



Press Release

J.D. Power Asia Pacific Reports: Overall Retail Banking Customer Satisfaction Increases in China

Banking Customers Experience Significant Improvement in Satisfaction with Problem Resolution and Fees

BEIJING: 10 July 2012 — Customer satisfaction with retail banks in China improves in 2012 due to significant increases in satisfaction with fees and problem resolution, according to the J.D. Power Asia Pacific 2012 China Retail Banking Satisfaction Study.SM

Now in its fourth year, the study measures customer satisfaction across six factors: transactions; product offerings; account information; facility; fees; and problem resolution. The study also examines performance-improvement initiatives designed to drive customer loyalty and advocacy.

Overall satisfaction in 2012 has improved by two points to 687 (on a 1,000-point scale) from 2011, after having experienced an eight-point decline in 2010. The overall increase is primarily driven by year-over-year increases in customer satisfaction with fees (+38 points) and transactions (+31 points), as well as satisfaction with problem resolution, improving by 59 points from 2011.

“The cancellation of 34 items regarding service fees, announced in 2011 by the banking regulators, is likely to have influenced the improvement in satisfaction with fees among customers in China,” said Steven Zou, senior manager of financial services at J.D. Power Asia Pacific. “The banking industry’s efforts to offer transparency in fees and to better align fees with service levels and value have also contributed to the increase in customer satisfaction.”

The study finds that satisfaction with large commercial banks¹ has increased seven points from 2011, driven by improvement in all six factors. In contrast, satisfaction with shareholder banks has declined by four points, primarily due to a decline in satisfaction with problem resolution and facility.

Shenzhen Development Bank (SDB) ranks highest in overall customer satisfaction with a score of 751 on a 1,000-point scale. SDB is followed in the rankings by China Everbright Bank and China Merchant Bank, respectively.

The 2012 study for the first time ranks banks according to satisfaction among VIP customers². Shanghai Pudong Development Bank ranks highest in satisfaction among VIP customers (771), followed by China Citic Bank (756) and China Everbright Bank (755).

The study identifies best practices among the highest-performing banks in overall customer satisfaction, which include transparent and reasonable fees; proactive communication regarding new products and services; optimal personal interactions; and short waiting lines.

The highest-performing banks excel in retaining their VIP customers through consistent delivery of key services, such as providing professional and proactive staff to assist these customers, as well as innovative and customized customer services. Satisfaction is 76 points higher among VIP customers who have a one-to-one relationship with their relationship manager. Additionally, satisfaction increases by 101 points when the relationship manager proactively communicates with VIP customers regarding new products or services.

While banks in China are improving satisfaction levels with their customers, there is still a significant gap in overall satisfaction scores between banks in China and banks in the more mature U.S. market (687 vs. 753, respectively).

¹ Large commercial banks includes Industrial and Commercial Bank of China, China Construction Bank, Agriculture Bank of China, Bank of China, Bank of Communications

² VIP customers are defined as customers who hold a VIP account with one of the banks examined in this study.

“Closing performance gaps at the industry level depends on meeting basic customer expectations, such as reducing account and transaction errors; maintaining good appearances at branches; and reducing wait times,” said Zou.

“The first step in improving satisfaction is to eliminate experiences that dissatisfy customers, such as out-of-service ATMs or inaccessible websites,” said Rockwell Clancy, vice president of global financial services at J.D. Power and Associates. “Only after having built a solid foundation based on meeting basic expectations for defect-free service may banks then strive to differentiate themselves with good relationship managers, sound financial advice, proactive communications, and premium service offerings.”

Clancy advises banks to act on specific key performance indicators (KPIs), which are diagnostic items that have the greatest impact on customer satisfaction. KPIs help banks prioritize and focus their improvement efforts on the “touch points” that are most critical to customers, as well as enable greater efficiency and consistency in service-improvement efforts. The most impactful KPIs include problem prevention; fee notification; proactive communications; and conditions of the bank facility’s exterior and interior.

Retaining customers and developing loyalty and advocacy involve substantial effort, but provide financial benefits once established. High-performing banks also benefit from higher customer loyalty and repurchase and recommendation rates. Among customers of the highest-performing banks, 44 percent say they “definitely will not” switch to a different bank. In addition, 51 percent of these of customers say they will use other products with the same bank, and 49 percent say they “definitely will” recommend the bank to others. In comparison, among customers of the lowest-performing banks, only 9 percent indicate they “definitely will not” switch; 3 percent say they will use other products from the bank; and 2 percent say they “definitely will” recommend the bank to others.

