

Banking During COVID-19

A survey by Schmidt Market Research
April 28, 2020

RESEARCH. INSIGHT. ACTION.

Established Research Provider

- Founded in 1986
- Located in Pittsburgh, PA
- 39 team members including 21 research directors, research managers, and analysts
- On-site fieldwork management

Specialize in Custom, Primary Research

- Quantitative research
- Qualitative research
- Insight communities
- Pittsburgh Speaks research panel

Personalized Approach

- Big enough to handle most research needs, yet agile enough to get to know your business and provide personalized service
- Assigned account manager; no hand-offs to junior staff

96%
of clients
recommend us

40%
of client relationships
over 10 years

50%
team members with
over 10 years tenure

We have a tool to pulse the Pittsburgh community for insights

Leverages a technology that provides longitudinal memory

– allowing for faster and more targeted recruiting



- About 5,000 members
- Members reside in 10 counties around Pittsburgh
- Recruit for a variety of research opportunities:



In Person – focus groups, shop-alongs, ethnos, in-depth interviews



Telephone – in-depth interviews



Online/Mobile – quantitative studies, video and chat focus groups, discussion boards, and short-term insight communities

5,000+ Members of Pittsburgh Speaks™

Gender



Household Income



85% local sports fans

Home Ownership



Level of Education



Employment Status



Political Affiliation



Children in the House



Millennials
(18-39)

40%

Gen X
(40-54)

43%

Boomers
(55-64)

15%

Retirees
(65+)

3%

83% of members are residents of Allegheny County with representation in Armstrong, Beaver, Butler, Fayette, Washington, and Westmoreland counties

Background

- Schmidt Market Research executed a survey focused on banking during COVID-19.
- This research can be shared among Schmidt's clients.

Objectives

- Survey the Pittsburgh Speaks community about...
 - ✓ Shifts in banking preferences
 - ✓ Preferences around touchless payments
 - ✓ Feedback on communications from bank
 - ✓ Investment performance insights and sentiments

Methodology

- Online survey by the members of Pittsburgh Speaks™ community.



Field Period
4/15/2020-4/24/2020



5,129 Invited



1,279 (25%) Completed

Key Insights

While the majority of respondents **already use** online banking or mobile banking, some are slowly adapting their banking due to COVID-19.



Be prepared for first-time users of new payment services.

- ✓ **15%** have started using a **new payment/banking service** since the pandemic began.

Prepare for customers using less cash.

- ✓ **64%** are taking **precautionary sanitation measures** before using an ATM.
- ✓ **67%** are using **less cash** and **57%** are using the **ATM less often**.
- ✓ **62%** **currently use PayPal**, 42% Venmo, 21% Zelle, 18% Apple Pay, 12% Google Pay.



Keep communicating and look for opportunities to offer assistance.

79% received communication from their bank re: COVID-19 response.

- ✓ **72% approve** of the actions taken by their bank.
- ✓ 41% say they were offered services to assist during the economic shutdown – but 18% say none were offered and 42% aren't sure.



Call your investment clients! They will find the discussion valuable.

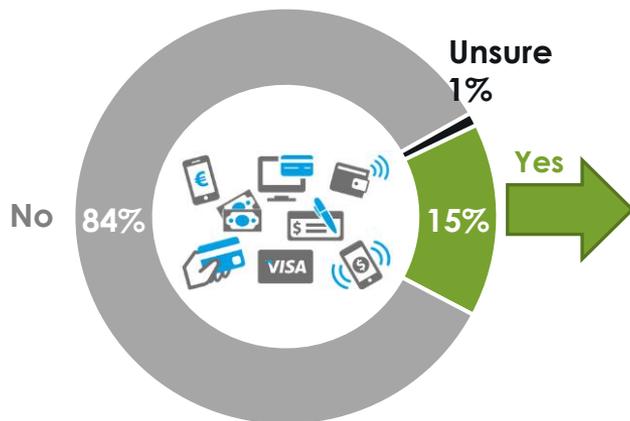
Of the 73% who have an investment/retirement account...

