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Creating Happy Careers

Recruiting for Marketing, Creative & IT

A Generational Shift: Tastes and Expectations

Customer and Employee Engagement

Ed O'Boyle
Global Practice Leader
Gallup, Inc.

Americans' Economic Confidence Is Positive

OVERALL

MARCH 2017

+9

MILLENNIALS

MARCH 2017

+2

HOUSEHOLD INCOME

<\$7,500 per month

MARCH 2017

+10

The Job Market Is Active and Strong

NOW IS A GOOD TIME TO FIND A QUALITY JOB

OVERALL

42%

MILLENNIALS

52%

ACTIVELY LOOKING FOR NEW JOB OR WATCHING OPENINGS

OVERALL

51%

MILLENNIALS

60%

As a Result, Consumer Spending Is Up Over Last Year

OVERALL

MARCH 2016

\$84

MARCH 2017

\$98

MILLENNIALS

JANUARY 2016

\$81

JANUARY 2017

\$90

While Spending Is Up, It Is More On Wants Than Needs

% "SPENDING MORE THAN A YEAR AGO"	MILLENNIALS	ALL OTHERS	GAP
Healthcare	35	47	-12
Home maintenance	24	36	-12
Cable or satellite	26	36	-10
Groceries	52	58	-8
Utilities	37	44	-7
Internet	26	23	+3
Retirement investments	21	17	+4
Gasoline or fuel	40	35	+5
Travel	29	24	+5
Clothing	28	20	+8
Consumer electronics	27	18	+9
Rent or mortgage	40	29	+11
Leisure activities	33	22	+11

Americans Are Less Confident in “Traditional Institutions”

	June 2006 %	June 2016 %	Difference, 2006 to 2016 Pct. Pts.
Military	73	73	0
Police	58	56	-2
Church or organized religion	52	41	-11
Medical system	38	39	+1
Presidency	33	36	+3
U.S. Supreme Court	40	36	-4
Public schools	37	30	-7
Banks	49	27	-22
Organized labor	24	23	-1
Criminal justice system	25	23	-2
Television news	31	21	-10
Newspapers	30	20	-10
Big business	18	18	0
Congress	19	9	-10

Your Identity Drives your Communications



Purpose: Why does our organization exist, and why are we here?

Brand: How are we known to the world?

Culture: How do we live, and how do we do accomplish work around here?

Confidence in Banks Is Low, Satisfaction Is Even Lower

8%

of banking customers say they have a great deal of confidence in banks.

6%

of banking customers say they are extremely satisfied with the banking industry overall.

One-Third of Millennials Are Engaged With Their Primary Bank

U.S. OVERALL

49%

U.S. MILLENNIALS

30%

Source: Gallup Retail Banking Study 2015

Fully Engaged Customers Have More Products With Their Primary Bank

PRIMARY BANK PRODUCT PENETRATION

	DEPOSIT checking, savings, money market, CD	USAGE debit card, direct deposit, automatic payments, online bill pay, person-to- person payments, prepaid debit	CREDIT credit card, mortgage, home equity loan or line, student loan, auto loan	OTHER insurance, investments, financial planning and advice	TOTAL
Fully engaged	2.02	3.43	0.87	0.38	6.70
Indifferent	1.90	3.27	0.75	0.21	6.13
Actively disengaged	1.77	3.23	0.64	0.12	5.76

Source: Gallup American Retail Banking Study 2016

While Millennials Use More Channels Than Their Older Counterparts, Their Channel Usage Mirrors the Market

	2015 U.S.		2015 Malaysia	
	All	Millennials	All	Millennials
Digital, self-service only	14%	15%	27%	29%
Digital	91%	94%	89%	90%
Personal only	4%	1%	3%	2%
Personal	83%	81%	65%	62%
Avg. # channels used per customer	3.23	3.56	2.53	2.56

Source: Gallup Retail Banking Study 2015

Better — Not More — Channel Experiences Drive Engagement



88% Fully engaged customers are extremely satisfied with most of their interactions.

