



Top Takeaways from SOCI's 2024 Consumer Behavior Index for Financial Services Companies



Introduction

SOCi's Consumer Behavior Index (CBI) asks U.S. consumers to weigh in on their practices and preferences when interacting on and offline with local businesses. The survey asked 1,002 consumers across the U.S. about:

-  The sites and apps they use to research and discover local businesses
-  The peer feedback about businesses that consumers both use and provide
-  The importance of open lines of communication between customers and local businesses
-  Consumer feelings about AI in local marketing

As anticipated, the consumer input we've collected suggests some clear action items for local businesses and financial services marketers who want to nurture positive relationships with their clients. And who doesn't? So, let's review the top takeaways from the 2024 CBI.



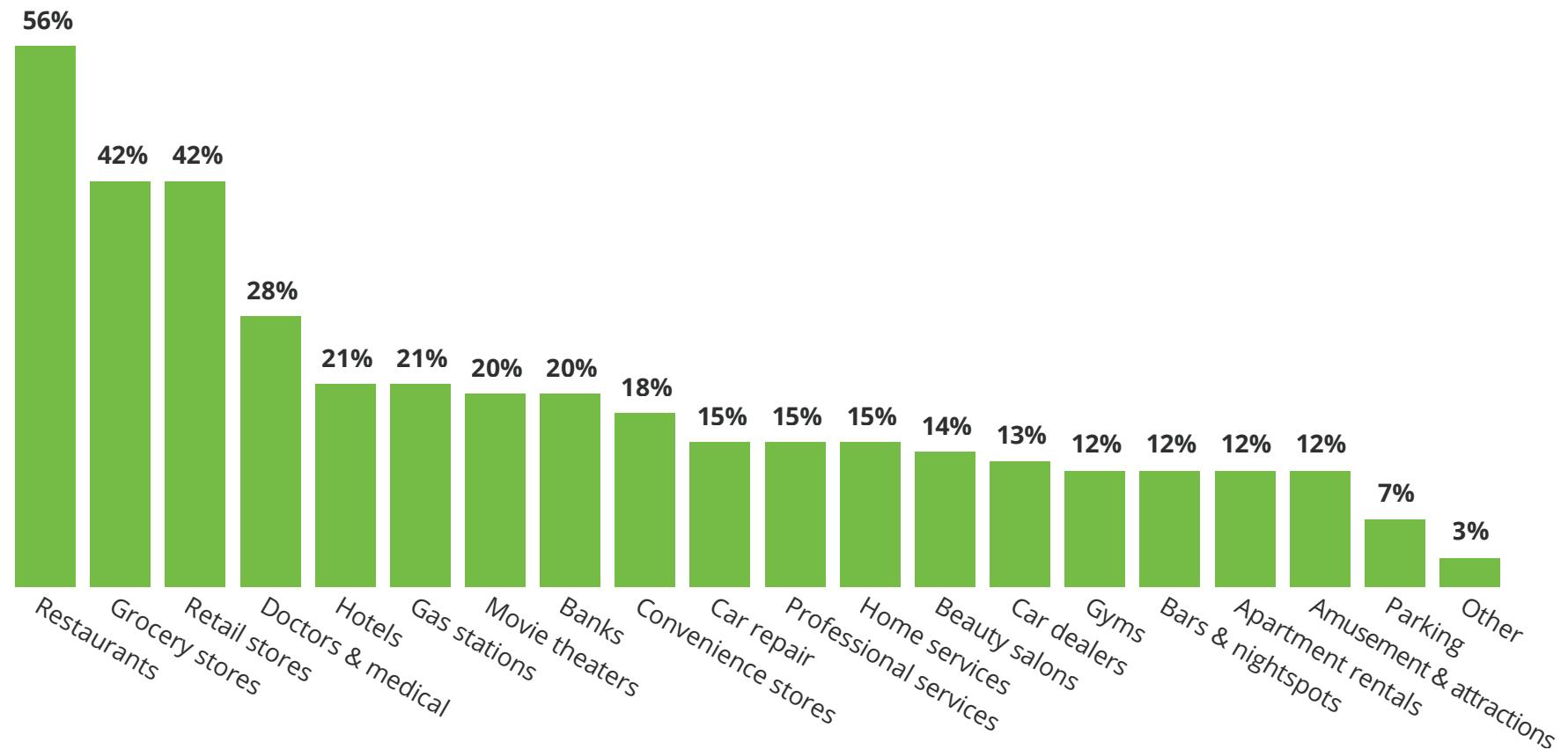
TAKeway #1

Consumers Depend on Online Profiles

The Findings

Our U.S. consumers told us that they frequently conduct online searches for local businesses, with **80%** saying they do so at least once a week and **32%** searching every day or even multiple times a day. Though restaurants, grocery stores, and retail stores are the most popular categories for online search, shoppers look online for local businesses of all kinds, including financial services companies. In fact, **1 in 5** consumers we surveyed researched banks near them in the last 30 days.

What types of businesses have you looked up information about for the last 30 days?



Consumers mostly find online profiles on sites and apps like Google Maps and Facebook to be helpful and informative, with nearly 99% reporting that online tools for local search are either “moderately satisfactory” or “highly satisfactory.”

Only 15% of consumers say they frequently encounter inaccurate information about local businesses online.

