



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

Second part



Methodology and weighting

STUDY STRUCTURE

Usage and attitudes of banks
Perception of banking system
Satisfaction with the banking system

SAMPLE

Overall are conducted 400 interviews:
313 interviews from the online panel ([IDRApoll](#))
and 97 interviews face to face (CAPI).

TIMING

Nov. – Dec. 2019

WEIGHTING PROCEDURE

Weights are applied by gender according to the INSTAT data on usage of banks by gender. The use of a weighted sample ensures the results are representative of the banking population.

FIELDWORK NOTE

It is important to note that during the fieldwork of the project occurred the earthquake (November 26th), which impacted the collection of the data and postponed the delivery deadline.

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03

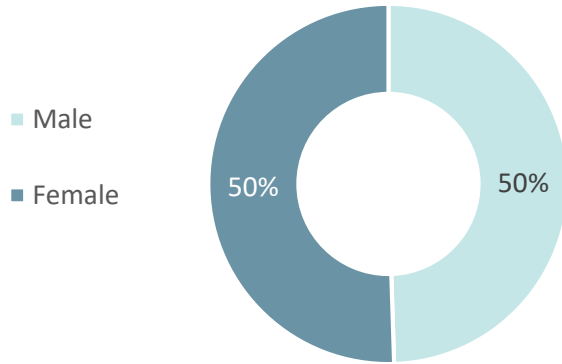
02

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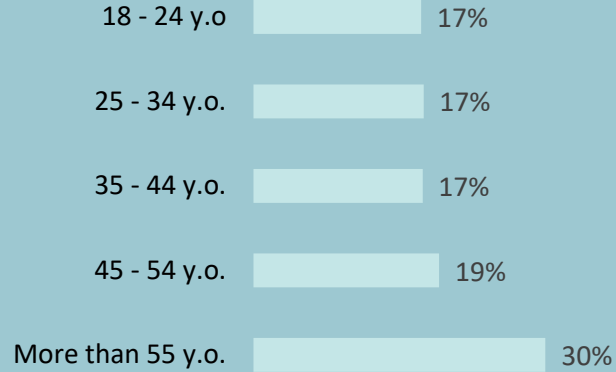
Sample profile

**Weighted*

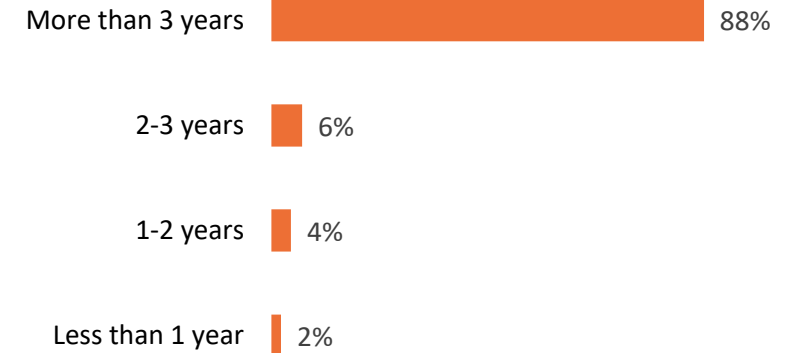
Gender



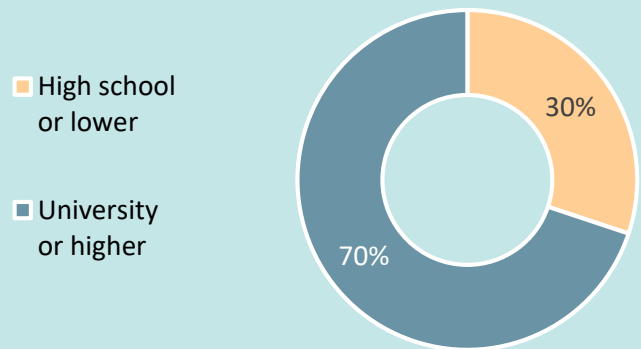
Age



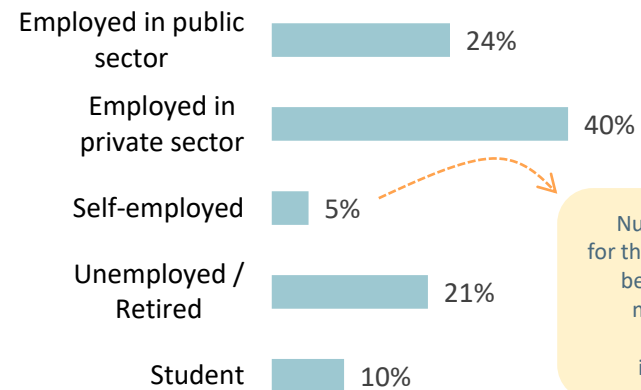
Banking experience



Education

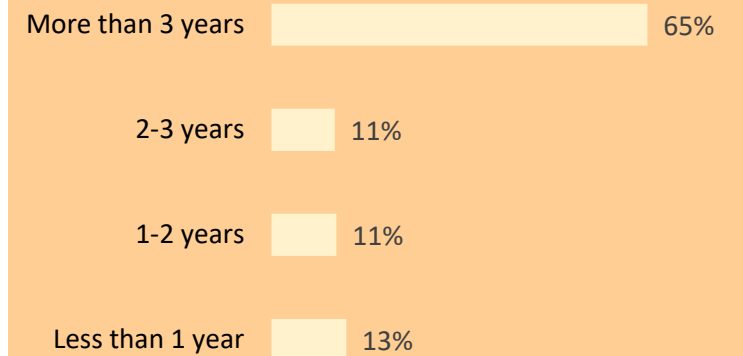


Employment



Number of cases for this age group is below 31, which means that the results are indicative only

Experience with main bank

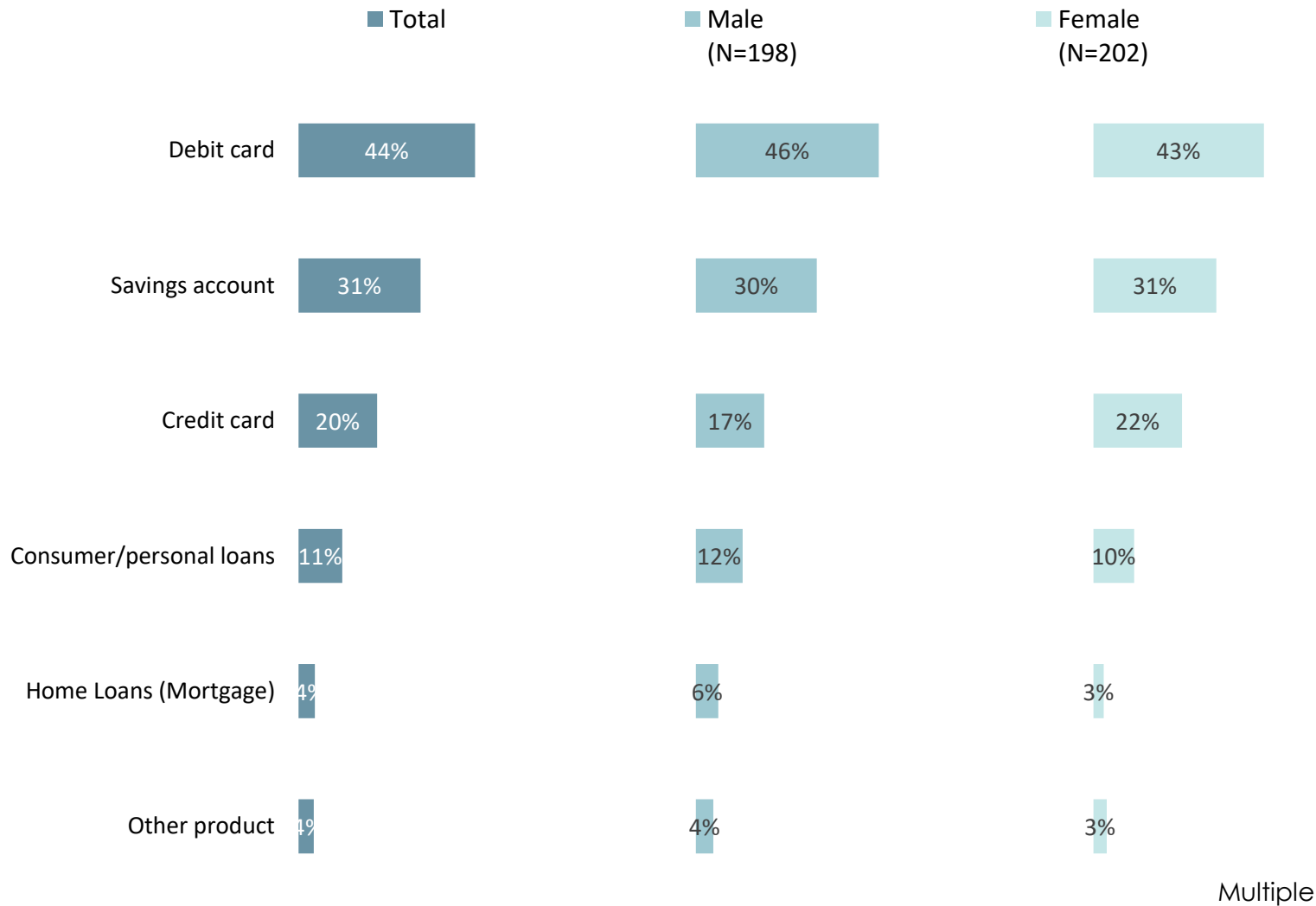


PRODUCT USAGE



Which of the following bank products do you currently use?

By gender



When asked about the current usage of bank products, apart from the current account the most used product is the debit card (44%), although the usage of debit card is significantly lower compared to current accounts. Usually, it is expected that the debit card is 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.

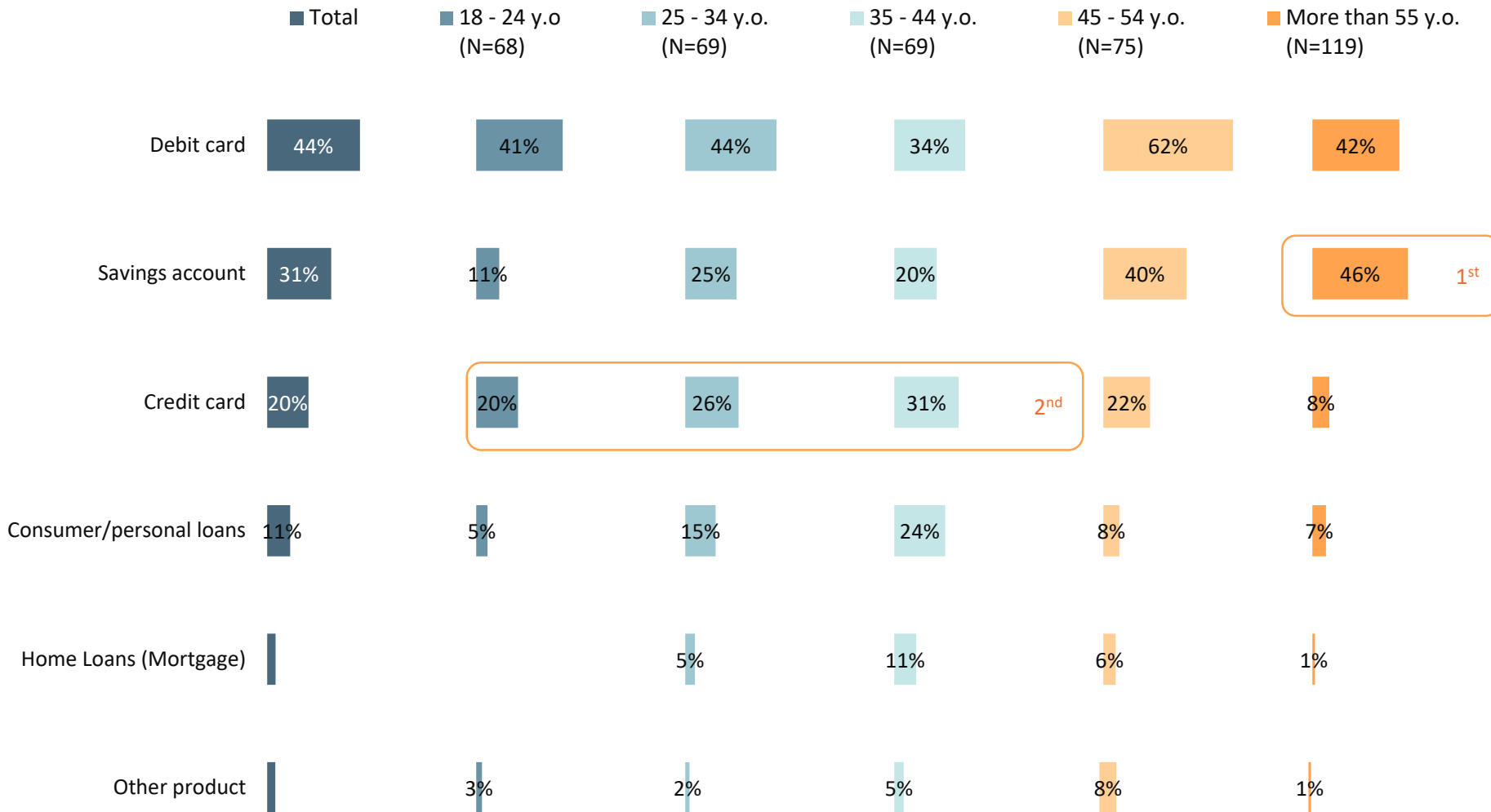
Credit cards are less used, as just 20% of respondents have one. There is a considerable fraction of bank users who use a personal loan (11%), while a very small fraction have a mortgage loan (4%).

Lastly, government securities and overdrafts are only used by less than 4% 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 credit card.

Which of the following bank products do you currently use?

By age



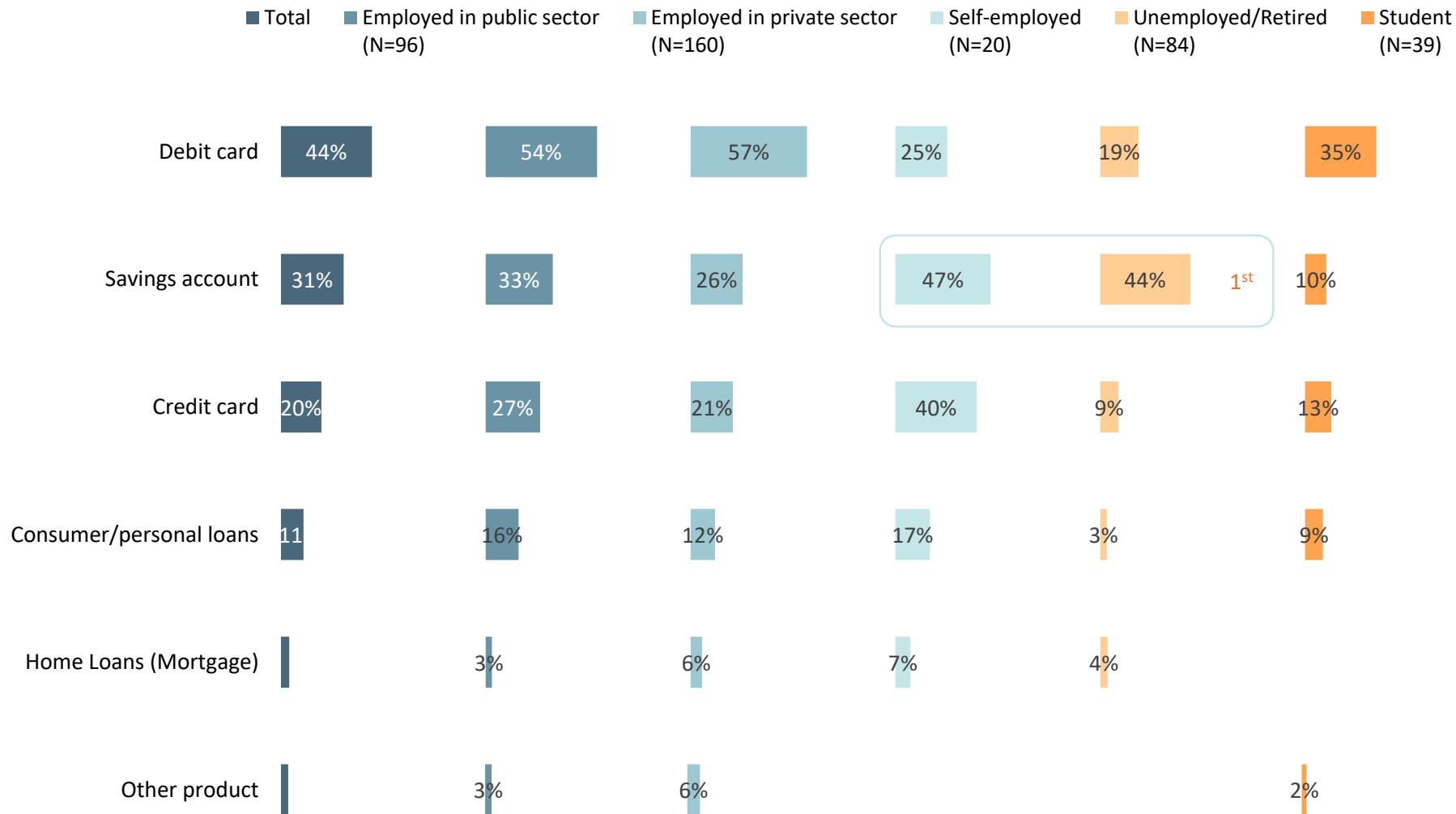
Analyzing the data disaggregated by age, it stands out that older generation are significantly more likely to use a savings account than younger ones. Especially respondents belonging to the age group of more than 55 y.o. are most prone to save (46%).

Younger generations on the other hand make use of credit cards more often (it is the second most mentioned product for these age groups). Nearly one third of the 35-44 y.o. respondents make use of a credit card. This age group also stands out slightly in regard to the usage of consumer/personal loans (24%), while other age groups use those products significantly less often.

Multiple

Which of the following bank products do you currently use?

By employment



Breaking the results down by employment, it stands out that self-employed and unemployed/retired make more use of savings accounts than any of the other groups (47% and 44% respectively).

The category of self/employed also shows a high percentage of users of credit cards. However, considering the small sample of this category, the results should be interpreted with caution, as *they are indicative only*.

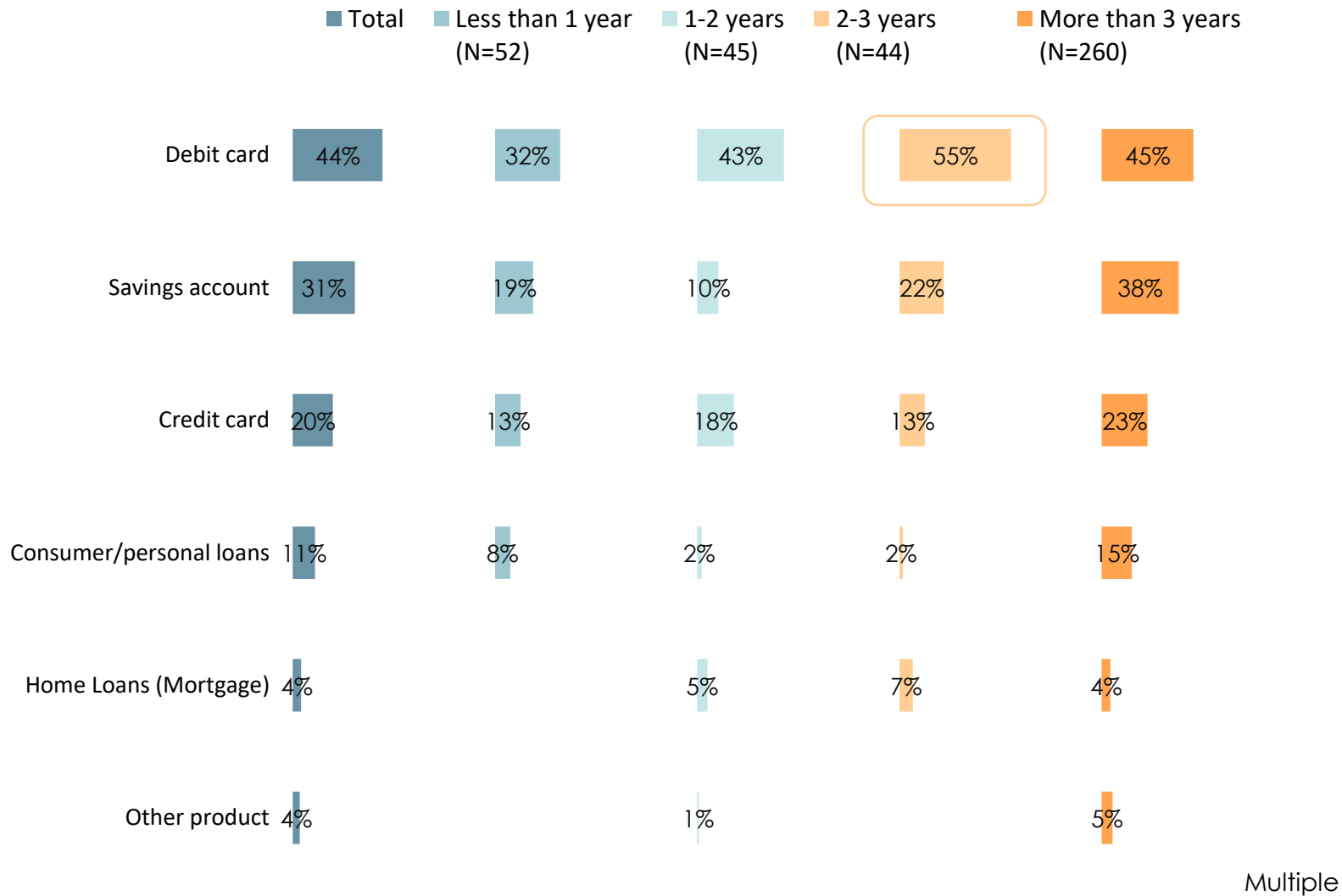
Furthermore, it can be observed that unemployed/retired respondents as well as students, are less likely to use bank products and services such as credit cards and consumer or personal loans.

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

Multiple

Which of the following bank products do you currently use?

By experience with main bank



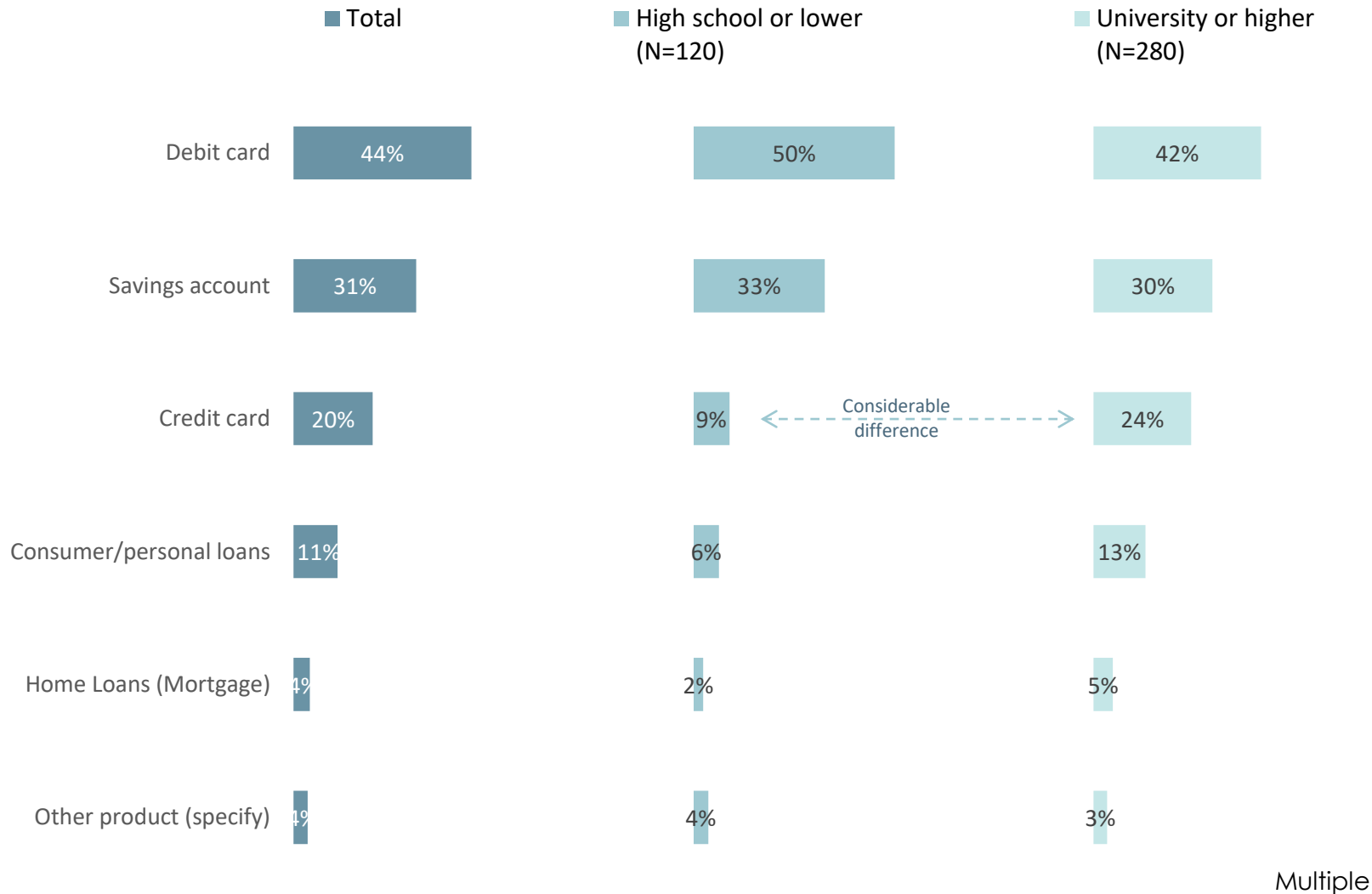
When analyzing the data by experience with the main bank, the data shows that there is a positive relation between the years of using the bank and product usage. The longer someone uses a bank, the more products they are likely to use.

