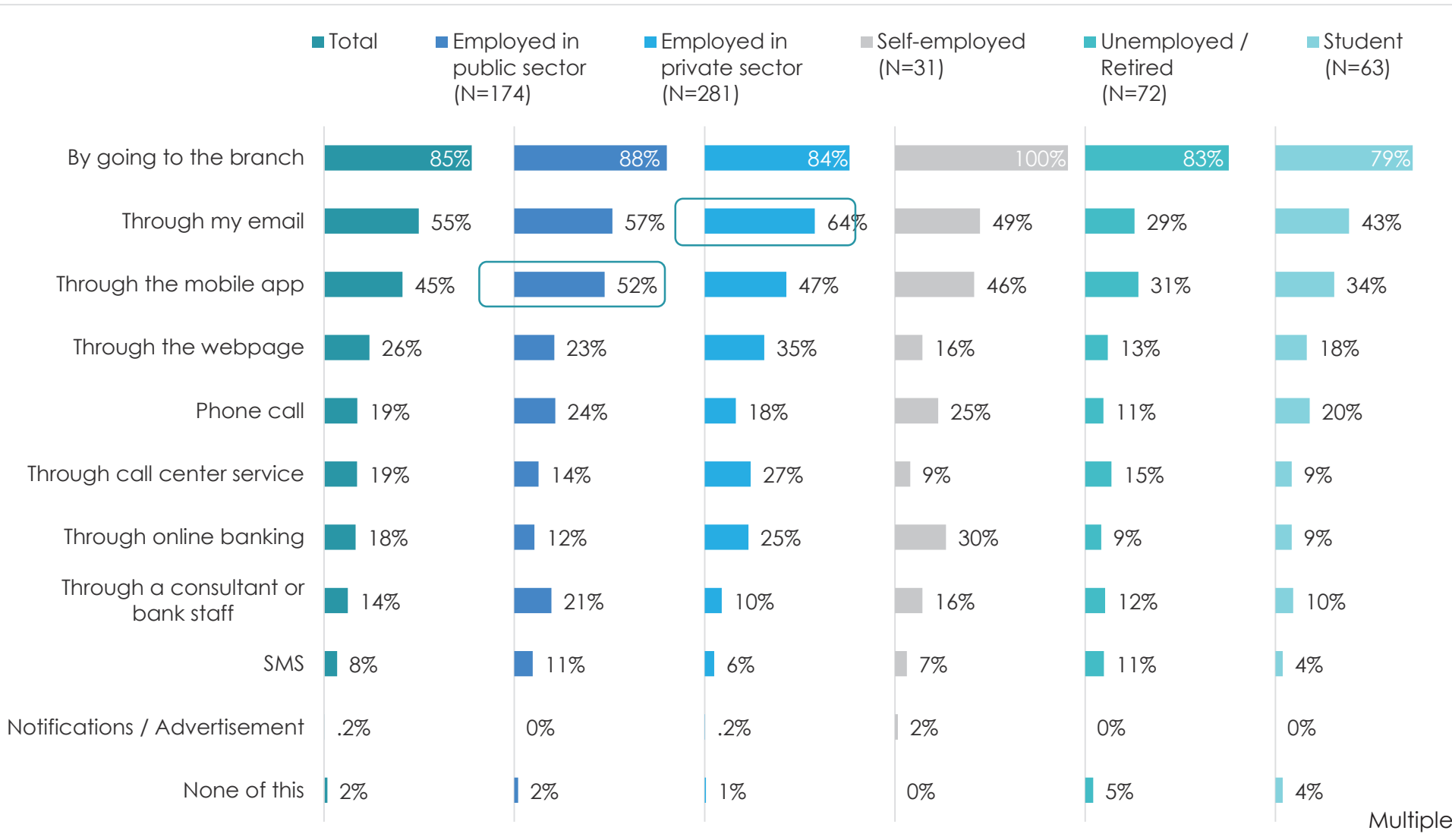
The age group of 25-34 y.o. have a higher percentage of users who contact the bank using the mobile application than other age groups.

On the other hand, the second most used method of contact, through email, is more common in the age group of 35-44 y.o.

Contact with the bank
By which of the following means did you contact the bank this last 6 months?
By employment

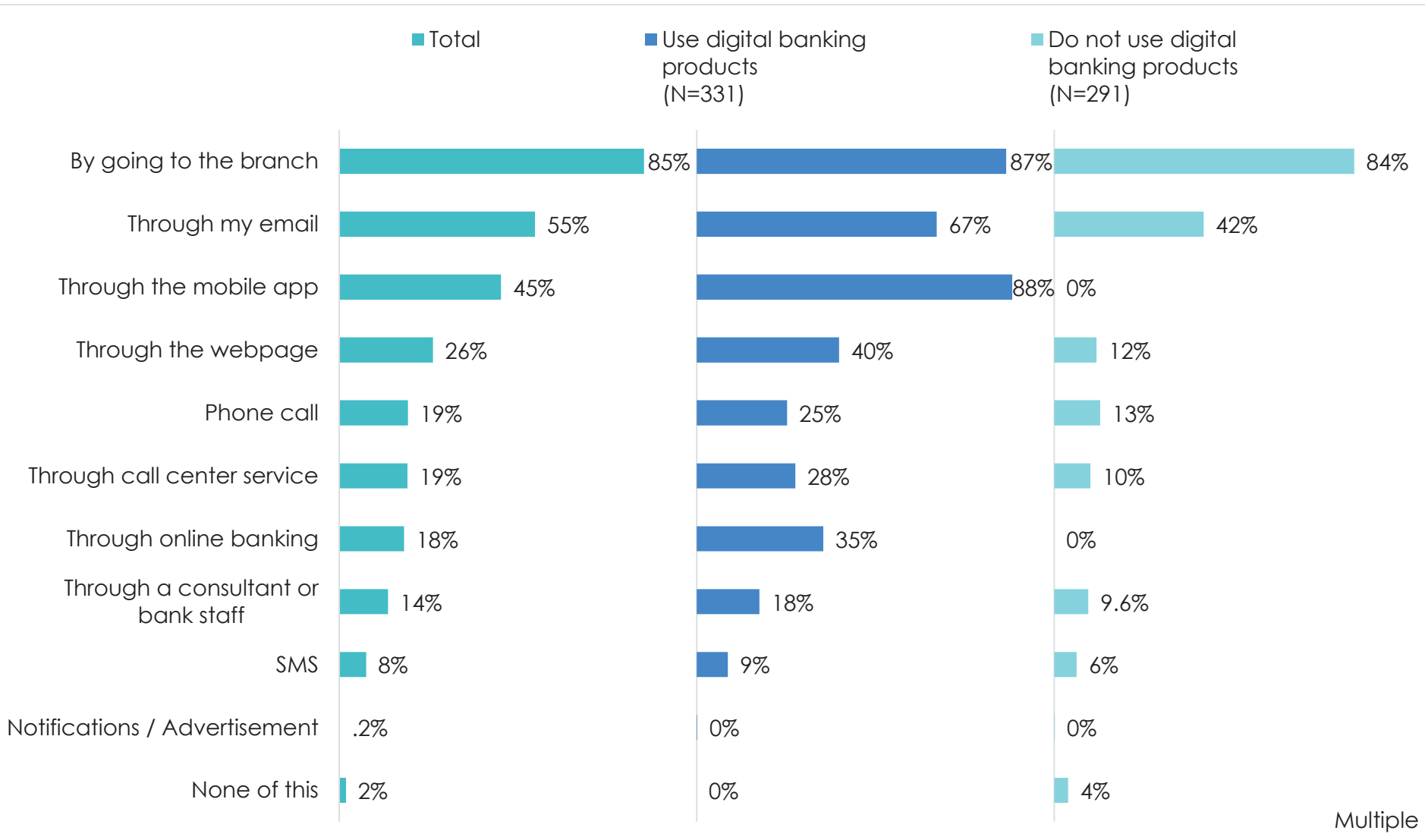|	Total	Employed in public sector (N=174)	Employed in private sector (N=281)	Self-employed (N=31)	Unemployed / Retired (N=72)	Student (N=63)
By going to the branch	85%	88%	84%	100%	83%	79%
Through my email	55%	57%	64%	49%	29%	43%
Through the mobile app	45%	52%	47%	46%	31%	34%
Through the webpage	26%	23%	35%	16%	13%	18%
Phone call	19%	24%	18%	25%	11%	20%
Through call center service	19%	14%	27%	9%	15%	9%
Through online banking	18%	12%	25%	30%	9%	9%
Through a consultant or bank staff	14%	21%	10%	16%	12%	10%
SMS	8%	11%	6%	7%	11%	4%
Notifications / Advertisement	.2%	0%	.2%	2%	0%	0%
None of this	2%	2%	1%	0%	5%	4%

Multiple

All of the self – employed respondents have contacted the bank by visiting the branch. This may be linked with the nature of their economic activity, as they need to do more daily transactions. This however reflects the ongoing necessity to physically contact the bank for those who need to do daily transactions.

Looking through other categories, employed in private sector are more in contact with the bank through emails, while employed in public sector are more in contact through the mobile app.

Contact with the bank
By which of the following means did you contact the bank this last 6 months?
By usage of digital banking products

Legend: Total · Use digital banking products (N=331) · Do not use digital banking products (N=291)

	Total	Use digital banking products (N=331)	Do not use digital banking products (N=291)
By going to the branch	85%	87%	84%
Through my email	55%	67%	42%
Through the mobile app	45%	88%	0%
Through the webpage	26%	40%	12%
Phone call	19%	25%	13%
Through call center service	19%	28%	10%
Through online banking	18%	35%	0%
Through a consultant or bank staff	14%	18%	9.6%
SMS	8%	9%	6%
Notifications / Advertisement	.2%	0%	0%
None of this	2%	0%	4%

Multiple

When disaggregating by usage of digital products, the results clearly show that those who use digital products to contact the bank, do more actively contact the bank even through out other ways. In the case of this category, contact through mobile banking slightly exceeds the physical contact to the branch.

In the case of high usage of digital product, it is expected a trade off between the usage of digital products and physical contact. However, the results show that even though the contact through the mobile app is the highest through out this category, it does not reduce the physical contact.
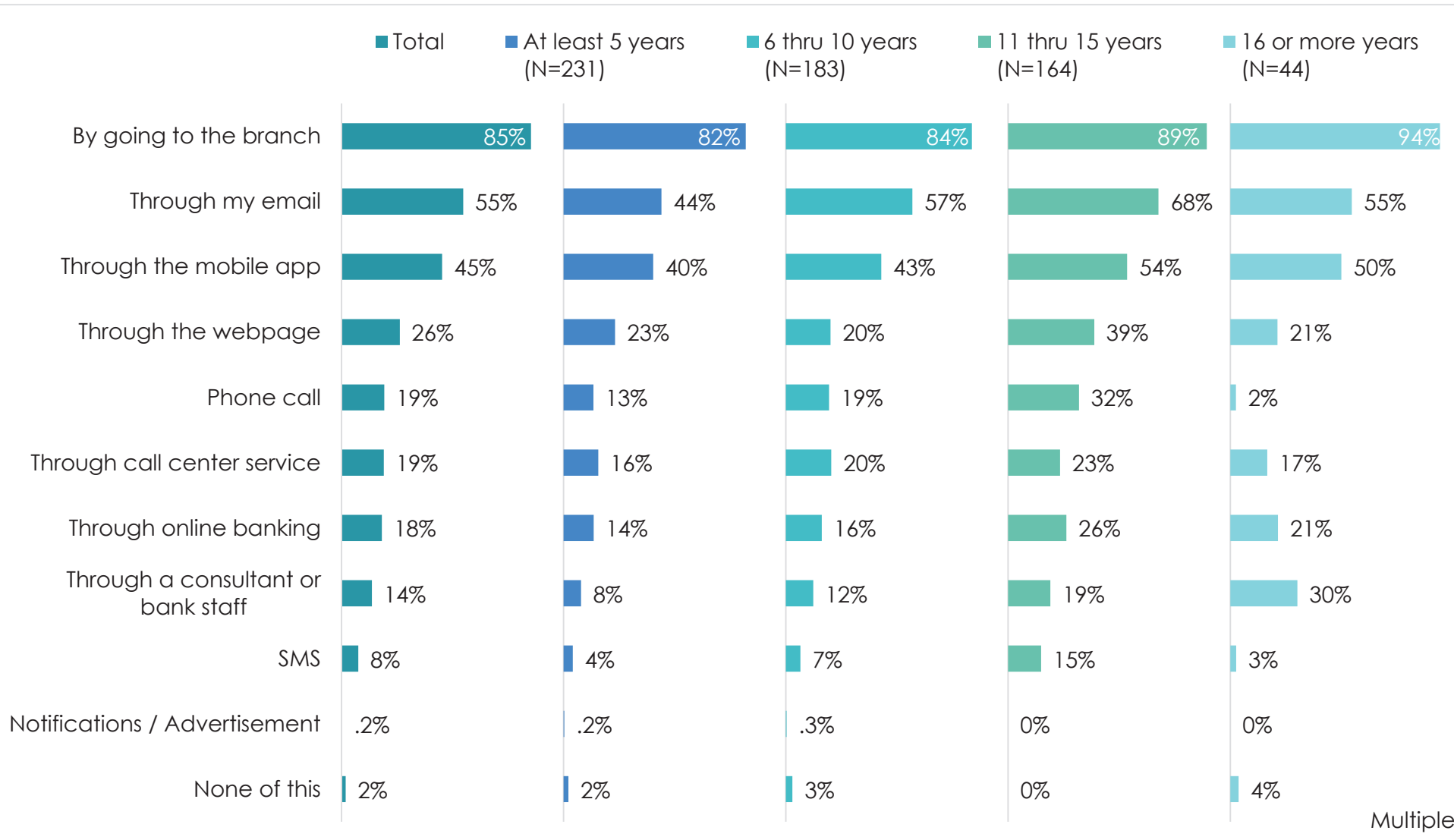
One clear reason for this case is that the mobile applications offer a very limited range of banking services (with considerable differences through mobile apps of different banks). It can be expected that an increase in the range of services (and certainly quality) offered through the mobile app will eventually decrease the physical contact with the bank.

