

# MAXMINDSHARE™

Case Study: The Competition for Share of Mind in the  
U.S. Retail Banking Market

**Wallet Allocation  
Rule® Certified**



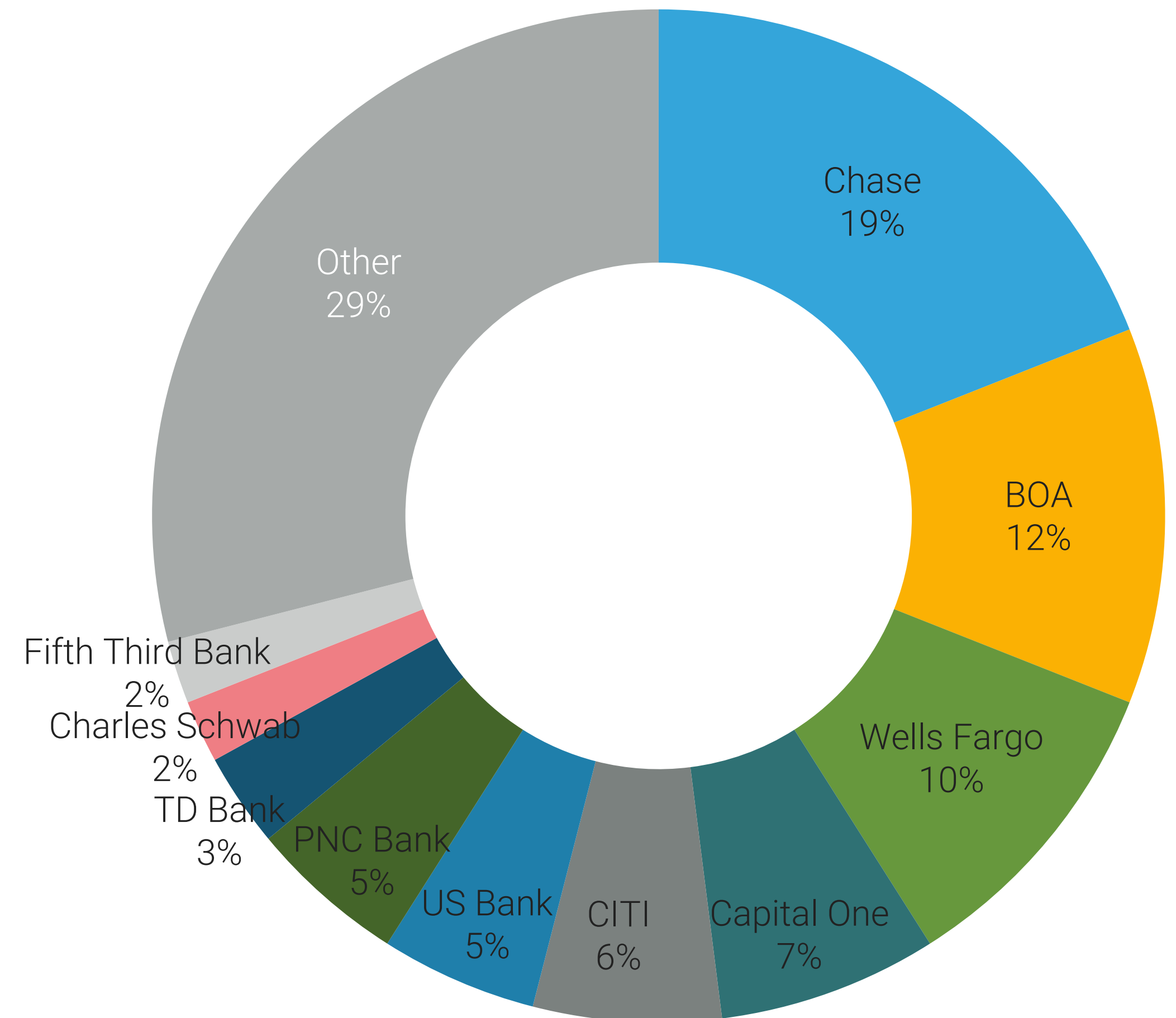
# Overview

- **Our purpose:** Identify today's winners and tomorrow's up and comers in the competitive U.S. retail banking market
- **How do we define winners?** The "share of mind" claimed by each major brand based on their brand equity
- **Approach:**
  - Rockbridge surveyed 1,000 retail banking customers in the U.S. in November 2017
  - We used our MaxMindShare™ metric to allocate mindshare to each major brand. The mindshare for all bank brands sums to 100%, and is a good predictor of market share and growth

# Which Banks are Winners?









- MaxMindShare™ is driven by depth of familiarity and *relative* favorability. **Banks viewed more positively than their competitors capture more mindshare.**
- This metric follows the science behind the Wallet Allocation Rule™, which reveals that the driver behind purchases is a brand's ranking, i.e., being the "best".
- **Just five banks account for over half (54%) of mindshare.** Four of the top five mindshare brands – Chase, Bank of America, Wells Fargo, and Citi – are also the top four in market share.
- One brand – **Capital One** – commands a relatively high mindshare even though it has a relatively small market share compared to the other mindshare leaders.
- Capital One has a higher mindshare than Citibank, and is not far behind Wells Fargo.