When looking into the different categories, it can be noted that respondents who have 2-3 years of experience with a bank have a higher fraction of debit card users (55%) than any other categories.

The most experienced group, those who have more than 3 years of experience, make more use of savings accounts, credit cards as well as consumer/personal loans.

Which of the following bank products do you currently use?

By education



When disaggregating the results by education, the data shows that those who are currently attending or graduated from the university/postgraduate program show a higher usage of credit card than the other category by a significant margin (24% vs. 9%).

Debit cards and saving accounts are used more commonly by the respondents with high school or lower education.

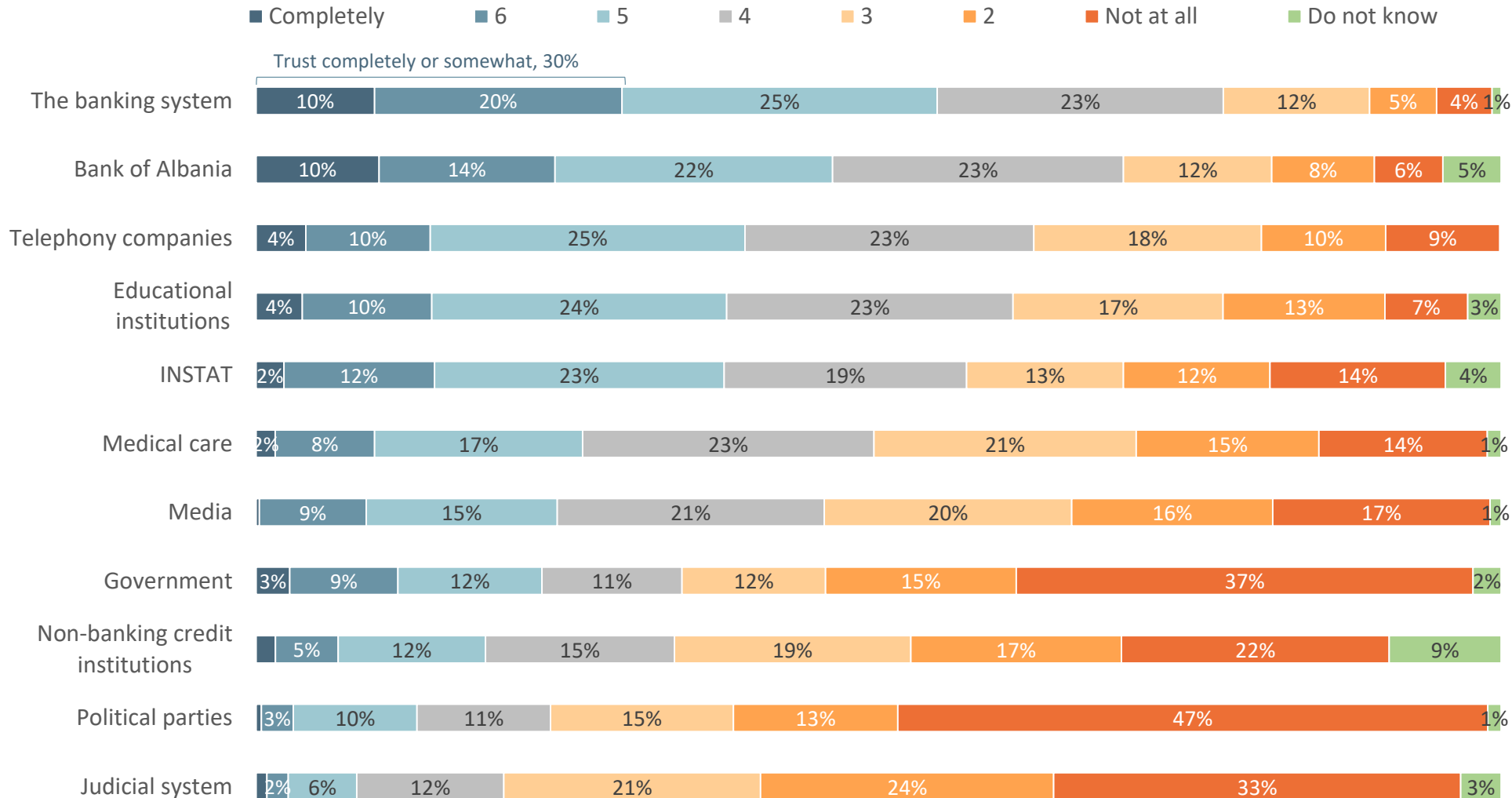
EVALUATION OF BANKING SYSTEM IN ALBANIA



Confidence in industries

How much do you trust the following industries:

On a scale from 1=Not at all to 7=Completely



Survey findings show that the banking system is the most trusted industry compared to others, with 30% of the respondents who trust completely or somewhat trust it.

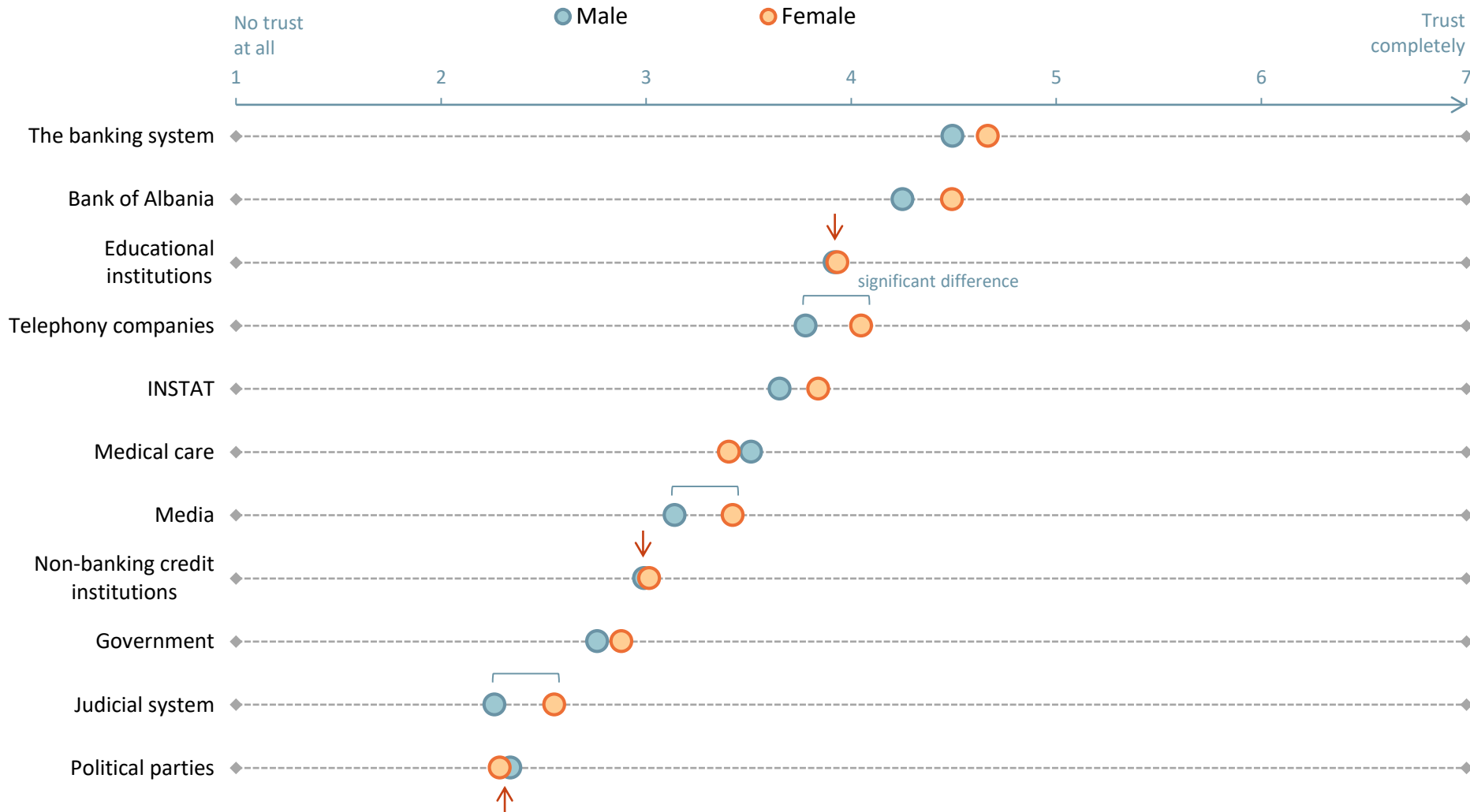
Second highest industry evaluated is the bank of Albania with a percentage of 24% of those who trust it completely or somewhat.

Government, savings and loan associations (non-banking credit institutions), political parties and judicial system are the least trusted industries. Especially the judicial system stands out with one third stating to not trust it at all.

Confidence in industries

How much do you trust the following industries:

By gender



The data shows that females respondents are more confident than male ones with most of the listed industries.

The industries where both genders have the same confidence are educational institutions (3.9 out of 7), savings and loan associations (3 out of 7) and political parties (2.3 out of 7).

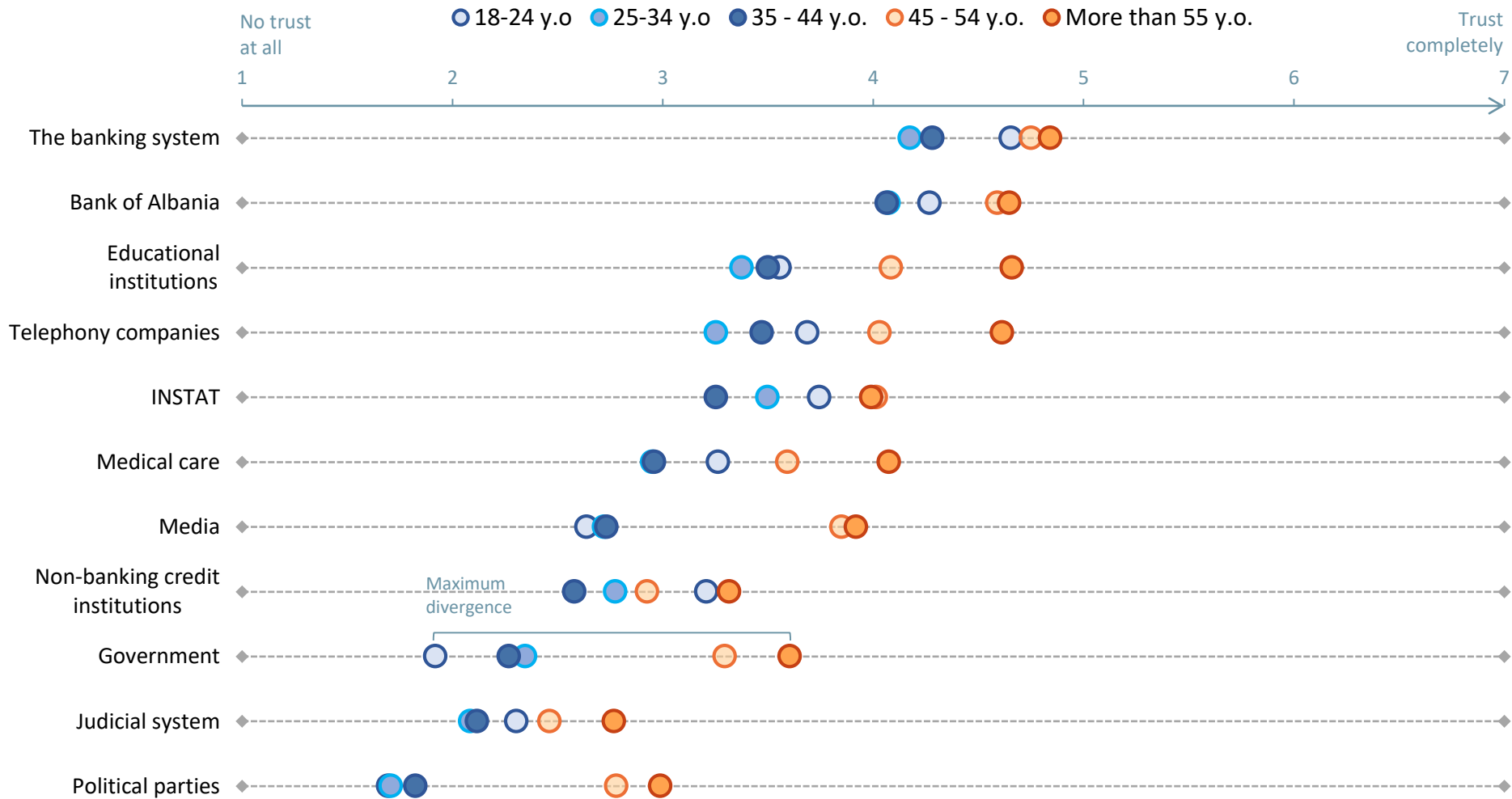
For the Telephony companies, Media, and Judicial system there is a significant difference between the genders, with female respondents showing more trust in the respective industries.

Note: only those who have declared a qualified evaluation are considered

Confidence in industries

How much do you trust the following industries:

By age



The data results show that respondents belonging to the 55+ age group tend to give the highest evaluation regarding trust they have for each shown industry.

Looking at all age groups, it can be observed that there are significant differences between younger and older age groups in regard to several industries.

In case of the Government the highest “divergence” can be noted, while the youngest generation shows very little trust (1.9 out of 7), the oldest group evaluates the government with 3.6 points.

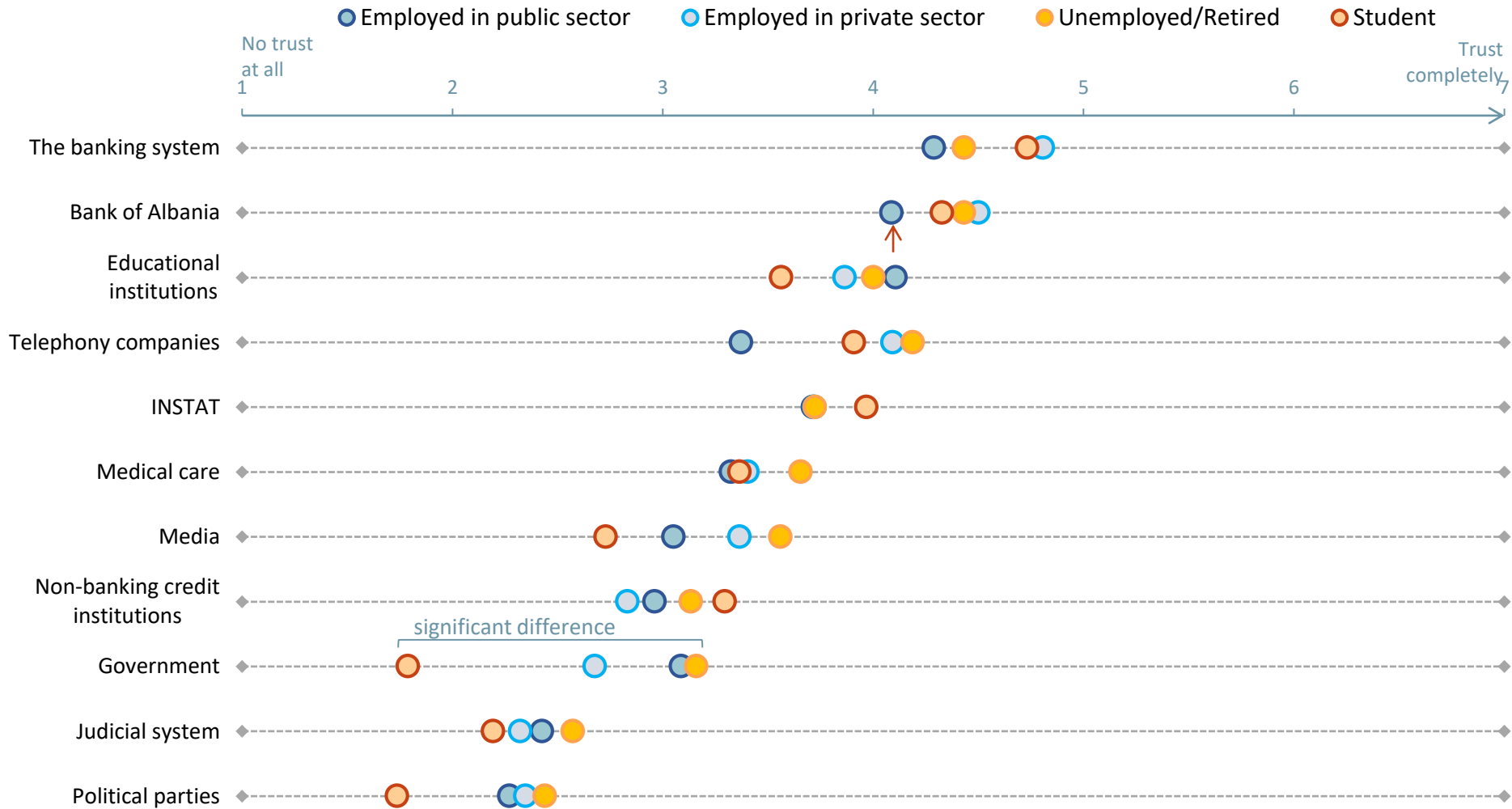
Regarding the banking system and the Bank of Albania trust levels are most similar among the groups. For the Bank of Albania the groups of age 25-34, and 35-44 have given the same trust evaluation (4.1 out of 7).

Note: only those who have declared a qualified evaluation are considered

Confidence in industries

How much do you trust the following industries:

By employment



When looking at confidence in industries disaggregated by employment type, some differences stand out.

Despite being indicative results due to the low number of students who took part in this interview (n=39), it should be noted that students have significantly less trust in the government than any other group (1.8 out of 7). Moreover, students also perceive the lowest level of trust for educational institutions, media, government, judicial system and political parties, comparing with other respondents.

The industry for which respondents from the different categories show almost the same trust evaluation is the Bank of Albania (4.3, 4.4, 4.7 and 4.8 out of 7).

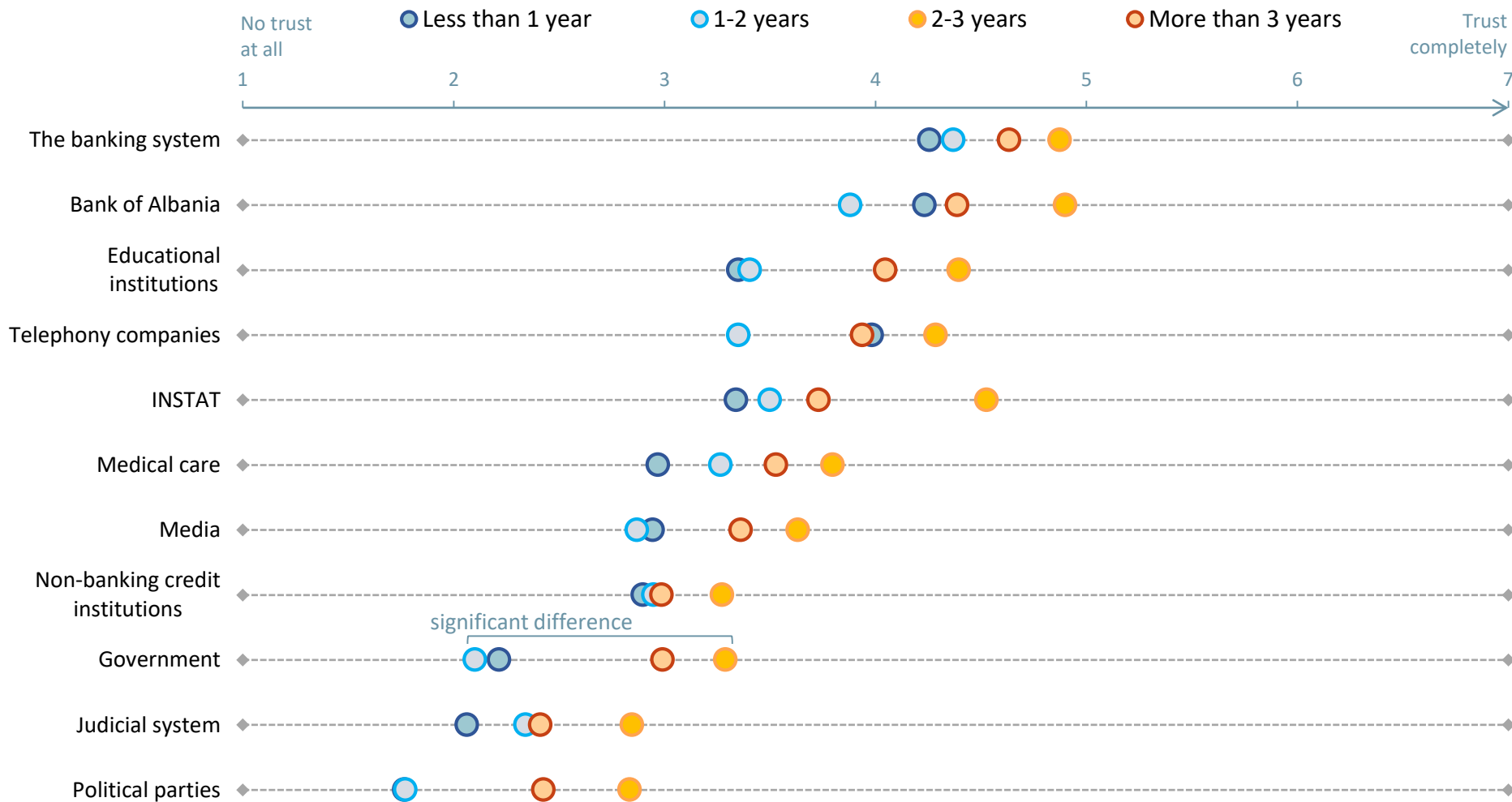
The smallest trust evaluation for the Bank of Albania is perceived by those who are employed in public sector.

Note: only those who have declared a qualified evaluation are considered

Confidence in industries

How much do you trust the following industries:

By experience with main bank



The data further show that respondents who are clients to their main bank since 2-3 years and more than 3 years tend to trust the listed industries more when compared to the less experienced users.

The highest trust evaluation is given to the banking system and to the Bank of Albania by the users who are with their main bank since 2-3 years (4.9 out of 7).