Contact with the bank
By which of the following means did you contact the bank this last 6 months?
By years of bank usage

	Total	At least 5 years (N=231)	6 thru 10 years (N=183)	11 thru 15 years (N=164)	16 or more years (N=44)
By going to the branch	85%	82%	84%	89%	94%
Through my email	55%	44%	57%	68%	55%
Through the mobile app	45%	40%	43%	54%	50%
Through the webpage	26%	23%	20%	39%	21%
Phone call	19%	13%	19%	32%	2%
Through call center service	19%	16%	20%	23%	17%
Through online banking	18%	14%	16%	26%	21%
Through a consultant or bank staff	14%	8%	12%	19%	30%
SMS	8%	4%	7%	15%	3%
Notifications / Advertisement	.2%	.2%	.3%	0%	0%
None of this	2%	2%	3%	0%	4%

Multiple

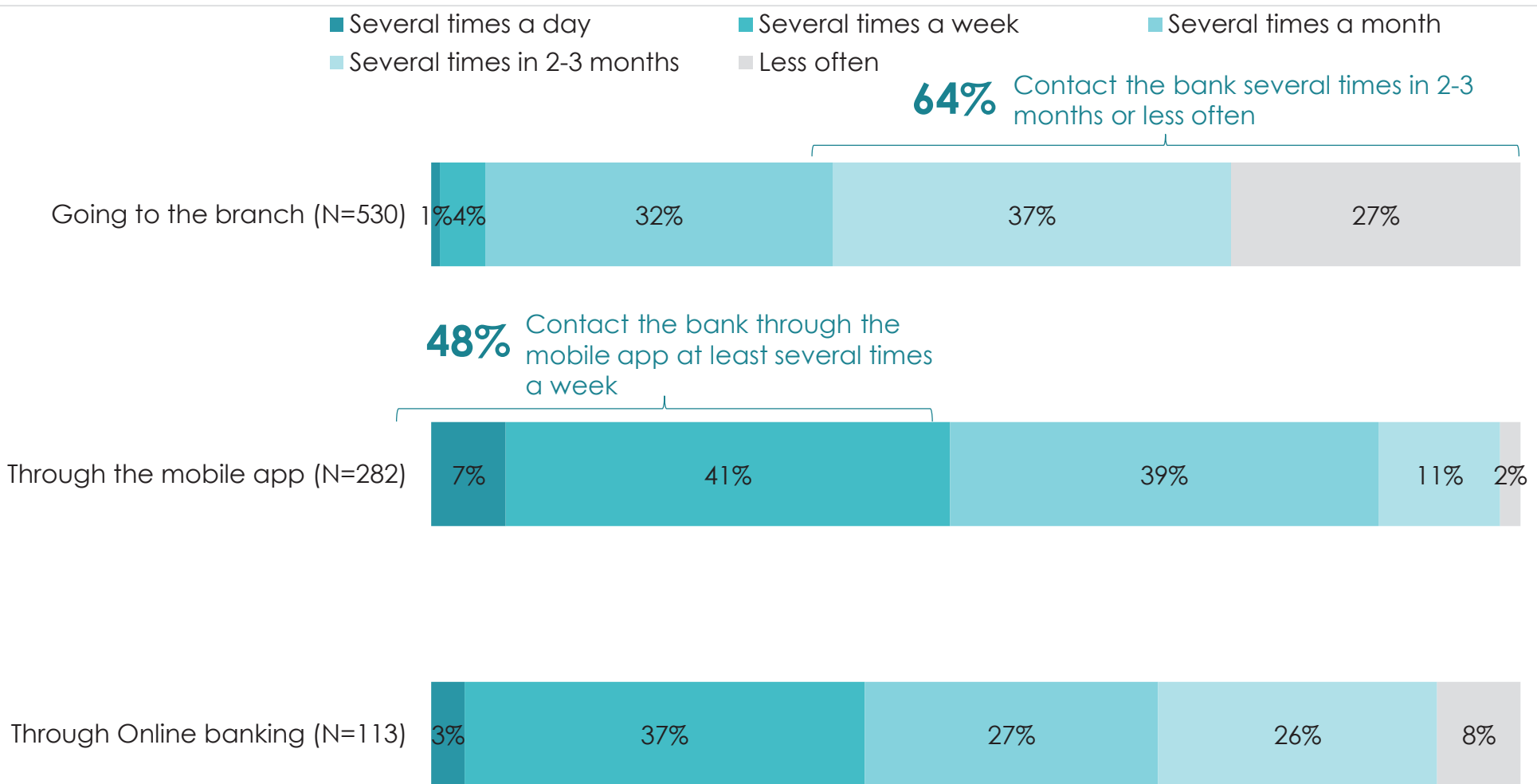Overall, the data indicates that more experienced bank users will contact the bank in more possible ways.

In particular, considering the experience with using a bank, the result show a positive relation between the years of using the bank and the physical contact (by going to the branch or through a consultant or bank staff).

Besides this relation, the category of respondents who have between 11 thru 15 years of banking experience has the higher frequency of usage of other ways of contact (excluding physical contact).

Frequency of contact
How often do you contact the bank by the following means?
Overall

Legend:
- ■ Several times a day
- ■ Several times a week
- ■ Several times a month
- ■ Several times in 2-3 months
- ■ Less often

64% Contact the bank several times in 2-3 months or less often

Going to the branch (N=530) — 1% | 4% | 32% | 37% | 27%

48% Contact the bank through the mobile app at least several times a week

Through the mobile app (N=282) — 7% | 41% | 39% | 11% | 2%

Through Online banking (N=113) — 3% | 37% | 27% | 26% | 8%

Even thought the most used way of contact is through the branch, the frequency of this contact is the lowest when compared to digital contact.

Only 5% of bank users (who physically contact the bank) visit the bank branch several times a week, while 48% of bank users (who use the mobile app) contact the bank through the mobile app at least several times a week. Further, 40% of bank users (who use online banking) contact the bank online at least several times a week.
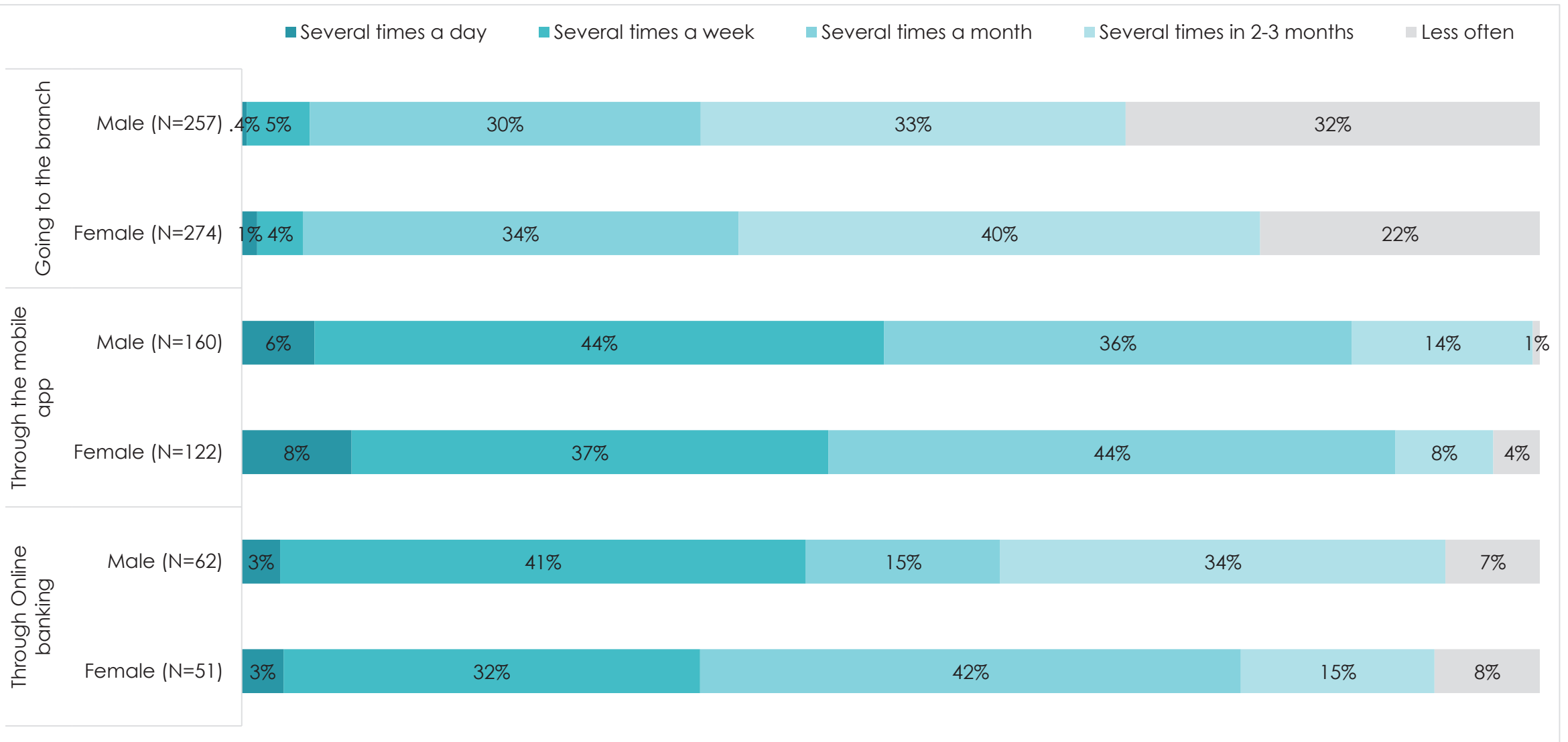
On the other hand 64% of those who contact the bank physically, do so several times in 2-3 months or less often, while this percentage is 34% for those who use online banking and a low as 13% for those who use mobile app.

Disaggregated by categories (see pages below), the results show no significant differences for each method of contact.

Frequency of contact
How often do you contact the bank by the following means?
By gender

Legend: ■ Several times a day ■ Several times a week ■ Several times a month ■ Several times in 2-3 months ■ Less often

Going to the branch

	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
Male (N=257)	.4%	5%	30%	33%	32%
Female (N=274)	1%	4%	34%	40%	22%

Through the mobile app

	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
Male (N=160)	6%	44%	36%	14%	1%
Female (N=122)	8%	37%	44%	8%	4%

Through Online banking

	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
Male (N=62)	3%	41%	15%	34%	7%
Female (N=51)	3%	32%	42%	15%	8%

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Frequency of contact
How often do you contact the bank by the following means?
By age

Legend: ■ Several times a day ■ Several times a week ■ Several times a month ■ Several times in 2-3 months ■ Less often

Going to the branch

Age group	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
18 - 24 y.o (N=91)	2%	3%	23%	48%	25%
25 - 34 y.o. (N=168)	1%	5%	28%	36%	31%
35 - 44 y.o. (N=173)	1%	3%	38%	37%	21%
More than 44 y.o. (N=99)		4%	38%	27%	31%

Through the mobile app

Age group	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
18 - 24 y.o (N=48)	11%	32%	39%	14%	4%
25 - 34 y.o. (N=99)	4%	43%	41%	11%	2%
35 - 44 y.o. (N=92)	7%	52%	34%	6%	2%
More than 44 y.o. (N=42)	10%	22%	48%	20%	

Through Online banking

Age group	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
18 - 24 y.o (N=19)	5%	21%	38%	33%	3%
25 - 34 y.o. (N=32)	3%	38%	28%	22%	9%
35 - 44 y.o. (N=37)	4%	43%	25%	19%	8%
More than 44 y.o. (N=25)		37%	20%	34%	10%

Frequency of contact
How often do you contact the bank by the following means?
By years of bank usage

Legend: Several times a day | Several times a week | Several times a month | Several times in 2-3 months | Less often

Going to the branch

	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
At least 5 years (N=189)	1%	3%	28%	35%	33%
6 thru 10 years (N=153)		5%	36%	35%	24%
11 thru 15 years (N=147)	1%	4%	35%	39%	21%
16 or more years (N=42)	4%		25%	43%	27%

Through the mobile app

	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
At least 5 years (N=93)	6%	33%	41%	17%	2%
6 thru 10 years (N=78)	3%	38%	42%	13%	4%
11 thru 15 years (N=88)	8%	51%	35%	6%	
16 or more years (N=22)	19%	40%	38%		3%

Through Online banking

	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often
At least 5 years (N=31)	3%	32%	27%	33%	5%
6 thru 10 years (N=29)	3%	33%	33%	29%	2%
11 thru 15 years (N=43)		47%	24%	14%	14%
16 or more years (N=9)	15%	17%		45%	6%

IDRA RESEARCH & CONSULTING

USAGE OF DIGITAL BANKING PRODUCTS

How much do you agree with the following statements

Legend: ■ Strongly agree ■ Somewhat agree ■ Neutral

83% Agree with the following statement

Statement	Strongly agree	Somewhat agree	Neutral		
I can easily arrange my day-to-day banking affairs through the mobile banking app (N=282)*	45%	38%	12%	5%	1%
I can usually use the mobile banking app without disruptions (N=282)*	47%	32%	15%	5%	2%
I can usually use online banking without disruptions (N=210)**	41%	31%	20%	3%	4%
I can easily find the required information on the website (N=622)	26%	44%	22%	8%	1%
I can easily arrange my day-to-day banking affairs through online banking (N=622)	27%	36%	25%	9%	3%
I feel secure while using online banking (N=622)	24%	36%	32%	6%	2%

*Mobile banking users only; **Online banking users and those who have visited

About 83% of mobile banking users agree that they can easily arrange day – to – day banking affairs through the mobile app, while 79% of them agree that they can usually use the app without disruptions. The results imply that: (i) the mobile app needs to include more services as 17% do not think they can arrange their daily affairs through the mobile app; (ii) the mobile app needs to be fully functional as 21% do recall disruption through the usage of it (*this results may not apply to the apps of certain banks*).