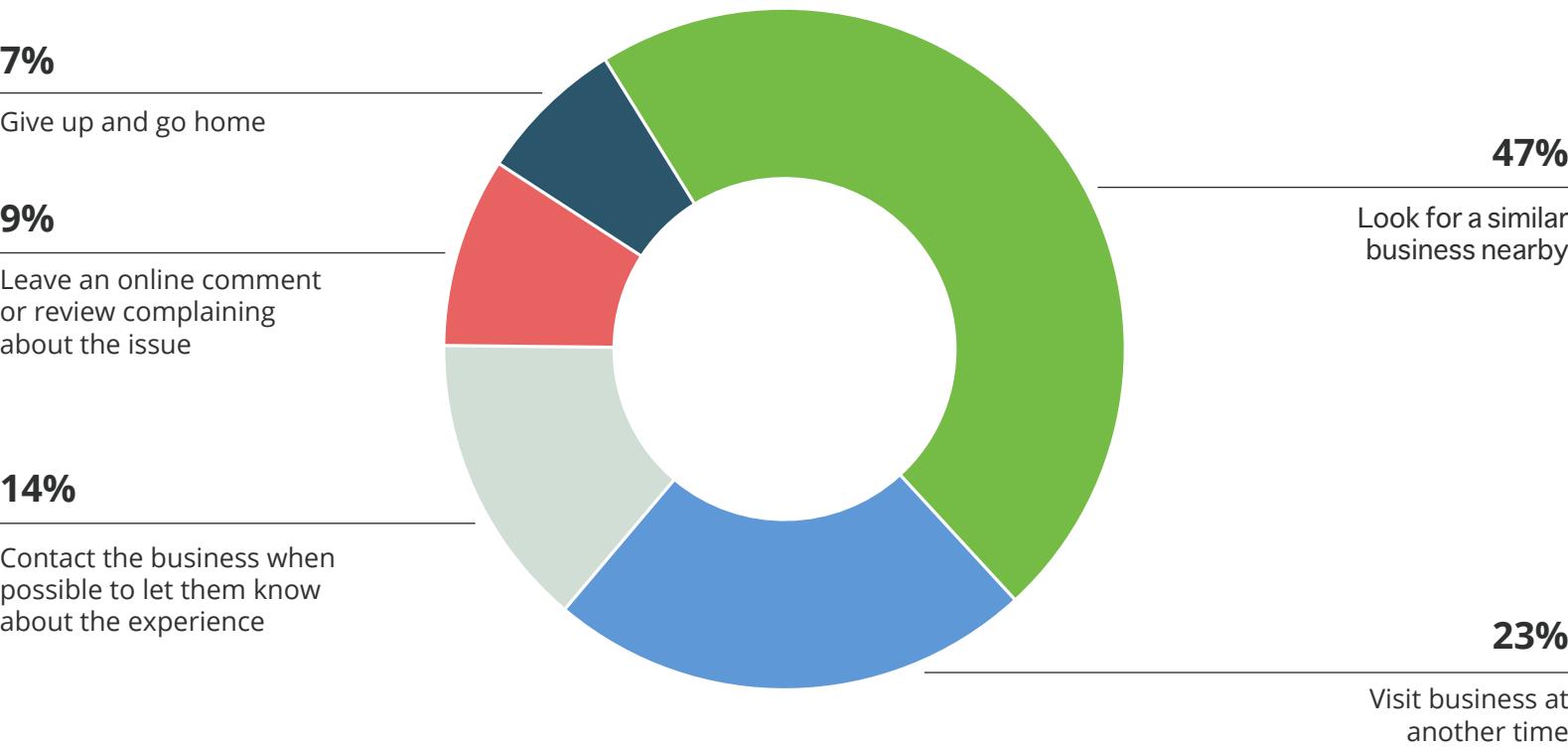
However, the impact of bad information is stark. When asked what they would do if they visited a store whose online profile says it's open, only to find that the business is closed, the largest block of consumers, 47%, said they would look for another business.



The Action Item

Our findings send a clear signal to local marketers — consumers need to be able to find accurate and up-to-date local business information. Consumers have been trained to expect that businesses of all kinds, including financial firms, will be highly available online and will provide helpful, accurate information that helps them make informed decisions.

If you were to visit a business whose online profile states that it is open and find that the business is actually closed, what would be your most likely next?