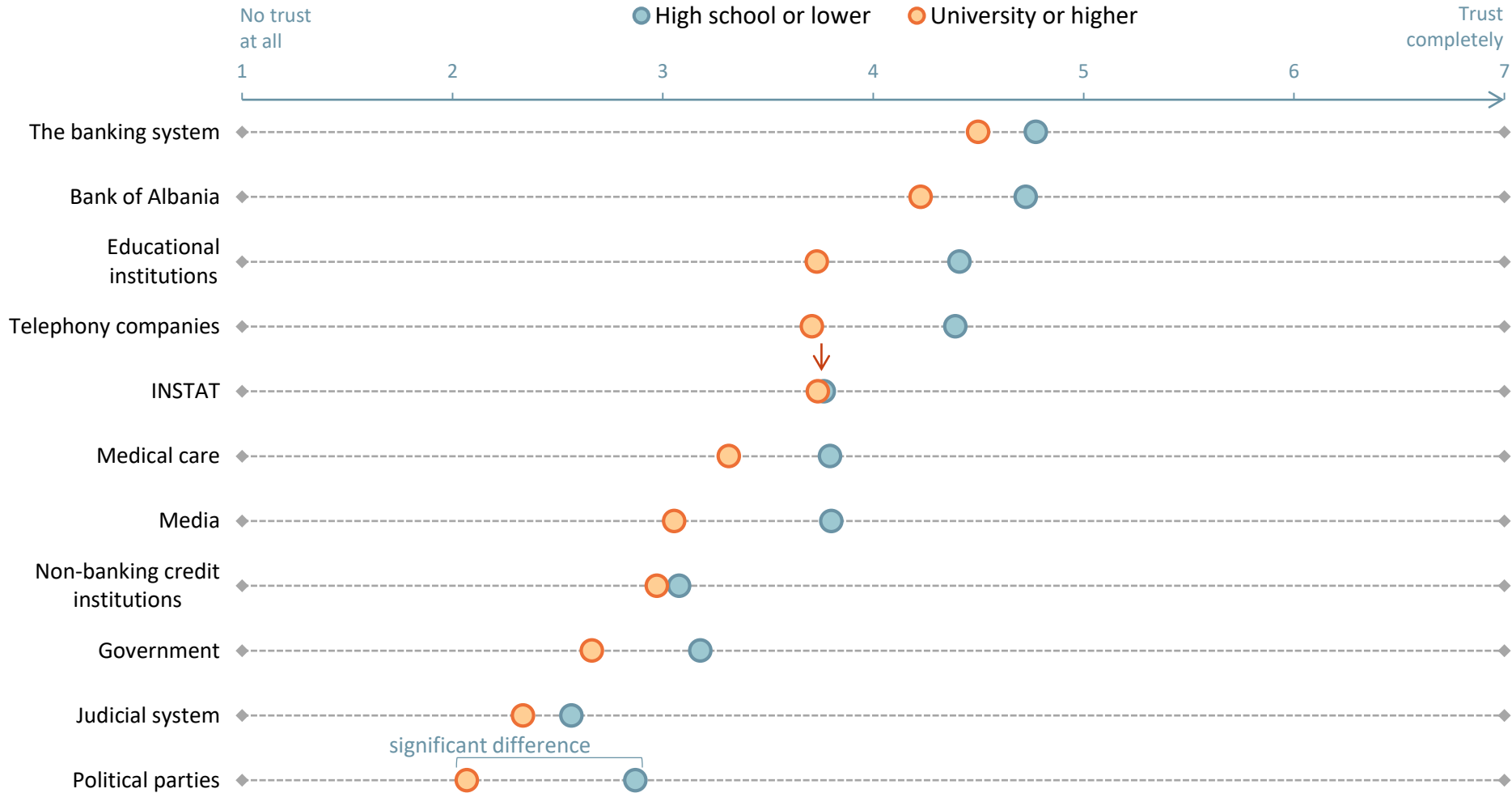
There is a worth mentioning divergence between the trust evaluation given for the government by those who have used a bank from 1-2 years (2.1 out of 7) and the more experienced users +3 years (3.3 out of 7).

Note: only those who have declared a qualified evaluation are considered

Confidence in industries

How much do you trust the following industries:

By education



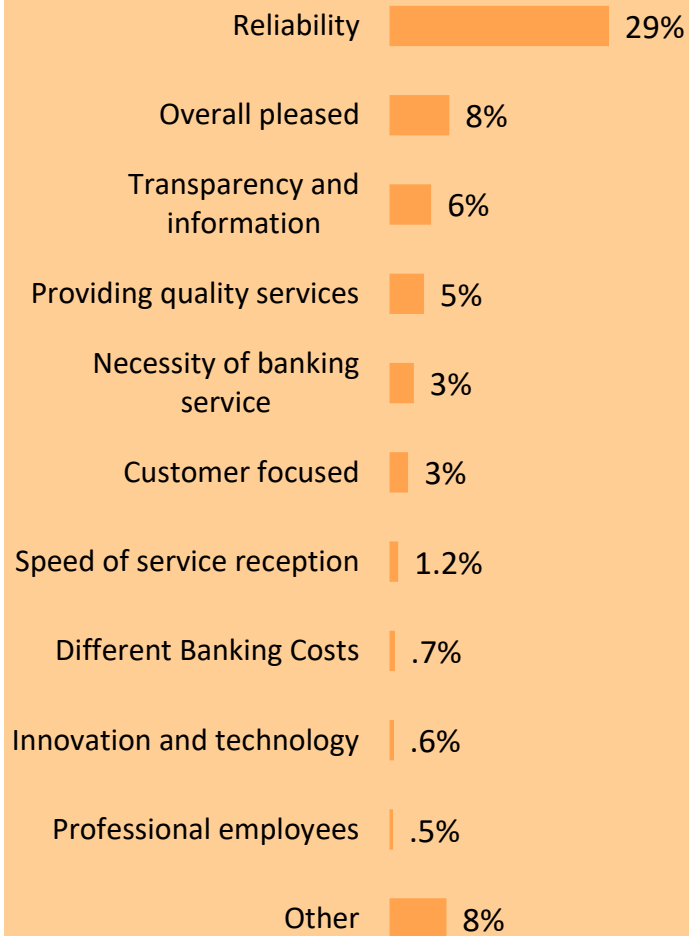
Survey findings shows that users with high school or lower education tend to show higher trust in regard to all industries.

It stands out that both education groups express almost the same amount of trust for INSTAT, respectively (3.8 out of 7), (3.7 out of 7), while the biggest difference can be observed in regard to trust in political parties

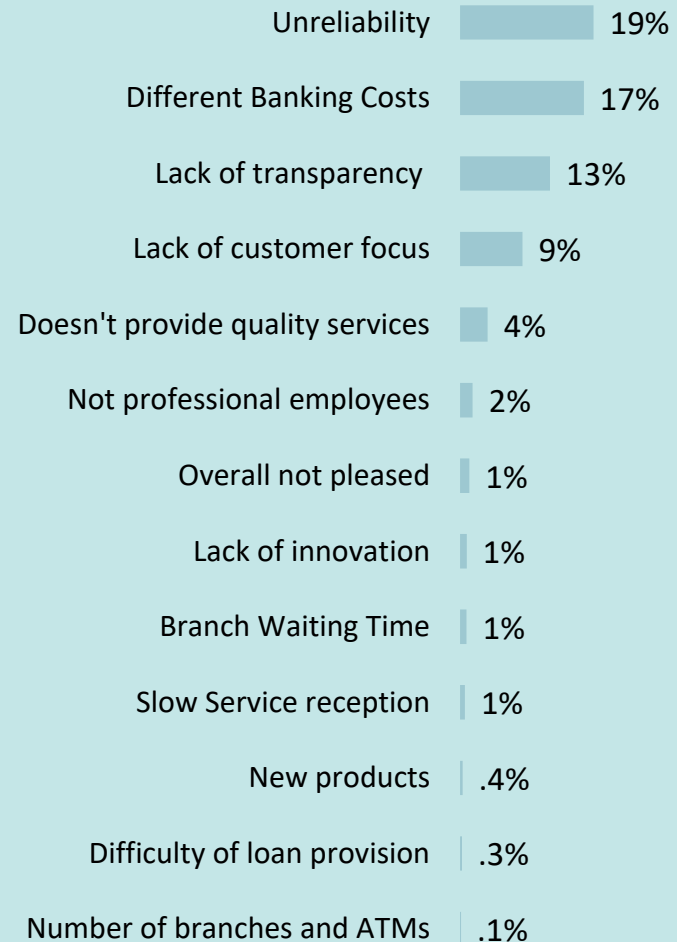
Note: only those who have declared a qualified evaluation are considered

You expressed an evaluation for the banking system. Can you explain the reason that determines the degree of your trust in the banks in Albania?

Positive drivers



Negative drivers



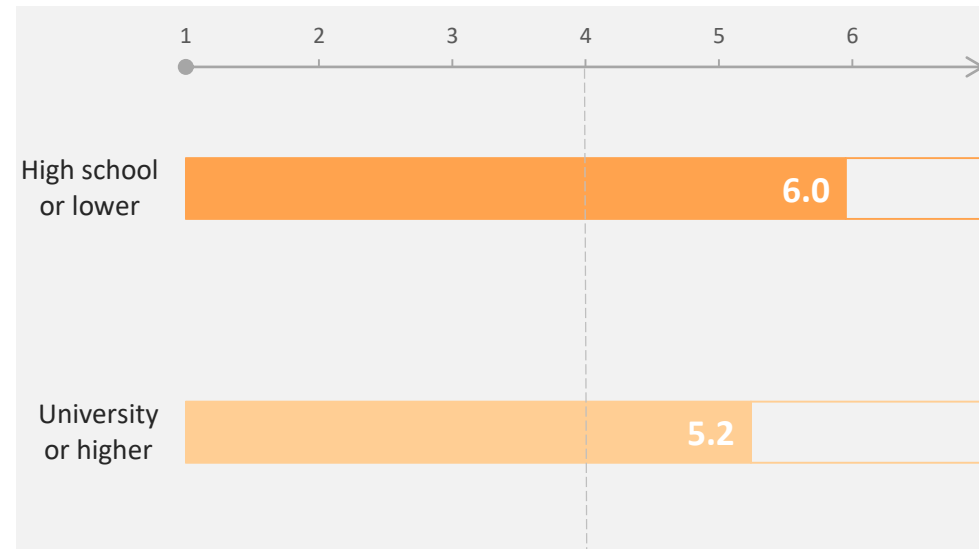
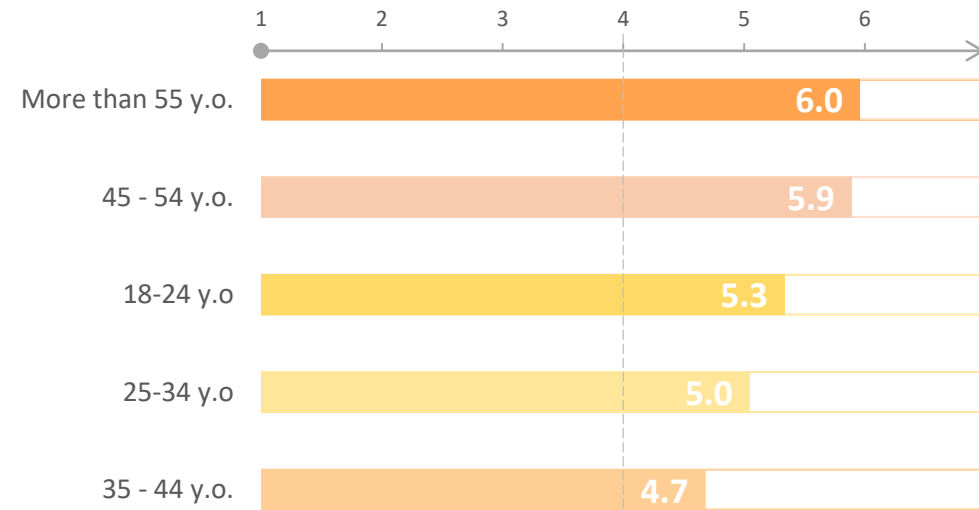
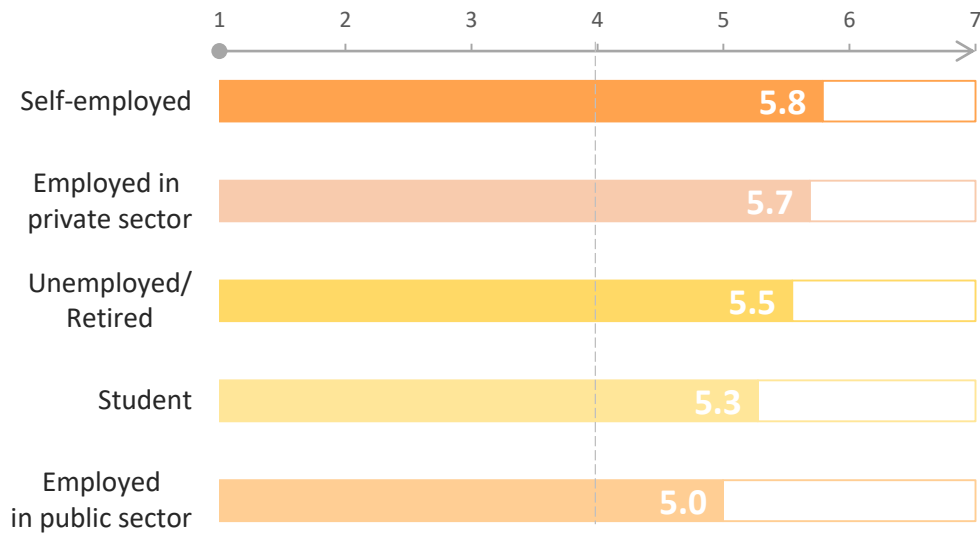
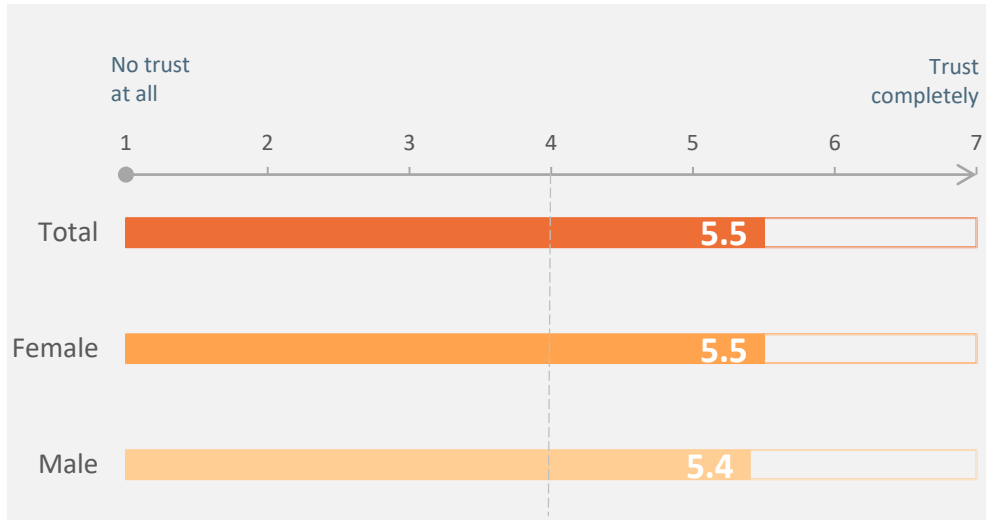
The main reason that makes bank users trust banks in Albania is the reliability (meaning safety, seriousness and correctness, 29%).

Around 8% mention being overall pleased as a positive driver, transparency and information is mentioned by 6%, while providing quality services by 5% of the users.

Among the most mentioned negative drivers for not trusting banks in Albania are unreliability (19%), different banking costs (17%) and lack of transparency (13%).

How much do you trust your main bank? by gender/age/employment/education

1=No trust at all to 7=Trust completely



When asked how much the respondents trust their main bank, data shows that in total the evaluation for the main bank is above average with 5.5 out of 7. Female and male respondents give nearly the same evaluation for their bank (5.5 and 5.4 respectively)

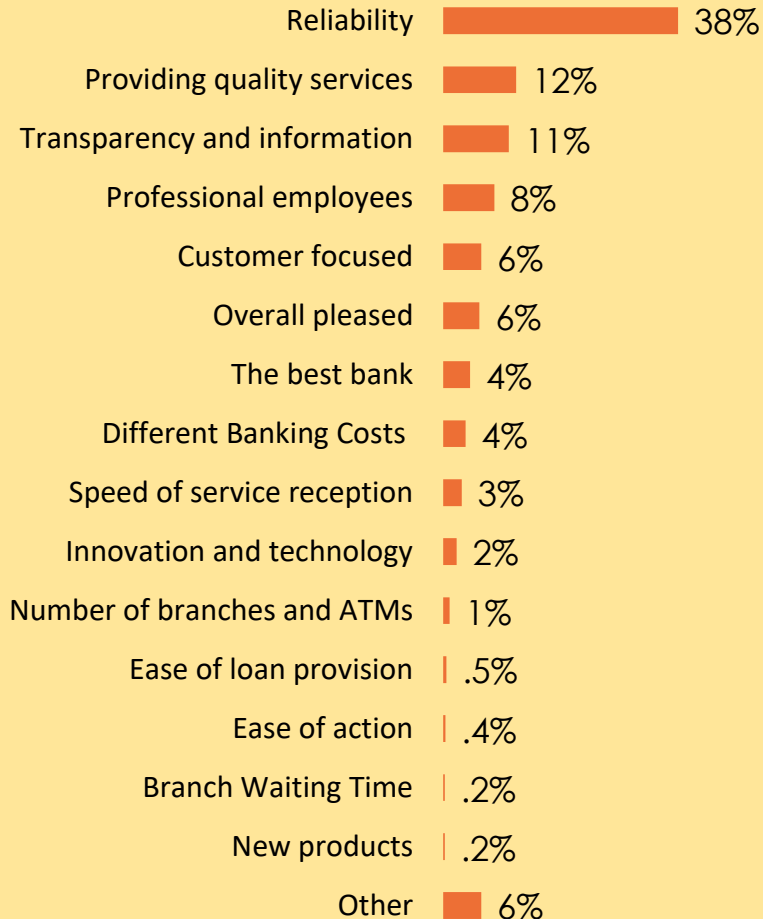
The two oldest age groups tend to give a more positive evaluation for their main bank compared to the other age groups.

Disaggregating by employment, the group that gives the lowest evaluation are those who are employed in the public sector.

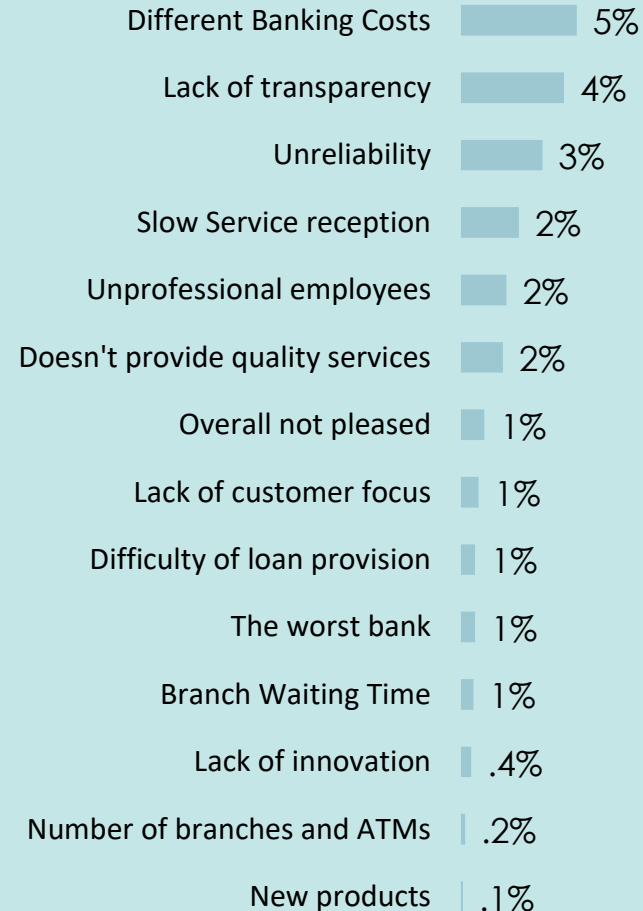
Breaking down by education, respondents with a lower education level trust their main bank more than those with higher education (6.0 vs. 5.2).

Can you explain the reason that determines the degree of trust in your main bank?

Positive drivers



Negative drivers

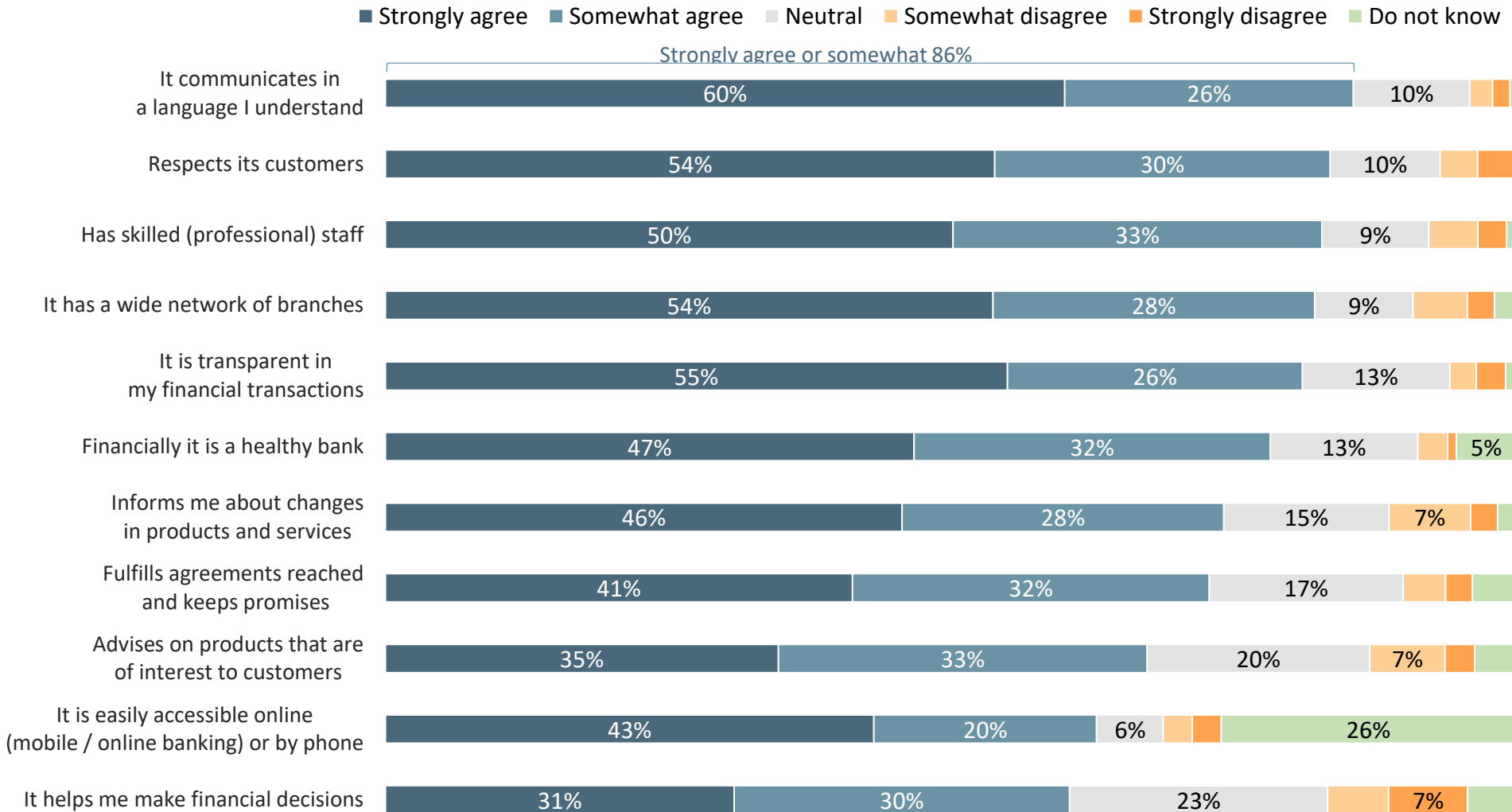


When asked about the main reason that determines the degree of trust in their main bank, 38 % mention reliability.

Other main reasons mentioned are providing quality services (12%) and transparency and information (11%).

Looking at the reasons that affect the trust of users in their main bank negatively different banking costs (meaning commissions, interests), lack of transparency and unreliability were most commonly mentioned.

To what extent do you agree or disagree with these statements about your main bank?



Next respondents were presented with a list of statement about their main bank and asked to whether they agree with them.

Survey findings show that the statement with which users agree the most about their bank is *“it communicates in an understandable language”* (86%).

The other statement which respondents strongly agree or somewhat agree with is *“respects its customers”* by 84% of the users.

The lowest level of strong agreement can be observed in regard to the statement *“it helps me to make financial decisions.”*

It should be noted that around 26% did not know an answer when asked whether their main bank is easily accessible through mobile and online banking.

To what extent do you agree or disagree with these statements about your main bank?

By gender



When looking at the levels of agreement to the statements disaggregated by gender, it can be observed that female respondents tend to agree more with all statements.