Further, there is a lower percentage of users (72%) who agree that they can usually use online banking without any disruptions. As all the respondents where asked of their *perception* of online banking usage, 63% of them agree that they can easily arrange their day – to – day banking affairs through online banking, while only 60% agree that they feel secure while using online banking.

When considering the website, the data show that only about 70% of the bank users agree that they can easily find the required information on the website.

I feel secure while using online banking

Legend: ■ Strongly agree ■ Somewhat agree ■ Neutral ■ Somewhat disagree ■ Strongly disagree

|	Strongly agree	Somewhat agree	Neutral	Somewhat disagree	Strongly disagree
Online Banking users (N=113)	50%	34%	9%	4%	1%
Non Online Banking users (N=509)	18%	36%	37%	7%	2%

I can easily arrange my day-to-day banking affairs through online banking

Legend: ■ Strongly agree ■ Somewhat agree ■ Neutral ■ Somewhat disagree ■ Strongly disagree

	Strongly agree	Somewhat agree	Neutral	Somewhat disagree	Strongly disagree
Online Banking users (N=113)	46%	38%	11%	4%	1%
Non Online Banking users (N=509)	23%	35%	28%	10%	4%
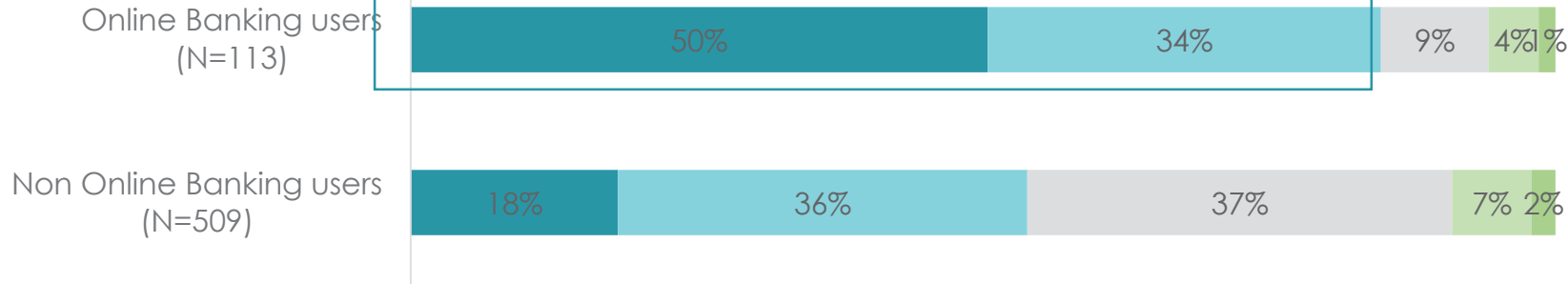
When further analyzing the statements about online banking usage, it is clear that there is a difference between the opinion of those who use it and the perception of those do not use it.

About 84% of those who use online banking feel secure while using it, while only 54% of those who do not use online banking perceive no security issues of using online banking. This result indicates that there is a general perception of lack of security for the usage of online banking among non users. By increasing security perception, there might be a chance for non users to actually start using online banking.
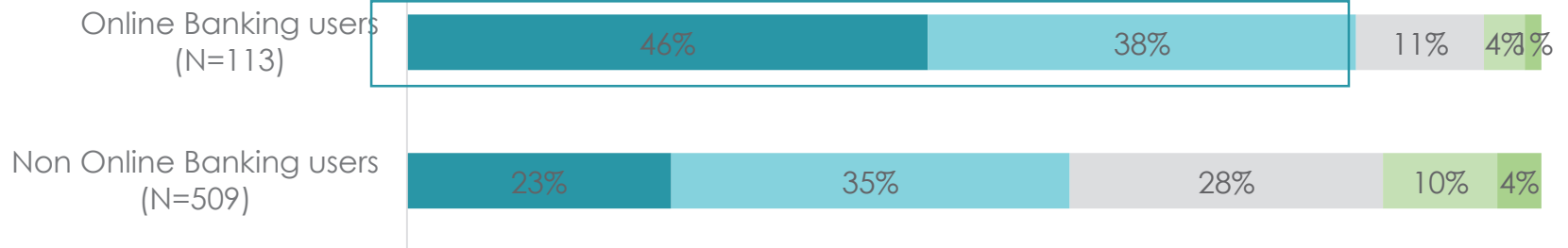
On the other hand, 84% of online banking users agree that they can easily arrange their day-to-day banking affairs through online banking, while only 58% of non users perceive that they would do so. Again the results shows that there is a perception among non users that not much can be done through out online banking. Further, the difference shows that indeed online banking is valuable to users and more information about the usage of it may lead to a change in perception of non users.
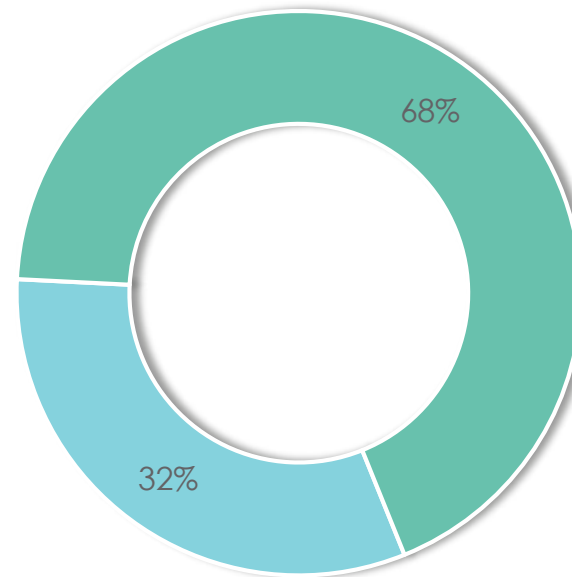
Usage of digital products

Usage of digital products

- Neither online, nor mobile
- Online banking only
- Mobile banking only
- Both online and mobile banking

33%

6%

12%

49%
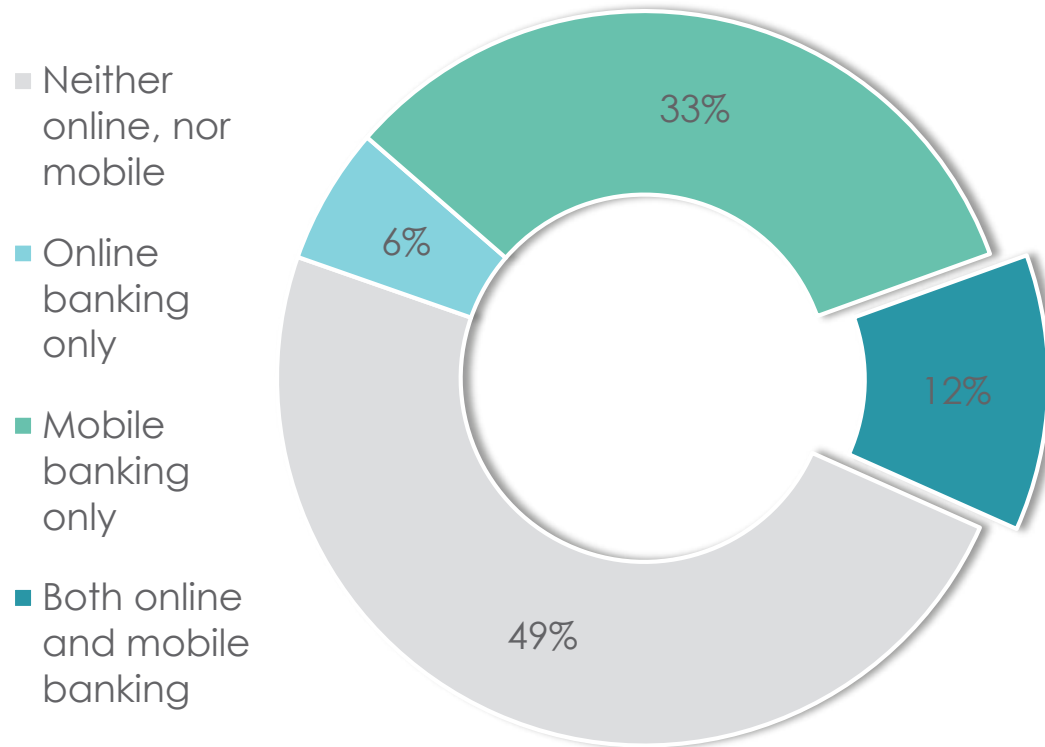
If both, which do you use mostly?
(N=76)
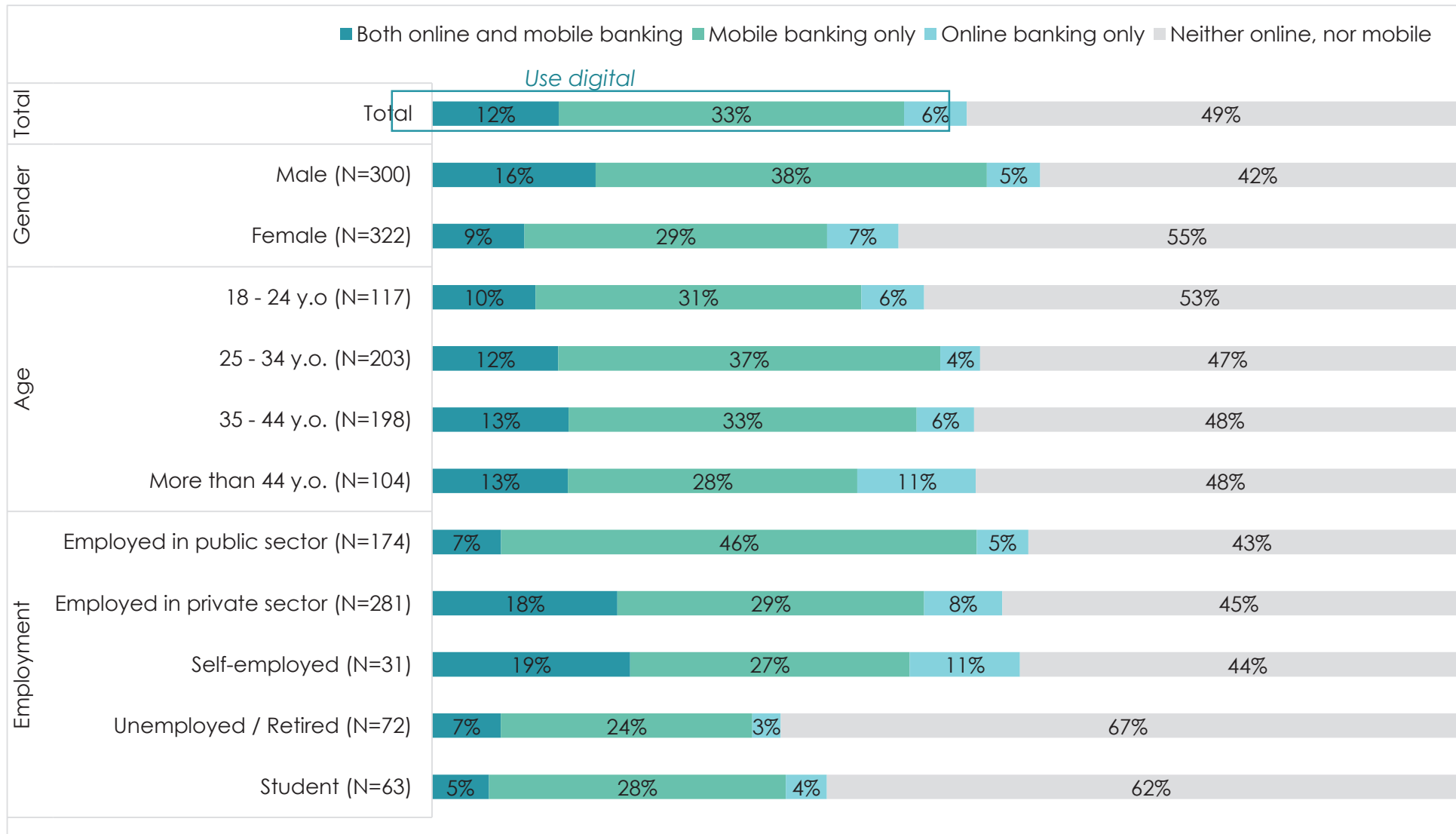
■ Online banking ■ Mobile banking

68%

32%

About 51% of the overall sample uses digital banking products, whereas 33% use only mobile banking, 6% use only online banking and 12% use both of them.