TAKEAWAY #2

Shifting Search Preferences Across Generations

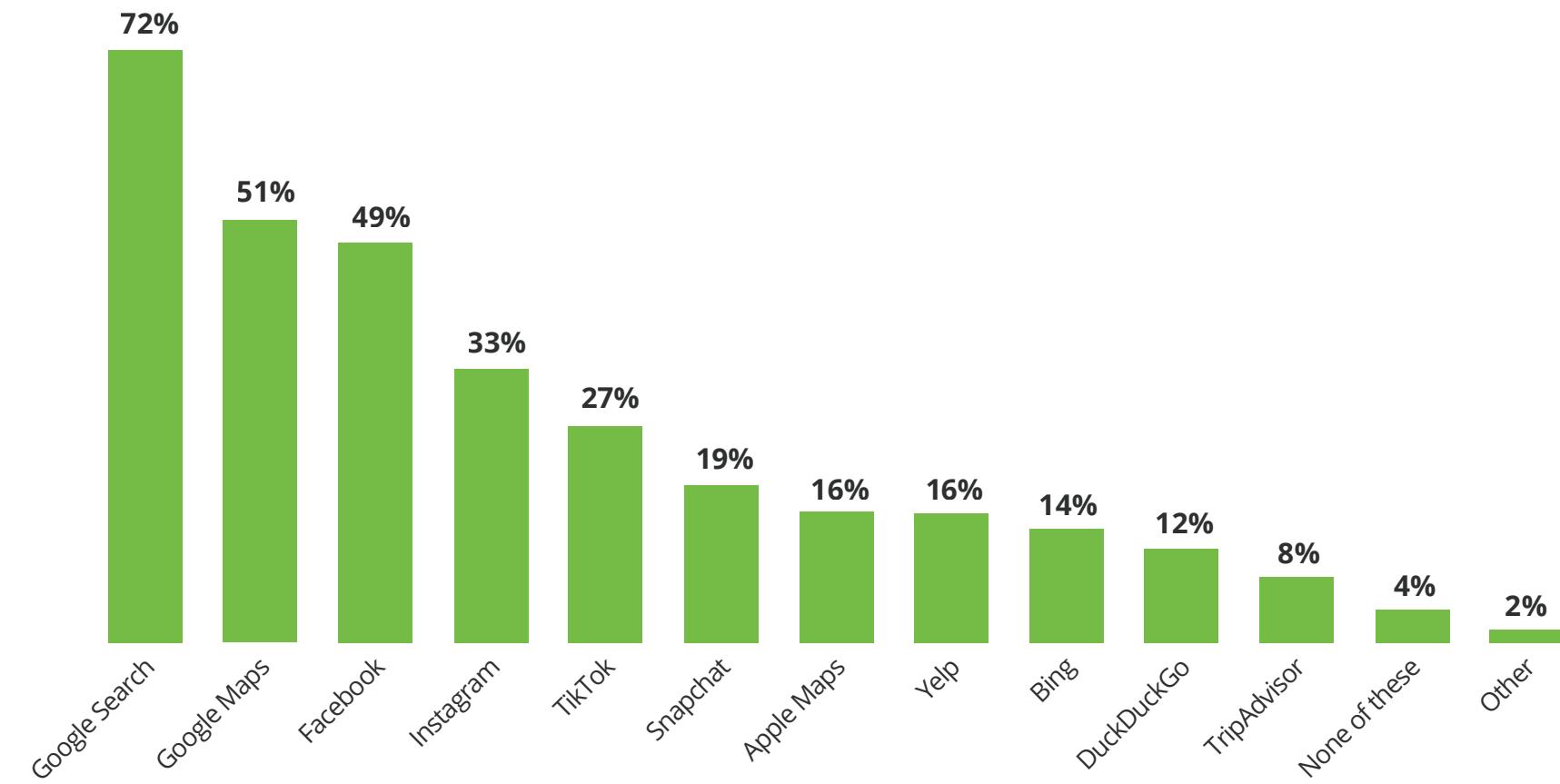
The Findings

In July 2022, a Google executive [unveiled](#) the surprising finding, based on internal research, that 40% of Gen Z consumers would rather use Instagram or TikTok than Google when looking for a place to have lunch. Whether it's restaurants or other local businesses, this marked a generational transformation in local. Our findings indicate that, for the most part, consumers still think of search as the primary local channel, with 64% indicating they prefer search engines for looking up local businesses.

But when you look at the breakdown of sites and apps consumers say they've used for local research in the last month, a picture emerges that echoes the Google finding.

As we can see, the most frequently used tools are Google Search and Google Maps, with Facebook making a strong third place, and the next three positions occupied by social apps: Instagram, TikTok, and Snapchat. However, a significant portion also say they've used Apple Maps, Yelp, Bing, and DuckDuckGo (which uses Apple for local data).

Which smartphone apps or websites have you used in the last 30 days to look up information about local businesses?



When we examine the demographic breakdown of the results, we begin to see a full picture of today's consumer preferences.

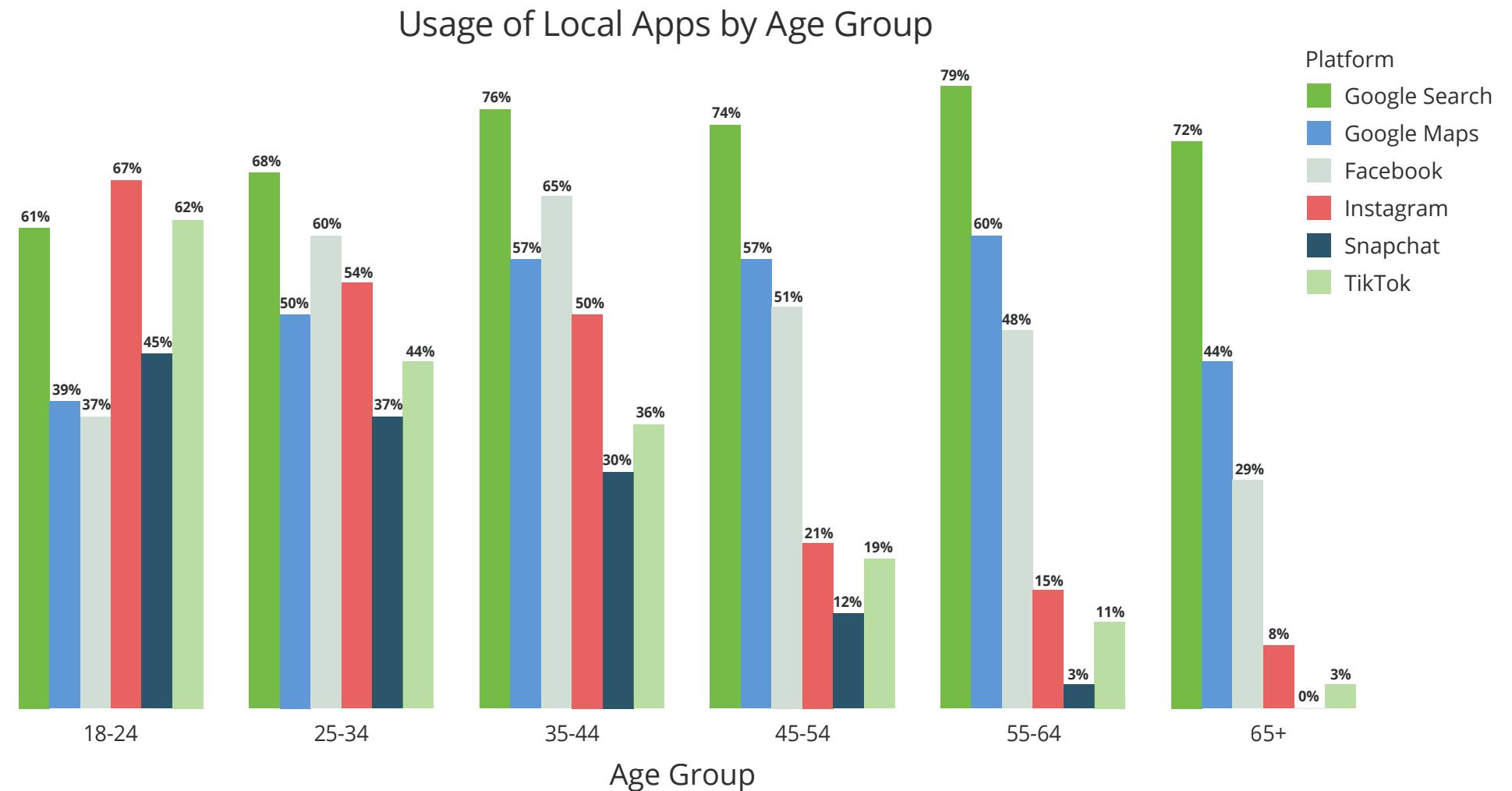
Among consumers aged 18 to 24, the top local tool used by 67% of respondents is Instagram, followed by TikTok at 62%, with Google Search coming in third at 61%. According to our findings, it seems that Gen Z is even more likely to use social apps for local search and discovery than 18 months ago.