The 2012 China Retail Banking Satisfaction Study is based on responses from 6,651 retail banking customers in 16 cities and examines 24 leading banks operating in China. The study was fielded between April and May 2012.

About J.D. Power Asia Pacific

J.D. Power Asia Pacific has offices in Tokyo, Singapore, Beijing, Shanghai and Bangkok that conduct customer satisfaction research and provide performance analytics services in the automotive, information technology and finance industries. Together, the five offices bring the language of customer satisfaction to consumers and businesses in Australia, China, India, Indonesia, Japan, Malaysia, Philippines, Taiwan, Thailand and Vietnam. Information regarding J.D. Power Asia Pacific and its products can be accessed through the Internet at www.jdpower.com. Media email contact: ellen_wang@jdpa.com.

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. J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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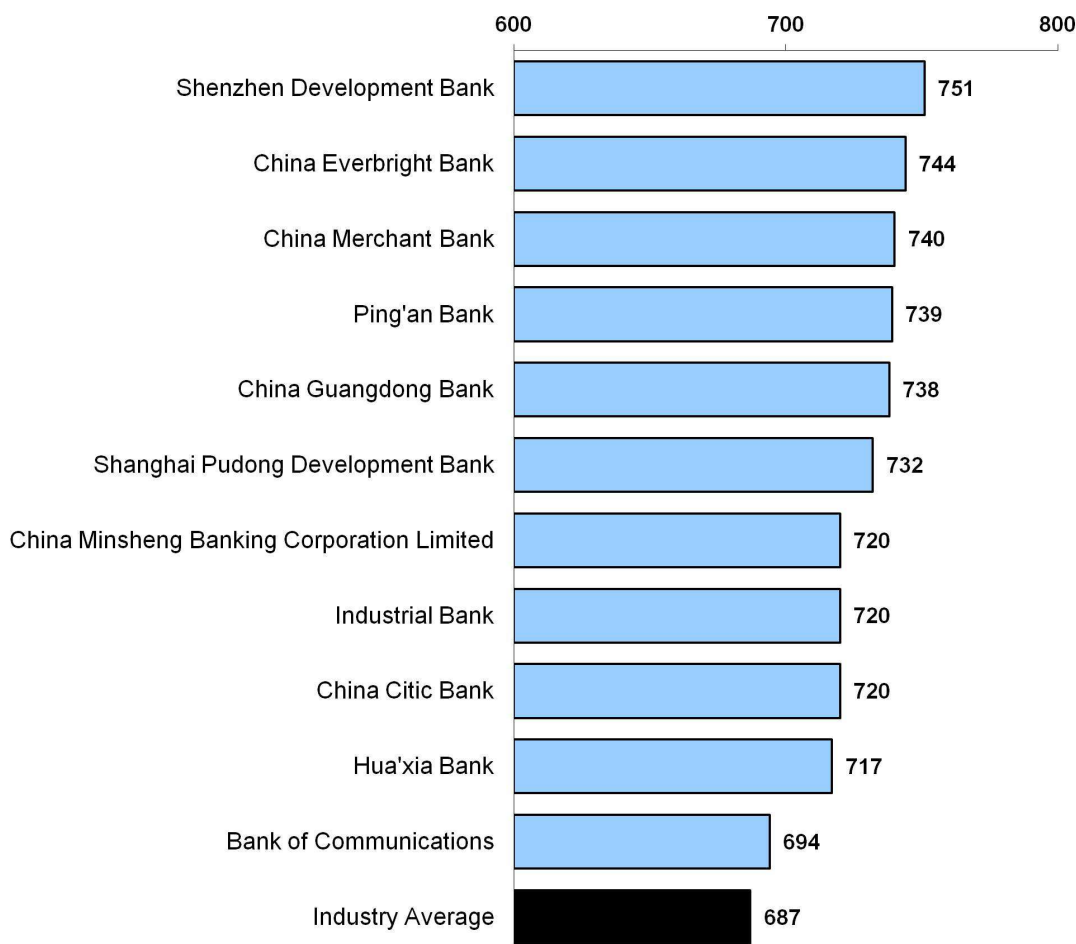
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NOTE: Two charts follows.

