

Top 5 Wants Customers Have of Financial Services Firms; Biggest Satisfaction Gaps Tied to Investment Management

Ameriprise and Edward Jones Top Performers in Multiple Categories: Pricing Confusion Remains, Especially in Workplace

(Mar. 14, 2024, Rye, NY) – Multi-millionaires want their financial services firms to be unbiased above all else, but mass market customers look first for a firm that delivers straight talk. Understanding specific customer wants and gaps can help firms gain a competitive advantage, according to a new market intelligence report by [Hearts & Wallets](#), the data and benchmarking firm that specializes in powering growth for saving, investing and financial advice businesses.

Wants & Pricing 2024: Top Performer Firms and Opportunities for Competitors to Differentiate in Biggest Satisfaction Gaps examines the importance of wants, customer satisfaction and pricing.

This report is based on a survey of 5,846 U.S. households in the latest wave of the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 120 million data points on saving, investing and advice behaviors from 70,000 U.S. households dating back to 2010.

Top 5 Wants

Nationally in 2023, the ranking of top 5 wants from financial services firms from U.S. households is based on importance on a top-two box using a scale of 1-10 and include –

1. “fees are clear and understandable” – 54%¹
2. “explains things in understandable terms” – 53%
3. (tie) “unbiased, puts my interests first” – 52%
3. (tie) “has made me money” – 52%
5. “well-trained staff” – 51%

Looking by asset groups, top wants change. The top mass market want (for households under \$100,000 in investable assets) is “explains things in understandable terms,” which is also among the top 5 wants for households in asset ranges up to \$3 million. For \$3-million-plus households, the top want is “unbiased, puts my interests first.” For wealthiest households, “understandable terms” isn’t in the top 5.

“Firms should segment relentlessly for insights that lead to better strategies and tactics,” said Laura Varas, Hearts & Wallets CEO and founder, said. “Better explanations will help firms compete for the 88.3 million mass market households who control \$2.5 trillion. To improve business results in the 3-million-plus segment, which comprises 3.5 million households with \$39.8 trillion, be sure to focus on customer advice experiences, product lineups and field compensation deliver on ‘unbiased, puts my interests first.’ Relentless segmentation on end shareholders needs to be much higher for manufacturers to ensure relevancy in the future.”

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¹Top 5 wants are closely grouped. Sampling error is a function of sample size and response rate. At the national level, responses selected by 30% of households have a sampling error of +/- 0.8 ppts and +/- 1.2 ppts at 80% and 95% certainty, respectively.

Top 5 Customer Wants, Biggest Satisfaction Gaps

Biggest Satisfaction Gaps

Satisfaction gaps arise when the importance of a customer want exceeds average satisfaction for the industry. The biggest satisfaction gaps today relate to investment management and include “has made me money,” “proactive when market changes/I’m losing money,” “unbiased, puts my interests first,” and “investment ideas are knowledgeable, timely and tactical.” The top gaps range between 10 to 7 percentage points in difference between importance and current satisfaction.

Looking ahead, rising importance and stagnant satisfaction at the industry level suggest future satisfaction gaps. Personal financial advice is an example of a want that has become more important over time while satisfaction has remained flat, indicating a possible area for breakthrough competitive differentiation.

Top Performer Firms

Ameriprise (NYSE: AMP) and **Edward Jones, Merrill** (NYSE: BAC), **Morgan Stanley** (NYSE: MS) and **USAA** achieved one or more Hearts & Wallets Top Performer designations in this year’s national customer buying and satisfaction ratings for brokers, banks and retirement platforms.

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

- *“Fees are clear and understandable”* – USAA
- *“Explains things in understandable terms”* – Ameriprise, Edward Jones
- *“Unbiased, puts my interests first”* – Ameriprise
- *“Well-trained staff”* – Edward Jones
- *“Understands me and shares my values”* – Ameriprise, Edward Jones, Merrill, Morgan Stanley and USAA

“In today’s economic climate, delivering high customer satisfaction requires a strategic approach that prioritizes customer wants, thoughtful allocation of resources, and innovation,” Beth Krettecoc, Hearts & Wallets Subject Matter Expert and report co-author, said. “Top Performer ratings help firms evaluate their performance competitively, identify areas of improvement and optimize resources efficiently.”

Pricing Confusion, Especially in Workplace

Pricing remains problematic with many customers not knowing how they pay for saving and investing, especially in workplace models. Customers do not know how they pay in 34% of saving and investing relationships, but with 20% of relationships reported as free, and 32% using basis points or flat fees. Customers are more aware of how they pay for retail investing relationships (74%) than workplace investing relationships (66%). Customers report increasing use of flat fees.

Methodology

The *Wants & Pricing 2024: Top Performer Firms and Opportunities for Competitors to Differentiate in Biggest Satisfaction Gaps* report examines the importance of wants, customer satisfaction and pricing. This report is based on the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 120 million data points on saving, investing and advice behaviors from 70,000 U.S. households dating back to 2010. The latest wave was fielded Sept. 11 – Oct. 6, 2023, with 5,846 U.S. households.

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About Hearts & Wallets

Hearts & Wallets is the data and benchmarking firm that specializes in powering growth for saving, investing and financial advice businesses. Leading firms rely upon Hearts & Wallets market intelligence reports, software and benchmarking to make strategic decisions that lead to growth by improving products, distribution, pricing, positioning and targeting. The power of 2.5x: over 70% of Hearts & Wallets subscribers experienced positive net flows in 2022 as compared to just 30% of non-subscribers. For more information, visit www.heartsandwallets.com.

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