

Customers of Financial Services Firms Rate the Top Performers; Reveal Their Top Wants from Financial Firms and Professionals

Ninth Annual Hearts & Wallets Customer Satisfaction Ratings

(Apr. 9, 2019, Rye, NY) – The ninth annual Hearts & Wallets national customer satisfaction rating reveals Top Performer financial services firms and identifies top consumer wants for firms and financial professionals in a new report by **Hearts & Wallets**, the source for retail investor data and insights.

Over 5,000 U.S. households rate their top two financial providers on service and pricing performance in the *Wants & Pricing: How Top Performers Crack the Code to Get Customer Wants Right* report. The ratings cover 27 attributes for five key service dimensions and three pricing dimensions. The report focuses on top-level national annual satisfaction ratings for the top 21 providers, leading brokers, banks and retirement platforms cited most often by their customers.

The report also analyzes how consumers perceive value in relation to pricing, the prices they believe they are paying, and how well they understand how providers earn money. Written by Hearts & Wallets subject matter experts with decades of operating experience in retail finance, consumer packaged goods and technology development, and acumen honed at the nation's finest business schools, the report is drawn from the latest fielding of the Hearts & Wallets Investor Quantitative™ Database (IQ™ Database). The IQ™ Database is recognized as the largest single dataset on U.S. retail consumer attitudes, behaviors and buying patterns with over 45,000 U.S. households.

Top Performer Ratings

Proven over nine years, the Wants & Pricing Top Performers methodology offers a useful guide to firm performance on what customers value. To earn the Top Performer designation, firms must receive ratings from their customers distinctively higher than ratings that customers of other firms gave to their firms (*see methodology at the end of this release for more information*). Each firm included must have sufficient sample size to be considered as a Top Performer.

Customers rate their firms on wants that are most important to them. Top Performers are then designated on the two most important "Wants from Firm" from each of the five service dimensions. The report focuses on top-level national ratings because they are most comprehensive and provide an easy-to-understand overview. The report ratings encompass all customer account types and are weighted to national assets and age to be comparable across stores and years. Ratings from specific customer account types, such as brokerage customers, retirement plan participants, or personas such as women who value advice, may differ from national ratings and are available in the Hearts & Wallets IQ Dataminer interactive software.

"Like all shopping experiences, consumers are drawn to different investment stores to satisfy distinct wants, and as a result, customer bases can be quite diverse," Laura Varas, founder and CEO of Hearts & Wallets said. "The macro-level view of customer satisfaction is a starting point to understand customer needs. Firms are increasingly using specific design personas to deepen connections through a satisfying customer experience."

Top Performers Customer Satisfaction/2

Top Wants

Fees remain top of mind for consumers. The top want for consumers is “fees are clear and understandable,” at 57% of all consumers nationally in 2018, up 9 percentage points since 2013. Reasonable and low fees are also important for consumers, who also want firms to “explain things in understandable terms” at 53%, up 8 percentage points at the national level.

Most frequent consumer wants for financial professionals include being open and honest about fees, responsiveness and patience. Expectations increase for more affluent consumers who are directly paying financial professionals. Young consumers have high expectations for advice that they perceive as being “free,” where the financial professional fee is not direct reflected (such as phone-based mutual fund company, online brokerage representative or bank representative).

Top Performer Firms

Top Performers (with ratings distinctively higher than other stores) for selected attributes include –

- “*Understands me and shares my values*” – **Ameriprise Financial*** (NYSE: AMP), **Edward Jones***, **Morgan Stanley** (NYSE: MS), **USAA*** and **Wells Fargo Advisors** (NYSE: WFC) are Top Performers. **PNC** (NYSE: PNC) is most improved.
- “*Offers personal financial advice*” – Edward Jones* is Top Performer. Edward Jones and **Vanguard** are most improved.
- “*Investment ideas knowledgeable, timely and tactical*” – Ameriprise*, **Charles Schwab*** (NASDAQ: SCHW), Edward Jones*, and Morgan Stanley* are Top Performers. Ameriprise is most improved.
- “*Fees are clear and understandable*” – No Top Performer. **Prudential** is most improved.
- *Understand “very well” how the firm earns money* (9 or 10 on 10-point scale) (pricing measurement) – Charles Schwab, **E*Trade**, Morgan Stanley, **TD Ameritrade** are Top Performers. Most Improved are **JP Morgan Chase** (NYSE: JPM), Morgan Stanley, **TIAA** and USAA.

*also Top Performers in 2018

Methodology

Wants & Pricing is drawn from the section of the Hearts & Wallets Investor Quantitative Database (IQ Database) that analyzes consumer service dimensions, the price-value dynamic and captures customer satisfaction ratings of the 21 big banks, brokerages, employer and mutual fund firms cited most often by over 5,000 IQ Database participants. To be cited as a Top Performer, firms must receive ratings from their customers that distinctively higher than ratings that customers of other firms gave to their firms. Most improved providers from the prior year are also rated significantly higher by their customers than they were the prior year.

About Hearts & Wallets

Hearts & Wallets is a data and consulting firm focused on understanding the drivers behind retail investor decision making. Combining a consumer marketing framework with financial services operating experience, the company is a catalyst for consumer-driven innovation in retail investing and saving. Hearts & Wallets works with leading financial providers to improve the effectiveness of their marketing communications, solution design and service delivery. For more information visit www.heartsandwallets.com.

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