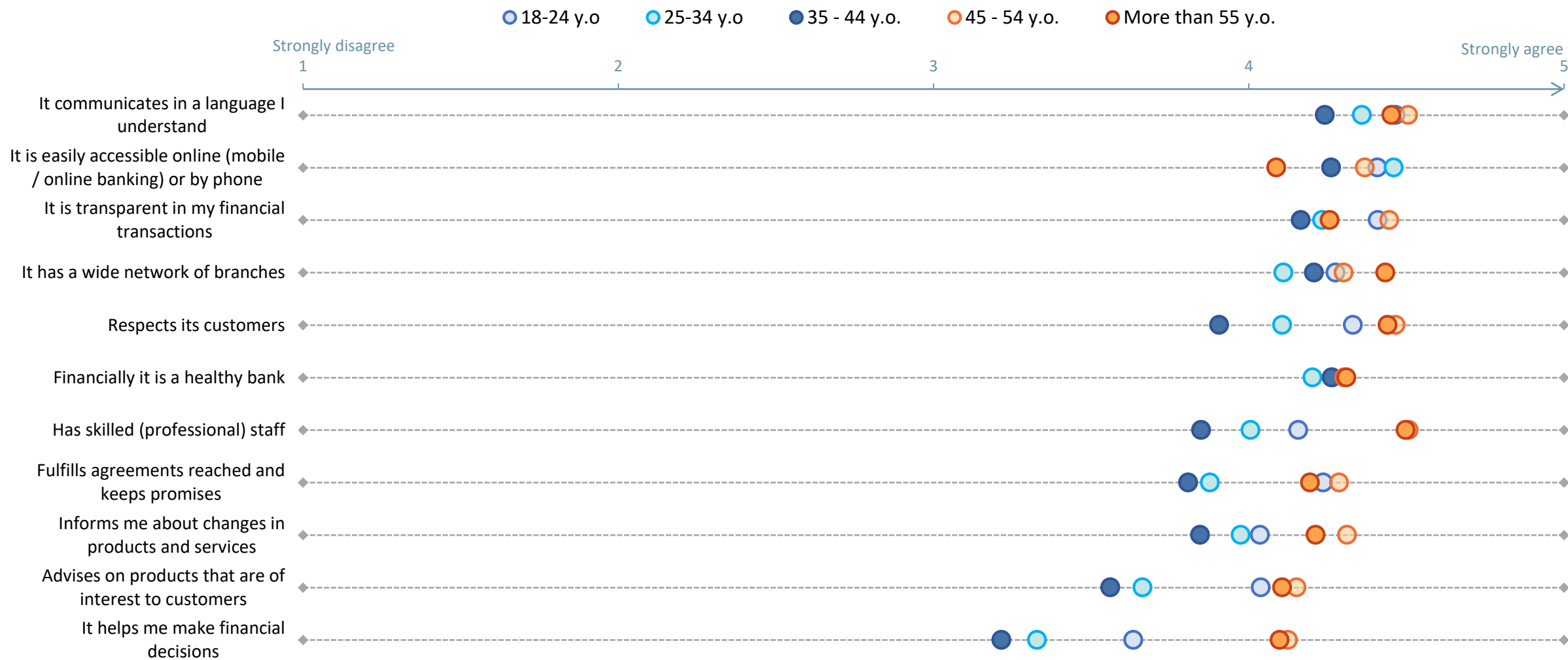
The only statement for which both genders give the same evaluation (4.1 out of 5) is that the bank informs them about changes in products and services.

Overall a high level of agreement can be noted for both genders.

Note: only those who have declared a qualified evaluation are considered

To what extent do you agree or disagree with these statements about your main bank?

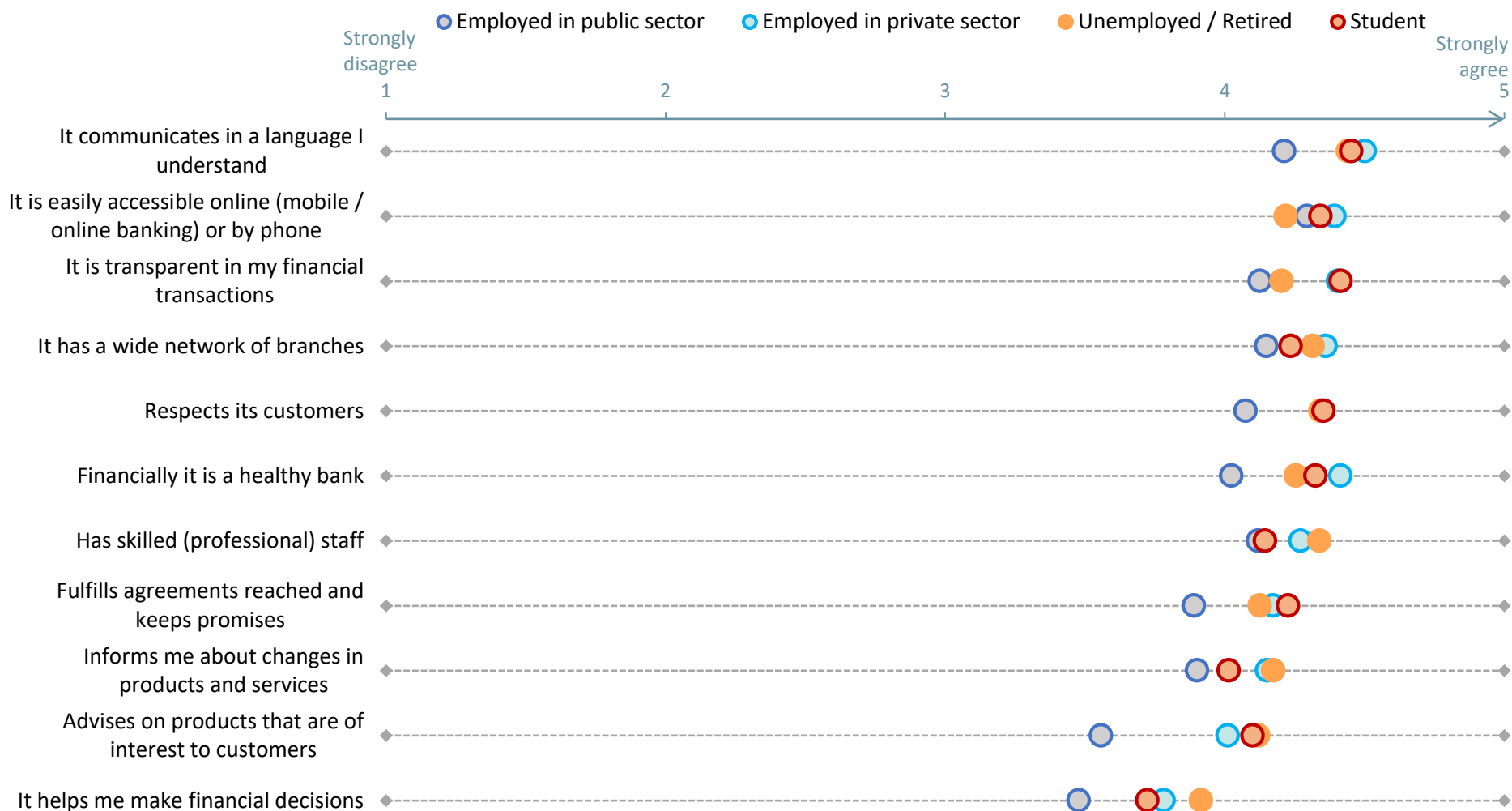
By age



Note: only those who have declared a qualified evaluation are considered

To what extent do you agree or disagree with these statements about your main bank?

By employment

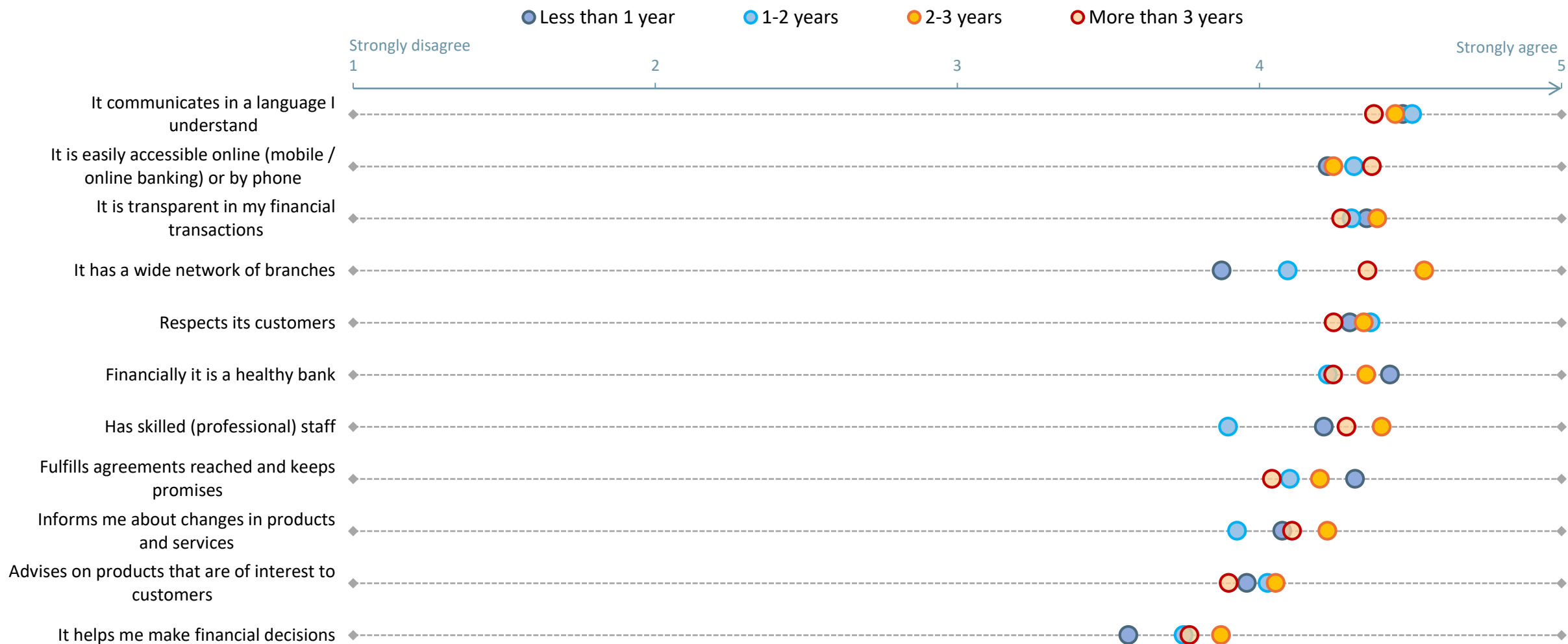


Disaggregating by employment the data shows that the respondents who are employed in public sector tend to disagree more than respondents belonging to the other employment groups.

Note: only those who have declared a qualified evaluation are considered

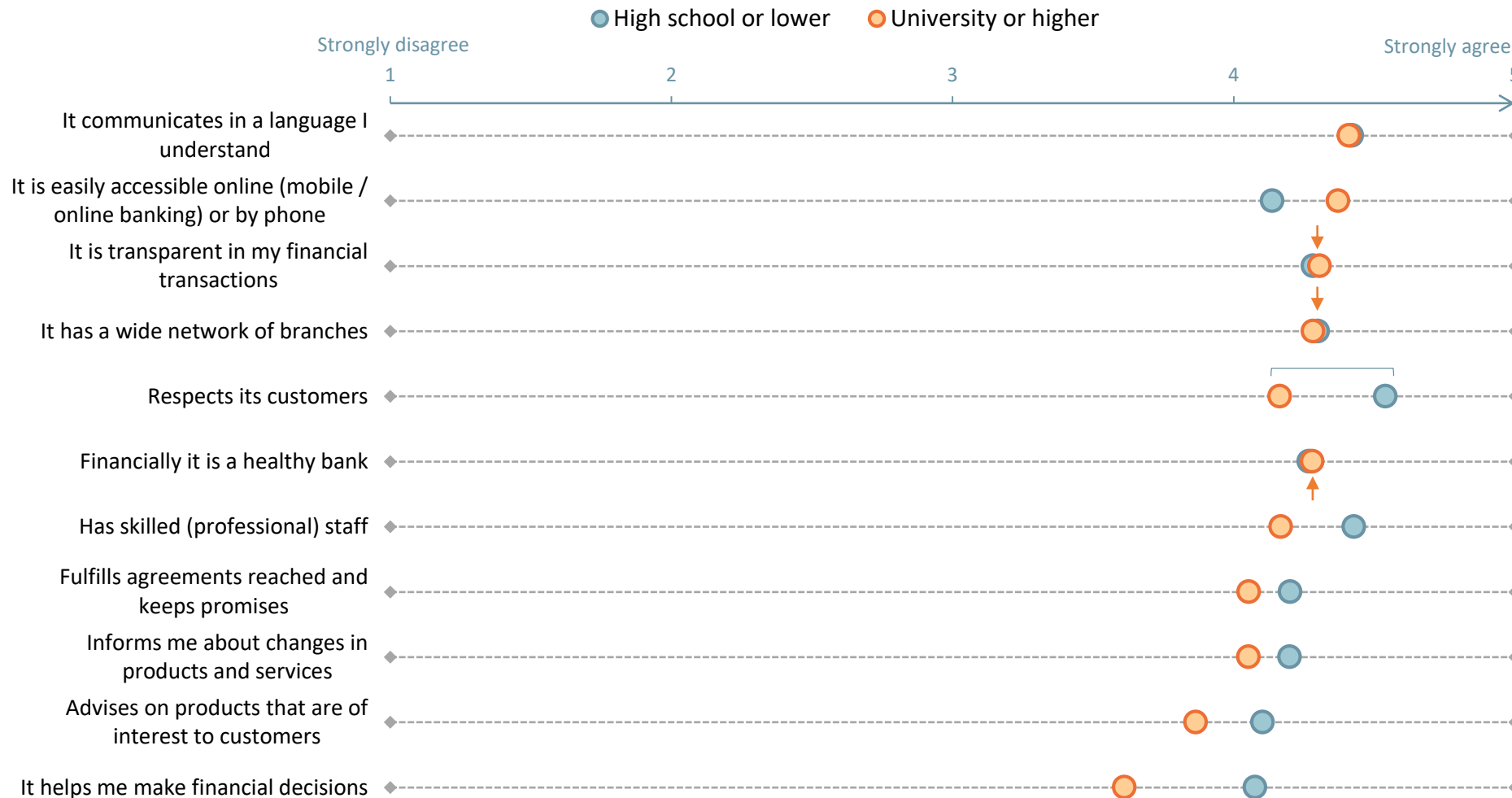
To what extent do you agree or disagree with these statements about your main bank?

By experience with main bank



Note: only those who have declared a qualified evaluation are considered

To what extent do you agree or disagree with these statements about your main bank? By education



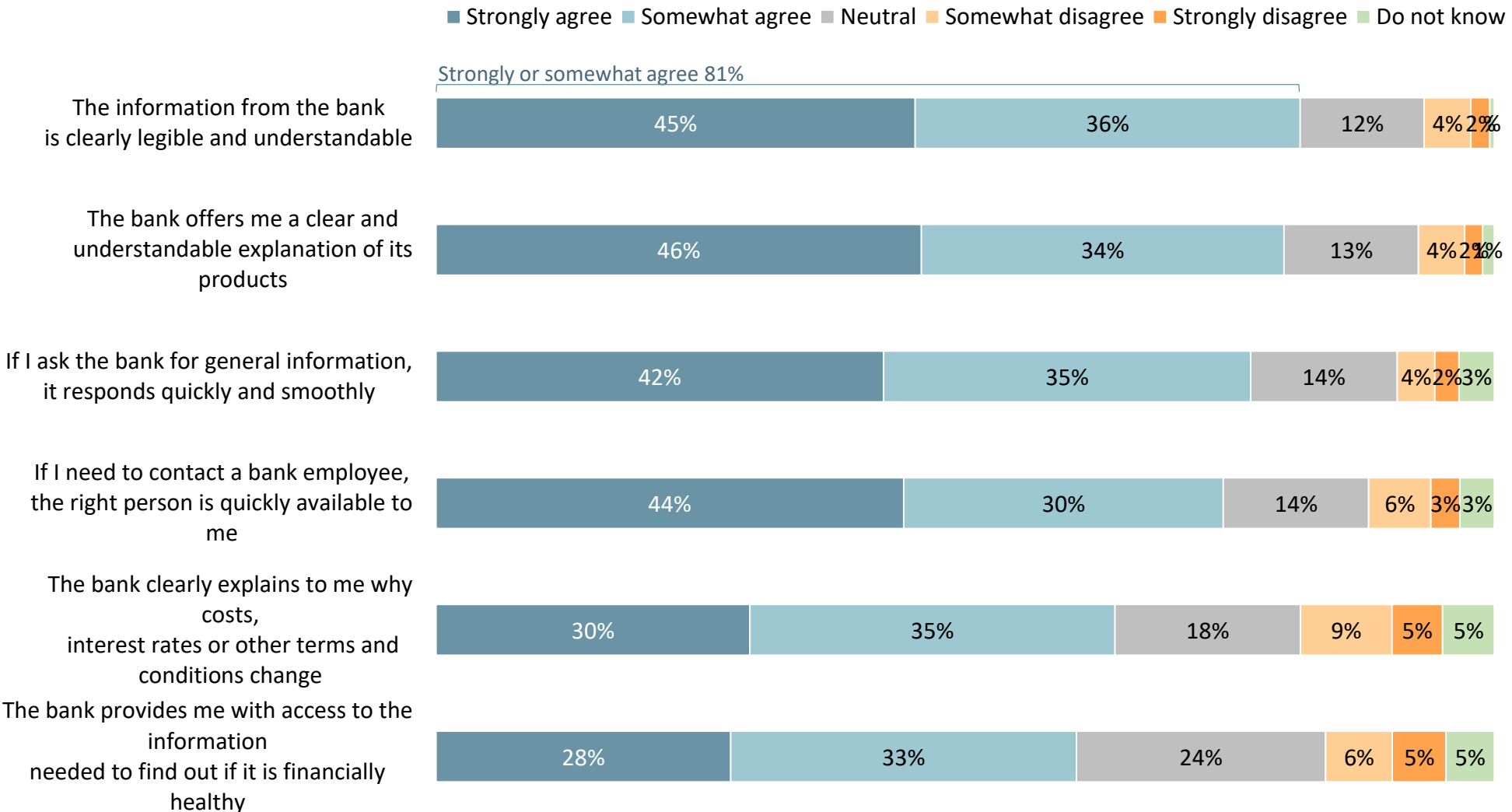
The data shows that the statements where the two education categories agree to the same extent are “*the bank is transparent with their financial transactions*”, “*Financially their bank is healthy*” and “*their bank has a wide network of branches*” (4.3 out of 5).

While for the statement “*their bank respects its customers*” there’s a considerable difference. Respondents having high school or lower education agree more than those who have an university degree in regard to this statement (4.5 and 4.2 out of 5).

Note: only those who have declared a qualified evaluation are considered

The following statements describe the bank's transparency.

To what extent do you agree or disagree with these statements about your bank?



■ Strongly agree ■ Somewhat agree ■ Neutral ■ Somewhat disagree ■ Strongly disagree ■ Do not know

Strongly or somewhat agree 81%

Survey findings show that the bank's transparency statement for which users agree the most about their bank is "the information from the bank is clearly legible and understandable" (81% strongly and somewhat agree combined)

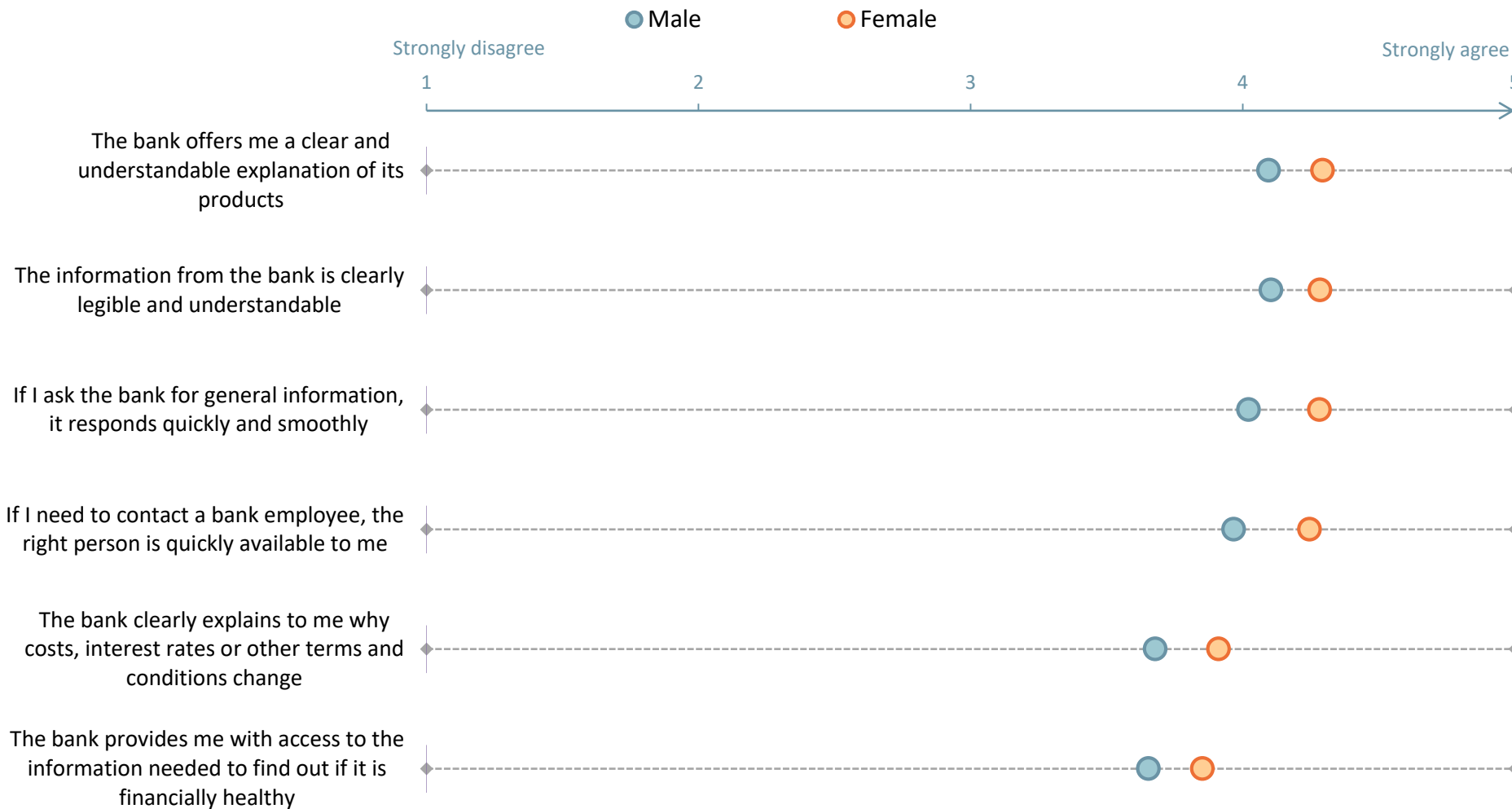
The other statement about bank's transparency, for which respondents strongly agree or somewhat agree is "the bank offers a clear and understandable explanation of its products" by 80% of the users.

The statement bank users agree the least with (when comparing to the results of the other statements) is "the bank provides the access to the information needed to find out if it is healthy."

Bank's transparency

To what extent do you agree or disagree with these statements about your bank?

By gender



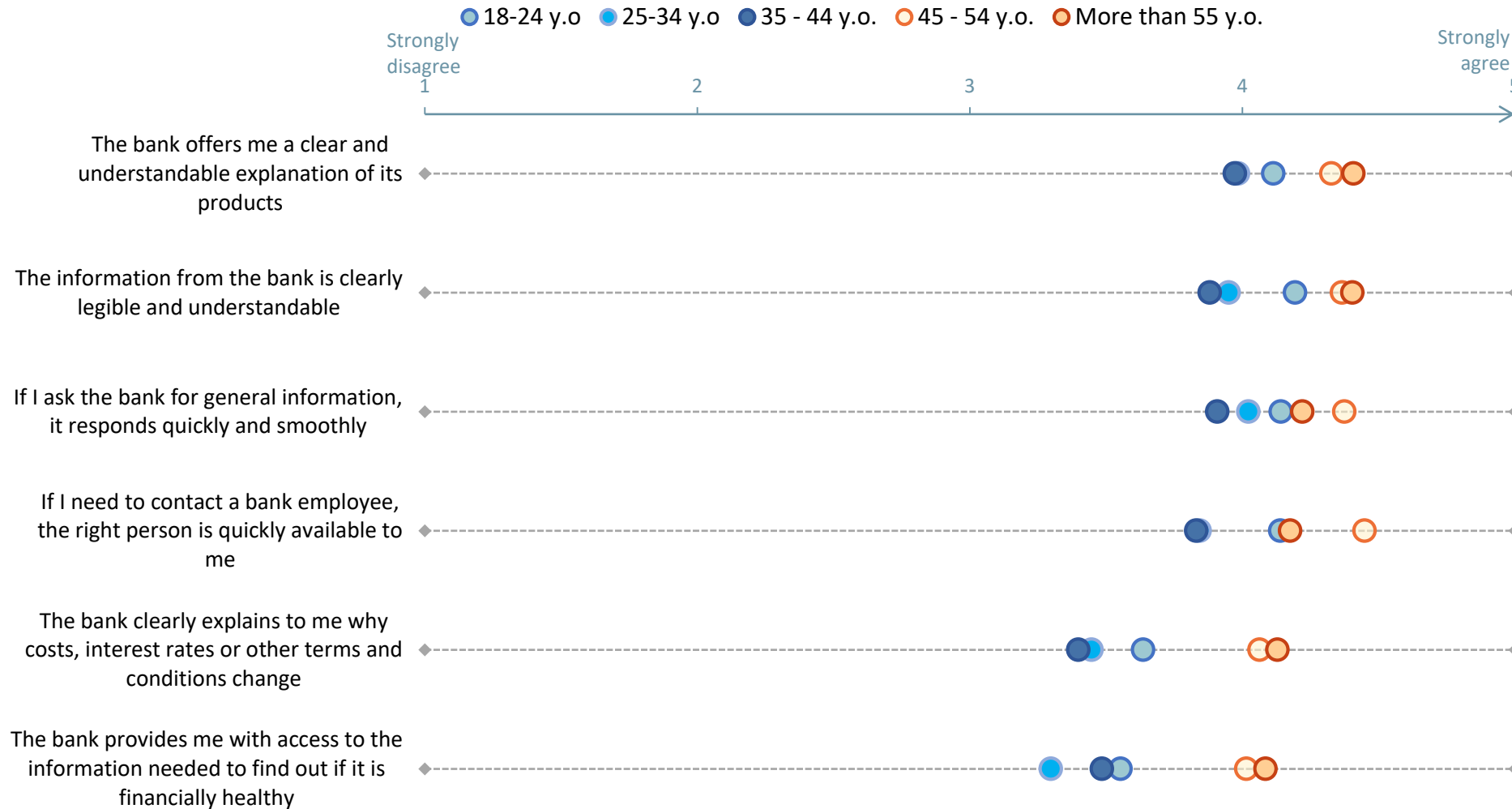
About the bank's transparency statements the evaluation is above average, female respondents tend to give a higher evaluation compared to males respondents.

