



Relationship Manager Performance

RMs represent the face of the bank

One of the most significant findings in East & Partners' Business Banking Customer Satisfaction Monitor is the correlation between the extent that business customers interact with a relationship manager and their level of satisfaction. Put simply: the more relationship managed a customer is the happier they are.

In the first Monitor, released in November last year, 43.1 percent of business customers said they interacted with their bank via the relationship manager channel. This figure jumped to 46.2 percent just a month later. There are, however, huge variances across the performance of the five major domestic banks. The lowest level of customer-RM engagement is just 32.4 percent, while the highest is 80.3 percent. Needless to say, customers of the latter are significantly happier overall than customers of the former. These findings validate the strategy of nearly all business banks to grow their teams of customer facing RMs and business bankers over the past 18 months.

The Monitor rates the following business customer channels: RM, branch, online business banking, automated telephone banking, ATM, bank call centre, and product specialists. With the exception of the ATM, the highest customer satisfaction rating was achieved by the RM, by quite some margin. Further, the order in which banks were rated for their RM performance mirrored the order in which they were rated for the overall business banking performance. Similarly, the level of RM deployment for each bank was in line with their RM customer satisfaction performance.

It's a simple, consistent message: business customers of all sizes (the Monitor includes businesses turning over between A\$5 and 500 million per annum) want to interact with an RM. The RM becomes the prism through which the customer views and rates the bank generally. In short, the RM is truly the face of the bank. Branding and marketing can achieve a great deal but banks will be judged on the human element in their service proposition to business customers.

As part of its monthly exploration of the RM channel, the Monitor interrogates businesses on the specifics of their RM's performance. These include Keeps in Contact, Listens, Product Knowledge, Ability to Explain, Ownership, Promptly Responds, Business Knowledge, and

Industry Knowledge. Again there is a clear correlation between the level of interaction an RM has with their business customers and the subsequent ratings awarded to the RM. The order of banks in the Keeps in Contact measure is the same as it is for best RM performance overall. Within individual banks there are significant variances across the measures: banks may be marked highly for Industry Knowledge, for example, but poorly for frequency of contact, and it is this latter measure that can pull down the provider's overall score. It seems that RMs will be forgiven certain perceived service weaknesses but their customers want to at least see them regularly.

The flip side of the emphasis on relationship management is the continuing ordinary performances of other service channels, in particular online banking and the branch. For online banking no bank rated better than 4.70 (using a scale where 0 is 'very dissatisfied' and 10 is 'very satisfied'); and three of the Big Four banks rated less than four. This is despite some 40 percent of businesses turning over A\$25 to 150 million, and A\$150 to 500 million saying they use this channel. Despite the investment and refurbishment of business banking in branches, they were rated just 4.35 overall.

The performance and uptake of one channel does not necessarily impact the other; there will always be a commoditised level of interactions and transactions which the internet can often fulfil. Value interactions, on the other hand, more likely come by way of RM interaction. But if business customers are not confident about the functionality of one channel, such as online banking, it will only push them back towards wanting to deal with a "real" person and cost efficiencies that can be extracted from an internet platform will not be realised. Generally, that is the position most banks are in right now with their business customers.

Average Satisfaction Factor Summary	Dec 07
0 (very dissatisfied) to 10 (very satisfied)	
ATM	7.01
RM / Business Banker	5.80
Product Specialist	5.60
Automated Telephone Banking	5.10
Bank Call Centre	4.56
Branch	4.35
Online Business Banking	4.03