53% Indifferent customers are satisfied with half of their interactions.

21% Actively disengaged customers are satisfied with few of their interactions.

All engagement levels use the same number of channels.

What U.S. Bank Customers Expect From Banks

CUSTOMER ENGAGEMENT QUESTIONS

47% Always delivers on what they promise

43% I feel proud to be a customer

47% Perfect company for people like me

TOP 5 DRIVERS OF CUSTOMER ENGAGEMENT

Provides exceptional customer service	29%
Rewards me for the business I do with them	21%
Is a strong, stable financial institution	14%
Communicates with me in a clear, concise manner	11%
Helps me succeed financially	9%

Millennials Want Advice — Banks Should Be Like a “Financial Caretaker”

18-24 years

20x

Takes the lead in helping me get where I want to be

18x

Leads me down a path to my financial goals

18x

Looks out for my financial well-being

25-29 years

21x

Is always on my side

19x

Looks out for my financial well-being

18x

Always communicates with me in a clear and upfront manner

30-39 years

24x

Is always there when I need them

23x

Is always on my side

19x

Always communicates with me in a clear and upfront manner

40+ years

38x

Is always on my side

32x

Looks out for my financial well-being

31x

Is always there when I need them

Bank Employees Are the “Brand” Challenge

47%

ONLY 47% OF EMPLOYEES
COULD ACCURATELY
DESCRIBE THE BRAND.

35%

ONLY 35% OF EMPLOYEES
WOULD RECOMMEND
THEIR BANK TO FAMILY
AND FRIENDS.

34%

ONLY 34% OF EMPLOYEES
THINK THEIR ORGANIZATION
ALWAYS DELIVERS ON
BRAND PROMISE.

Majority of Employees Are Indifferent About Their Work and Workplace

33%

of U.S. employees are engaged in their job.

21%

of employees strongly agree their performance is managed in a way that motivates them to do outstanding work.

18%

of employees strongly agree that employees who perform better grow faster at their organization.

The Staggering Cost of Active Disengagement

Gallup estimates that actively disengaged employees cost the U.S. **\$483 billion to \$605 billion** each year in lost productivity.

Faulty Expectations, Feedback and Metrics Demotivate Employees

% EMPLOYEES WHO STRONGLY AGREE

their job description aligns with the work they are asked to do

41%

their manager involves them in setting their goals at work

30%

they can link their goals to their organization's goals

44%

Performance Remains Stagnant With Infrequent, Ineffective Feedback

20%

strongly agree they have had a conversation with their manager in the last six months about the steps they can take to reach their goals.

2.8x *more likely*
to be engaged

23%

strongly agree their manager provides meaningful feedback to them.

3.5x *more likely*
to be engaged

26%

strongly agree the feedback they receive helps them do better work.

2.9x *more likely*
to be engaged

Annual Performance Reviews Still Provide Value

Employees who have had a review in the last 12 months are more likely to be engaged than employees who have not.