On the other hand, Google Search remains the dominant choice in every other age group, with usage of social apps declining dramatically for consumers older than 44.



The Action Item

Financial firms need to be discoverable on a range of popular search and social platforms. The strategy that firms should pursue will depend on their target audience, but it's safe to say that most businesses don't just want to appeal to one age group, and therefore will need to spread their efforts across both search and social appropriately. The big revelation here is that social is now the clear preference for the youngest consumers when it comes to local search and discovery.



TAKEAWAY #3

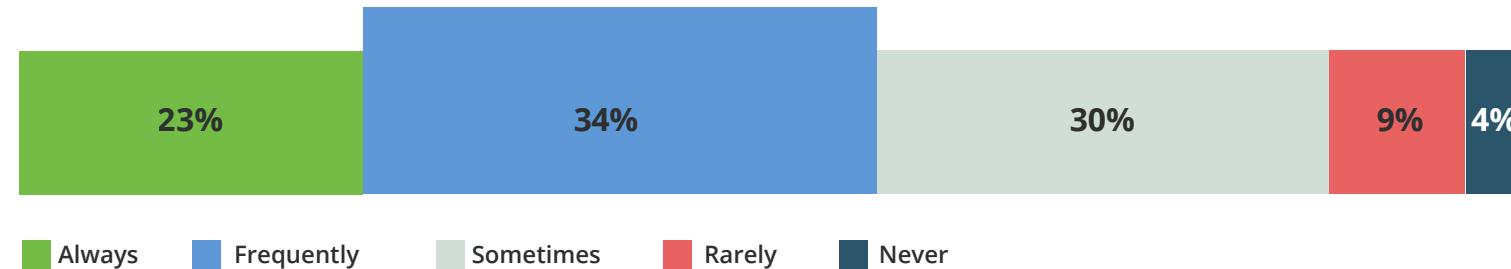
Consumers Love Recommendations

The Findings

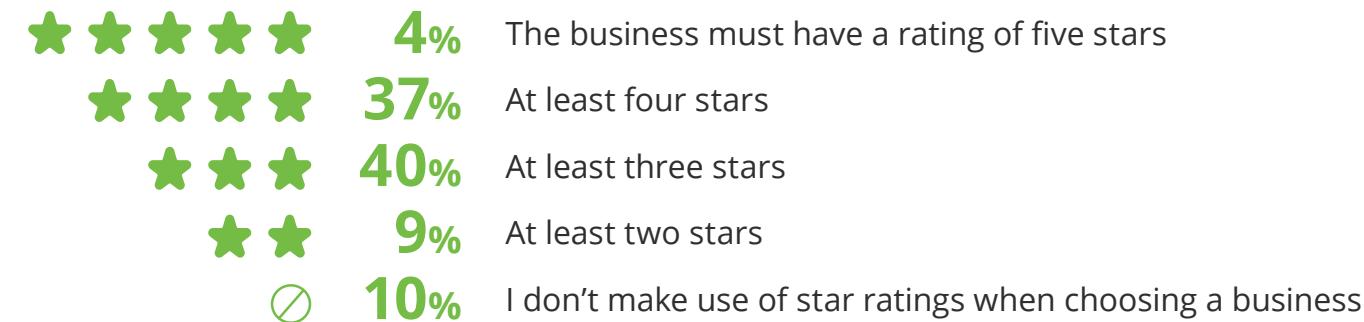
We're all consumers ourselves, so we know that online reviews and social media content are an important part of the consideration phase in many purchases. We asked our consumers how often they read online reviews before making a purchase decision, and most (87%) said they do so regularly.

As for the star ratings that matter, consumers are choosy, with 77% indicating that a business must have at least three, if not four stars out of five to be considered.

How often do you read online reviews before choosing a local business?



What is the minimum star rating the business must have (out of five) in order for you to visit or contact them?



Consumers also appreciate timely, meaningful feedback from firms when they write reviews. Some 81% of consumers reported they write reviews of local businesses occasionally, while 41% said they're more likely to choose a business that responds to its online reviews.