From those who use bot mobile and online banking, 68% mostly use mobile banking and 32% mostly use online banking.

The results show a strong advantage of mobile banking over online banking in terms of usage.

Usage of digital products
By categories

		Both online and mobile banking	Mobile banking only	Online banking only	Neither online, nor mobile
Total	Total	12%	33%	6%	49%
Gender	Male (N=300)	16%	38%	5%	42%
Gender	Female (N=322)	9%	29%	7%	55%
Age	18 - 24 y.o (N=117)	10%	31%	6%	53%
Age	25 - 34 y.o. (N=203)	12%	37%	4%	47%
Age	35 - 44 y.o. (N=198)	13%	33%	6%	48%
Age	More than 44 y.o. (N=104)	13%	28%	11%	48%
Employment	Employed in public sector (N=174)	7%	46%	5%	43%
Employment	Employed in private sector (N=281)	18%	29%	8%	45%
Employment	Self-employed (N=31)	19%	27%	11%	44%
Employment	Unemployed / Retired (N=72)	7%	24%	3%	67%
Employment	Student (N=63)	5%	28%	4%	62%

Use digital

Analyzing digital usage through categories there can be observed some differences between gender and employment status, while least among age groups.

The results show that there are less female users who use digital banking products than male users. About 58% of male respondents use digital products, while only 45% of female respondents do so.

When looking through age, only younger age groups (18-24 y.o.) have more non users than users on digital banking products, while other age groups have little differences between them.

Considering employment, there are little differences between employed bank users who have a higher percentage of digital banking users than non digital banking users.

Usage of digital products
By years of bank usage

Legend: ■ Both online and mobile banking ■ Mobile banking only ■ Online banking only ■ Neither online, nor mobile

Category	Both online and mobile banking	Mobile banking only	Online banking only	Neither online, nor mobile
Total	12%	33%	6%	49%
At least 5 years (N=231)	8%	32%	5%	55%
6 thru 10 years (N=183)	13%	30%	3%	54%
11 thru 15 years (N=164)	17%	37%	10%	37%
16 or more years (N=44)	12%	38%	9%	41%
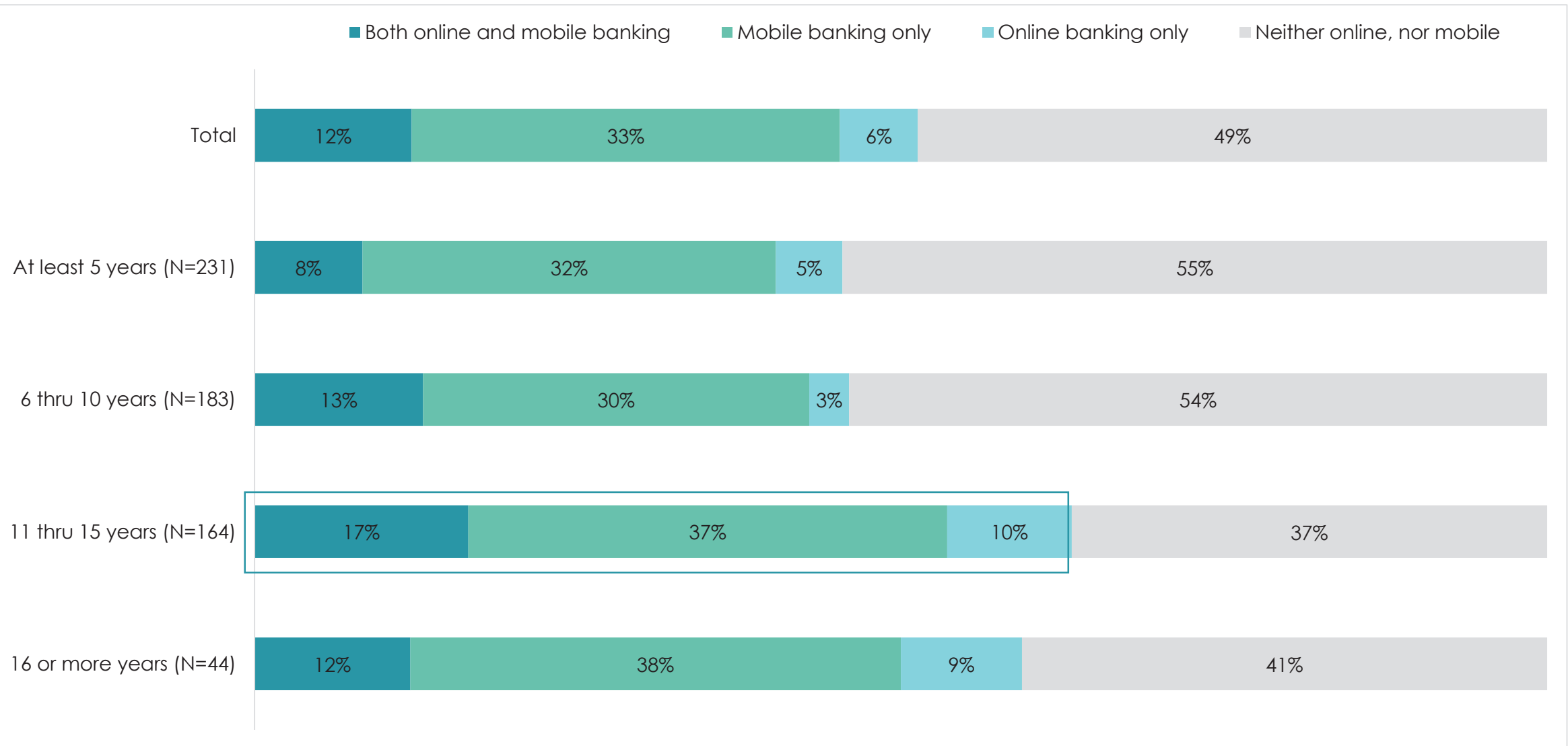
When did you start using mobile/online banking?

Last month ▪ Last 3 months ▪ Last 6 months ▪ Last year ▪ Last 3 years ▪ Further than the last 3 years

76% have been using mobile banking for more than 1 year

Mobile Banking (N=282)
| 5% | 10% | 9% | 33% | 32% | 11% |

84% have been using online banking for more than 1 year
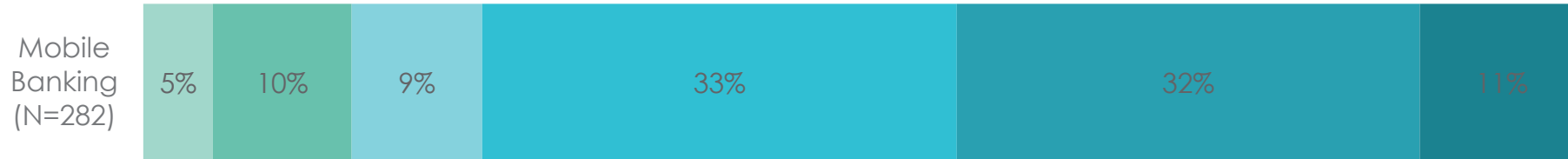
Online Banking (N=113)
| 9% | 1% | 6% | 22% | 39% | 23% |
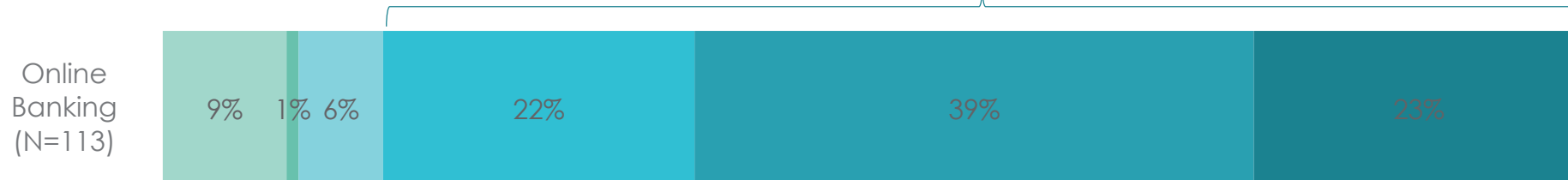
Looking in particular into digital usage, the results indicate that there are more experienced users of online banking than mobile banking.

About 84% of online banking users have been using it for more than one year, of which 22% started using it the last year, 39% the last 3 years and 23% started using it further than the last 3 years.

On the other hand 76% of mobile banking users have been using it for more than 1 year, of which 33% started using it the last year, 32% the last 3 years and 11% started using it further than the last 3 years.
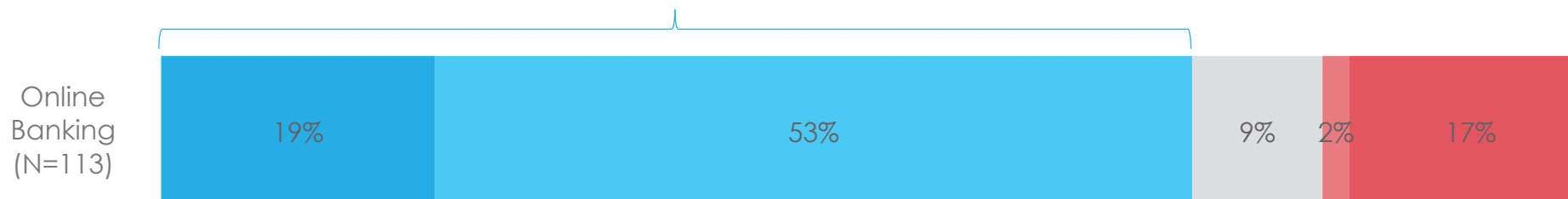
Satisfaction with mobile/online banking

Legend: ■ Very satisfied ■ Somewhat satisfied ■ Neither satisfied nor dissatisfied ■ Somewhat dissatisfied ■ Very dissatisfied

72% Of users are satisfied with mobile banking

| Mobile Banking (N=282) | 17% | 55% | 11% | 6% | 11% |

72% Of users are satisfied with online banking

| Online Banking (N=113) | 19% | 53% | 9% | 2% | 17% |
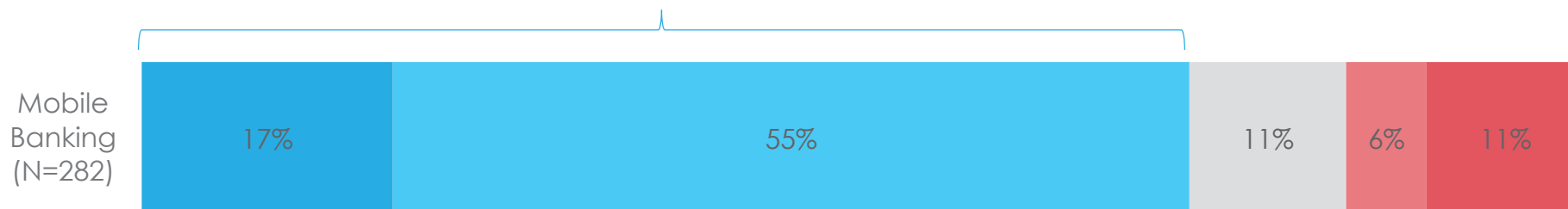
Mobile banking users and online banking users show the same level of satisfaction with the usage of this products. In particular, 72% of users are satisfied with mobile banking and online banking.

Even though the level of satisfaction with this digital products is high, there is a concerning percentage who are dissatisfied with them. About 19% of online banking users are dissatisfied with online banking, while 17% of mobile banking users are dissatisfied with it.

