

Delicate balance of power in Asian banking

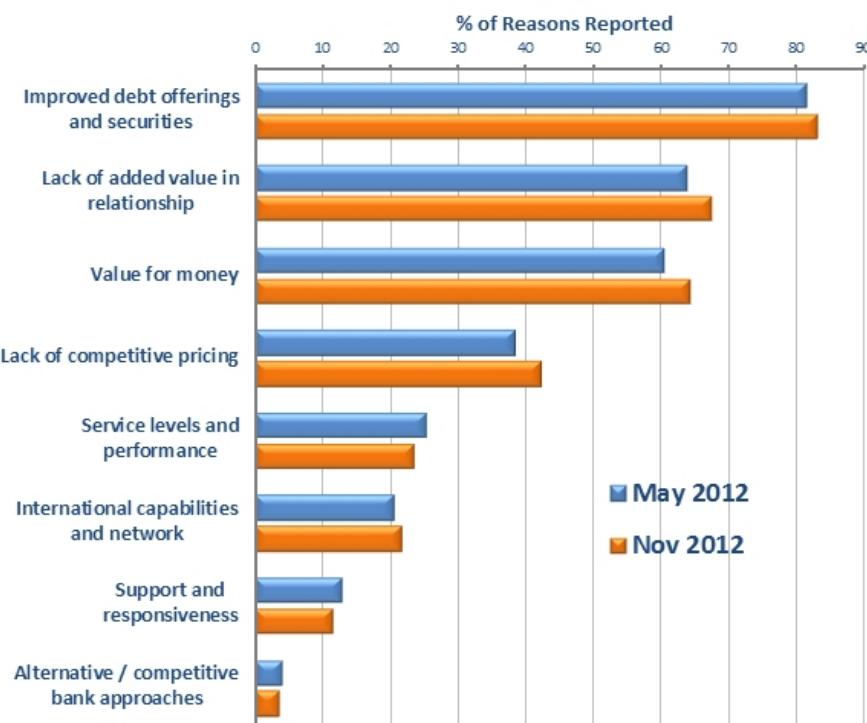
Several global banks call Asia home and a number of other global banks have a large presence in the region but as far as top corporates are concerned, two lenders still dominate.

East & Partners' bi-annual Asian Institutional Transaction Banking Markets report surveys the top 1,000 corporates in Asia – ex-Japan – and the reality is that four out of ten of them have their primary transaction banking relationship with either Standard Chartered (StanChart) or HSBC.

StanChart pips HSBC by less than half a percent in market share, but add in HSBC unit Hang Seng bank and the wider HSBC group is, arguably, the biggest with just over 20 percent of the market share.

This dominance is long standing and well understood, so much of the interest lies in who comes next and where they sit in relation to each other.

Main Reasons for Institutions Changing Bank



East's research shows that the next highest ranked banks are Citigroup (on 12.6 percent), followed by DBS (9.6 percent), JP Morgan (7.6 percent) and the Bank of China Group (7.4 percent).

Those numbers have been reasonably stable in East's recent research, but some recent qualitative research delivers some surprising results in the area of customer experience.

East's research shows that mind share – the first bank customers recall when asked to name a bank operating in the transactional space – is actually a more accurate driver of customer acquisition than customer satisfaction, which largely helps retention but not with acquisition.

Looking at the mind share results, it is the banks with the poorer customer satisfaction levels which lead the third bank by some margin.

The bank with the biggest mind share result employs a significant thought leadership program, with a constant flow of research, analysis and opinion on a wide range of banking and economic subjects.

Our analysis would be that the mind share investment is having a big influence on attracting new customers and negating the mediocre customer satisfaction ratings

We wonder what would happen to the balance of power in Asia were highly satisfied customers to be combined with strong mindshare for any bank?