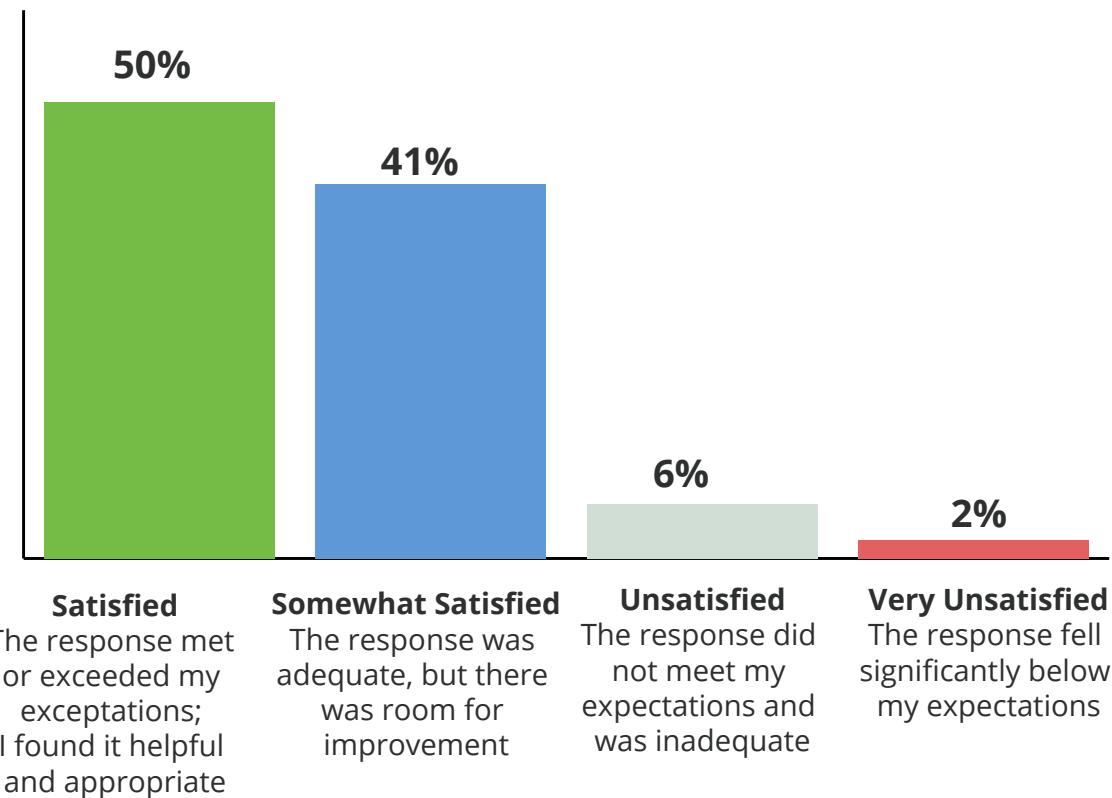
However, only 30% said that when they wrote their most recent review, the business responded within one to two days. More troubling, only half of consumers who received a response said they felt fully satisfied by the interaction.



The Action Item

It's clear financial firms need to focus on creating great customer experiences so they'll receive a steady stream of positive reviews. Whether negative or positive, when they receive reviews, they must provide timely, relevant feedback by responding to each review. Firms need a clear protocol for review response that addresses common concerns, mitigates compliance risks, and doubles down on the types of feedback that builds loyalty.

When the business responded to your review, how did you feel about the interaction?



TAKEAWAY #4

Connect with Customers Where They're Already Spending Time: On Social Media

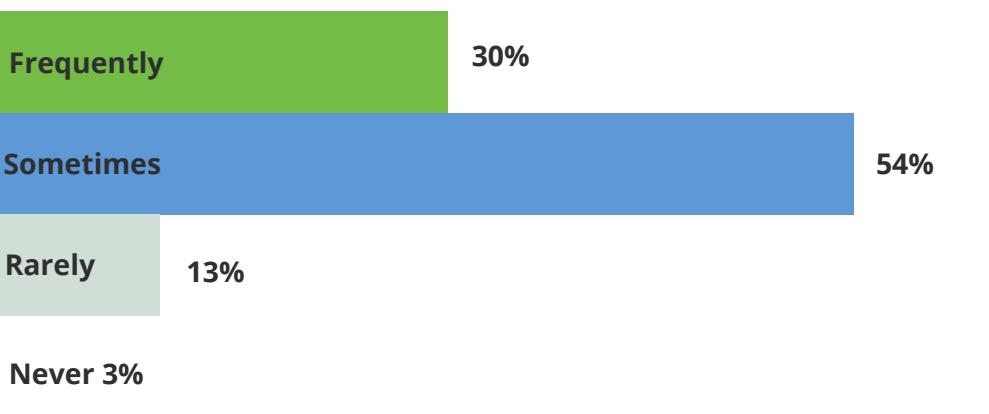
The Findings

If search is the channel for consumers seeking information and peer recommendations, social is the channel where they hang out, interact with friends and groups sharing their interests — and connect in meaningful ways with financial businesses.

We've already noted that, especially for Gen Z and millennials, social is increasingly the first place consumers turn when looking to fill local needs. This holds particularly true for financial advice and knowledge. According to a [2023 survey](#), **75%** of millennials and Gen Zers use apps and social media as their primary financial education resource.

A huge part of social media's appeal is its ability to showcase relevant content that will appear to the right consumers at the right time. This mode of discovery is one that our consumers say they experience frequently.

How often do you discover new products, services or businesses online?



