

Customer Advocacy: Untapped Growth Opportunity for Transaction Banks in Asia

(30 January 2019 – Singapore) A majority of transaction banking customers are not advocating their incumbent providers across their business networks, despite declaring themselves somewhat satisfied with the services provided, new research from East and Partners has found.

The average advocacy score for primary transaction banking providers in Asia stands at 6.48 (on a 0-10 scale, with 0= not at all likely to recommend and 10= extremely likely to recommend). In other words, customer advocacy can be described as mediocre at best.

“The link between customer satisfaction and advocacy seems to be disconnected, broken,” said Sangiita Yoong, East and Partners Analyst. “Passive customers should be a concern for the financial institutions as indifference is often tied to loyalty (or lack thereof). And, at a time when propensity to change primary transaction bank is the highest in a decade, banks cannot afford to be complacent.”

The research is based on direct interviews with 941 chief financial officers (CFOs) and corporate treasurers from the Top 1,000 institutions across ten key markets in Asia including China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan and Thailand.

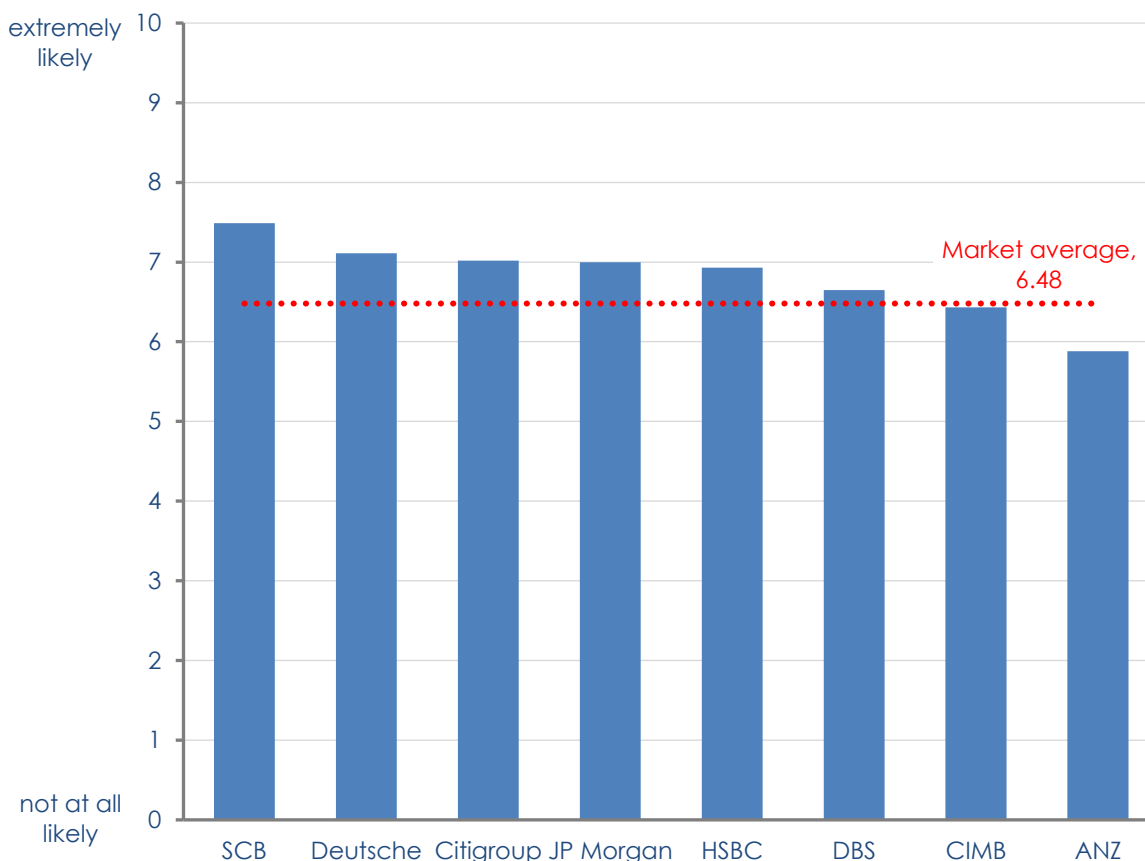
Interestingly, the large corporates in the region are more likely to recommend their secondary transaction banks to their colleagues or business associates, but less willing to do so for their primary providers. This may well be driven in part by the “freshness” of the secondary relationship and secondary providers are often seen to be “working harder” to gain additional wallet share inside the customer.

According to the research, international banks are dominating the ranking for advocacy with Standard Chartered at the top (7.49), followed by Deutsche (7.11), Citigroup (7.02), JP Morgan (7.00) and HSBC (6.93). By contrast, regional banks including DBS, CIMB and ANZ have lower levels of advocacy notwithstanding achieving relatively high levels of customer satisfaction.

“By moving customers into deeper and more meaningful relationships at the advocacy level, financial institutions can accelerate organic growth. We know corporates in Asia prefer to rely on word of mouth and referrals as their critical source of advice, as compared with press, journal or even their incumbent bankers” said Yoong.

Advocacy Scores for Primary Transaction Banking Relationships

Average Rating Reported



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About the research

East & Partners Asian Institutional Transaction Banking Markets Program monitors demand for Transaction Banking, Engagement, Products and Relationships, in the Top 1000 Corporates in 10 countries across Asia, covering the markets of China, Taiwan, Hong Kong, Singapore, Malaysia, Thailand, Philippines, Indonesia, India and South Korea. The top 100 revenue ranked corporates in each of the ten Asian markets were targeted for interview.

About East & Partners Asia

East & Partners Asia is a leading specialist market research and consulting firm in the business, corporate and investment banking markets of Asia Pacific, works across 10 countries in the region delivering both multi-client and proprietary market analysis services to two sectors - Financial Services and Travel Hospitality.