Correspondence Analysis
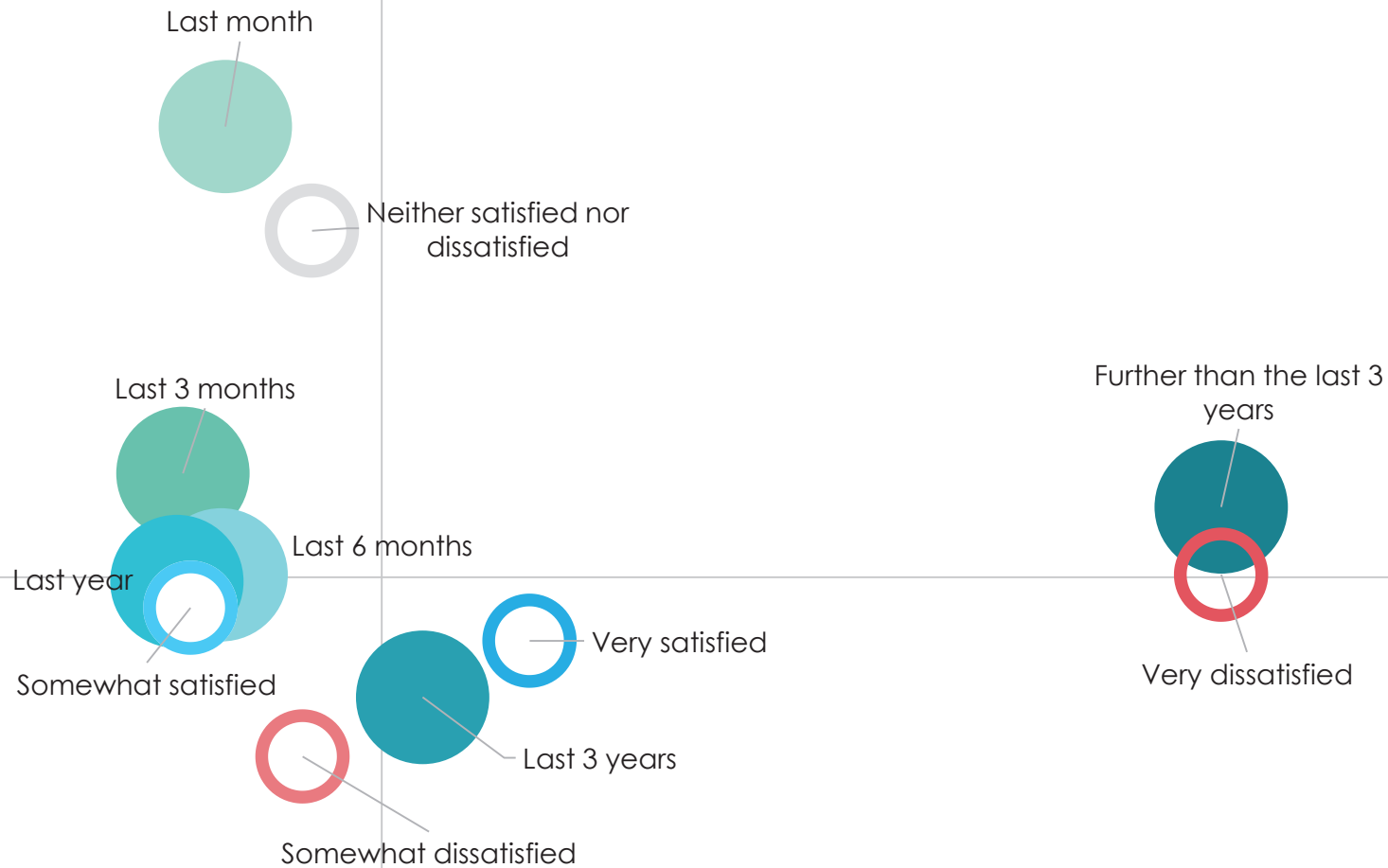## *Years of usage and satisfaction with Online Banking*
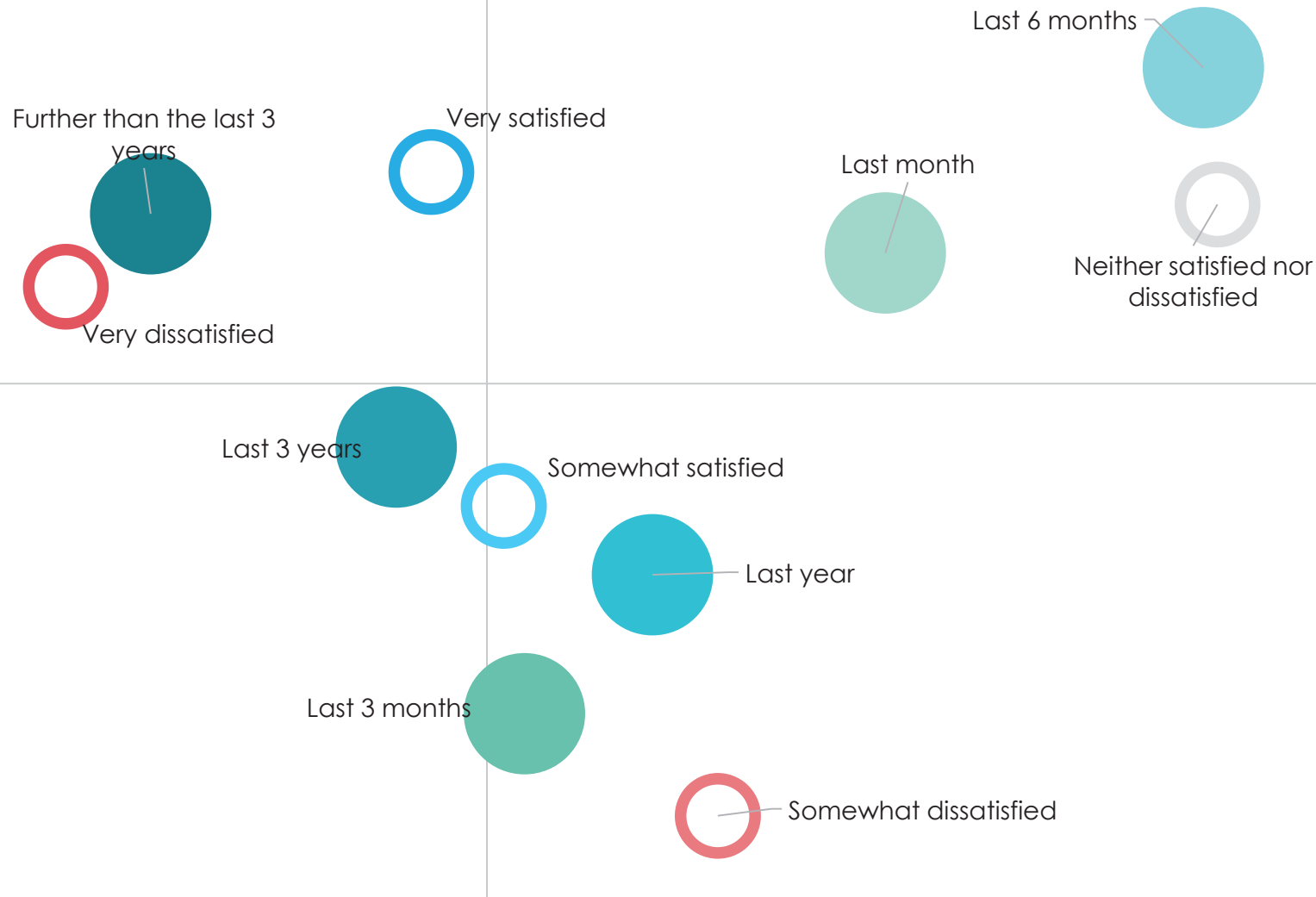
Correspondence analysis is used to further analyze the satisfaction with digital products. It is a technique for graphically displaying a two-way table by calculating standardized coordinates representing its rows and columns. These coordinates are analogous to factors in a principal components analysis.

The interpretation of result includes the association of different factors with each other: the closer the coordinates, the more associated these factors are with each other.

In this case, the correspondence analysis includes years of usage and satisfaction with online banking. The graph shows that there is no *clear pattern of association* between them. However, when looking closely, those who have been using online banking for more than 3 years are closely associated with very dissatisfied, implying that there might be some relation between the both. But the fact that even very satisfied are very close in coordinates to this category makes this assumption weak, and leaves no clear pattern of association.

Correspondence Analysis
Years of usage and satisfaction with Mobile Banking

Last month

Neither satisfied nor dissatisfied

Last 3 months

Last 6 months

Last year

Further than the last 3 years

Very satisfied

Very dissatisfied

Somewhat satisfied

Last 3 years

Somewhat dissatisfied

When using correspondence analysis to investigate associations between years of usage and satisfaction with mobile banking the pattern is much clearer and revealing.

Those who have been using mobile banking for more than 3 years are closely associated with very dissatisfied, implying that there might be some relation between the both. The fact that they are distant to other categories and do not have any other factor close, implies that the association is strong. In this case, the results indicate that more experienced users are more dissatisfied with the app.

On the other hand, there are the new users (who started using last 3 months, last 6 months and last year) which are closely related to "somewhat satisfied"; implying a slight satisfaction in relatively new users. Moreover, the group of those who started using mobile banking last month are neutral in their evaluation.

Correspondence analysis between frequency of usage and satisfaction shows that there is no clear relation between the frequency of usage and satisfaction with online banking.

Correspondence Analysis
Frequency of usage and satisfaction with Mobile Banking
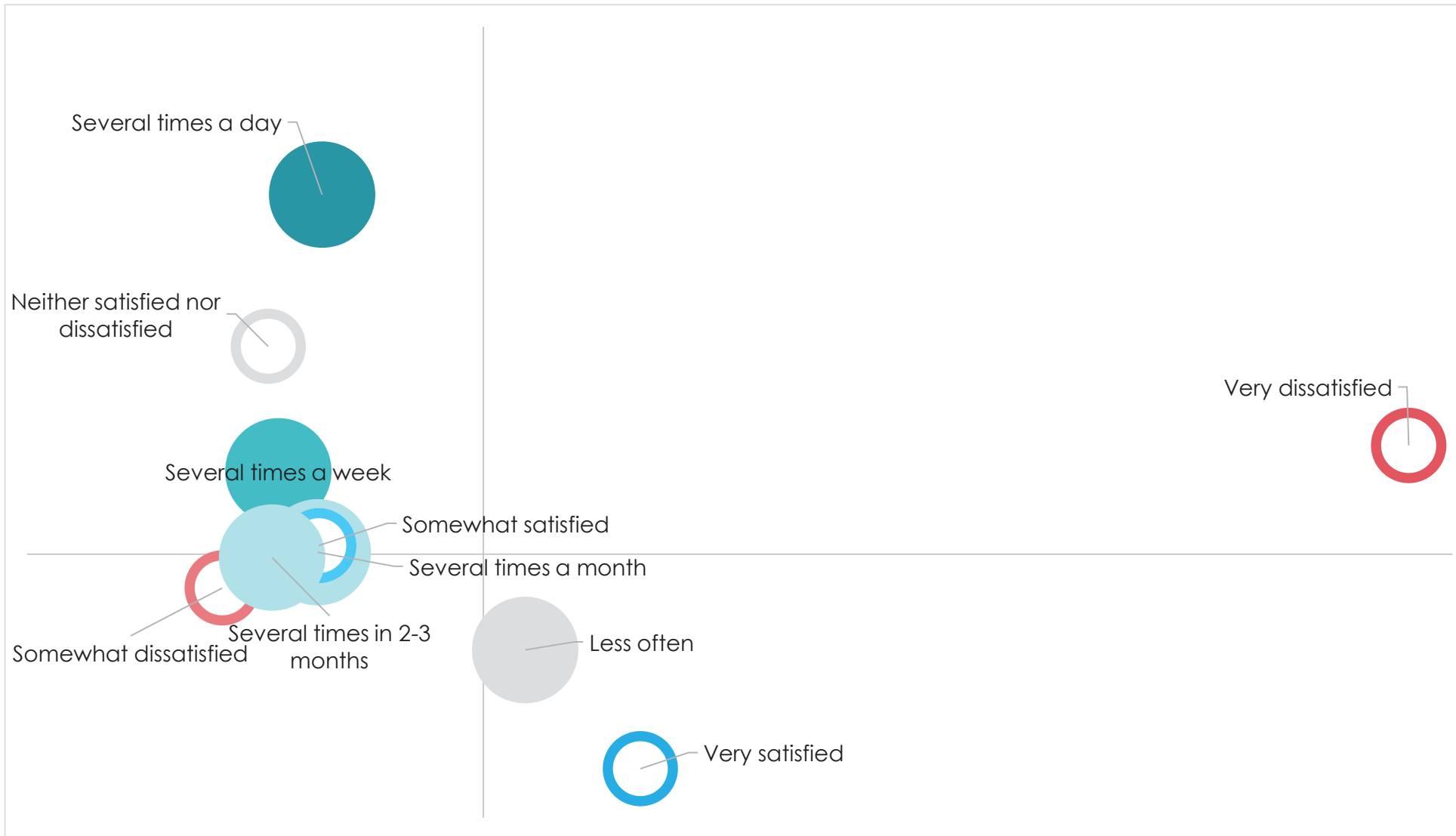
Correspondence analysis between frequency of usage and satisfaction with mobile banking shows a similar pattern in terms of grouping as the previous analysis.

"Very dissatisfied" is not a factor related with frequency of usage, and less distant but also not much associated is "very satisfied".

The grouping of "several times a week" "several times a month" and "several times in 2-3 months" show that these groups have the same approach towards the usage of mobile banking in terms of satisfaction, confirming that there is no relation between frequency of usage and level of satisfaction with the mobile banking.

In the last 6 months, how often have you encountered bank related advertisements?

Legend:
- Several times a day
- Several times a week
- Several times a month
- Several times in 2-3 months
- Less often
- Never

Visible at least several times a week

	Several times a day	Several times a week	Several times a month	Several times in 2-3 months	Less often	Never
Social media	18%	26%	20%	18%	13%	4%
TV	13%	27%	26%	14%	13%	7%
Announcements or posters posted on streets or buildings	9%	24%	18%	13%	20%	16%
Online media	12%	18%	20%	14%	22%	14%
Radio	5%	7%	10%	7%	30%	41%
Printed newspapers and magazines	3%	7%	10%	11%	33%	35%

Social media is clearly the most visible approach through which respondents have encountered bank related advertisements.

About 44% of the respondents have seen bank related advertisements through social media at least several times a week, from whom 18% have encountered them several times a day.

Advertisements through TV are the second most visible (when considering at least a weekly basis of visibility). About 40% of the respondents declare to have encountered bank related advertisements at least several times a week or more often while watching TV.

Announcements or posters posted on streets or buildings comes 3rd and online media comes 4th. However in this case online media is more visible on a daily basis that announcements or posters.

Least visible of the mentioned channels are radios and printed newspapers and magazines.

NET PROMOTING SCORE

- NPS is calculated from the question:

How likely are you to recommend your bank? On a scale from 0 to 10, where 0="definitely not would recommend it" and 10="definitely would recommend it".