Of course, consumers are also used to treating social media as a communication tool, and they expect the same timely and meaningful interactions with businesses as they experience with friends and other users. Unfortunately, as with reviews, consumers say businesses aren't especially attuned to their needs in social channels today.

Some 82% of the consumers in our survey say they sometimes post comments and questions in online profiles for businesses, but only 31% say the business responded quickly to their last comment or question, and only 57% got any response at all.

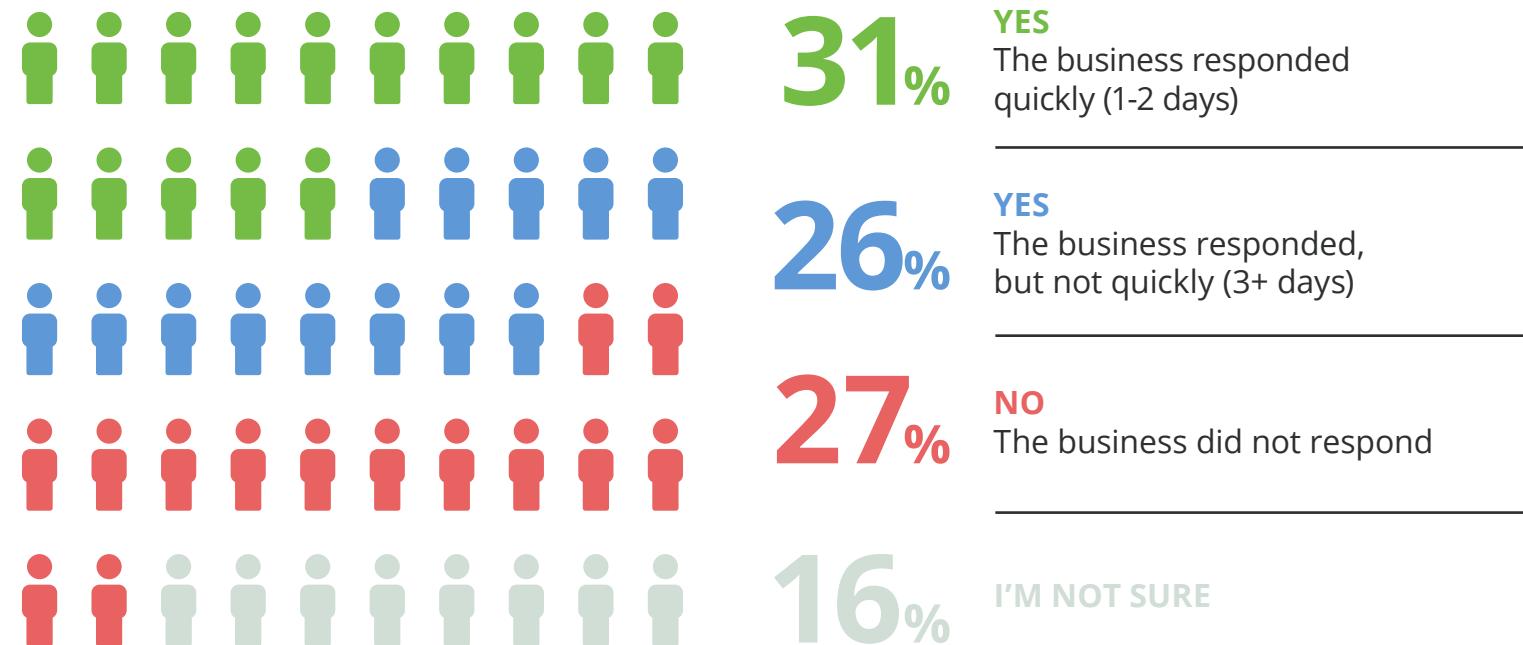
As with reviews, only about half of the consumers surveyed (48%) said that the response they received from the business satisfied their expectations. A fuller picture is emerging: businesses need to do a better job of nurturing their relationships with customers in every channel they use for search and discovery.



The Action Item

Similar to responding to online reviews, businesses must engage with their audiences on social media. Any comment or question your firm receives on social platforms should be addressed in both a timely and personalized manner while adhering to industry regulations. Consumers want to feel seen and heard, and engaging with them on social platforms, where they already spend a lot of time, is key.

After you left your most recent comment or question for a local business, did the business write a response?