- ✓ 27% track it more often, 14% less often, and 59% about the same
- ✓ **20%** say their financial **advisor reached out**, usually via email or phone
- ✓ **48% had a discussion** since their advisor reached out, and **72% say it was a valuable conversation**.

New Banking & Payment Services

- **15% of respondents** have used a new banking or payment service since COVID-19 began.
- Online banking, Venmo, and mobile apps are the most common services used.

Using New Banking/Payment Services?



New Banking/Payment Services Used

17%

Online Banking/Bill Pay



"I have been paying bills online more."

"Online and mobile banking services as well as electronic bill payments."

"Started using online banking."

16%

Venmo



"I'm using Venmo for a virtual tip jar since I'm out of work."

"Paid everything online and used Venmo or PayPal when buying when I could."

"I have paid for items through Venmo which I never had before."

12%

Mobile App



"More use of my bank app."

"Put my banking app on my cell phone."

"[Bank] app to deposit everything."

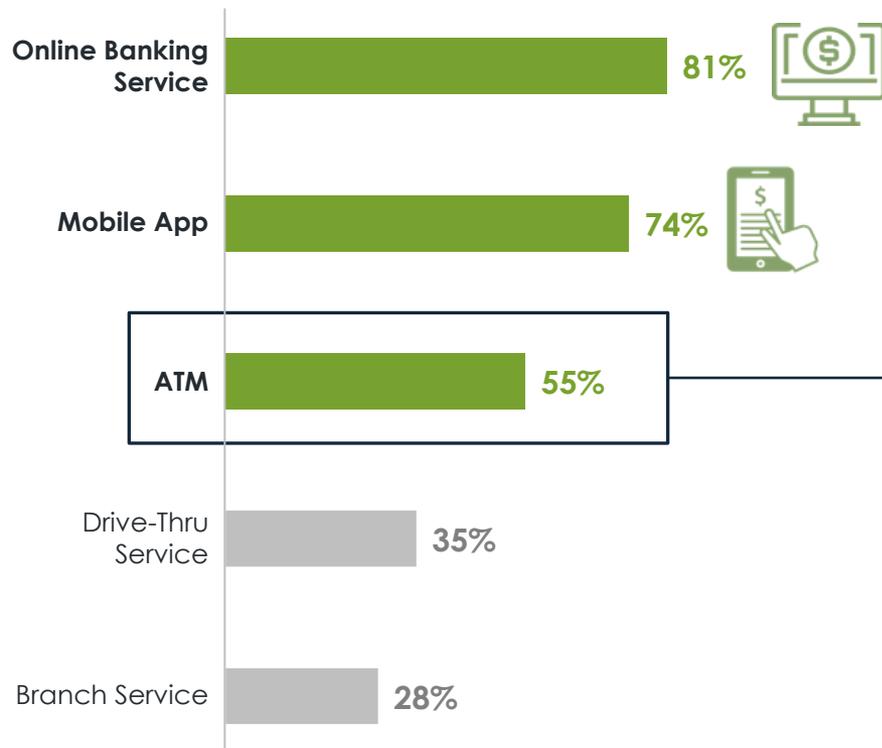
"Using online bank apps."

Banking Services Currently Used

- The vast majority now use online banking or their bank's mobile app.
- Among those that use ATMs, **64% took precautionary measures** prior to using.

Bank/Credit Union Services Used

– Percent Who Use –



ATM Usage



64%

took **precautionary measures** prior to using the ATM

"Wore gloves & mask. Keep bleach wipes in car after public contact."

"Used gloves for my transaction and removed them afterwards."

"I now carry Lysol wipes in the car, and I wiped the screen, where my bank card went, where the cash and receipt came out basically the whole front of the banking machine before and after I used it. Also, my banking card."

"Made sure I was 6 ft away from another person, wore mask/gloves while using ATM."

"Used a tablet stylus on the touch screen so my fingers didn't have to touch the screen."

"Waiting more than six feet behind the customer in front of me, wiping down all buttons & screen before using, sanitizing hands immediately after using, leaving cash to sit for a week before touching."