**Mindshare of U.S. Retail Bank Brands**  
(MaxMindShare™ Scores)



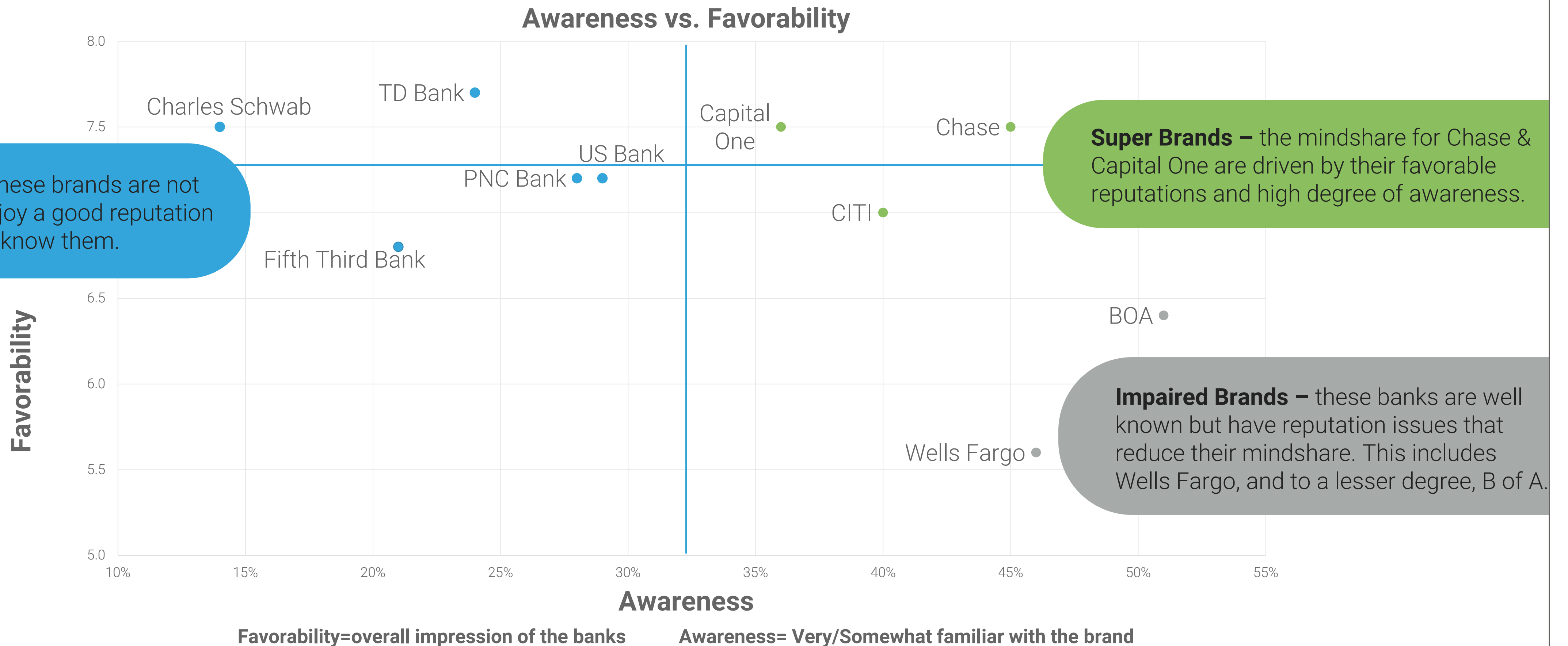
# Mindshare Matters

- In the short run, mindshare (determined by the MaxMindShare™ score) tracks closely with market share, but in the long run, mindshare drives growth.
- Compare the current market share of Chase, Capital One and TD Bank with their mindshare. For each, mindshare is higher than market share, signaling the potential to grow based on equity. This is reinforced by the fact that outsized proportions of consumers would consider these brands first when shopping for a new bank.