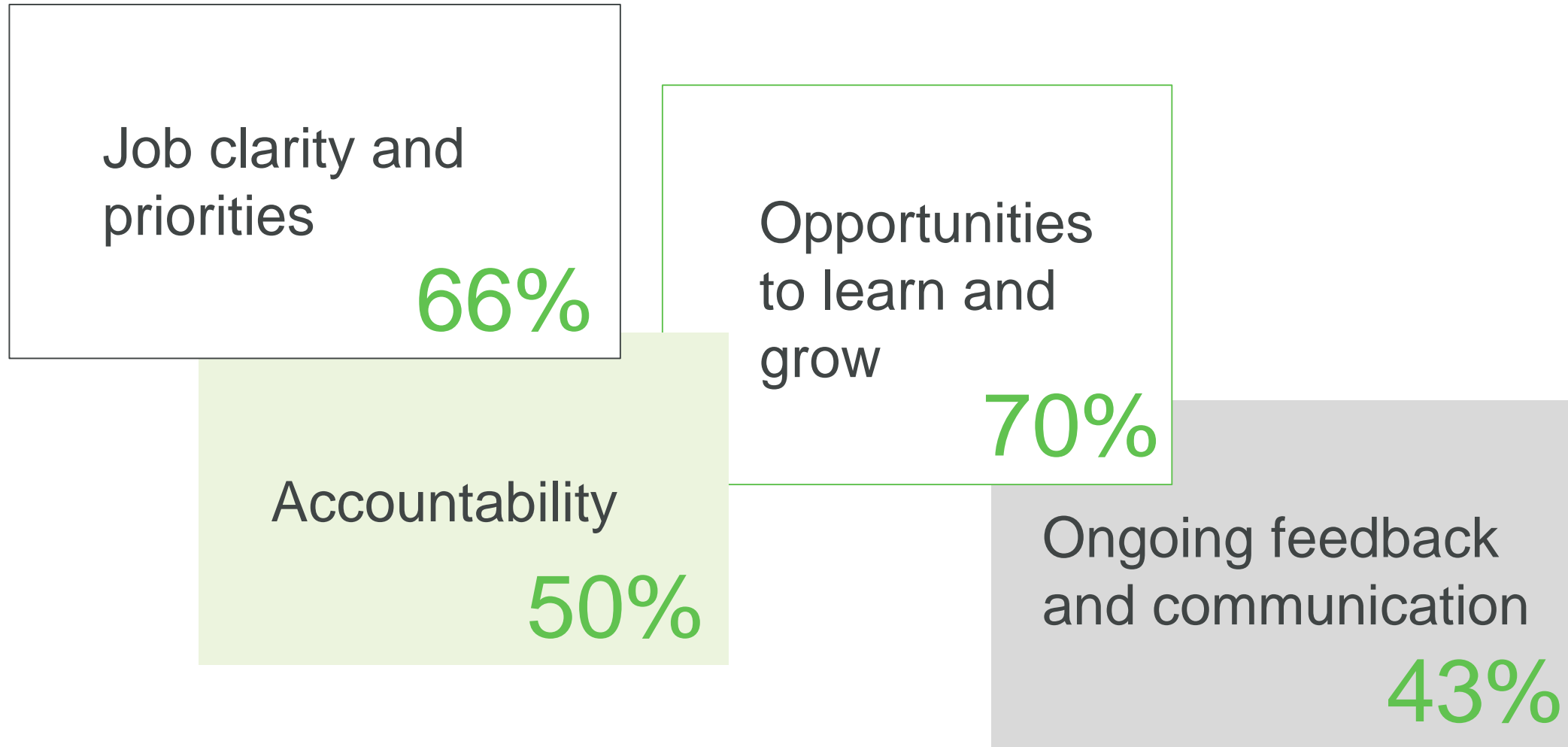
Unfair Evaluation Practices Lead to Misplaced Accountability