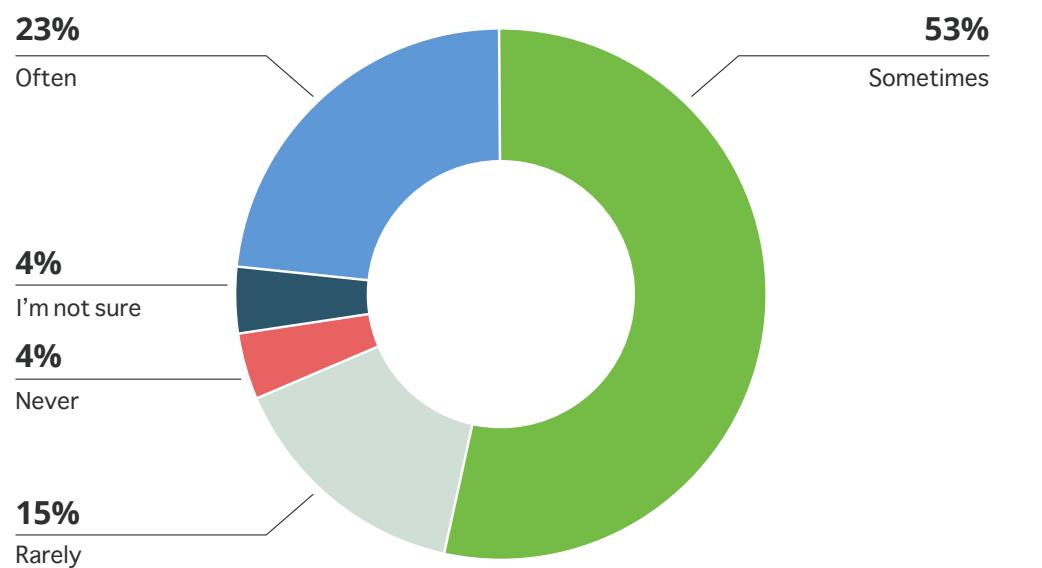
TAKEAWAY #5

The Power of Digital Communication

The Findings

The Covid pandemic only increased the amount of time consumers spend online, and helped to create high expectations for online availability for all kinds of businesses. In recent years the pace at which new features have become available for businesses to showcase themselves has also increased. The result? Consumers expect to be able to research businesses, weigh alternatives, book appointments, and find exactly the service they need, all through online platforms. Some 91% of our respondents, in fact, reported that their offline purchase journey begins online, at varying degrees of frequency.

How often does your local purchase journey include search or discovery of information or recommendations online?



When we asked consumers what factors matter when deciding whether to visit or contact a local business, they essentially answered, "all of them." Quality, cost, and data accuracy mattered to our consumers the most, followed by proximity, speed of service, and brand reputation. But all of our factors got significant attention, including personal recommendations, customer feedback, high search ranking, visual content, and many more.

Perhaps unsurprisingly, 63% of those surveyed said that many of these factors become more important when contemplating larger purchases — in particular, quality, cost, brand reputation, and customer feedback.

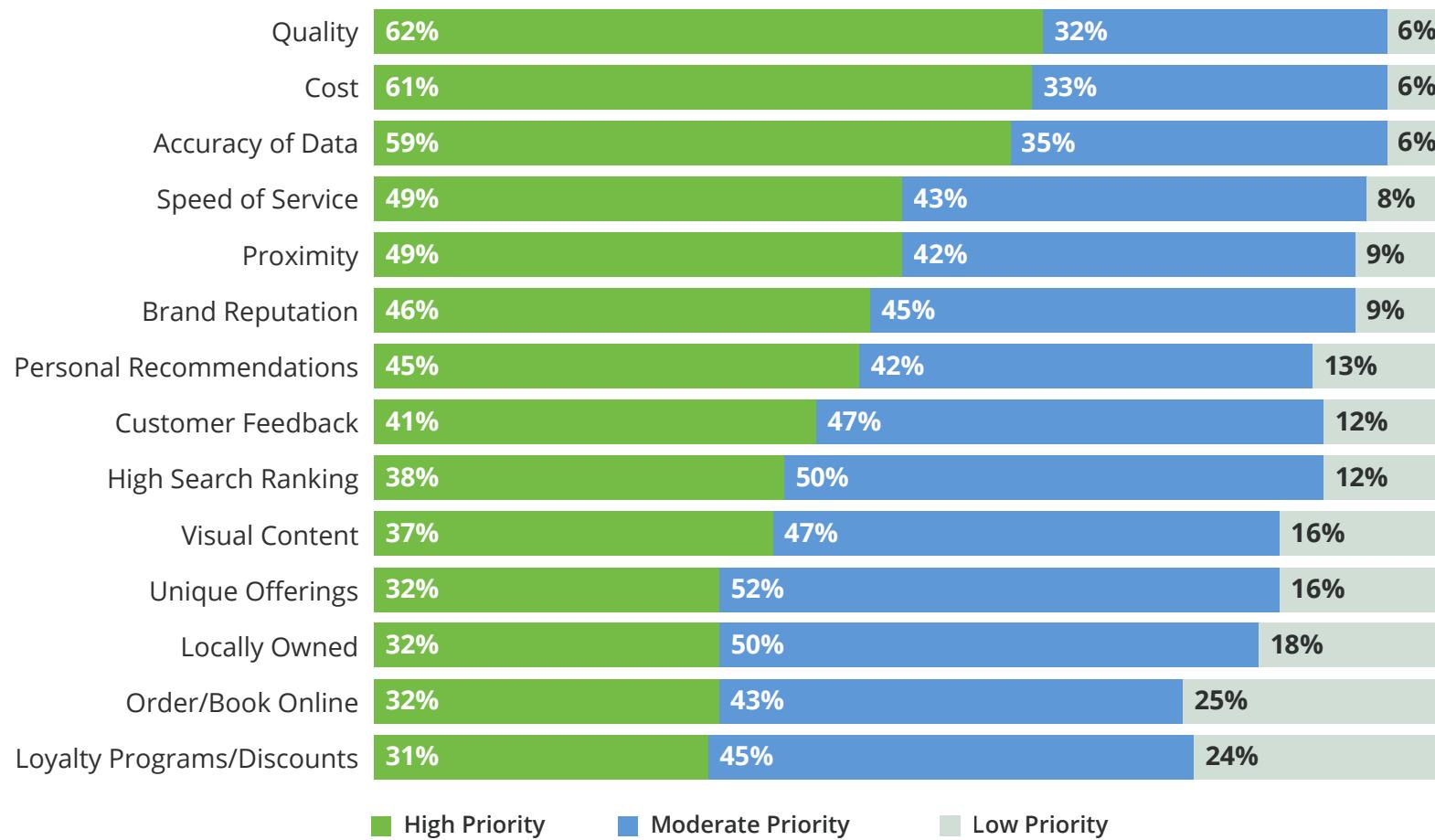


The Action Item

We're all online, all the time. In order to compete these days, financial firms must go way above and beyond merely listing their hours and phone numbers (though make sure these are correct!). Every feature and detail that consumers might need to know or use, and that search and social platforms make available, should be utilized to the fullest extent.

