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Customers Rate Top Performer Financial Services Firms on Trust, Leading Indicators for Success and Business Metrics
Consumers Up Number of Firms Even as Satisfaction Increases

(April 9, 2018, Rye, NY) – **USAA** and **Edward Jones** received high marks on trust from their customers, earning a Hearts & Wallets Top Performer™ designation, in a new report on success metrics across the financial services industry by **Hearts & Wallets,** the source for retail investor data and insights.

The *Stores & Success Metrics: Winning the "Hearts & Wallets" of Customers* insight module from the annual Hearts & Wallets Investor Quantitative™ Database (IQ™ Database) by analyzing customer success metrics nationally for the top 26 investment, banking and retirement plan participant firms, or "stores," for over 8,000 sets of customer ratings of different firms from over 5,000 investors. The report measures customer trust and loyalty, including the Hearts & Wallets Loyalty Predictor – the intent to invest more and intent to recommend. Also featured in the report are analyses by specific customer types, including brokerage and employer-sponsored retirement plan (ESRP) participants, as well as breakdowns by stores with highest share of wallet, primary store, primary store for retirement advice stores leading in investable assets and other business goal metrics.

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 40,000 U.S. households.

Consumer Trust Increasing

USAA and Edward Jones are Hearts & Wallets Top Performers for the trust success metric this year. To earn the High Trust Top Performer designation, stores have the highest proportion of customers who rate them a 9 or 10 on a 10-point scale to assess the level of trust where 0 equals "very little trust" and 10 equals "very high trust." Hearts & Wallets ratings published in this report encompass all customer types and the data is weighted to national assets and age to be comparable across stores and years (*see methodology at the end of the release for more information*.)

Consumer trust overall is increasing at the national level with 80% of consumers saying they have moderate to high trust in their primary or secondary retail firms, or "stores," an increase of 6 percentage points from four years ago. The trust success metric has broad applicability across all types of financial services firms.

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Satisfaction Up as Stores Increase

The increase in trust comes at a time when consumers cite greater satisfaction with their stores as indicated by an increase in their intent to invest and intent to recommend. Likelihood to recommend a firm that the consumer has a relationship with increased nationally by 6 percentage points in five years with 42% saying they were extremely likely to recommend and 31% saying they might recommend. Likelihood to invest more is lower but also improving, up 3 percentage points in five years, reaching 33 percent.

At the same time, the average consumer is adding more stores, now using 1.9 stores, up from 1.7 stores four years ago. The average consumer with $500,000 in investable assets uses 3 or more stores, also up slightly. One third of consumers with $500,000 or more have 4 or more store relationships. Growth in store relationships is because consumers without saving and investing relationships decreased to 13% along with an increase of consumers who added 2 or more relationships.

"The continued improvement in consumer trust opens the door to building stronger relationships for stores with their customers," Laura Varas, CEO and founder of Hearts & Wallets said. "The trend of consumers seeking out more stores despite the rise in satisfaction is also a positive. Firms have an opportunity to identify the unmet needs that prompt consumers to add stores. Recognize consumers may want to fund goals beyond retirement, like college savings or obtain assistance in taking income tax efficiently during retirement. Firms who excel in solving these needs with niche accounts will be able to expand their relationship with the customer."

Loyalty Measures

The Stores & Success Metrics report examines internal success metrics often tracked by firms, such as share of wallet. In addition to these conventional business measures, the report analyzes customer loyalty measures, which can be predictors of future opportunity, like the trust success metric. Stores with high ratings from their customers in these loyalty success metrics are defined as Top Performers by Hearts & Wallets and include --

- **Main Source of Retirement Advice:** Edward Jones is a Top Performer.

- **Intent to Invest More:** Edward Jones, **Scottrade** are Top Performers.

- **Intent to Recommend:** **Charles Schwab** (NASDAQ: SCHW), Edward Jones, Scottrade, **Vanguard** are Top Performers.

- **Hearts & Wallets Loyalty Predictor:** Charles Schwab, Edward Jones, **Fidelity**, USAA are Top Performers. The Hearts & Wallets Loyalty Predictor combines intent to invest more and intent to recommend in order to gauge happy customers who are actively increasing business.

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Business Success Metric Leaders

"Top Performers do a good job of understanding what their customers want and delivering upon those requirements," Beth Krettecos, Hearts & Wallets Subject Matter Expert and report author, said. "Hearts & Wallets believes future success will be defined by the ability of firms to connect investing with essential parts of a consumer's life, whether that's life insurance, renter or homeowner's insurance, or other financial needs."

Methodology
Hearts & Wallets *Stores & Success Metrics: Winning the "Hearts & Wallets" of Customers* Insight Module report is drawn from the section of the Hearts & Wallets Investor Quantitative™ Database (IQ™ Database) that analyzes retail provider "store" success metrics, including trust ratings and other loyalty measures for the 26 leading banks, brokerages, employer-provider and mutual fund firms cited most often by over 5,000 IQ™ Database participants. To be cited as a Top Performer, firms had the highest proportion of customers for the metric who rated them a 9 or 10 on a 10-point scale (with 10 being highest) as compared to the ratings of customers of other firms. The exception is the main source of retirement advice, which is determined by the stores with the highest proportion of customers who cite the stores as their "primary source of retirement advice." The report also includes the Hearts & Wallets Loyalty Predictor, a rating of intent to invest and intent to recommend for the 26 firms.

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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