Brands	Share of Deposits in U.S.	MaxMindShare™ Score	Percent who would Consider the Bank First When Opening New Account	Growth Potential
Chase	13%	19%	17%	Grow 
BOA	11%	12%	11%	Flat 
Wells Fargo	11%	10%	6%	Shrink 
CITI	8%	6%	8%	Flat 
US Bank	3%	5%	3%	Flat 
Capital One	2%	7%	8%	Grow 
TD Bank	2%	3%	4%	Grow 
PNC Bank	2%	5%	2%	Flat 






# How Mindshare is Determined

- Mindshare for a brand is determined by its awareness and how it ranks in favorability against other brands. Brands differ on whether their mindshare is driven by awareness, a positive image, or both.



# What Drives Mindshare






- Mindshare is ultimately driven by image. The most pertinent measure is the degree to which a bank is the “best” among all aware brands. On the most important image attributes, Chase stands out on its wide branch network. Capital One excels as a safe place, having reasonable fees, and being well managed.

Imagery Attributes in Order of Importance (Importance, 0 to 100)	 <b>CHASE</b>	 <b>WELLS FARGO</b>	 <b>Bank of America</b>	 <b>citi</b>	 <b>Capital One</b>
A safe place to keep my money (10.7)	16%	11%	12%	26%	33%
Reasonable fees (8.5)	15%	11%	13%	8%	20%
Convenient branches near me (7.2)	20%	16%	18%	12%	10%
Well managed (5.7)	21%	10%	13%	19%	26%
Puts customers ahead of profits (5.1)	11%	9%	10%	7%	10%
Values my business (5.0)	16%	11%	12%	12%	21%
Knowledgeable and well-trained employees (4.9)	18%	12%	12%	20%	26%
Convenient business hours (4.7)	18%	14%	13%	15%	20%
Competitive rates on deposits and CDs (4.6)	13%	9%	10%	11%	20%
Advanced online/mobile tools for managing my finances (4.4)	17%	11%	14%	26%	35%
Easy to bank with them when I travel (4.4)	21%	15%	18%	18%	21%



# What Drives Mindshare

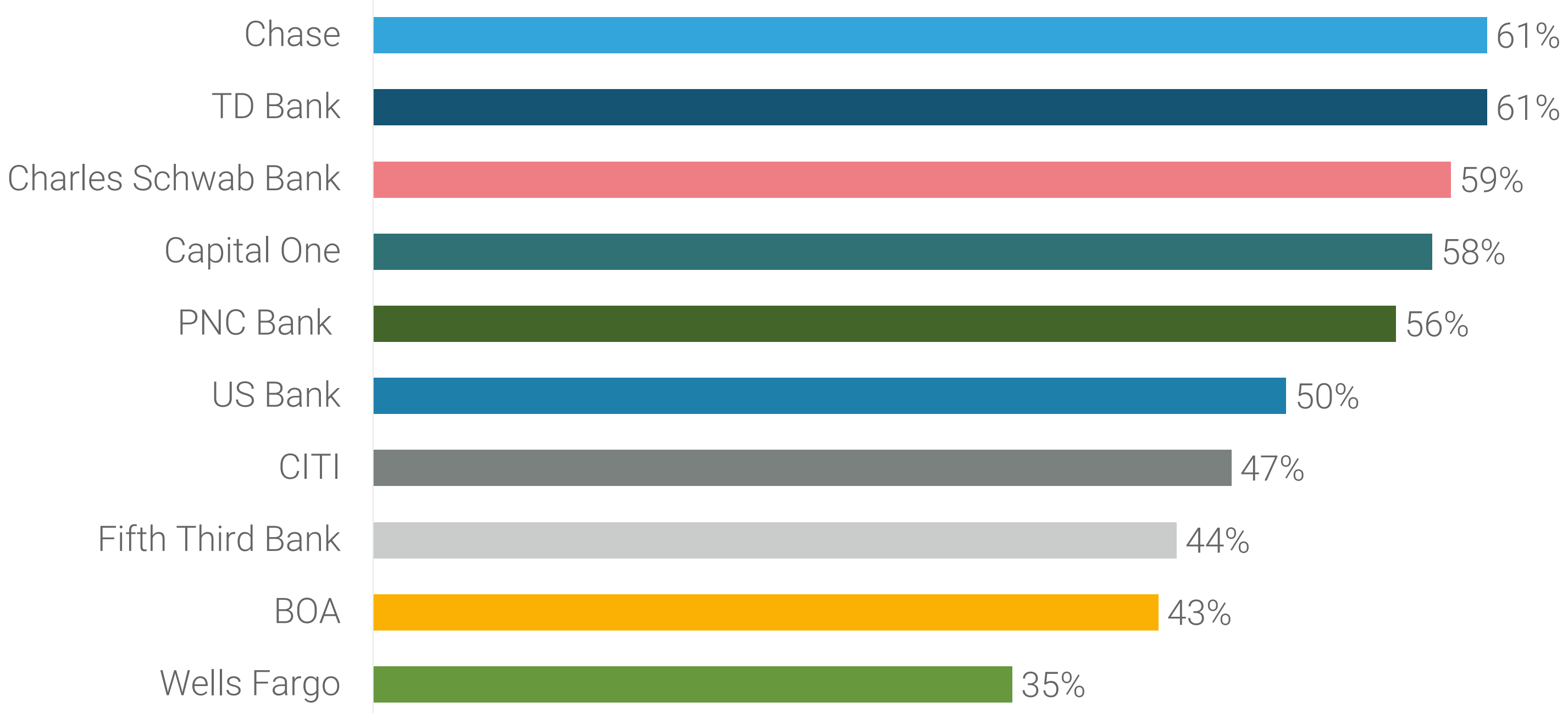
- On attributes of secondary importance, Chase is differentiated by its employees, Citi by its extensive national presence, and Capital One by its lending capacity, product depth and flexibility. Bank of America enjoys a slight edge in caring about the community, while Capital One is viewed as innovative and growing.