21%

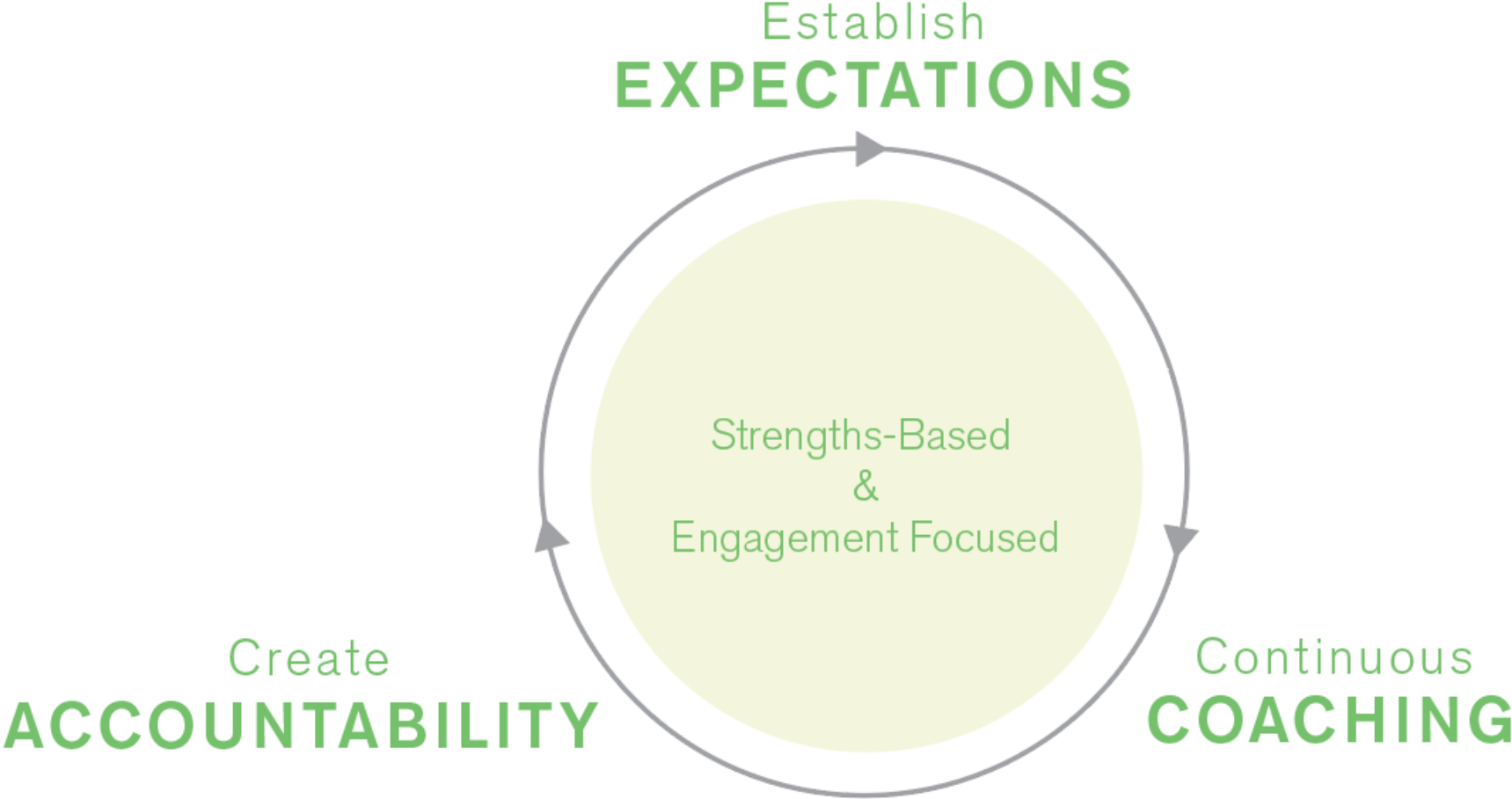
of employees strongly agree they have performance metrics that are within their control.

Those who strongly agree are *twice as likely* as other employees to be engaged.

Managers Must Focus on Four Areas of Employee Performance



Three Elements Transform Managers Into Coaches



Leaders Aren't Creating a Compelling Future

% EMPLOYEES WHO STRONGLY AGREE THE LEADERSHIP OF THEIR ORGANIZATION

has a clear direction for the organization

22%

makes them enthusiastic about the future

15%

communicates effectively with the rest of the organization

13%

Wrap Up

- economic confidence is up
- consumers are spending more
- trust in institutions is low
- customer engagement is a challenge – especially with millennials
- employees are the key to unlocking the brand
- employee engagement is an opportunity to drive performance