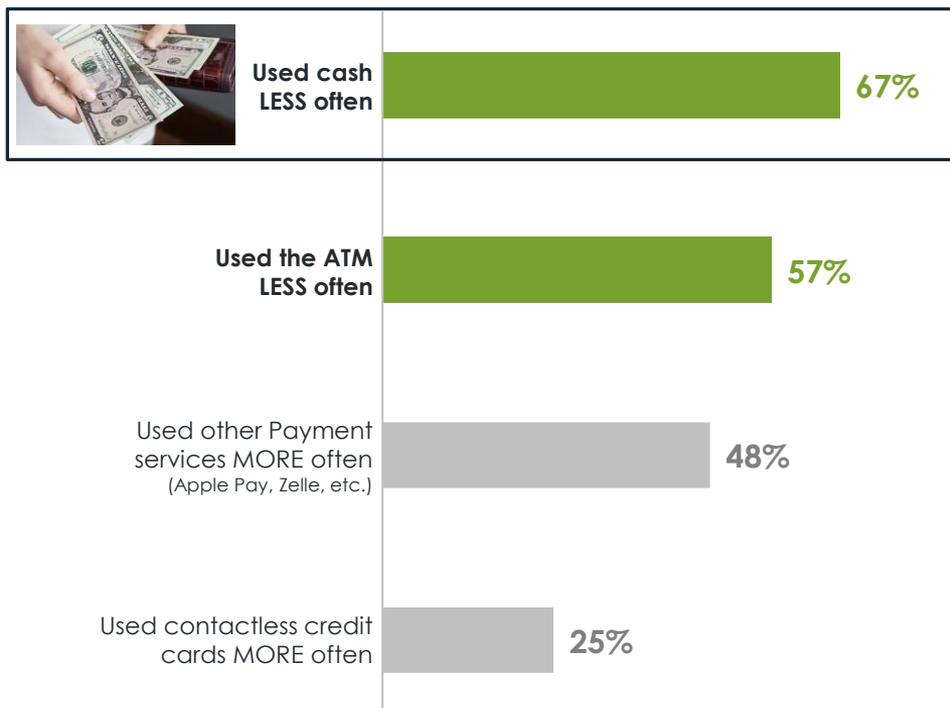
"Wiped the whole thing with disinfecting wipes before touching it, wiped my card down after pulling it back out, and then used hand sanitizer."

Payment Preferences During COVID-19

- **67% are using cash less often** since COVID-19 began, and **57% use the ATM less often.**
- **62% have used PayPal**, 42% have used Venmo, and 21% have used Zelle, among other payment solution technologies.
- **19% do not use any other payment solution.**

Payment Type Changes

– Percent Yes –



Payment Solutions Currently Used



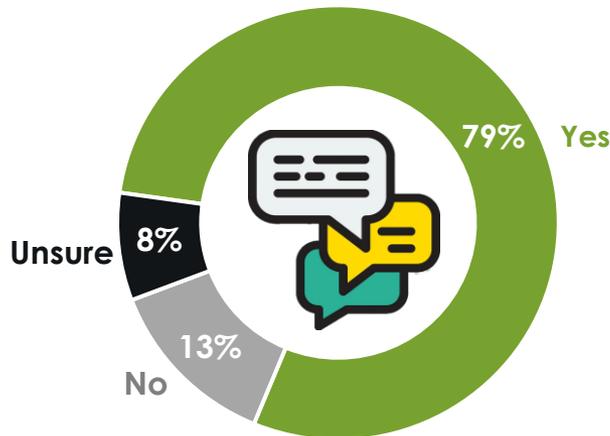
19% are not currently using any payment solutions