Imagery Attributes in Order of Importance (Importance, 0 to 100)					
Friendly and caring employees (3.8)	17%	13%	13%	12%	16%
Competitive lending rates (3.8)	14%	12%	11%	12%	18%
Has branches all over the U.S. (3.7)	22%	18%	20%	32%	22%
Easy to open accounts and apply for loans online (3.6)	15%	11%	14%	21%	32%
Gives people good advice about finances (3.3)	14%	12%	11%	11%	17%
A wide range of products and services (3.1)	16%	11%	13%	32%	39%
Flexible and open-minded in how they do business (2.6)	13%	10%	11%	10%	21%
Socially responsible (2.4)	13%	10%	10%	11%	15%
Long-term employees who get to know you (2.3)	14%	11%	10%	6%	8%
Cares about my local community (2.2)	11%	10%	12%	8%	8%
Innovative (2.1)	18%	11%	14%	17%	27%
Growing steadily (2.0)	17%	10%	12%	17%	25%

# Mindshare to Market Share

- Usually, consumers will rate a brand similarly on favorability (liking the brand) and confidence (ability to meet needs), but a lack of alignment indicates a gap that could affect their ability to convert mindshare into market share. TD Bank and Charles Schwab banks have notable confidence gaps, where there is some doubt about their ability to meet needs. Capital One, the up and comer, has virtually no gap.

**Top 10 Banking MaxMindShare Scores: Favorability**  
 Scored 8-10 on a 10-point Scale



**Ability to Meet Needs**  
 Scored 8-10 on a 10-point scale

**Confidence Gap**






58%	3
56%	5
54%	5
57%	1
53%	3
49%	1
45%	2
46%	-2
44%	-1
36%	-1

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# Mindshare to Market Share

- Another factor that prevents brands from converting mindshare into market share is the presence of structural barriers. The most common one in retail banking is the branch network, a particular issue for Citi and Capital One. Wells Fargo has the lowest incidence of barriers, and its bank network is less of an issue than other top brands.

Barriers to Bank Usage					
Branches not conveniently located	27%	16%	23%	39%	39%
Inconvenient branch hours	8%	7%	8%	7%	7%
Does not have enough ATMs	7%	6%	8%	13%	12%
High initial deposit required to open an account	6%	6%	8%	5%	3%
Does not have the account options I want	6%	8%	9%	8%	4%
Hard to open accounts	4%	4%	2%	3%	2%
I am not eligible to use them	2%	3%	1%	3%	2%
Inconvenient telephone banking hours	2%	3%	2%	4%	2%
Poor Internet or mobile banking capabilities	1%	3%	3%	2%	1%
None of the above	59%	66%	59%	48%	51%

# Lessons Learned about Mindshare Contenders in the U.S. Retail Banking Market

- Chase is the dominant brand in terms of mindshare, and its positive image poises it well for growth
- Wells Fargo is clearly suffering the consequences of negative publicity regarding aggressive cross-selling and false accounts
- Capital One is the upstart, and probably benefits from its extensive advertising and ability to serve consumers with a wide range of credit worthiness
- Capital One has a limited branch network compared to the larger players, but the bank has implemented creative strategies to overcome this obstacle including its Café concept