- The evaluation for their respective main bank will serve as an indicator of their evaluation for the whole banking system.
- To be followed by an open-ended request for elaboration on the respondents respective evaluation.
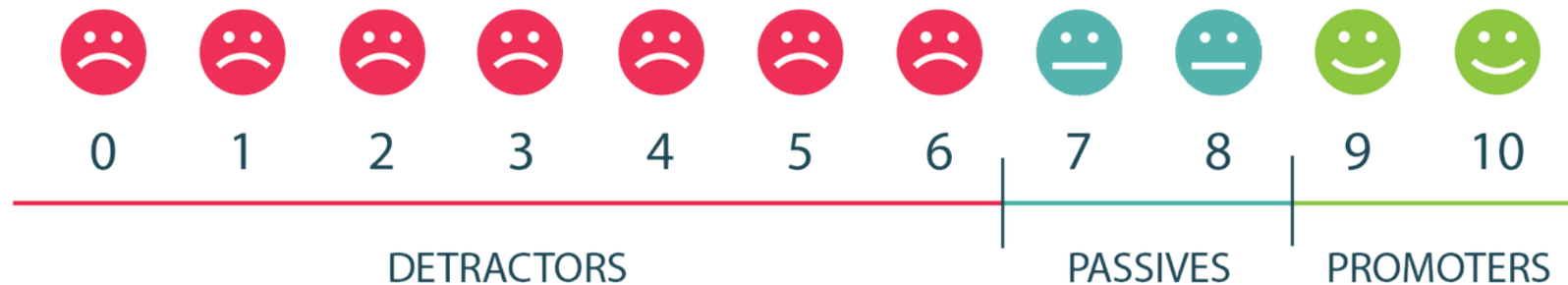
Net Promoting Score
Overall

Net Promoting Score

- ■ Detractors ■ Promoters

35%

-26%

NPS

100
80
60
40
20
0
-20
-40
-60
-80
-100

9
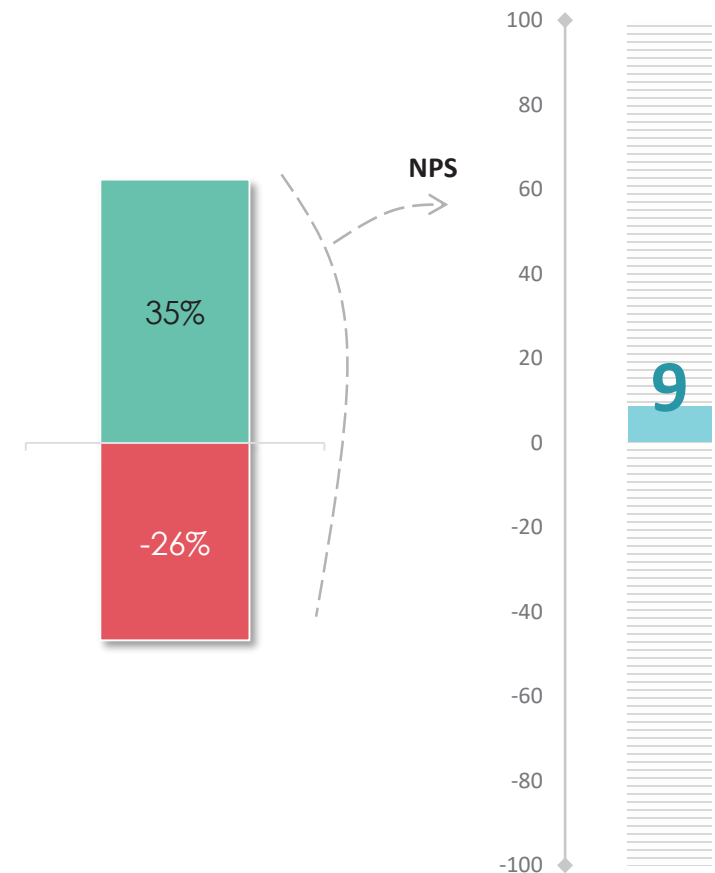
Responses by promoter group

26%

35%

38%

- ■ Detractors
- ■ Passive
- ■ Promoters
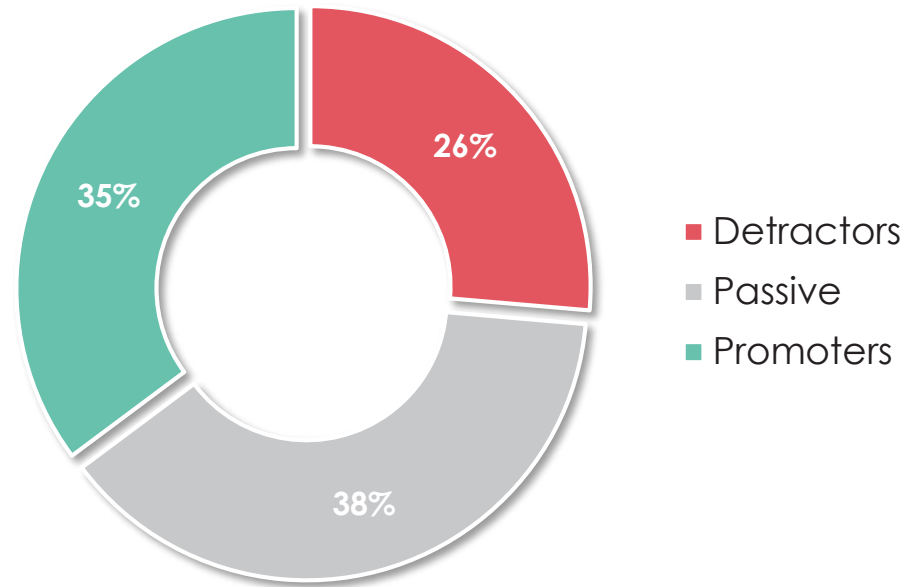
Net Promoting Score for the Banking sector in Albania is evaluated at only 9 points.

The data shows that 35% of bank users promote the banking sector, 26% would not recommend it (detract), while 38% are at a neutral/passive level.

The difference between promoters and detractors is relatively small, even though there is a good share of customers satisfied with the banking sector in Albania, there is a relatively high share who are not are not satisfied with it and would not recommend dealing with a bank in Albania.

Although it looks like the focus of the NPS is the difference between the promoters and the detractors, if the percentage of passives is relatively high, it is an important indicator for the performance of the market. This is the indifferent part of customers, who show lack of emotion and when applied to their experience it creates ambiguity.

Reasons to promote

Reason	Percentage
Quality of daily banking services	47%
Reliability/Security	18%
Staff behaviour/ skilled staff	17%
The speed it deals with clien	16%
Generaly satisfied	12%
Customer oriented	7%
Large range of branches and ATMs	6%
Low administrative costs of commisions	6%
Tech and innovation	5%
Good quality products	3%
High transparency	2%
Low savings interest rates	2%
Other	0.5%
Cost of loan	0.4%
Waiting time in branches	0.4%
Other quality products	0.3%

When asked about the reasons of their evaluation, most of the users who recommended/promoted the banking sector stated the quality of daily banking services as the main reason (47%).

Next mentioned reasons for promoting are Reliability/Security, Staff behavior/skilled staff and the speed it deals with the clients (respectively 18%, 17% and 16%).

Reasons to detract

Reason	Percentage
High administrative costs of commisions	24%
Long waiting time in branches	21%
Lack of correctness/ bad quality of daily banking services	17%
Low speed of dealing with clients	16%
Generaly dissatisfied	12%
Cost of loan (high interest rates)	9%
Staff bad behaviour/ unskilled staff	9%
Lower range of branches and ATMs	4%
Lack of transparency	3%
Not customer oriented	2%
Lack of advanced tech and innovation	2%
Poor quality products	1%
Other quality products	1%
High savings interest rates	1%
Lack of reliability/security	0%
Other	1%

In overall, the main reasons for banking sector users to detract are the perceived high administrative costs of commissions (24%), long waiting time in branches (21%) and lack of correctness/bad quality of daily banking services (17%).

Net Promoting Score
By gender and age

Legend: ▬ Detractors ▬ Promoters ┈○┈ NPS

	Total	Male	Female	18 - 24 y.o	25 - 34 y.o.	35 - 44 y.o.	More than 44 y.o.
NPS	9	11	7	24	3	-4	27
Promoters	35%	36%	35%	42%	33%	26%	50%
Detractors	-26%	-25%	-28%	-18%	-30%	-29%	-23%

Gender (Male, Female) | **Age** (18 - 24 y.o, 25 - 34 y.o., 35 - 44 y.o., More than 44 y.o.)
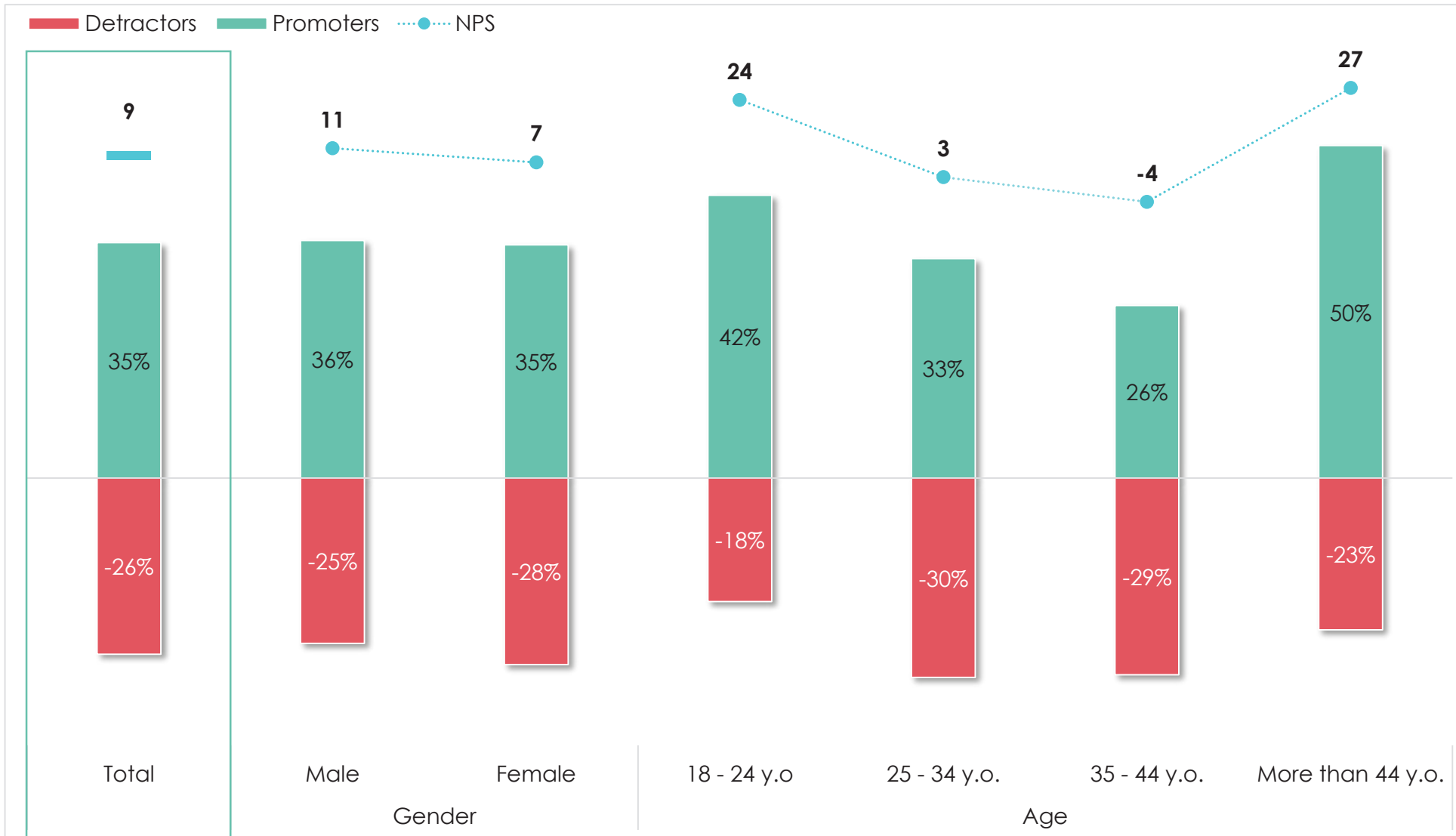
When analyzing the data by gender, male users are slightly more likely to recommend the banking sector compared to females. Resulting in a NPS of 11 for Male and 7 points for Females.

Regarding age it can be noticed that "Young" and "Older" (the age group of 18-24 y.o and +44 y.o) users group has a significantly higher NPS. Respectively 24 and 27 points.

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Net Promoting Score
By employment and usage of digital banking products

Legend: Detractors, Promoters, NPS

Category	Promoters	Detractors	NPS
Total	35%	-26%	9
Employed in public sector	29%	-28%	1
Employed in private sector	38%	-28%	10
Self-employed	40%	-12%	28
Unemployed / Retired	30%	-33%	-3
Student	46%	-17%	29
Do not use digital banking products	32%	-30%	2
Use digital banking products	38%	-23%	15

Employment

Digital usage

When disaggregating by "typology" of bank users regarding the digital banking products is can be observed that those who use digital banking products have a slightly positive attitude regarding banking sector, thus giving a higher NPS (+13 points).