Note: only those who have declared a qualified evaluation are considered

Bank's transparency

To what extent do you agree or disagree with these statements about your bank?

By age



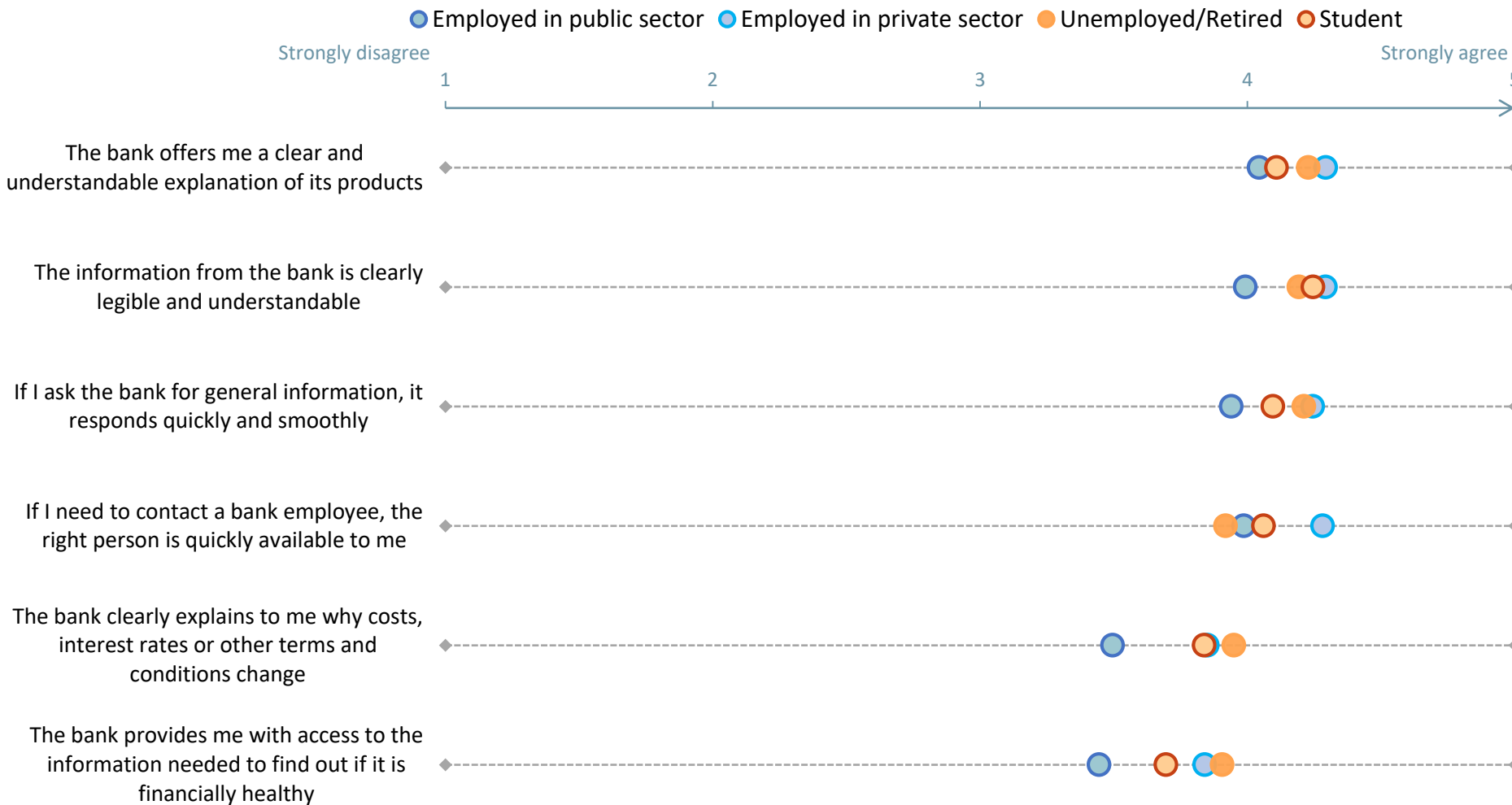
Disaggregating by age the older age groups agree more with the statements of transparency of their bank than the younger age groups.

Note: only those who have declared a qualified evaluation are considered

Bank's transparency

To what extent do you agree or disagree with these statements about your bank?

By employment



When asked about the bank's transparency statements, the category of respondents employed in the public sector seem to slightly disagree more than the other employment categories.

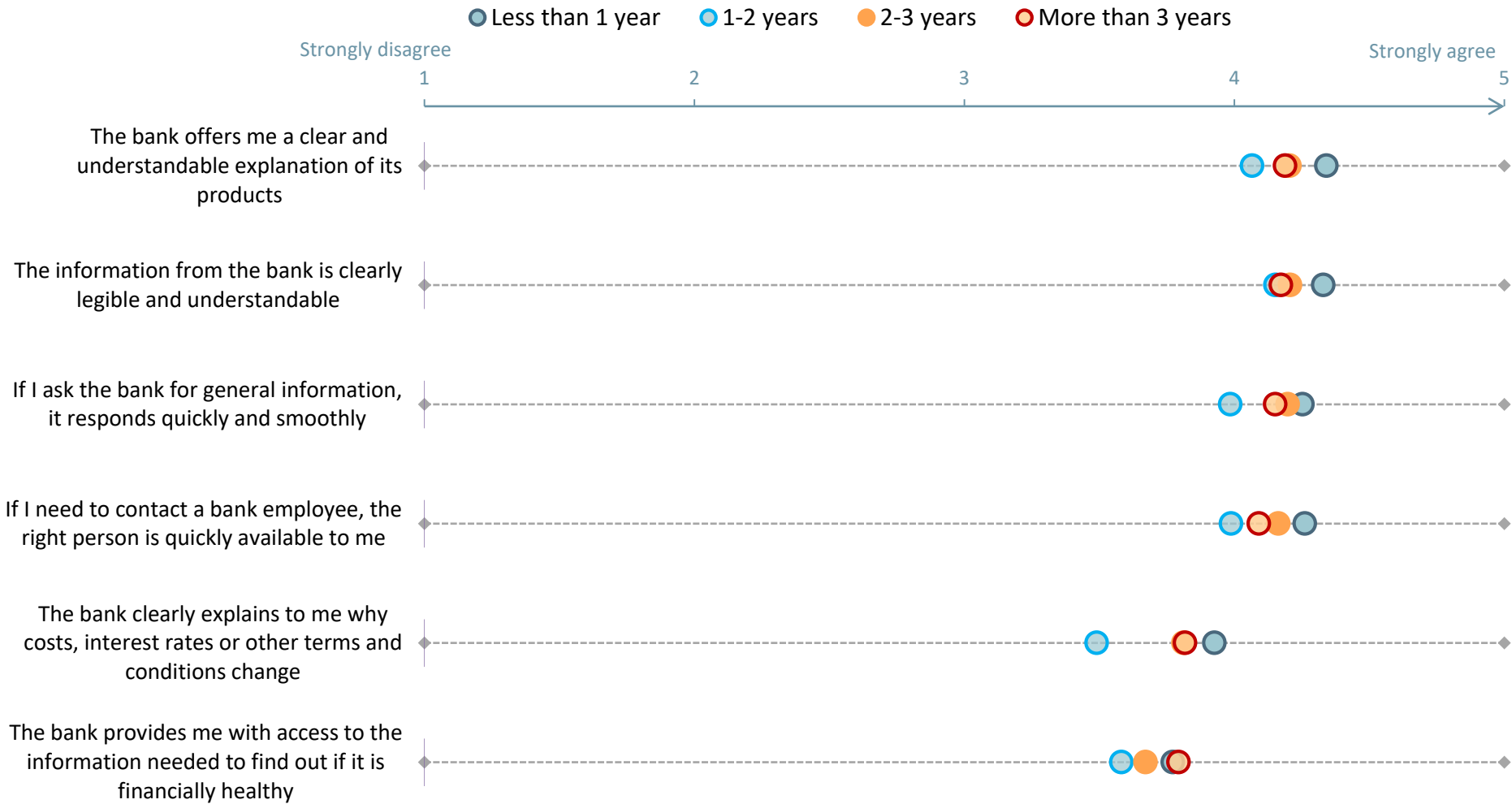
The two statements which stand out with respondents working in the public sector evaluating it considerably lower than others are; *"the bank clearly explains to me why costs, interest rates or other terms and conditions change"* and *"the bank provides me with access to the information needed to find out if it is financially healthy."*

Note: only those who have declared a qualified evaluation are considered

Bank's transparency

To what extent do you agree or disagree with these statements about your bank?

By experience with main bank



Disaggregating by experience with main banks, those who have an experience of 1-2 years with their main banks seem to disagree slightly more with the statements of the bank's transparency than other respondents.

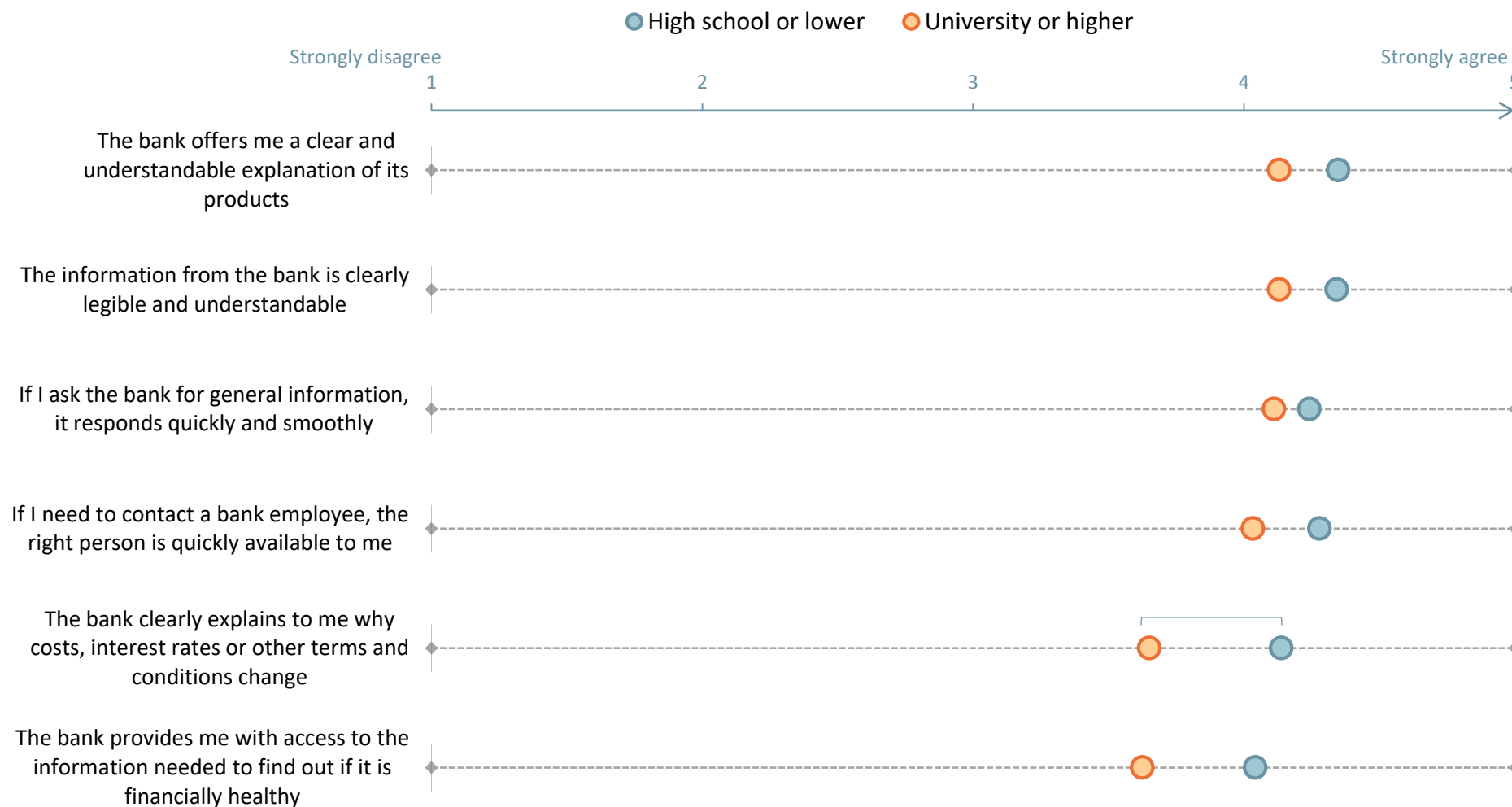
This is especially true in regard to the statement of *"the bank clearly explains to me why costs, interest rates or other terms and conditions change."*

Note: only those who have declared a qualified evaluation are considered

Bank's transparency

To what extent do you agree or disagree with these statements about your bank?

By education

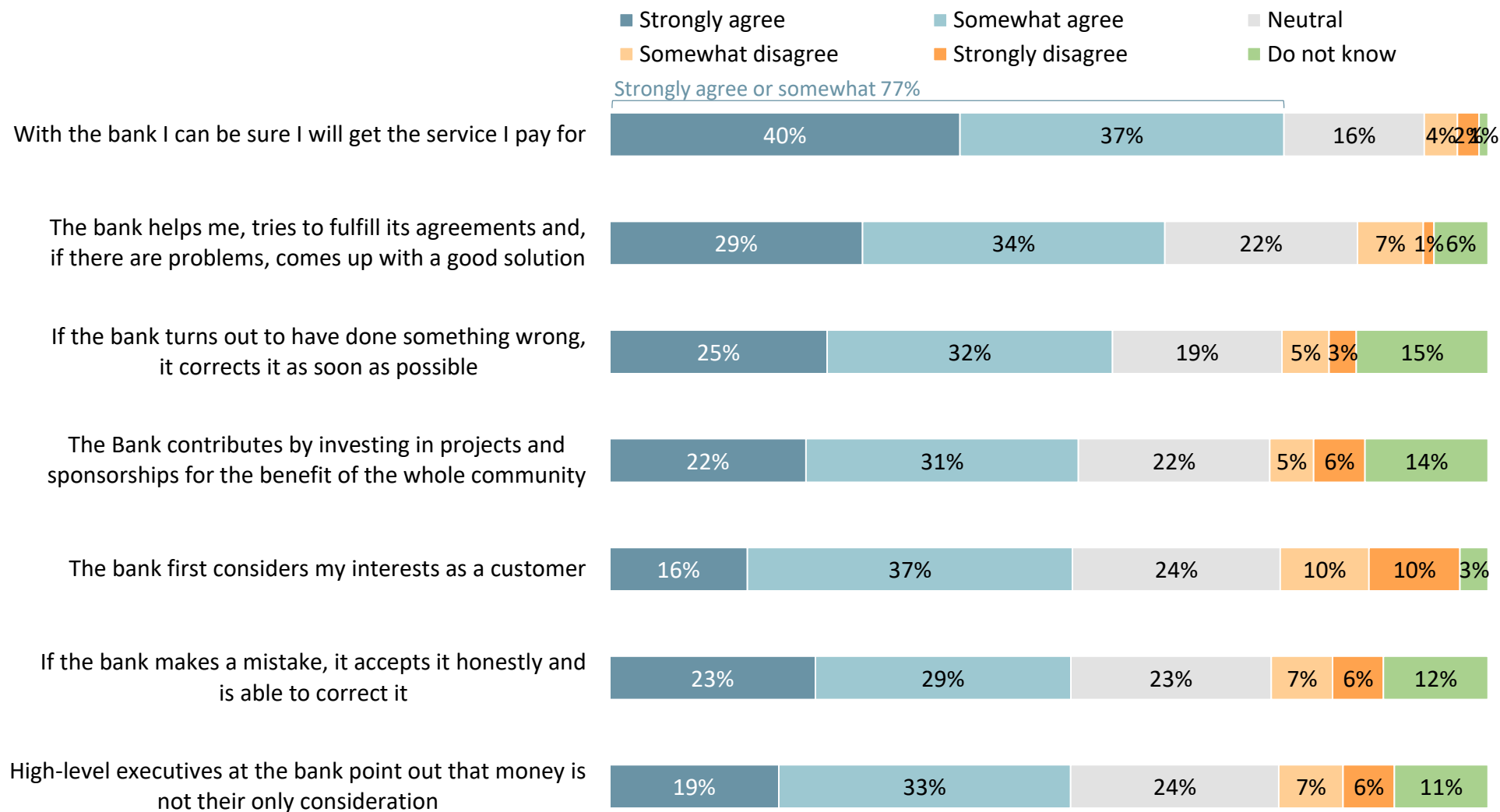


Asked about the bank's transparency statements, high school or lower education users tend to give a more positive evaluation compared to university or higher education users.

A significant difference between these categories can be observed for the statement that *"the bank clearly explains why costs, interest rates and conditions change"* (3.7 vs. 4.1 out of 5).

Note: only those who have declared a qualified evaluation are considered

The following statements describe the bank's honesty. To what extent do you agree or disagree with these statements about your bank?



Next respondents were presented with statements regarding their bank's honesty.

Survey findings show that the bank's honesty statement for which users agree the most about their bank is *"with the bank I can be sure I will get the service I pay for"* (77% strongly or somewhat agree).

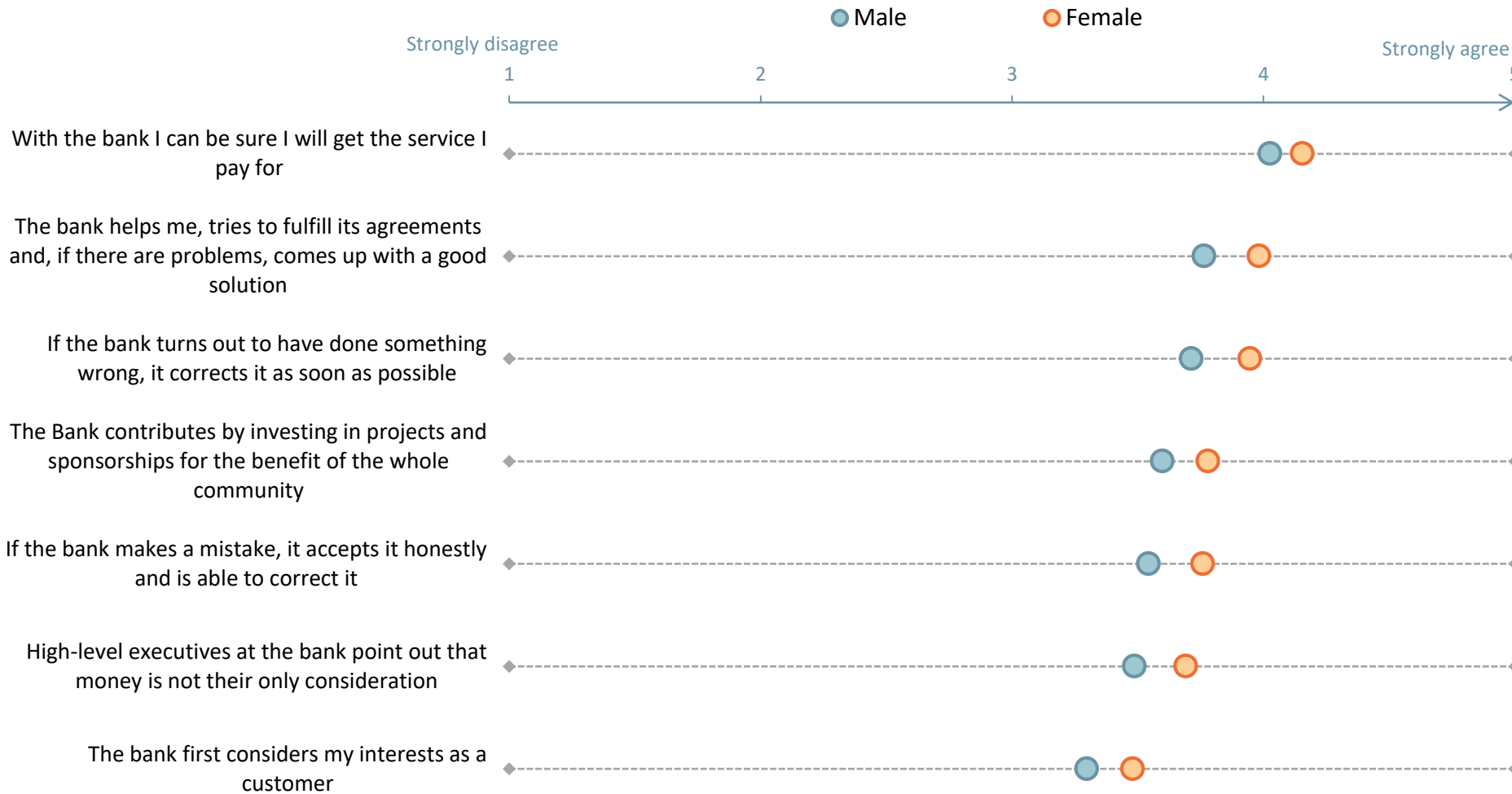
The other statement for which users strongly agree or somewhat agree is *"the bank helps me and comes up with a good solution"* (63%).

The last of the listed statements, regarding which users agree less is *"high-level executive at the bank point out that money is not their only consideration"*.

Bank's honesty

To what extent do you agree or disagree with these statements about your bank?

By gender



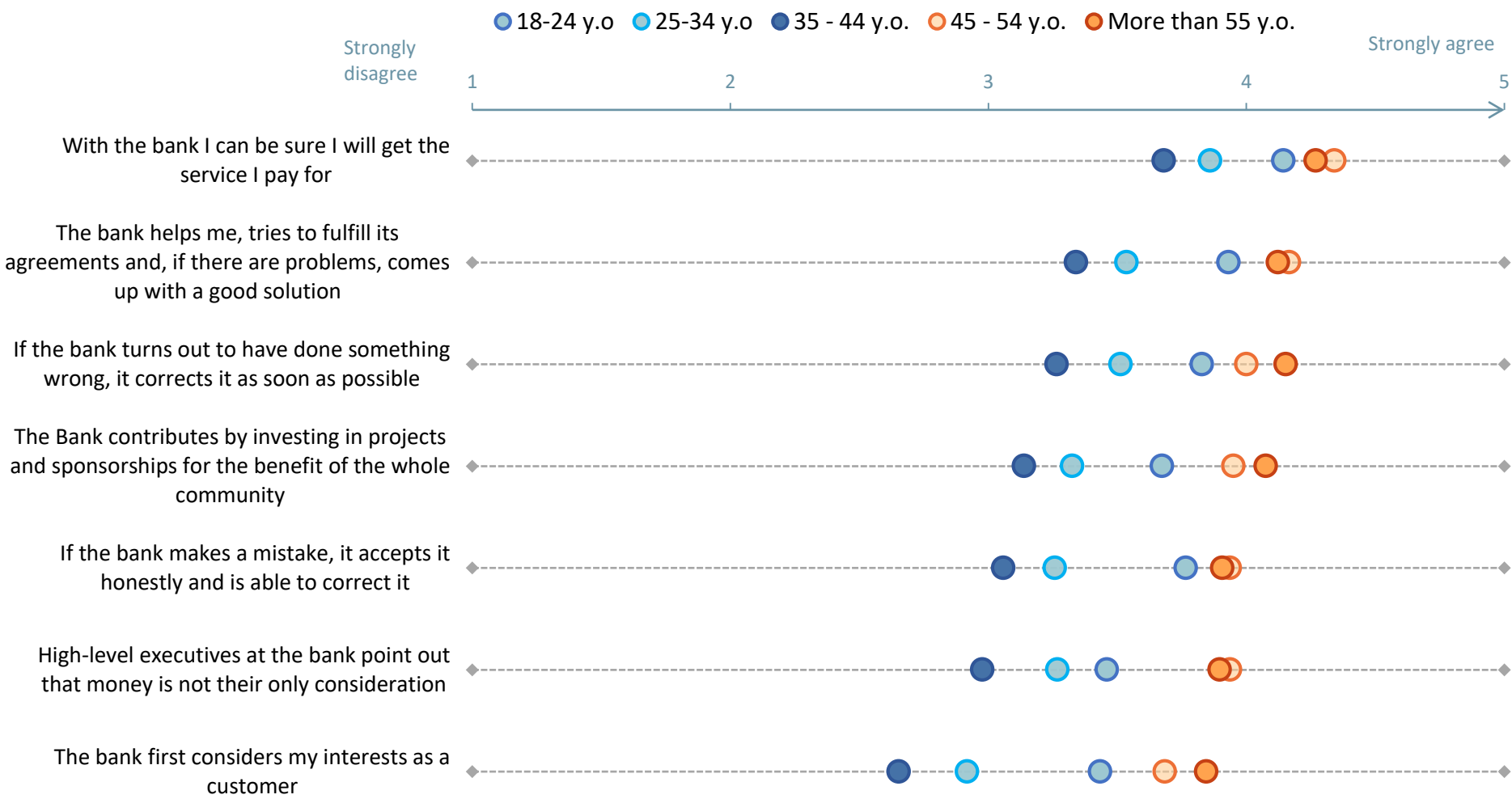
Disaggregating the results by gender, female respondents tend to give a higher evaluation in regard to all bank's honesty statements.