J.D. Power Asia Pacific 2012 China Retail Banking Satisfaction StudySM

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



The 24 banks included in this study include (in alphabetical order): ABNAMRO*, Agriculture Bank of China, Bank of Beijing, Bank of China, Bank of Communications, Bank of East Asia*, Bank of Shanghai, China Citic Bank, China Construction Bank, China Everbright Bank, China Guangdong Bank, China Merchant Bank, China Minsheng Banking Corporation Limited, Citibank*, Hangseng Bank*, The Hong Kong and Shanghai Banking Corporation Limited*, Hua'xia Bank, Industrial Bank, Industrial and Commercial Bank of China, Ping'an Bank, Postal Savings Bank of China, Shanghai Pudong Development Bank, Shenzhen Development Bank, Standard Chartered Bank*.

The ranking only shows those banks whose scores are above industry average and exclude those below average and small sample size.

*This brand is included in the study, but not ranked due to small sample size.

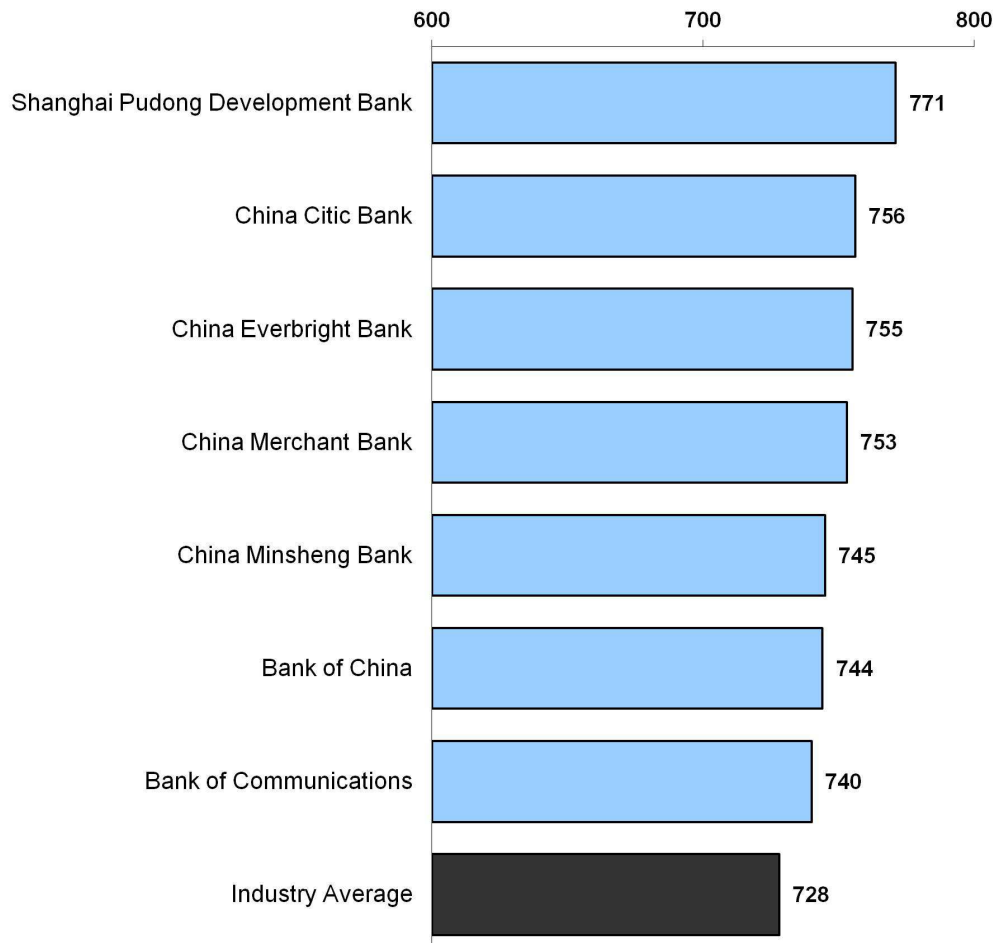
Source: J.D. Power Asia Pacific 2012 China Retail Banking Satisfaction StudySM

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VIP Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



The 24 banks included in this study include (in alphabetical order): ABNAMRO*, Agriculture Bank of China, Bank of Beijing, Bank of China, Bank of Communications, Bank of East Asia*, Bank of Shanghai, China Citic Bank, China Construction Bank, China Everbright Bank, China Guangdong Bank, China Merchant Bank, China Minsheng Banking Corporation Limited, Citibank*, Hangseng Bank*, The Hong Kong and Shanghai Banking Corporation Limited*, Hua'xia Bank, Industrial Bank, Industrial and Commercial Bank of China, Ping'an Bank, Postal Savings Bank of China, Shanghai Pudong Development Bank, Shenzhen Development Bank, Standard Chartered Bank*.

The ranking only shows those banks whose scores are above industry average and exclude those below average and small sample size.

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