Net Promoting Score
By years of bank usage

Legend: ■ Detractors ■ Promoters ⚬⚬⚬ NPS

	Total	Up to 5 years	6 thru 10 years	11 thru 15 years	16 or more years
NPS	9	18	-6	12	11
Promoters	35%	38%	26%	38%	45%
Detractors	-26%	-21%	-32%	-26%	-34%
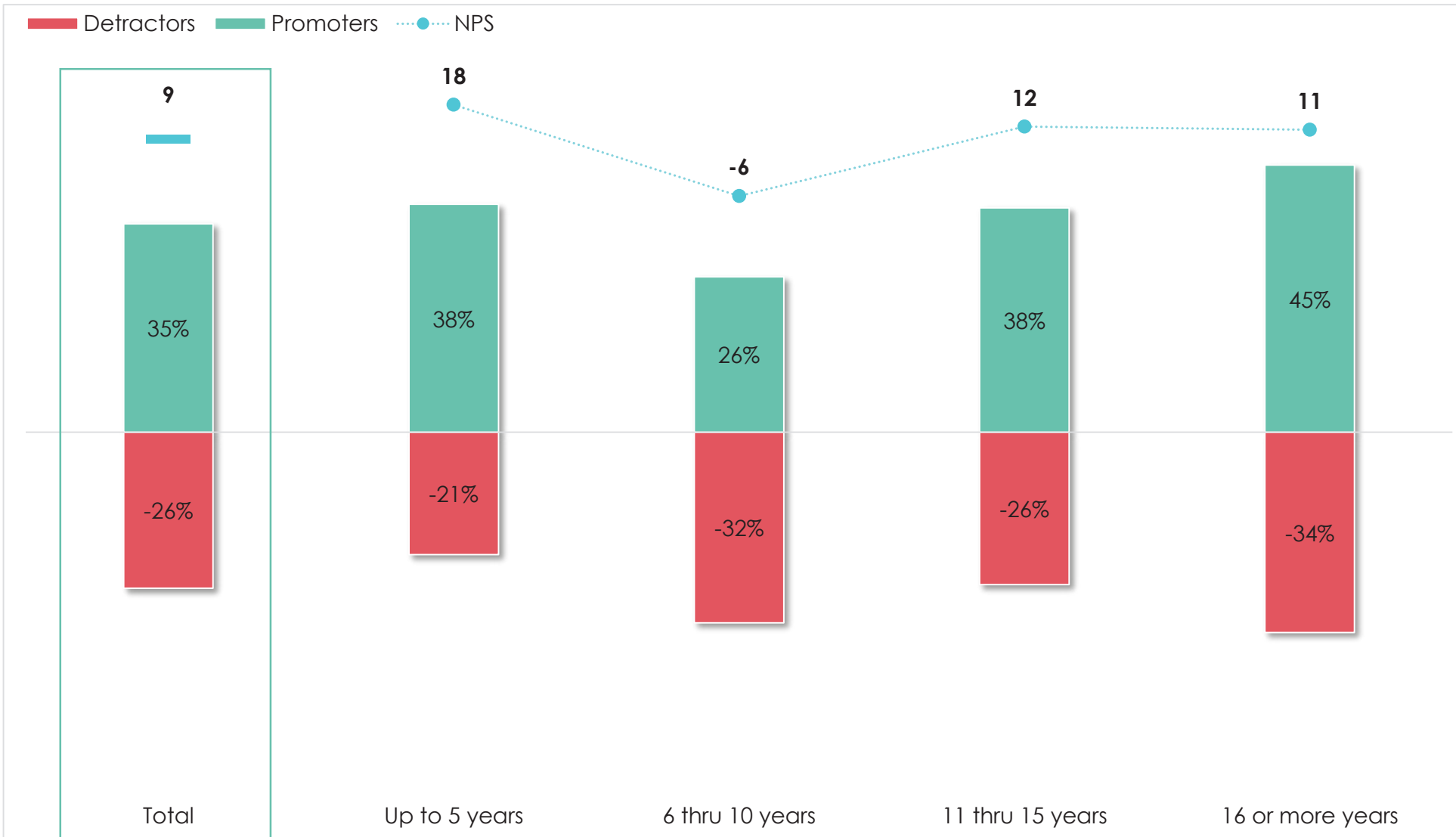
What stands out when analyzing the NPS by years of bank usage are the group of users for 6 to 10 years. The have the a negative NPS, meaning more detractors than promoters, and compared to other groups the have the lowest NPS score.

EVALUATION OF ALBANIAN BANKING SYSTEM ATTRIBUTES

Confidence, development and security of Albanian banking system
By gender

■ Total ■ Male (N=300) ■ Female (N=322)

	Total	Male (N=300)	Female (N=322)
How much confidence do you have in the Albanian banking system?	61	62	59
How much do you value the level of development of the Albanian banking system?	62	62	62
How much do you value the level of security of the Albanian banking system?	56	57	55

In this section the respondents were asked to evaluate the confidence, development and level of security of banking sector, on a scale from 1 to 7. On these slides this scale it is converted on a 0-100 scale to better see the differences between banking sector attributes and groups.

On overall, the confidence; development; security have a relatively low evaluation, just below the average, from 56 to 62. The highest evaluation is for the level of the development that the Albanian banking sector has made in the last years, closely followed (with just 1 point lower) by the confidence on the Albanian banking system. While for the level of security, the respondents gave a slightly lower evaluation of 56 points out of 100.

Moreover, even the differences between groups or different user profiles are small or insignificant.

Confidence, development and security of Albanian banking system
By age

	Total	18 - 24 y.o (N=117)	25 - 34 y.o. (N=203)	35 - 44 y.o. (N=198)	More than 44 y.o. (N=104)
How much confidence do you have in the Albanian banking system?	61	60	59	59	68
How do you evaluate the level of development of the Albanian banking system?	62	60	60	61	67
How do you evaluate the level of security of the Albanian banking system?	56	56	54	54	63

Confidence, development and security of Albanian banking system
By employment

	Total	Employed in public sector (N=174)	Employed in private sector (N=281)	Self-employed (N=31)	Unemployed / Retired (N=72)	Student (N=63)
How much confidence do you have in the Albanian banking system?	61	60	61	60	59	59
How do you evaluate the level of development of the Albanian banking system?	62	65	59	66	62	59
How do you evaluate the level of security of the Albanian banking system?	56	57	57	51	53	56

Confidence, development and security of Albanian banking system
By usage of digital products

	Total	Use digital banking products (N=291)	Do not use digital banking products (N=331)
How much confidence do you have in the Albanian banking system?	61	64	57
How do you evaluate the level of development of the Albanian banking system?	62	64	59
How do you evaluate the level of security of the Albanian banking system?	56	59	54

Confidence, development and security of Albanian banking system
By years of bank usage

	Total	Up to 5 years (N=231)	6 thru 10 years (N=183)	11 thru 15 years (N=164)	16 or more years (N=44)
How much confidence do you have in the Albanian banking system?	61	59	57	66	64
How do you evaluate the level of development of the Albanian banking system?	62	60	58	67	67
How do you evaluate the level of security of the Albanian banking system?	56	55	51	61	65

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RESEARCH & CONSULTING

What do you value in the Albanian banking system?
By gender

	Total	Male (N=300)	Female (N=322)
Can be accessed everywhere	44%	38%	50%
Fits my needs	40%	44%	37%
Offers chances for everybody	27%	22%	31%
Is very convenient	25%	25%	26%
It keeps up with the time	25%	30%	20%
Is secure	20%	23%	17%
Is innovative	19%	21%	17%
Is reliable	19%	22%	16%
Offers quality service	17%	16%	19%
Has competitive products/ services	16%	17%	16%
Has clear regulations	16%	13%	19%
Is developed	14%	17%	10%
Protects its clients/ users	9%	11%	8%
Is transparent	9%	11%	8%

Multiple

When asked about what they value in the Albanian banking system, most of respondents stated the fact that it "can be accessed everywhere" 44% and "it fits my needs" 40%.

On the other hand, the least valued attribute of banking system is their transparency, mentioned on only 9% of the cases.

Regarding gender there are some differences. Males are concerned or value more a bank that fits their needs (44%), while Females the accessibility is the factor that they value the most (50%).

What do you value in the Albanian banking system?
By age

	Total	18 - 24 y.o (N=117)	25 - 34 y.o. (N=203)	35 - 44 y.o. (N=198)	More than 44 y.o. (N=104)
Can be accessed everywhere	44%	44%	41%	45%	49%
Fits my needs	40%	46%	37%	42%	37%
Offers chances for everybody	27%	30%	27%	19%	38%
Is very convenient	25%	29%	26%	21%	28%
It keeps up with the time	25%	20%	27%	25%	26%
Is secure	20%	22%	15%	15%	36%
Is innovative	19%	18%	19%	17%	24%
Is reliable	19%	22%	16%	17%	24%
Offers quality service	17%	21%	18%	10%	27%
Has competitive products/ services	16%	13%	16%	19%	15%
Has clear regulations	16%	23%	15%	13%	16%
Is developed	14%	11%	17%	14%	9%
Protects its clients/ users	9%	12%	10%	7%	11%
Is transparent	9%	10%	8%	9%	11%

Multiple

CONFIDENCE & PERCEPTION OF CONSUMERS IN BANKS AND IN THE SECTOR 2019

What do you value in the Albanian banking system?
By employment

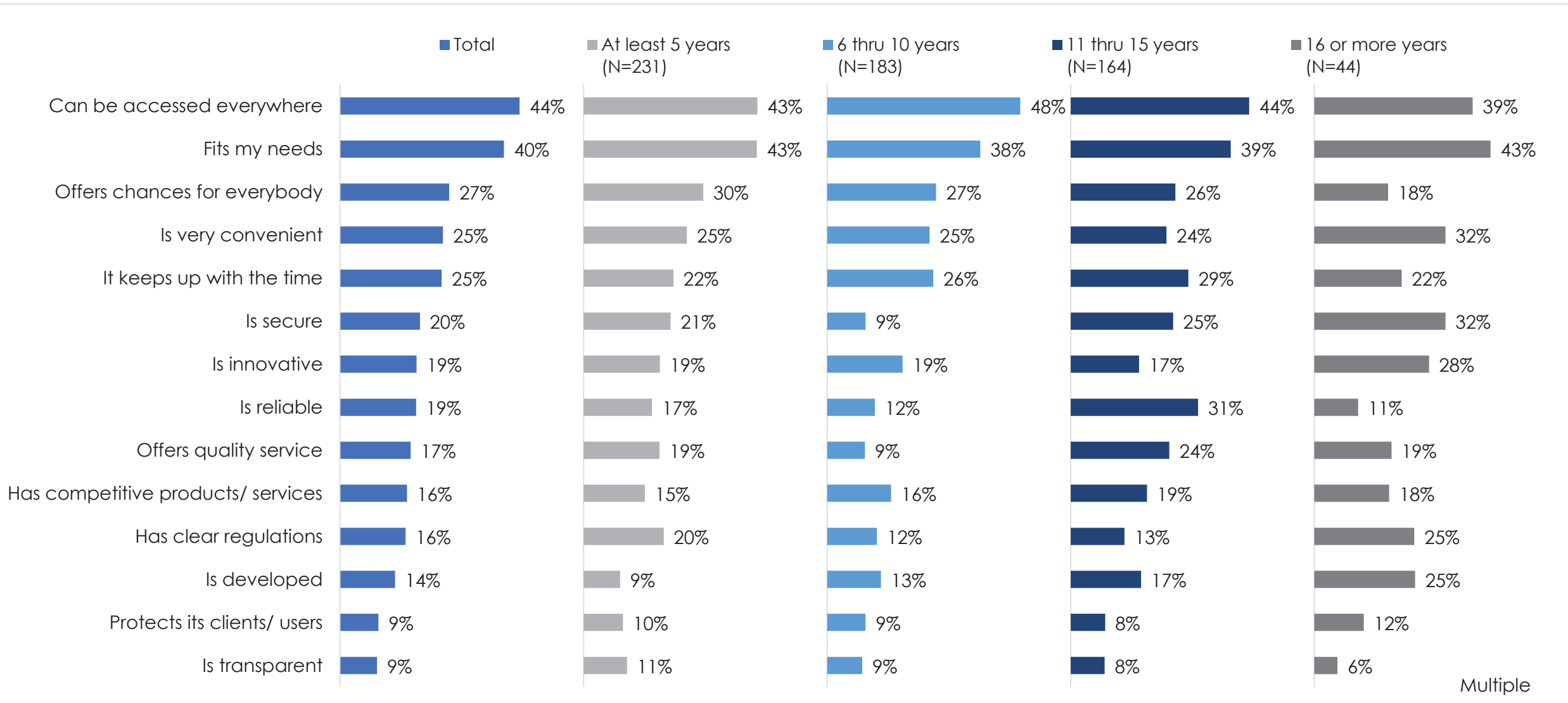|	Total	Employed in public sector (N=174)	Employed in private sector (N=281)	Self-employed (N=31)	Unemployed / Retired (N=72)	Student (N=63)
Can be accessed everywhere	44%	42%	45%	35%	52%	42%
Fits my needs	40%	37%	41%	52%	36%	45%
Offers chances for everybody	27%	34%	21%	27%	33%	26%
Is very convenient	25%	18%	29%	34%	27%	25%
It keeps up with the time	25%	26%	24%	28%	28%	22%
Is secure	20%	18%	21%	14%	16%	24%
Is innovative	19%	22%	18%	21%	18%	17%
Is reliable	19%	14%	24%	7%	9%	26%
Offers quality service	17%	20%	14%	27%	22%	17%
Has competitive products/ services	16%	16%	18%	14%	16%	13%
Has clear regulations	16%	19%	16%	16%	5%	23%
Is developed	14%	18%	12%	7%	14%	10%
Protects its clients/ users	9%	4%	12%	21%	5%	13%
Is transparent	9%	9%	9%	17%	4%	11%

Multiple

What do you value in the Albanian banking system?
By usage of digital banking products

Legend: ■ Total ■ Use digital banking products (N=331) ■ Do not use digital banking products (N=291)

Attribute	Total	Use digital banking products (N=331)	Do not use digital banking products (N=291)
Can be accessed everywhere	44%	45%	43%
Fits my needs	40%	43%	38%
Offers chances for everybody	27%	30%	24%
Is very convenient	25%	30%	21%
It keeps up with the time	25%	30%	20%
Is secure	20%	25%	14%
Is innovative	19%	24%	14%
Is reliable	19%	21%	16%
Offers quality service	17%	21%	13%
Has competitive products/ services	16%	17%	16%
Has clear regulations	16%	15%	17%
Is developed	14%	18%	9%
Protects its clients/ users	9%	10%	9%
Is transparent	9%	10%	8%

Multiple

- In general when analyzing the usage of digital banking products, it can be notices that for the group uses digital banking product, compared to those who don't, value more almost all the banking system attributes.