Note: only those who have declared a qualified evaluation are considered

Bank's honesty

To what extent do you agree or disagree with these statements about your bank?

By age



Disaggregating by age, the data further shows that the respondents belonging to the older age groups tend to give a more positive evaluation for each of the listed statements compared to the younger age groups.

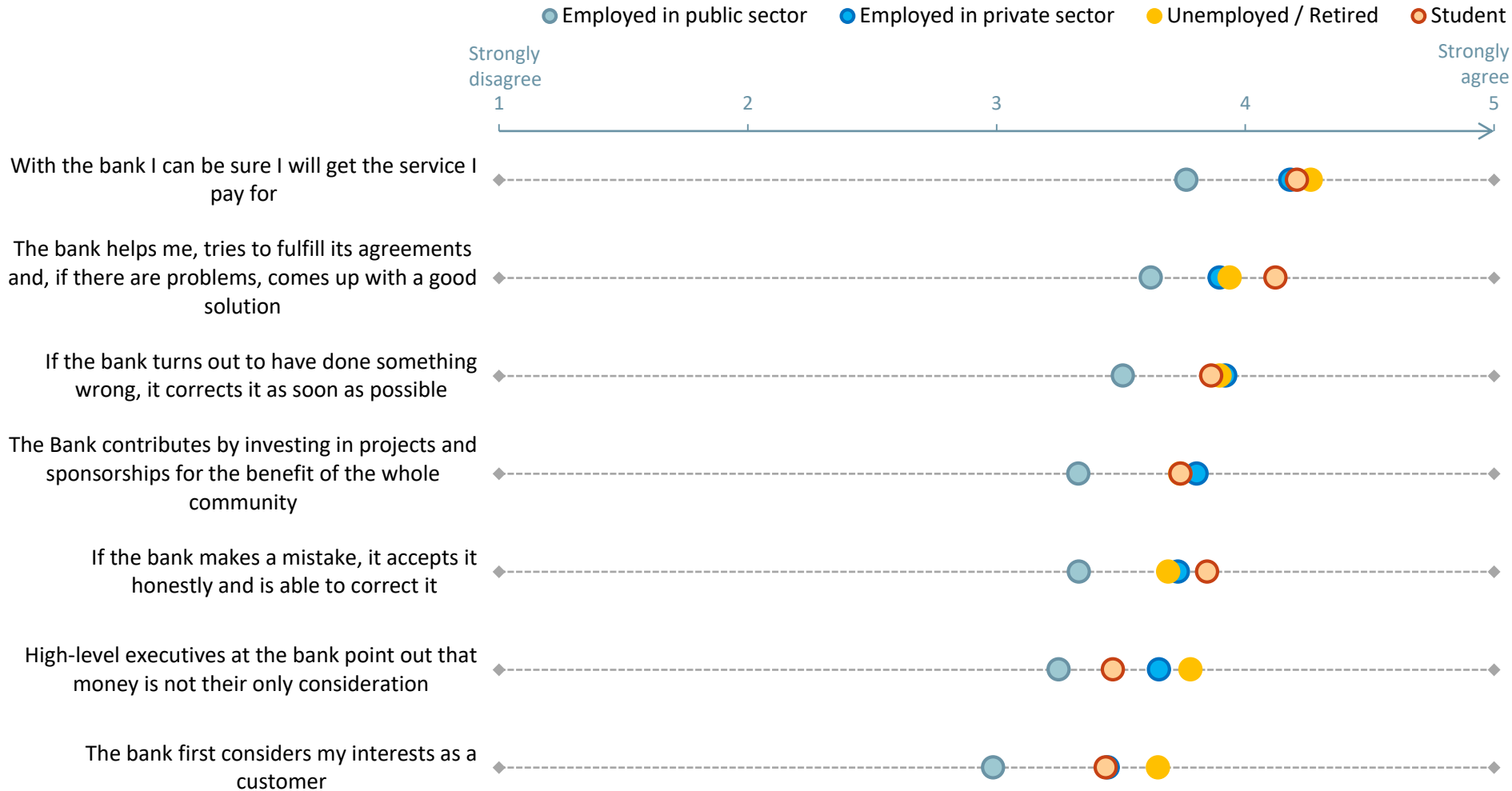
The lowest agreement regarding these statements can be observed for respondents belonging to the age group of 18 to 24 y.o.

Note: only those who have declared a qualified evaluation are considered

Bank's honesty

To what extent do you agree or disagree with these statements about your bank?

By employment



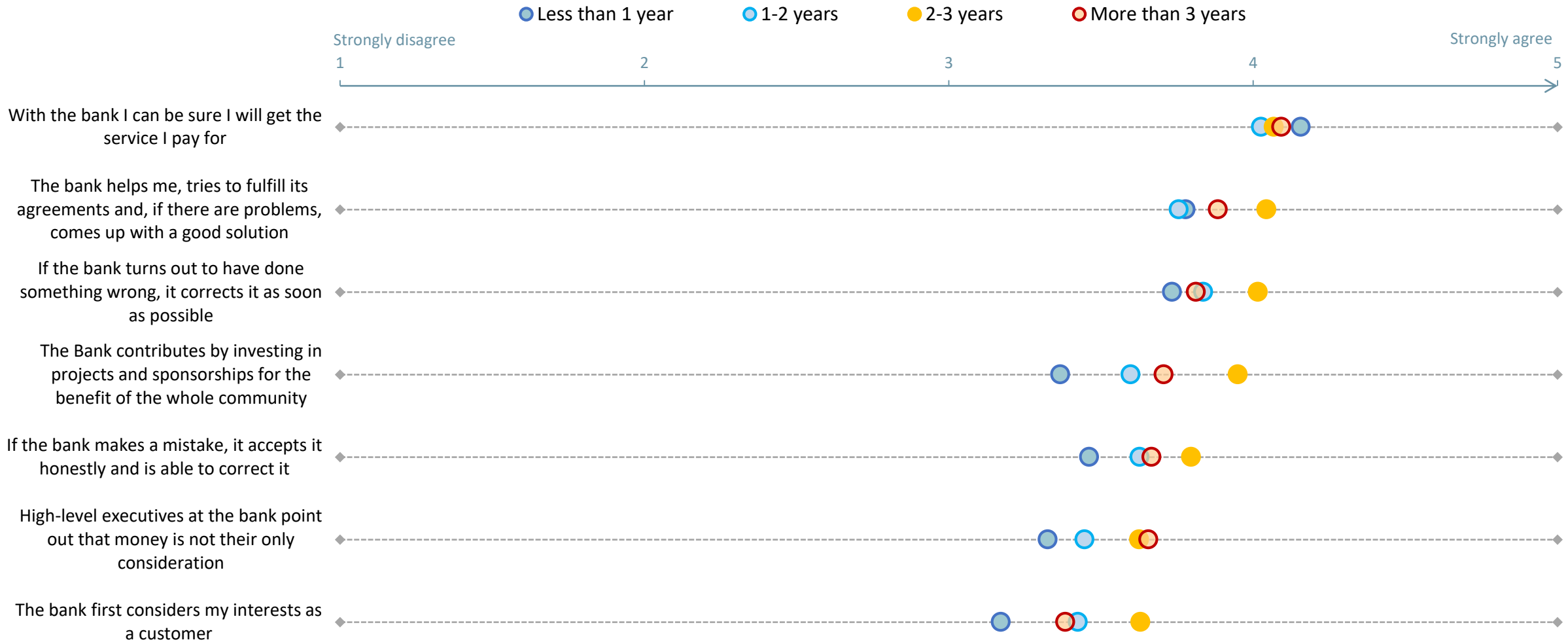
The data also shows that the respondents employed in public sector disagree more with the statements about the Bank's honesty than the other categories. This is especially apparent in regard to the statement *"the bank first considers my interests as a customer."*

Note: only those who have declared a qualified evaluation are considered

Bank's honesty

To what extent do you agree or disagree with these statements about your bank?

By experience with main bank

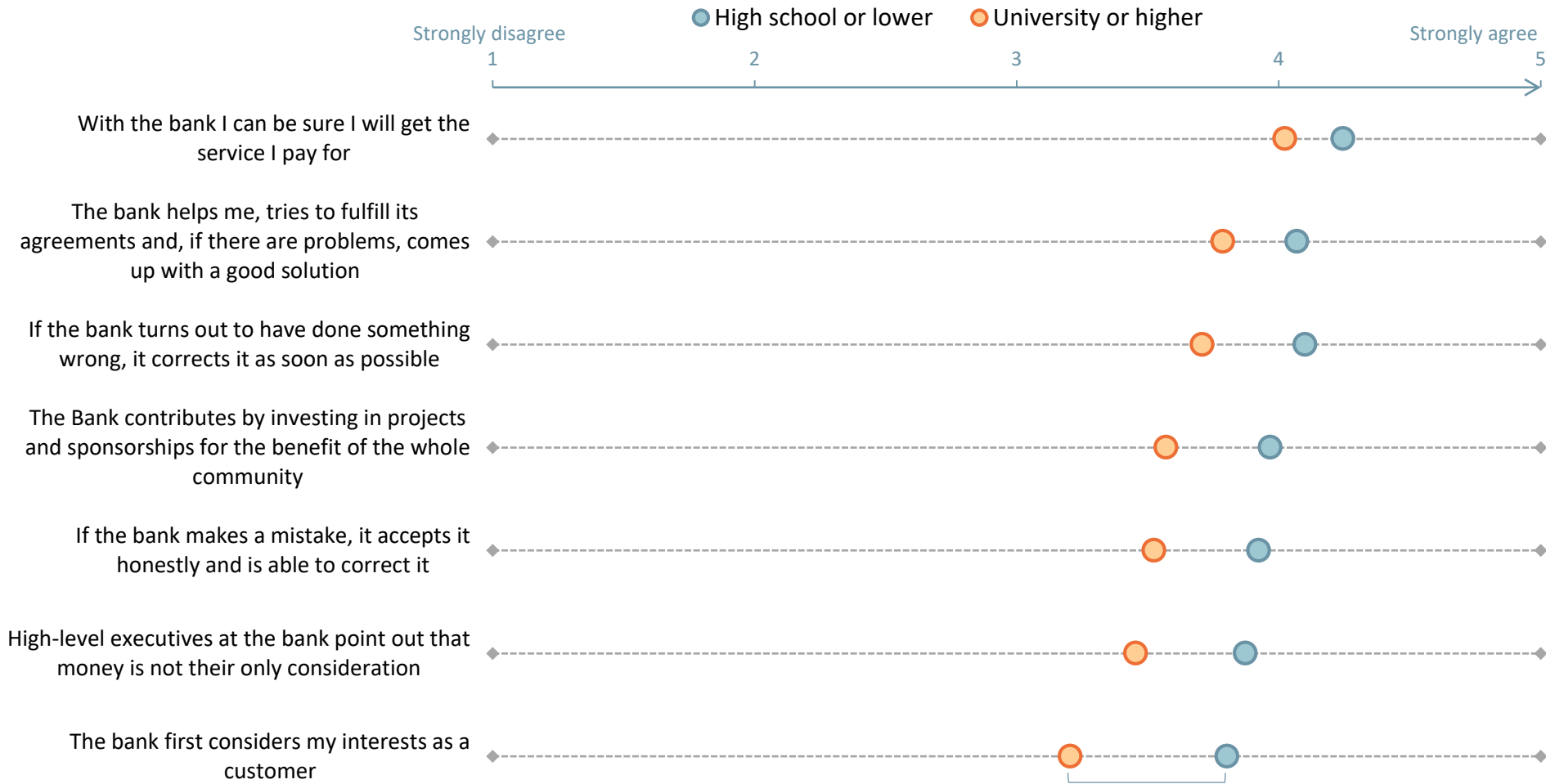


Note: only those who have declared a qualified evaluation are considered

Bank's honesty

To what extent do you agree or disagree with these statements about your bank?

By education



Note: only those who have declared a qualified evaluation are considered

Asked about the statements of the Bank's honesty, the respondents with high school or lower education seem to agree more than the users who have obtained a university degree.

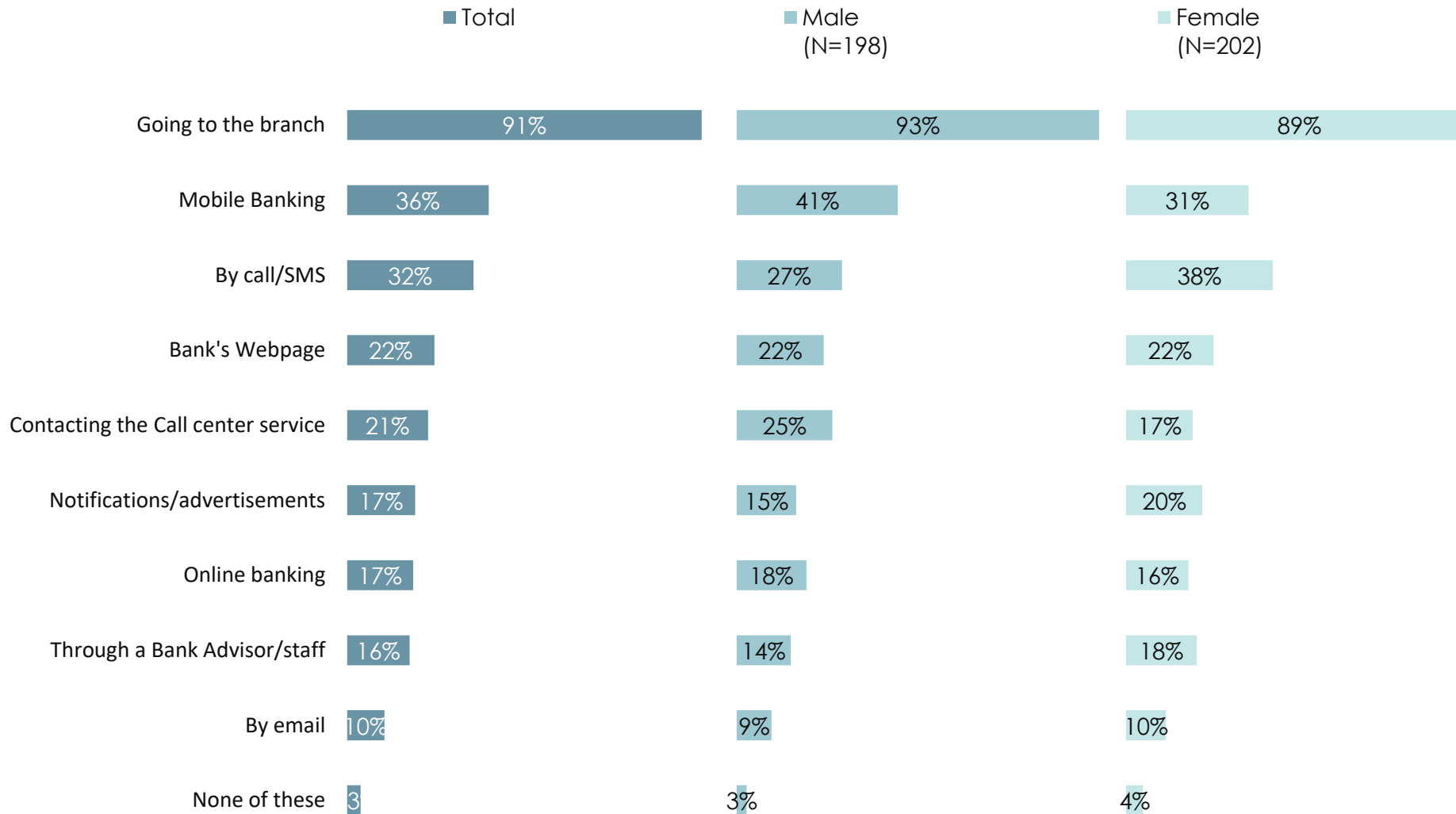
The statement which shows the biggest difference between the two groups is; "the bank first considers my interests as a customer." While respondents with a lower education evaluate this statement with 3.8 out of 5 points, respondents with a higher education rate this statement with only 3.2 points.

The only statement regarding which both education groups share nearly the same evaluation is; "with their bank they can be sure they will get the service they pay for" (4.2 and 4 out of 5).

CONTACT WITH THE BANK



Trough which of the following ways (touching points) did you contact the bank this last 6 months? By gender



Multiple

About 91% of the respondents contact the bank directly by visiting the branch, while there is also a fairly high percentage of respondents who has made contact via SMS/call or through the mobile app (32% and 36% respectively).

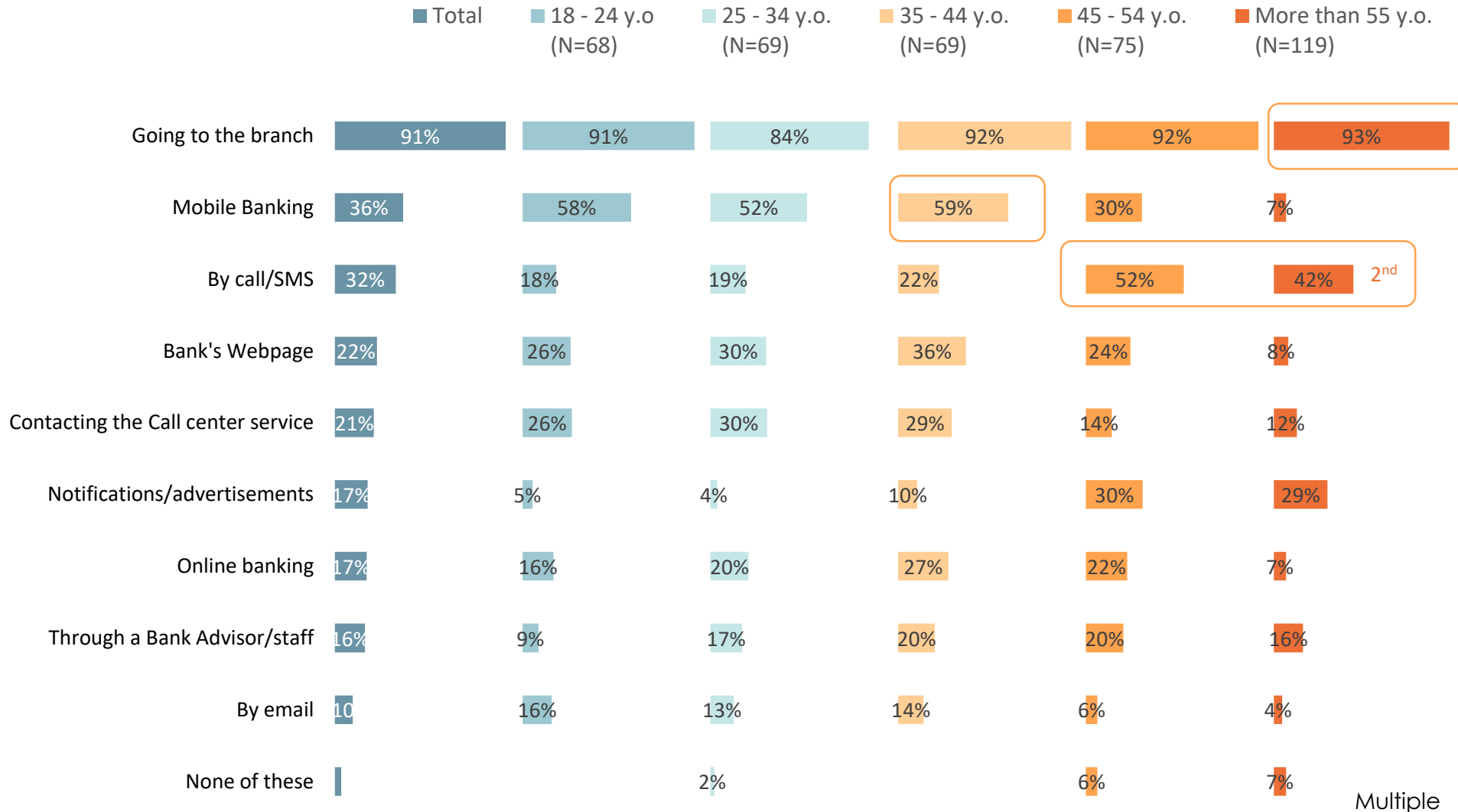
It should be noted that only 17% of respondents contact the bank through out online banking.

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 calls/SMS as a common form of communication, compared to male ones (38% vs 27% respectively).

On the other hand, male bank users, are more likely to use their bank's mobile app than female ones (41% vs 31%). Overall, there are small differences between the genders when considering other ways of contacting the bank.

Through which of the following ways (touching points) did you contact the bank this last 6 months? By age

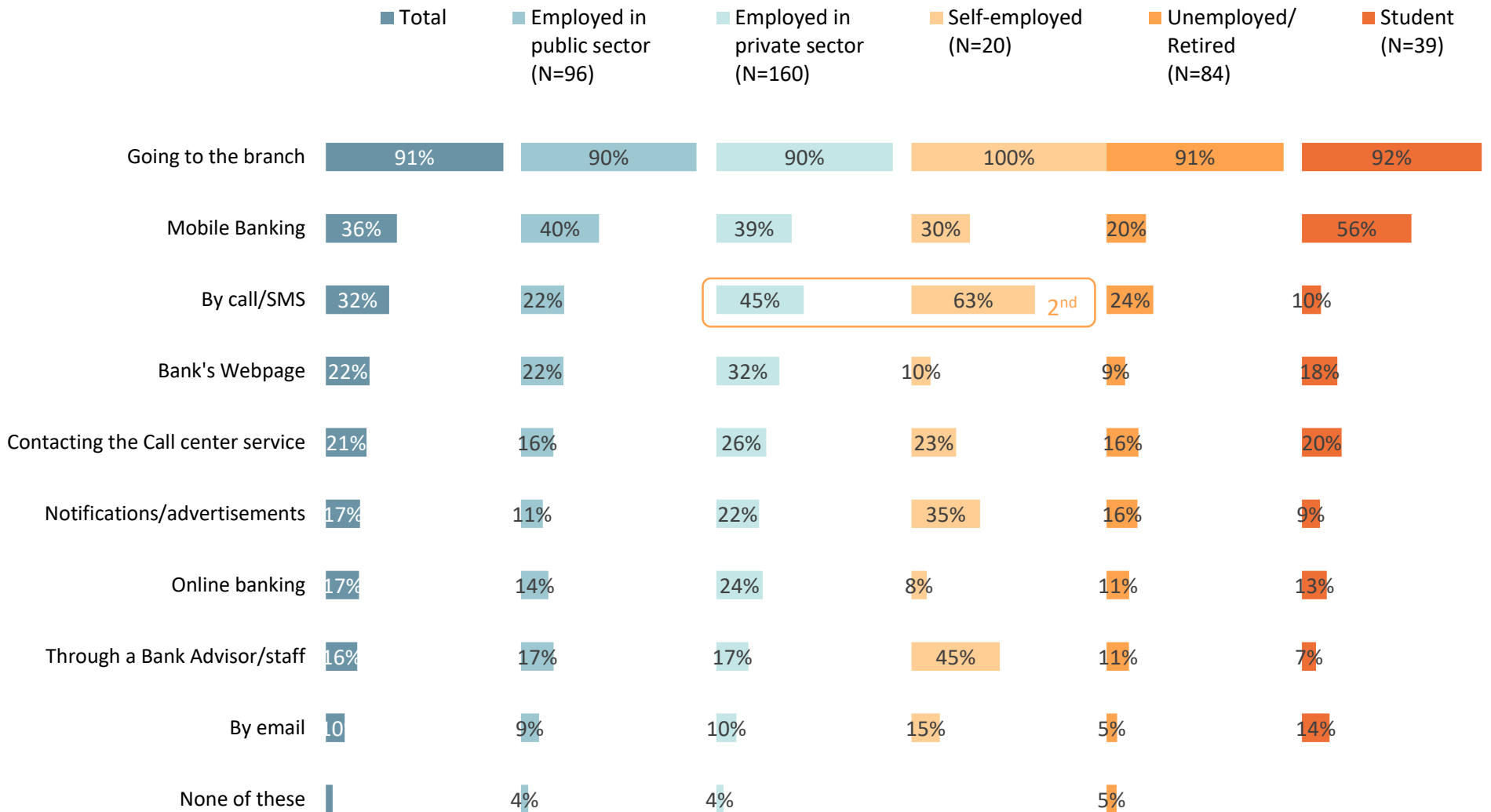


Looking through the lens of age groups, the older respondents seem to have a slightly higher tendency of contacting the bank by personally going to the branch.

