



## Press Release

### **J.D. Power and Associates Reports: Canadian Full Service Investor Satisfaction Declines, While U.S. Full Service Investor Satisfaction Rises**

#### Raymond James Ltd. Ranks Highest among Full Service Investment Firms in Canada

**TORONTO: 23 August 2012** — Canadian full service investor satisfaction declines for the second consecutive year as investor relationships with advisors weakens, according to the J.D. Power and Associates 2012 Canadian Full Service Investor Satisfaction Study<sup>SM</sup> released today.

Amid global economic uncertainty, overall investor satisfaction with full service investment firms in Canada averages 720 (on a 1,000-point scale), declining 13 points from 2011. In contrast, satisfaction among U.S. full service investors has risen for two consecutive years to 775 in 2012,<sup>1</sup> widening the satisfaction gap between full service investors in Canada and the United States to 55 points from 39 points in 2011.

“The difference between U.S. and Canada full service investors is due to the relationship with their investment firm,” said Lubo Li, senior director of the financial services practice at J.D. Power and Associates, Toronto. “Investors in Canada are less satisfied with their firm, in large part, because their advisor is not keeping them up to date with market trends as much as during the past two years and isn’t demonstrating as much concern for their needs.”

Investors in Canada rate their advisor 7.8 (on a 10-point scale), on average, for showing concern for their needs, compared with investors in the United States, who rate their advisor 8.44. Additionally, investors in Canada rate their advisor 7.43, on average, for promptness in keeping them up to date with market trends, compared with 8.1 among investors in the United States.

“Certainly, external factors such as global financial market fluctuations play a role in overall satisfaction, but also present an opportunity for advisors to deepen the relationship with their investors by managing expectations and providing timely advice to navigate the tenuous market,” said Li.

“During uncertain economic times, when the market fluctuates, investors more than ever need the advice provided by their investment advisor,” said Li. “Investors need reassurance regarding the current risk exposure of their portfolio and to believe they are well positioned when the market comes back.”

An investor’s experience is closely linked to the bottom line of their firm, as that experience impacts loyalty, advocacy and share of wallet. While 77 per cent of investors who are highly satisfied (scores of 900 or greater) say they “definitely will” recommend their primary firm, only four per cent of investors who have low satisfaction (scores below 700) say the same. Additionally, 27 per cent of investors with high satisfaction say they will increase the amount invested with their primary firm in the next 12 months, compared with only 14 per cent of investors with low satisfaction.

“Improving the investor experience starts at the home office. Firms that support their advisors with user-friendly tools, state-of-the-art technology and training and education on their usage put their advisors in the best position to succeed,” said Li.

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<sup>1</sup> Source: J.D. Power and Associates 2012 U.S. Full Service Investor Satisfaction Study<sup>SM</sup>

Key best practices identified in the Canadian Full Service Investor Satisfaction Study that enable advisors to provide more valuable services and build more effective investor relationships include:

- Build and/or enhance tools and financial planning systems that are integrated, which maximizes the amount of time advisors may spend with investors and minimizes the amount of time they spend on administrative tasks.
- Provide ongoing training and education that demonstrates how internal tools and resources can most effectively be used to enhance day-to-day interactions with investors.
- Provide benchmark comparisons online and in account statements that facilitate advisor-investor discussions regarding investment performance.
- Closely look at advisor-to-investor ratios. A higher number of investors likely means higher production, but also may have a long-term detrimental effect on the individual investor experience.

Now in its seventh year, the Canadian Full Services Investor Satisfaction Study provides benchmarks for investor satisfaction that allow individual investment institutions in Canada to evaluate how they compare with other firms included in the study. Overall investor satisfaction with full service investment firms and financial institutions that offer wealth management and private banking services is measured in seven factors (in order of importance): investment advisor; investment performance; account information; account offerings; commissions and fees; website; and problem resolution.

Raymond James Ltd. ranks highest in [investor satisfaction](#) among full service investment firms in Canada with a score of 745. Raymond James Ltd. performs particularly well in three of the seven factors: investment advisor; investment performance; and account information. Following in the rankings are Edward Jones (735) and TD Waterhouse Private Investment Advice (731).

The 2012 Canadian Full Service Investor Satisfaction Study is based on responses from more than 5,200 investors who use advice-based investment services with financial institutions in Canada. The study was fielded in June and July 2012.

#### **About J.D. Power and Associates**

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](http://JDPower.com). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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NOTE: One chart follows.

# J.D. Power and Associates 2012 Canadian Full Service Investor Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking (Based on a 1,000-point scale)



\*HSBC Securities (Canada) Inc. and Wellington West Capital Inc. were acquired by National Bank Financial.

\*\*MD Physician Services is available exclusively to CMA (Canadian Medical Association) members and therefore is not included in the official rankings.

Included in the study but not ranked due to small sample size are ATB Securities; Laurentian Bank Securities; Odlum Brown Limited; and Philips, Hager & North.

Source: J.D. Power and Associates 2012 Canadian Full Service Investor Satisfaction Study<sup>SM</sup>

**Power Circle Ratings Legend**

- Among the best
- Better than most
- About average
- The rest

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2012 Canadian Full Service Investor Satisfaction Study<sup>SM</sup> as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings<sup>SM</sup> are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit [jdpower.com/faqs](http://jdpower.com/faqs). No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.