Bank Communications

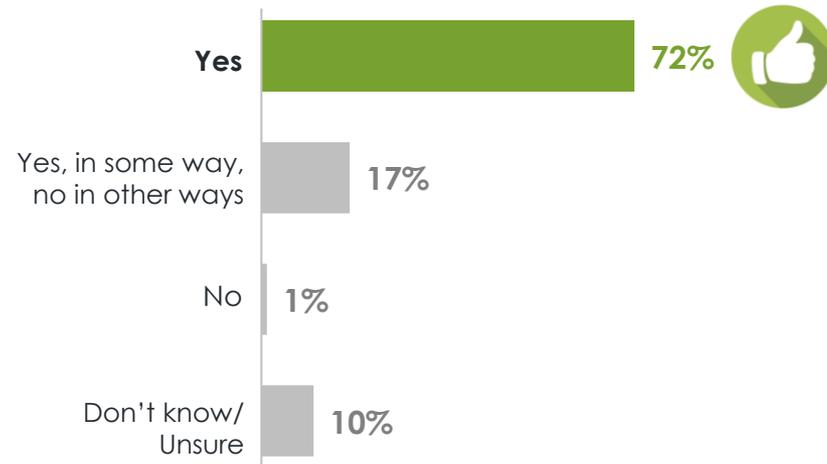
- The vast majority have received communications regarding COVID-19 from their bank.
- 72% find the actions taken by their banks to be appropriate.

Received Communication Regarding COVID Response?

– Banks, Credit Union, Financial Services –



Are These Actions Appropriate?



Services Offered to Assist During Economic Shutdown?

– Banks, Credit Union, Financial Services –



Q6: Have you, personally, received any communications from any of your banks, credit unions, or other financial services providers regarding their response to COVID-19? n=1,279

Q6a: Do you think their actions to manage through the COVID-19 outbreak are appropriate? n=1,005

Q7: Has your bank, credit union, or other financial services offered any services to assist its customer during the economic shutdown? n=1,279

Investment Accounts & Financial Advisor Communications

- **27% of respondents** are checking their investment and retirement accounts more often, 59% check them about the same amount.
- **20%** say their financial advisor has reached out, usually over email or phone. **72%** say the conversation was valuable.

Investment/Retirement Accounts

Currently Have Investment/Retirement Accounts?

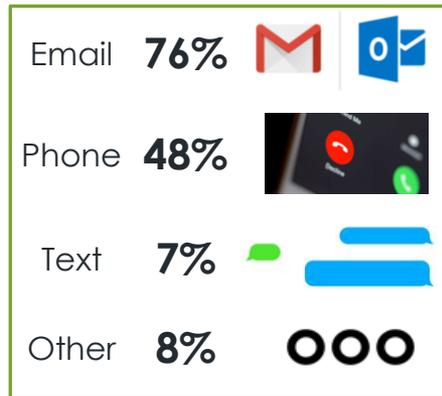
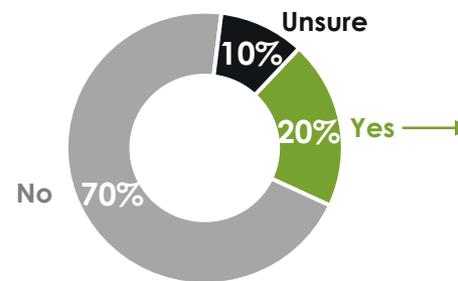


Tracking Behavior Since COVID-19 Outbreak



Financial Advisor Contact

Financial Advisor Reached Out – Regarding Market Conditions –



48% have had a discussion with their FA since he/she reached out

Value of the Discussion



Q8: Do you, personally, currently have any investment or retirement accounts? n=1,279

Q8a: Have you, personally, been tracking your accounts more often, less often or about the same since the COVID-19 outbreak? n=936

Q9/Q9a: Has your financial advisor reached out to you and/or another account holder to discuss changes in the market conditions and its impact on your accounts? n=1,279/How has your financial advisor reached out to you? n=260

Q9b/Q9c: Have you had a discussion with your FA since he/she reached out to you? n=260/How valuable was this discussion? n=126

Contact Information

Schmidt Market Research

125 Hillvue Lane | Suite 200
Pittsburgh, PA 15237-7317

Kevin Srigley
President
p: 412.847.0721
c: 412.551.6617
e:ksrigley@schmidtmr.com

Andrew Fournaridis
Senior Research Manager
p: 412-759-5965
e: afournaridis@schmidtmr.com

www.schmidtmr.com