The age group of 35-44 y.o. has a higher percentage of users who contact the bank using the mobile application than other age groups (59%).

On the other hand, the method of contact by call or SMS, is more common in the age group of 45-54 y.o and 55+ y.o (52% and 42% respectively). These two groups also show a higher percentage of using notifications/adds as a contact point.

Which of the following ways (touching points) did you contact the bank this last 6 months? By employment



All of the self – employed respondents have contacted the bank by visiting the branch. This might be linked with the nature of their economic activity, as they need to do more daily transactions. However, all other groups show a high percentage for this way of contact as well (above 90%).

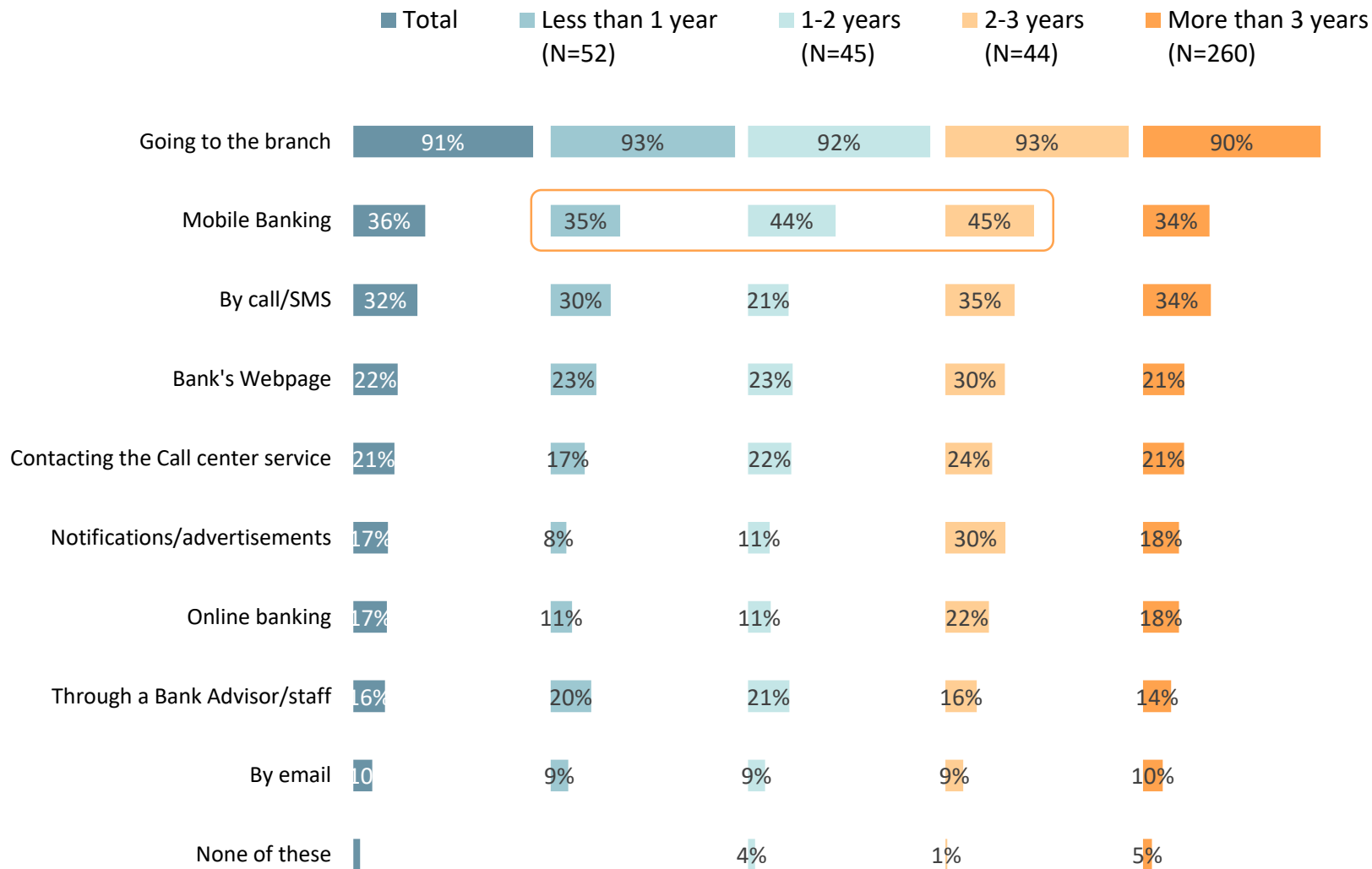
It should be noted that this behavior reflects the ongoing necessity to physically contact the bank for those who need to do daily/frequent transactions.

Looking through the other categories, students are more in contact through the mobile app (56%), while those employed in the private sector and those who are self-employed are more commonly in contact with the bank via call or SMS (45% and 63% respectively).

Multiple

Through which of the following ways (touching points) did you contact the bank this last 6 months?

By experience with main bank



Multiple

When disaggregating the results by experience with the main bank it is clear that regardless of the length of the experience, almost all users prefer contacting the bank through going to the branch in person.

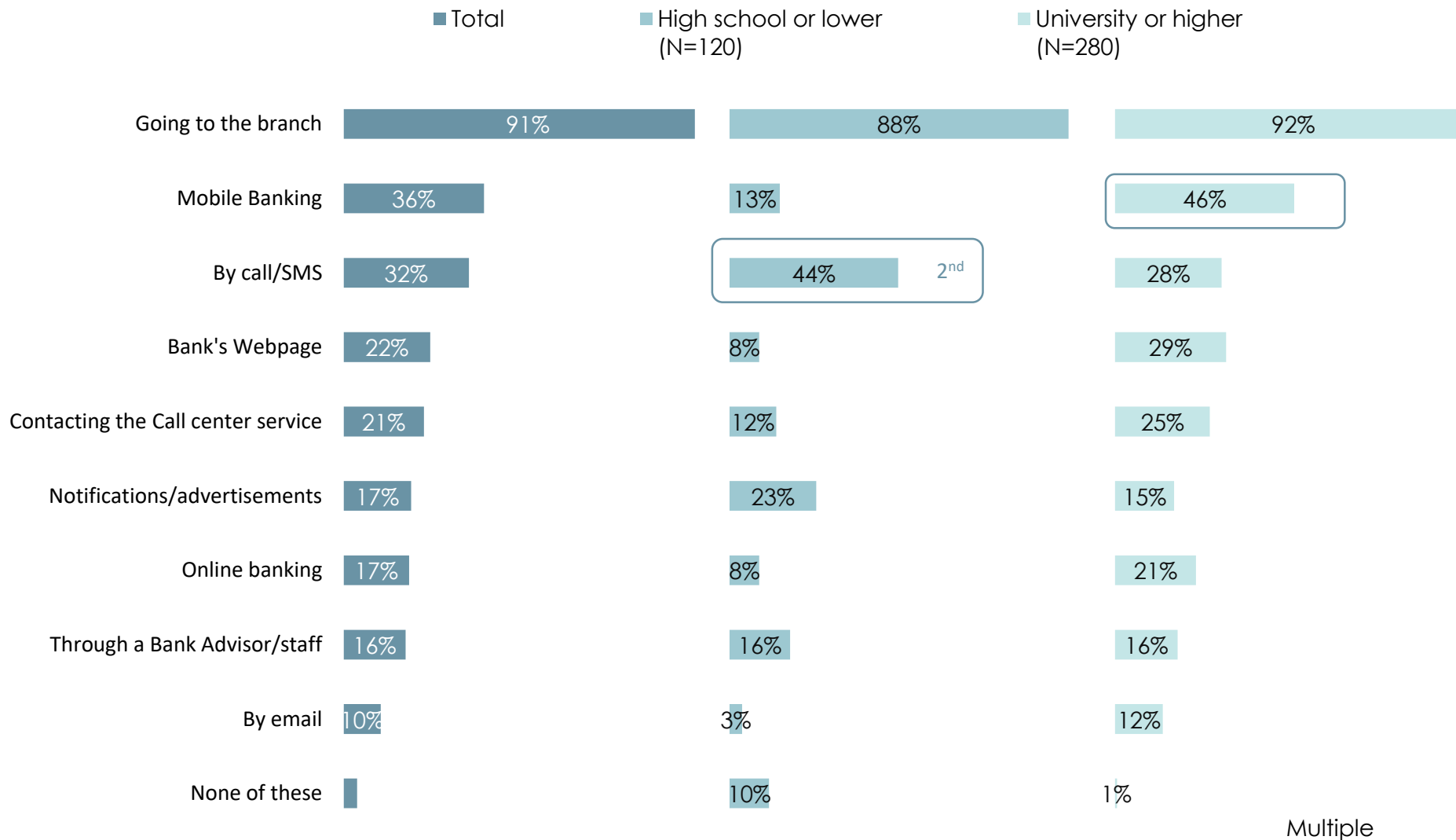
The category of respondents who have less than 1 year of banking experience, have the highest tendency of going to the bank themselves (93%).

Mobile banking is the second most used way of contact by all of the categories.

The data further indicates that respondents with 2-3 years of banking experience are most prone to choose several different ways of contacting the bank when compared to others.

Through which of the following ways (touching points) did you contact the bank this last 6 months?

By education

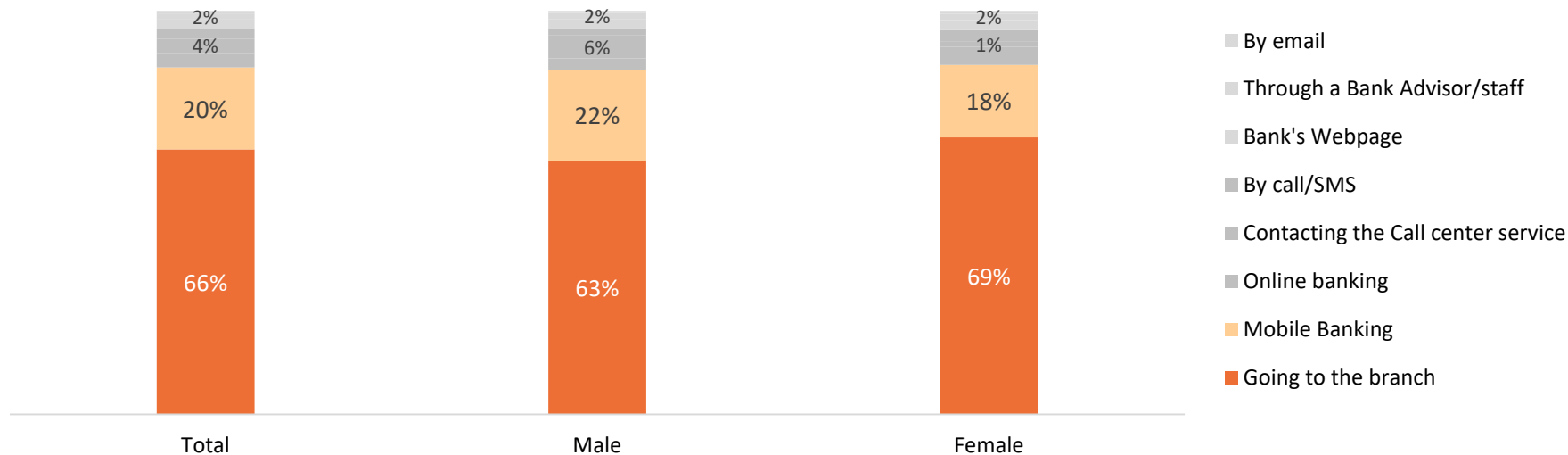


Analyzing the categories of education, the respondents who have obtained a university degree use mobile banking more commonly (46%), the same applies to the bank's webpage (29%), when compared to those respondents who have received a lower education.

The respondents who have a high school education tend to contact the bank via call or SMS (44%) more than those with a higher education.

Of all the ways (touching points) you have used, which do you consider the main?

By gender and age



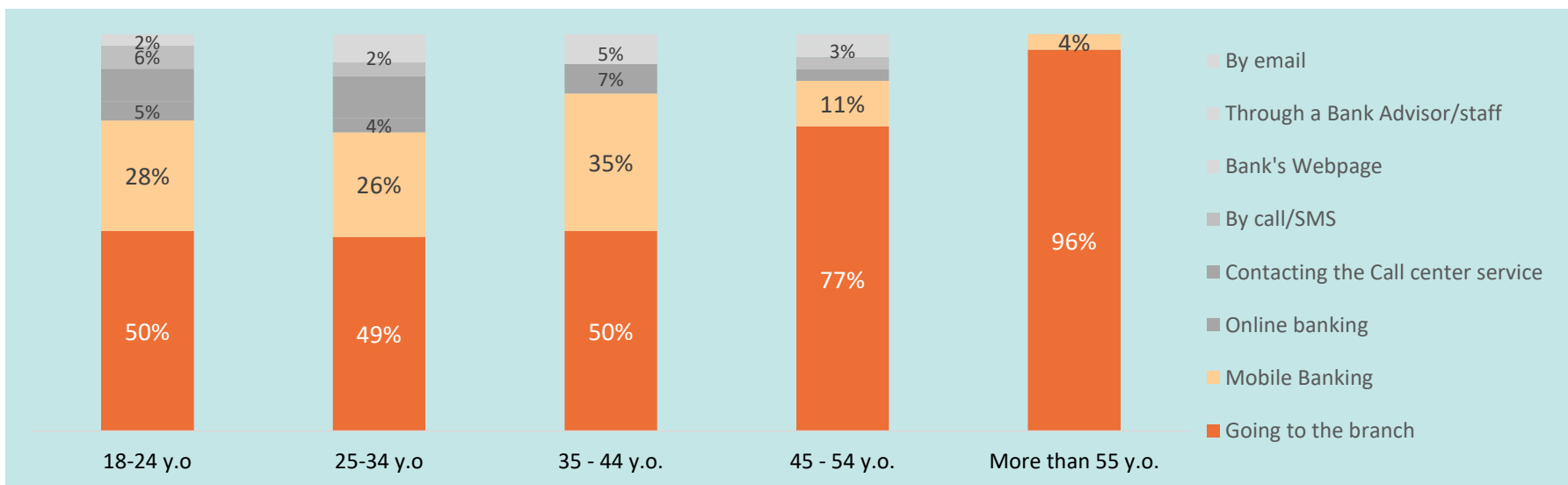
In total, according to two thirds of the respondents the main way of contacting the bank is going to the branch (66%).

It seems that all the categories (when disaggregating by gender, age, employment, experience with main bank, and education) are more connected physically with the bank than digitally.

It stands out that the older the respondents, the more likely it is that they visit the bank in person. The same applies for the less experienced bank users.

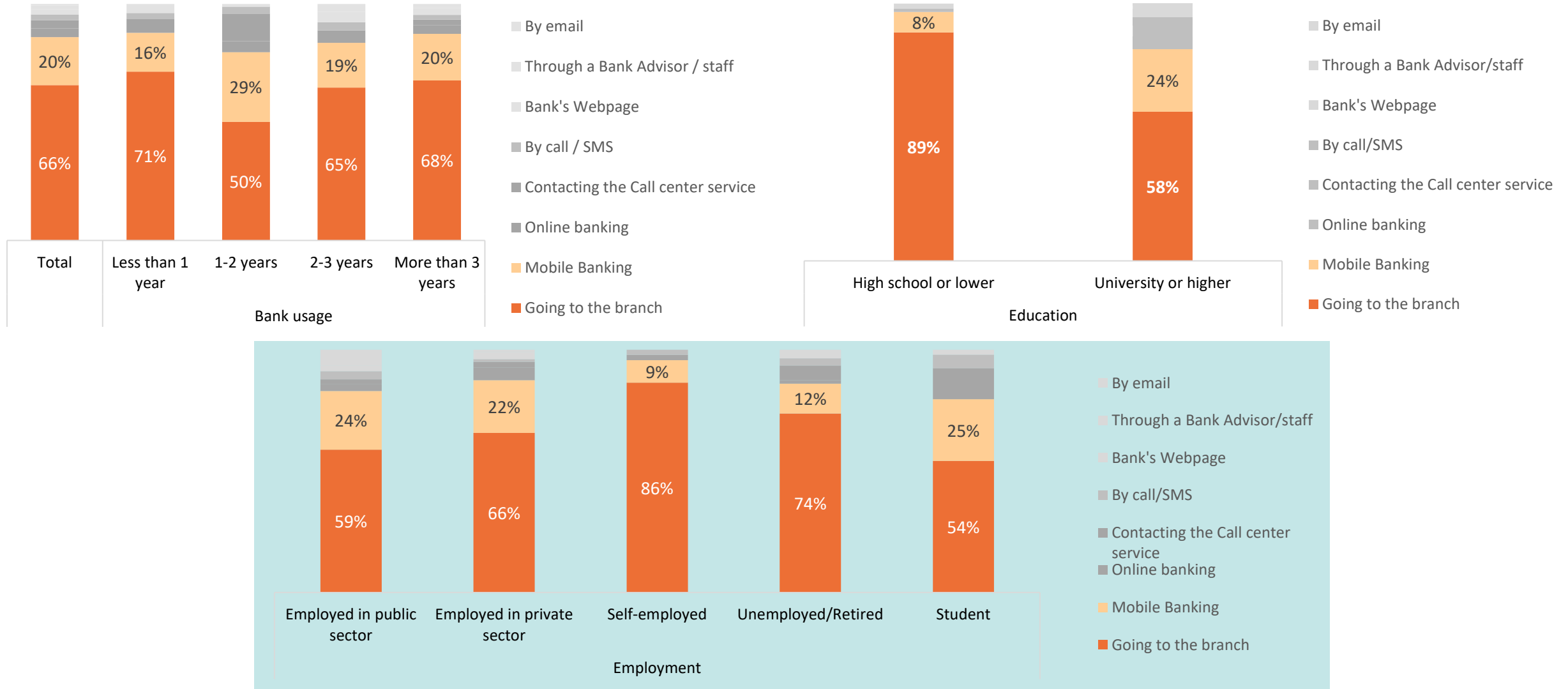
Male respondents use mobile banking slightly more than females ones.

University or higher education users use mobile banking more commonly compared to those with high school or lower education.



Of all the ways you have used, which do you consider the most important?

By employment, experience with main bank, education

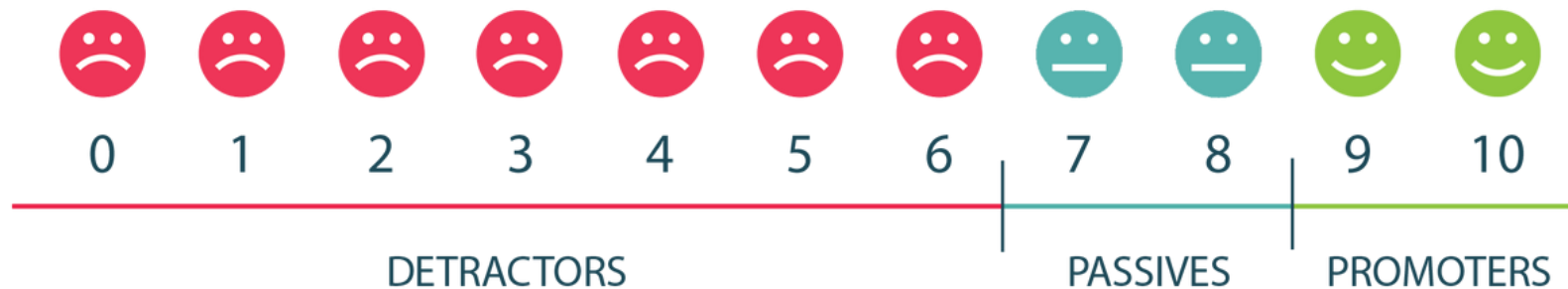


NPS Calculation

- NPS is calculated from the question:

How likely are you to recommend your main bank to a friend or relative? On a scale from 0 to 10, where 0="definitely would not 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.

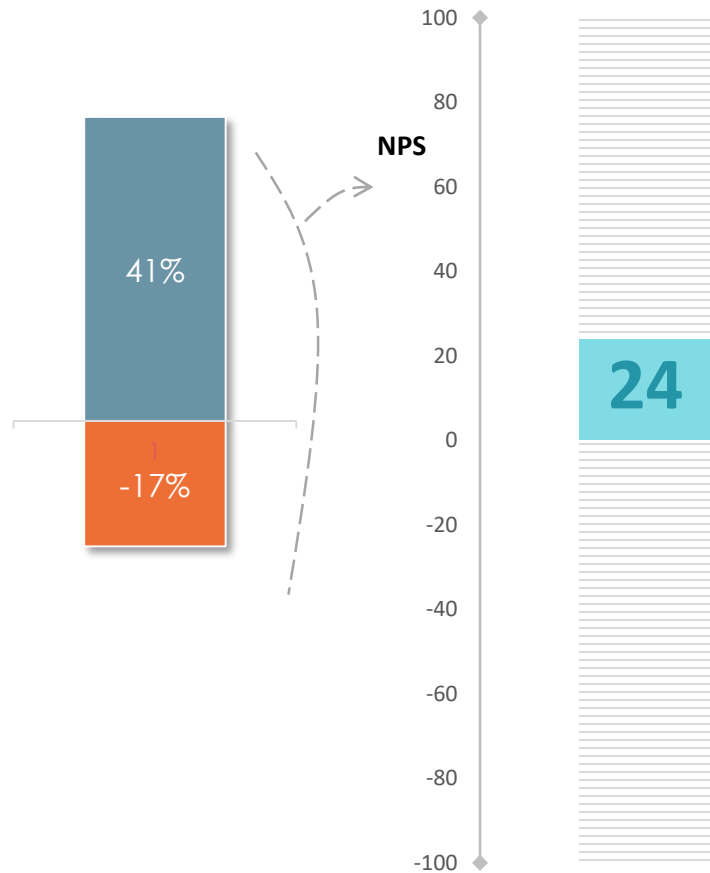


$$\text{😊 \%} - \text{😞 \%} = \text{NET PROMOTER SCORE}$$

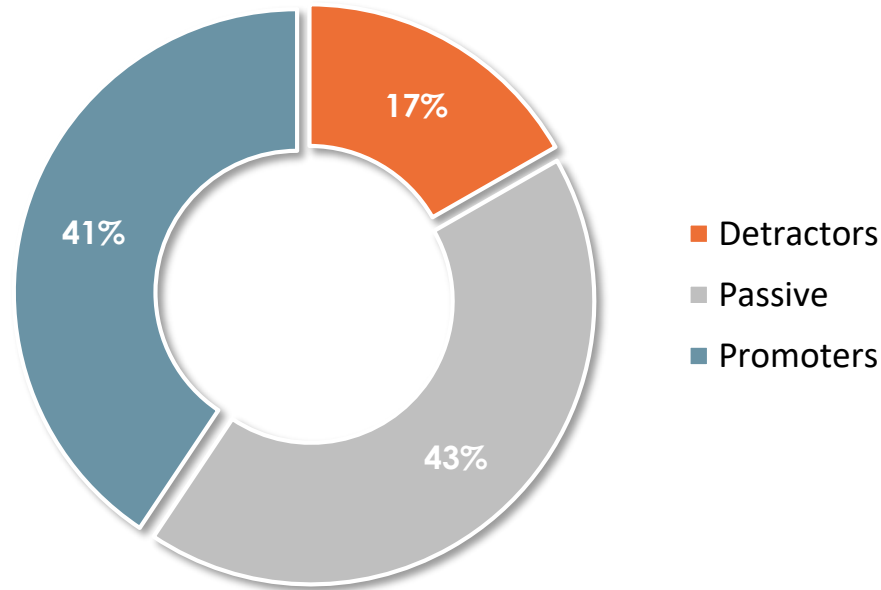
Considering all the experiences you have had with your main bank, would you recommend it ?

Net Promoting Score

■ Detractors ■ Promoters



Responses by promoter group



The Net Promoting Score for the Banking sector in Albania is evaluated with 24 out of 100.