Google and Facebook are the most feature-rich (and popular) platforms overall, so start with those, but don't neglect Instagram, TikTok, Apple Maps, Yelp, and Bing — each of which attracts significant segments of U.S. consumers and has its own bells and whistles that can help you stand out.

Which factors matter to you when deciding whether to visit or contact a local business?



TAKEAWAY #6

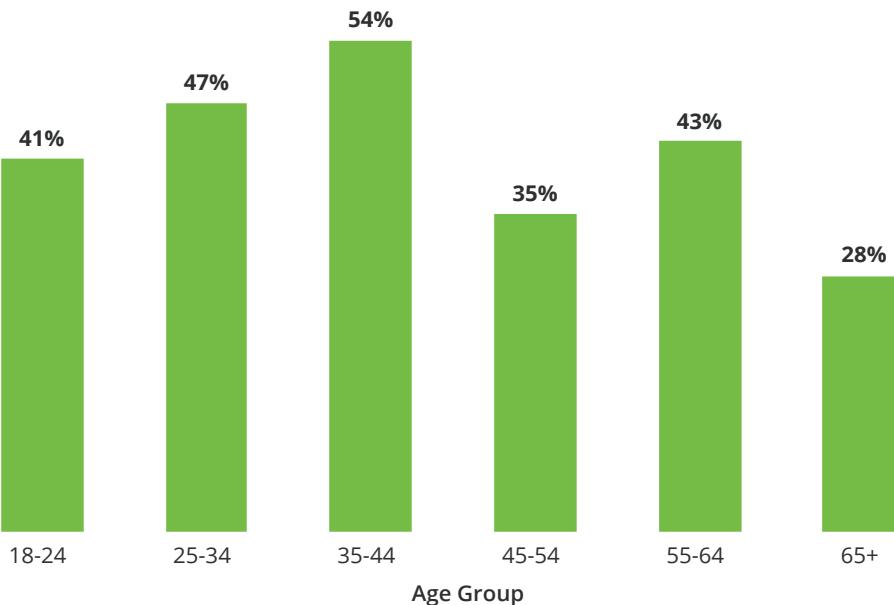
The Use of AI in Regulatory Industries

The Findings

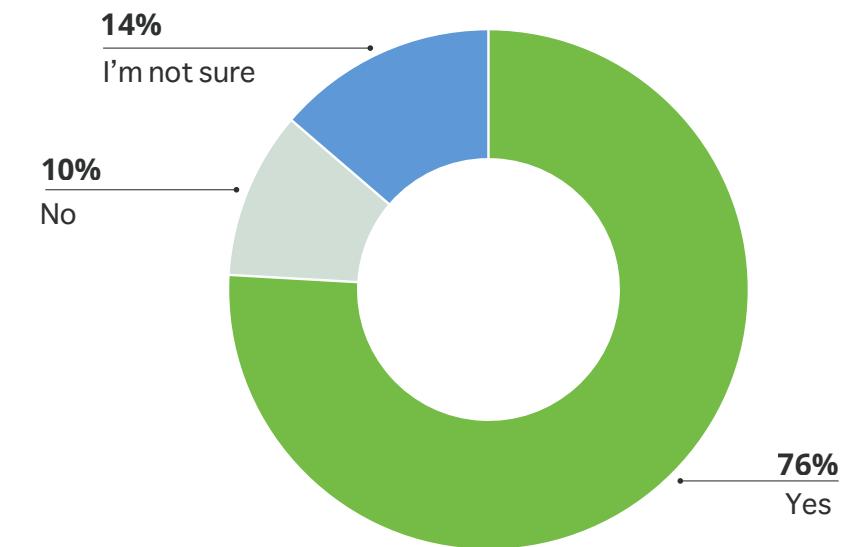
We've entered the brave new world of AI. Most consumers are aware of tools like ChatGPT, with 61% saying they feel well-informed about AI developments and 31% reporting that they've used AI tools.

As for the use of AI in financial services, many have a wait-and-see attitude. We asked consumers, "How would you feel about a business that uses AI to assist in providing fast and accurate information to customer inquiries?" A plurality of 41% chose "I am OK with businesses using AI to inform and communicate as long as it improves my experience as a customer." This number went to 54%, its highest level, in the 35-44 age group.

Positivity Towards AI in Local Marketing by Age



Should local businesses clearly disclose the use of AI?



The Action Item

AI is here to stay, and is having a transformative impact on the lives of businesses, consumers, and the world. That said, it's still early in the adoption cycle, and there are pitfalls along the way. Savvy financial firms will adopt AI strategies that provide useful information and meaningful feedback to consumers, and will ensure careful planning and oversight along the way.

Conclusion

The CBI takes a deep dive into consumer sentiment around local search and discovery, and we've only presented some of the most significant findings here — those that lead to actions financial firms can take now to improve their relationships with customers at the local level.

Over the next few months, we'll share additional insights from our research that you can use to level up your marketing efforts in specific areas. We trust you'll agree that understanding the consumer's voice is critical to your success.

Methodology

We surveyed 1,002 consumers aged 18 and above in the week of December 18, 2023. Our respondents were equally distributed across the United States.

About SOCI

SOCI is the CoMarketing Cloud platform for multi-location enterprises. We empower financial services companies like Motto Mortgage, Estrella Insurance, and First Montana Bank to scale marketing efforts across all digital channels.

As one central place to scale marketing, SOCI makes it easy for financial services companies and their locations to strengthen and scale their digital presence across local search and social pages while staying compliant in messaging.

For more information on how SOCI can help fuel your localized marketing success — visit us at www.meetsoci.com or message us at hello@meetsoci.com.





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