- The largest difference can be seen at attributes as "it keeps up with the time", "Is secure" and "In innovative", where digital banking users value these 10% more than non-users.
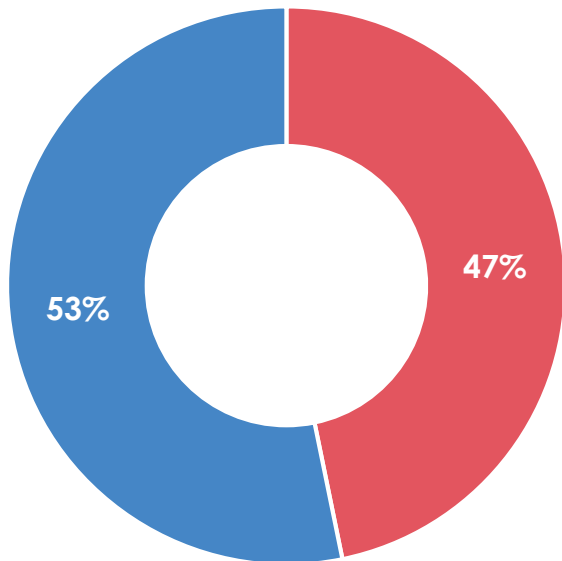
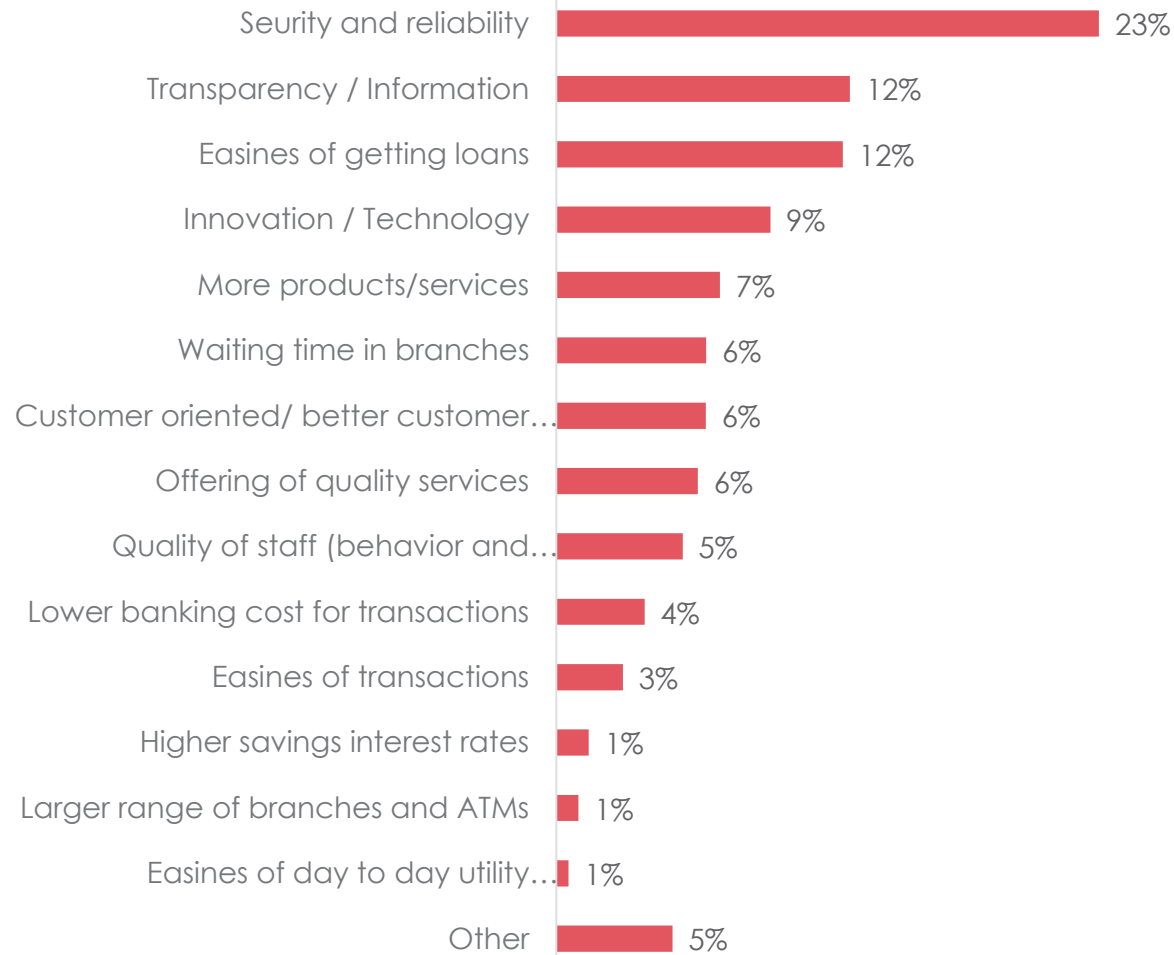# What do you value in the Albanian banking system?
By years of bank usage

Legend: ■ Total | ■ At least 5 years (N=231) | ■ 6 thru 10 years (N=183) | ■ 11 thru 15 years (N=164) | ■ 16 or more years (N=44)

	Total	At least 5 years (N=231)	6 thru 10 years (N=183)	11 thru 15 years (N=164)	16 or more years (N=44)
Can be accessed everywhere	44%	43%	48%	44%	39%
Fits my needs	40%	43%	38%	39%	43%
Offers chances for everybody	27%	30%	27%	26%	18%
Is very convenient	25%	25%	25%	24%	32%
It keeps up with the time	25%	22%	26%	29%	22%
Is secure	20%	21%	9%	25%	32%
Is innovative	19%	19%	19%	17%	28%
Is reliable	19%	17%	12%	31%	11%
Offers quality service	17%	19%	9%	24%	19%
Has competitive products/ services	16%	15%	16%	19%	18%
Has clear regulations	16%	20%	12%	13%	25%
Is developed	14%	9%	13%	17%	25%
Protects its clients/ users	9%	10%	9%	8%	12%
Is transparent	9%	11%	9%	8%	6%

Multiple

Improvements in the banking system

Do you think there needs to be improvement in the Albanian banking system?

■ Yes ■ No

53% / 47%

What would you like to be improved?

| Category	Percentage
Seurity and reliability	23%
Transparency / Information	12%
Easines of getting loans	12%
Innovation / Technology	9%
More products/services	7%
Waiting time in branches	6%
Customer oriented/ better customer…	6%
Offering of quality services	6%
Quality of staff (behavior and…	5%
Lower banking cost for transactions	4%
Easines of transactions	3%
Higher savings interest rates	1%
Larger range of branches and ATMs	1%
Easines of day to day utility…	1%
Other	5%

Regarding improvements in the Albanian banking system, almost half of the respondents state that there is a need for improvement (47%).

Security and Reliability seems to be the most important improvement that needs to be done on Albanian banking system (23%), followed by Transparency and Easiness of getting loans, both with 12%.

To be highlighted is the fact that the security was also the least evaluated factor on the banking system (slide 11).
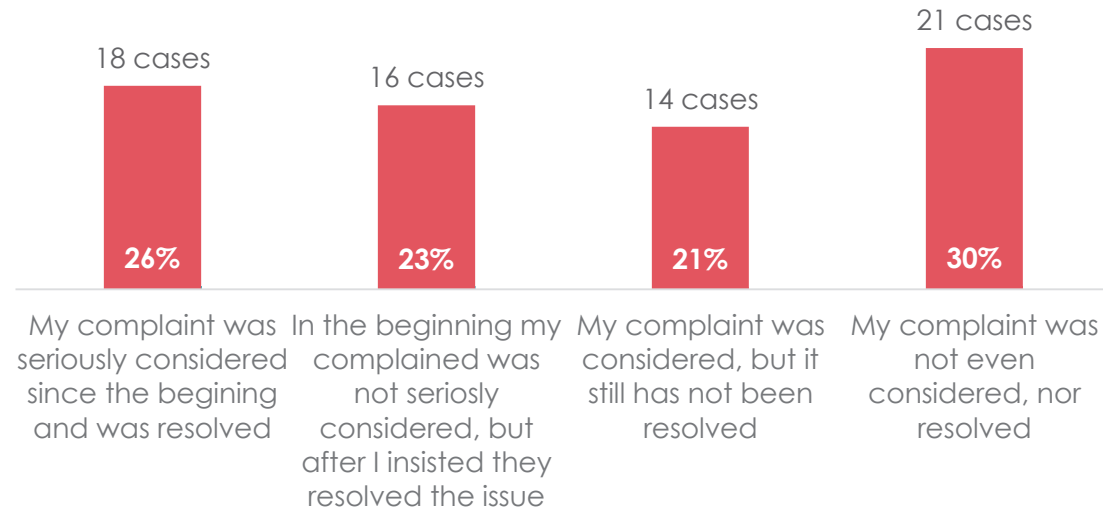
IDRA RESEARCH & CONSULTING

Complaints

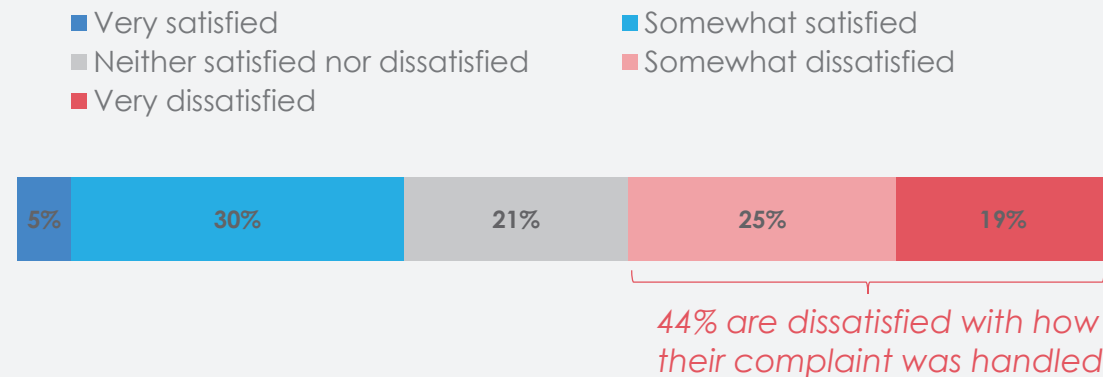## Have you ever filed a complaint?

- 68%
- 11%
- 21%
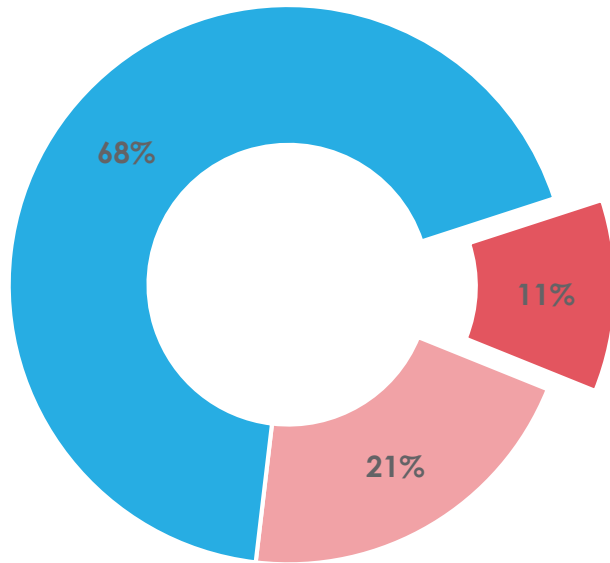
- Yes, I have filed a complained against my bank
- I have had a complaint, but no, i did not file it agains my bank
- No, I haven't had any complaints

Complaint handling (N=69)

18 cases — 26%
My complaint was seriously considered since the begining and was resolved

16 cases — 23%
In the beginning my complained was not seriosly considered, but after I insisted they resolved the issue

14 cases — 21%
My complaint was considered, but it still has not been resolved

21 cases — 30%
My complaint was not even considered, nor resolved

Satisfaction with complaint handling (N=69)

- Very satisfied
- Somewhat satisfied
- Neither satisfied nor dissatisfied
- Somewhat dissatisfied
- Very dissatisfied

| 5% | 30% | 21% | 25% | 19% |

44% are dissatisfied with how their complaint was handled

About one third of respondents have had a complained about their bank (32%) but only 11% of the did file it against the bank.

In half of the cases the complaint was not resolved by the bank, and more worryingly in 30% the complaint was not even considered, nor resolved.

Regarding satisfaction, 44% of respondents are dissatisfied with how their complaint has handled (out of which 19% very dissatisfied)