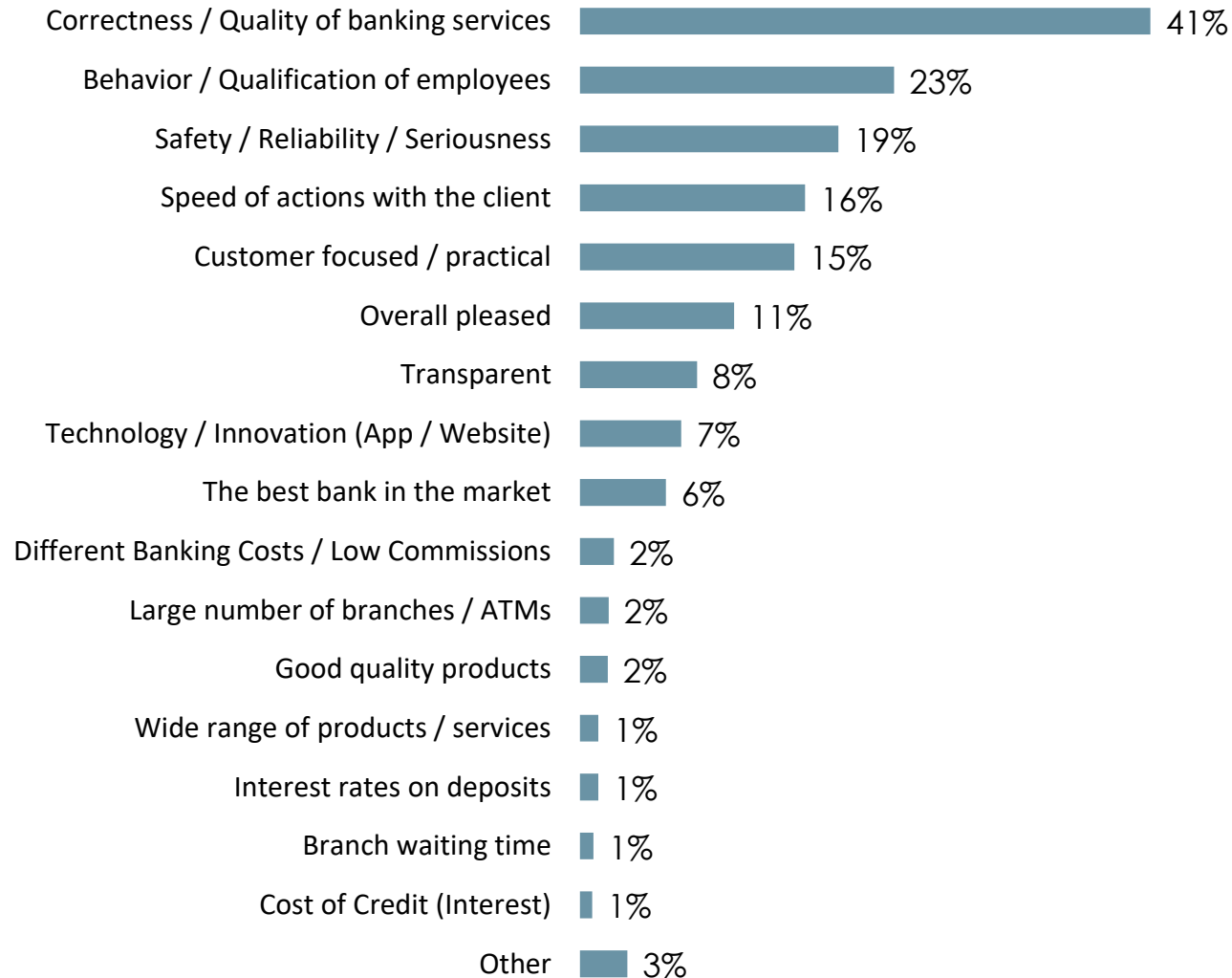
The data shows that 41% of bank users promote their main bank, while 17% would not recommend it (detract), while 43% are at a neutral/passive level.

Even though there is a good share of customers satisfied with the banking sector in Albania, there is a relatively high share who would not recommend their main bank.

Although one of the focuses 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.

Reasons to promote

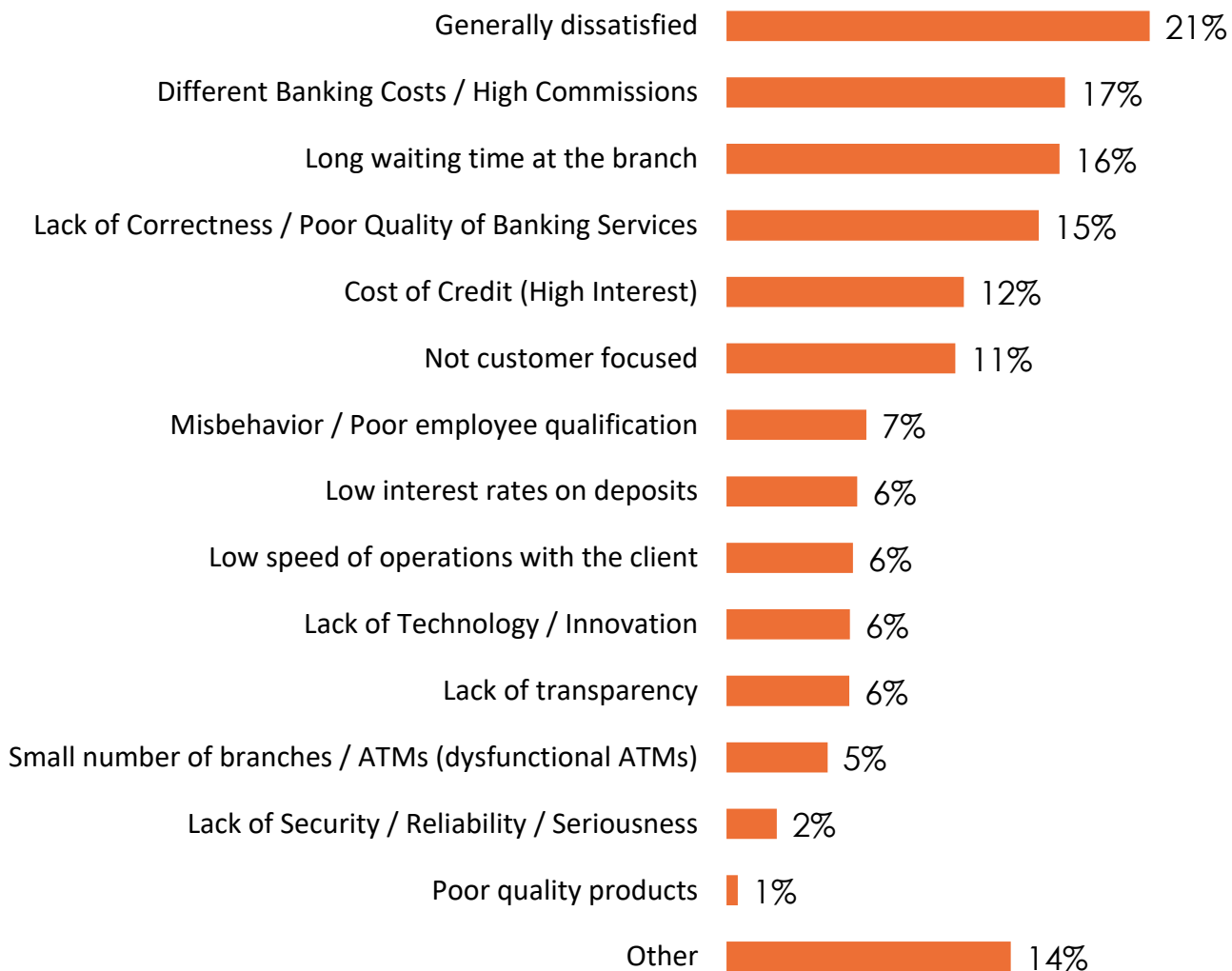
Why do you evaluate your main bank, what's your reasons?



When asked about the reasons for promoting their main bank, most of the users stated the correctness and quality of daily banking services as the main reason (41%).

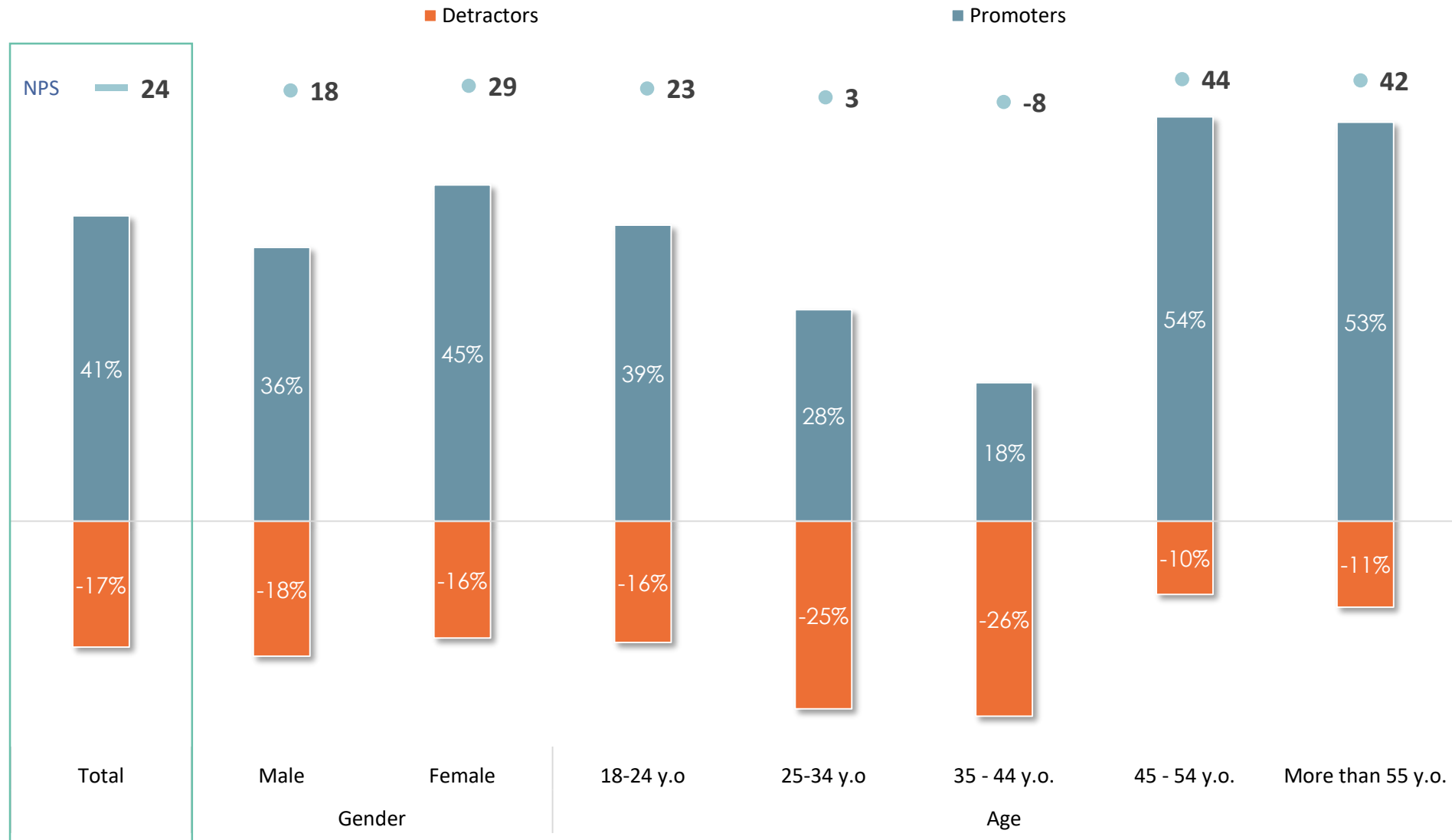
Next mentioned reasons for promoting are the behavior/qualification of employees (23%), safety/reliability, /seriousness (19%), and the speed of actions with the client (16%).

Reasons to detract



Overall, the main reasons for banking users to detract from their main bank are general dissatisfaction (21%), the different banking costs/high commissions (17%), long waiting time in branches (16%) and lack of correctness/poor quality of daily banking services (15%).

Net Promoting Score by gender and age



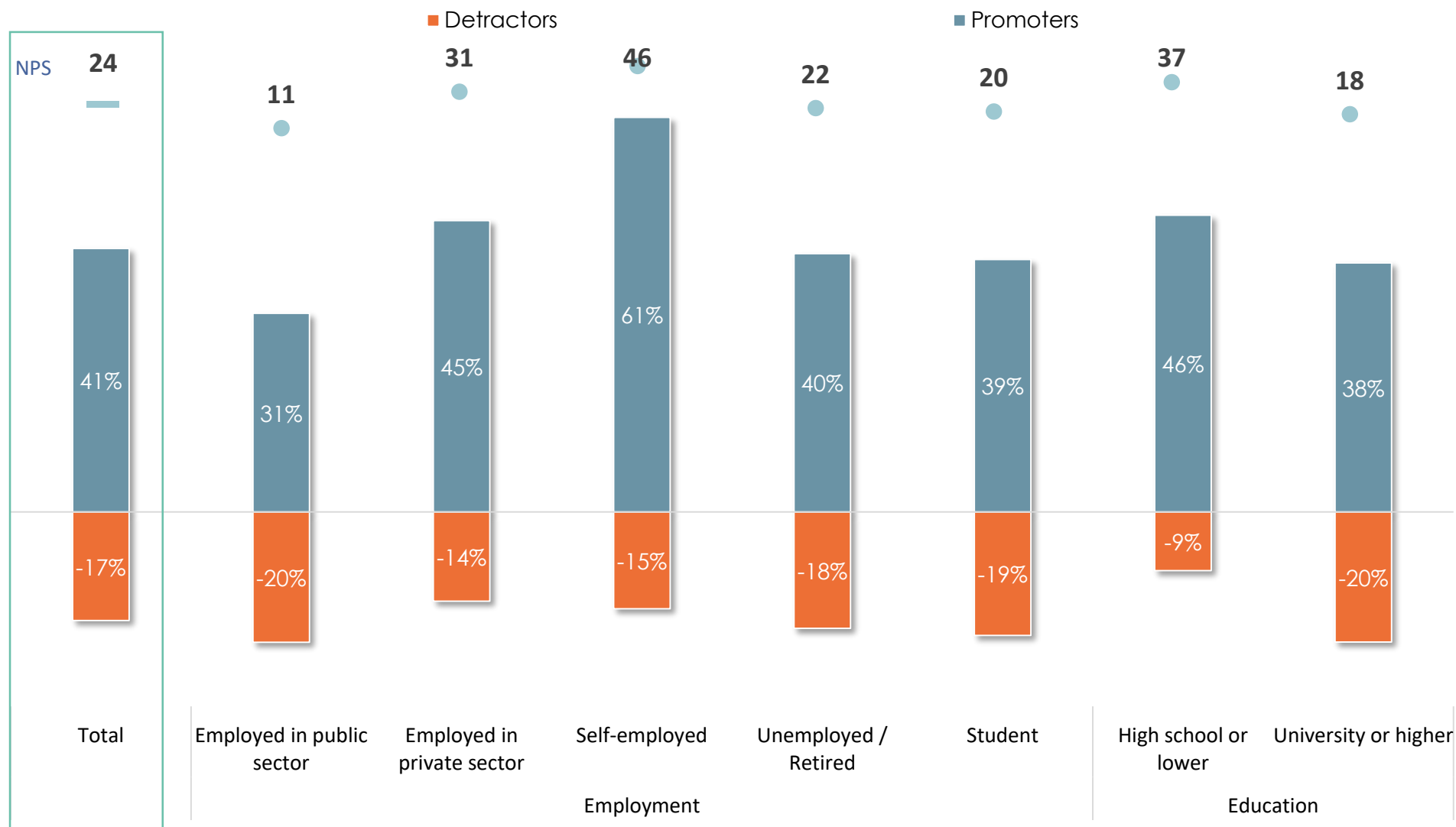
When analyzing the data by gender, female users are slightly more likely to recommend their main bank compared to males. Resulting in a NPS of 29 for Females and 18 points for Males.

Regarding age, it can be noticed that the age group of 35-44 y.o have a negative NPS, meaning more detractors than promoters, and compared to other groups they have the lowest NPS score (-8).

The older age groups (45-54 y.o and +55 y.o) show a significantly higher NPS score than the younger ones, respectively 44 and 42 points.

Net Promoting Score

by employment and education

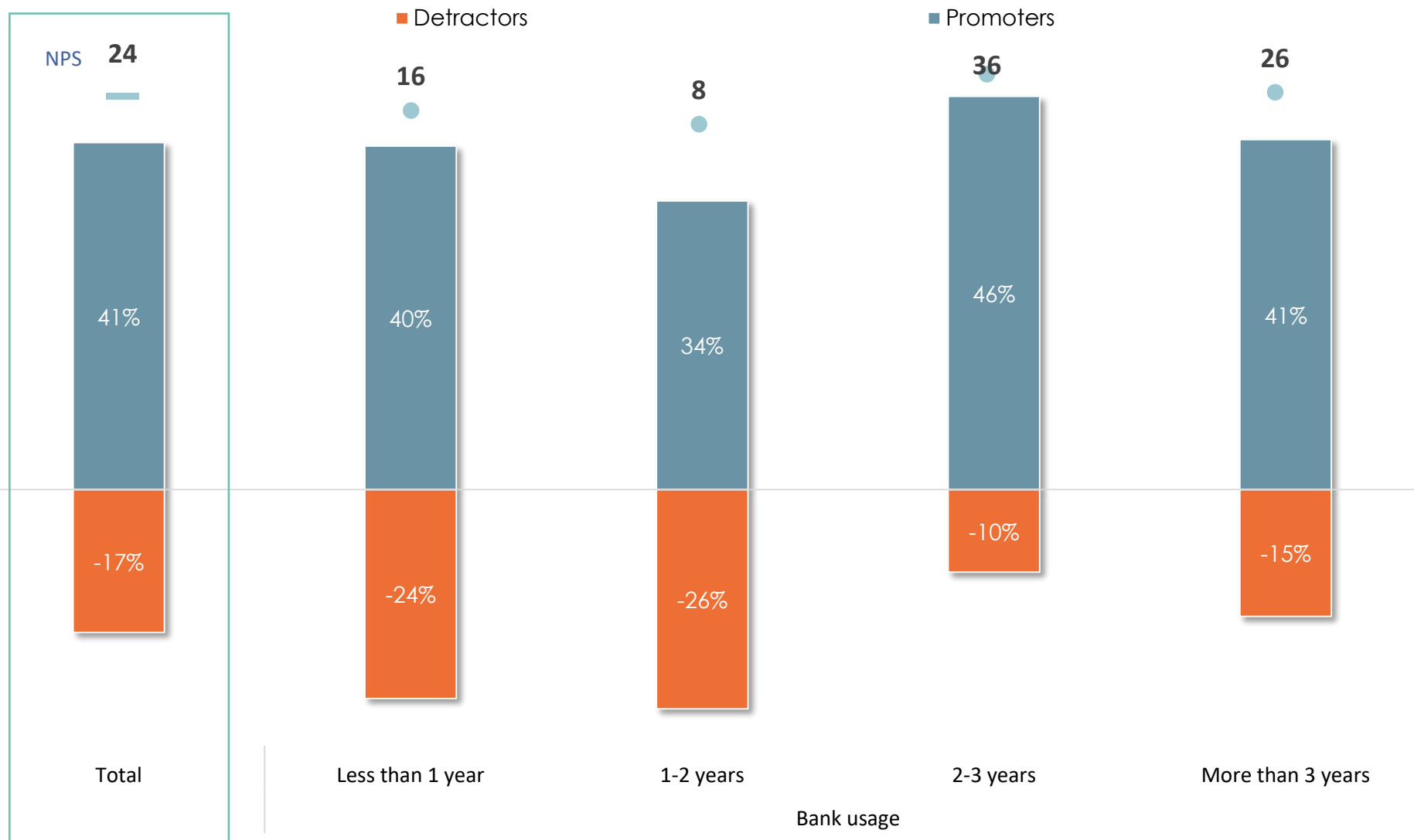


When analyzing the data by employment, self employed users are slightly more likely to recommend their main bank compared to the others. Resulting in the highest NPS score of 46 points. Those respondents employed in the public sector are least likely to promote their main bank resulting in a NPS of only 11 points for this group.

Regarding education, it can be noticed that users with a lower education are more likely to recommend their main bank than those with a higher education.

Net Promoting Score

By experience with main bank



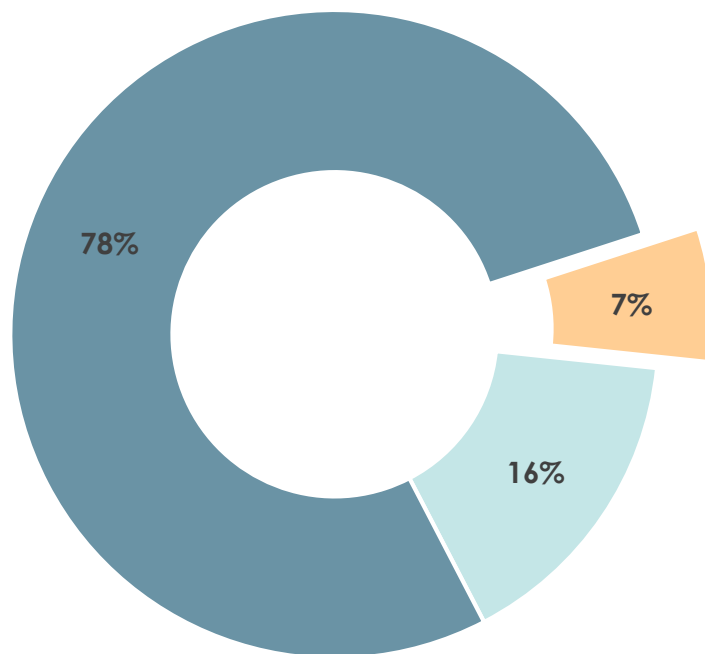
What stands out when analyzing the NPS by experience with main banks are the evaluation of the users with an experience of 2-3 years.

This group shows a significantly higher NPS (36 points) than compared with the other categories of experienced users.

The respondents who have a banking experience of about 1-2 years show the highest rate of detractors (-26%) hence resulting in a low NPS of only 8 points.

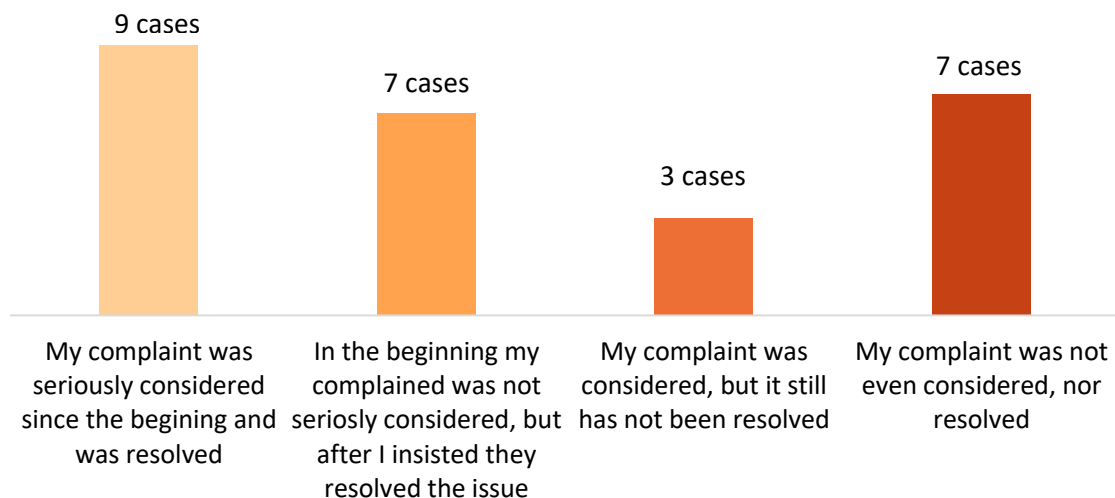
Complaints

Have you filed a complaint during the last 12 months?

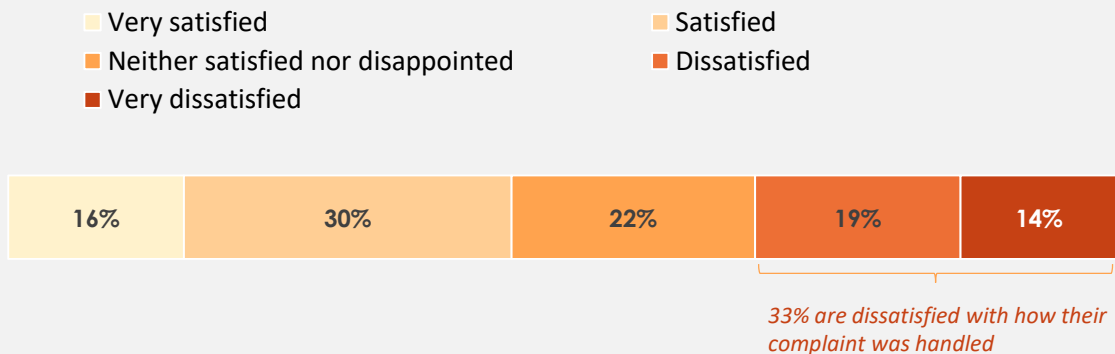


- Yes, I have filed a complaint to my bank
- No, I have had a complaint, but I did not submit this to my bank
- No, I have had no complaints

Complaint handling (N=27)



Satisfaction with complaint handling (N=27)



Overall, 78% of all respondents did not have a complaint about their bank, while 16% had a complaint but did not submit it to the respective bank.

Only 7% have filed a complaint to their bank.

Out of those, there were 9 cases in which the complaint was considered and resolved and 7 cases in which it was at first not considered in a serious manner, but later was eventually resolved.

In total 10 cases were not resolved, in 3 out of those cases the complaint was considered, but not resolved and in 7 cases the complaint was neither considered nor resolved.

Regarding satisfaction, 33% of respondents are dissatisfied with how their complaint was handled (out of which 14% very dissatisfied).