

Banks ticked off on service

Mark Fenton-Jones

Micro-businesses are increasingly dissatisfied with the service levels of the big banks.

That is the finding of Telstra's latest white paper, *Servicing Micro Businesses: What Financial Institutions Need to Know*, co-written with Roy Morgan Research.

The data shows levels of satisfaction fell by 2.3 per cent between March 2008 and December 2009.

More critically, customer satisfaction is also declining, particularly among the highest-value customers.

However, this overall downwards trend masked a wide divergence in levels of satisfaction with the big banks, with the difference in one case as great as 10.7 per cent.

While all the big four banks experienced a decline in customer satisfaction, ANZ Banking Group had the best result followed by Westpac, Commonwealth Bank and National Australia Bank.

"Generation X – the major owners of micro-businesses – are the least satisfied across all relationship values," the Telstra study states. "As such, financial services institutions will need to better identify customer needs and improve ways to fulfil them."

Micro-businesses with a turnover of less than \$5 million a year are estimated to number about 607,000 throughout Australia. Nearly three-



Unhappy ... small businesses have marked down the big four. Photo: ROB HOMER

quarters (72 per cent) employ staff, representing 15 per cent of the total work force.

This group represents 57 per cent of lending and 56 per cent of total deposits for customers with turnovers below \$100 million.

Rocky Scopelliti, general manager for financial services at Telstra's enterprise and government division, said problem resolution and relationships were more important issues for micro-businesses than price.

"Financial institutions have been putting a lot of emphasis on small businesses in the last six months," he said. However, finding solutions has

not been easy. Micro-businesses have changed the way they interact with financial institutions because of their highly mobile nature and the generational shift from baby boomers to younger and more technologically aware customers.

"Compared with other enterprises, micro-businesses are the most mobile. About two-thirds of their employees work from multiple locations, with this figure set to reach three-quarters by 2012," Mr Scopelliti said.

Yet they still rely heavily on branch visits, phone banking and financial advisers for their banking needs.

Telstra advises financial institu-

KEY POINTS

- Micro-businesses have become less satisfied with the major banks.
- Telstra says communication improvements would lead to higher customer satisfaction.

tions to analyse new and emerging technologies such as smartphones and laptops to attract, retain and cross-sell to micro-business customers.

The telco suggested a number of ways to improve customer satisfaction, mostly involving improving communication – whether via voice, email, video, text or meeting a bank employee in person – to create a more personal experience.

The decline in customer satisfaction is not confined to Australia. According to a global American Express survey, 81 per cent of Australian consumers believe good old-fashioned customer service is dead.

While the American Express survey looks at the problem from consumers' point of view, smart small businesses can use the responses to improve their own sales.

Since the financial crisis, service has become increasingly important to consumers as they take stock of their spending habits. Yet 71 per cent believe that businesses have either not improved or are placing less emphasis on providing good service.

Federal funding ahoj

The federal government's Commercialisation Australia will give a total of at least \$2.2 million to 11 new projects, following the \$9.6 million in funding announced in April.

Bright ideas

Small business has a new tool to help manage patents, trademarks and other valuable intellectual property assets. Intellectual Property Explorer is a federal government-funded online tool that will help small businesses profit from their hard work and ingenuity by identifying and analysing different forms of IP relating to inventions, designs and brands.

PR a click away

PR agency JMM Communications has launched an online publicity service, PR Guru, for small businesses with do-it-yourself PR tools.

Net benefits

Research conducted in Australia by Research International for Google shows that while consumers spend a third of their media time on the internet, 40 per cent of small enterprises don't use the internet or email for their business. Apart from times such as the recent Labor leadership stoush, more people are searching for small businesses such as cafes and hairdressers than they are for politicians or celebrities.

Edited by Mark Fenton-Jones

Merger recipe a success

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