

Discover your *edge*

Tuesday, 3 February 2015

Industry superannuation funds lead retail funds in customer satisfaction for more than a decade

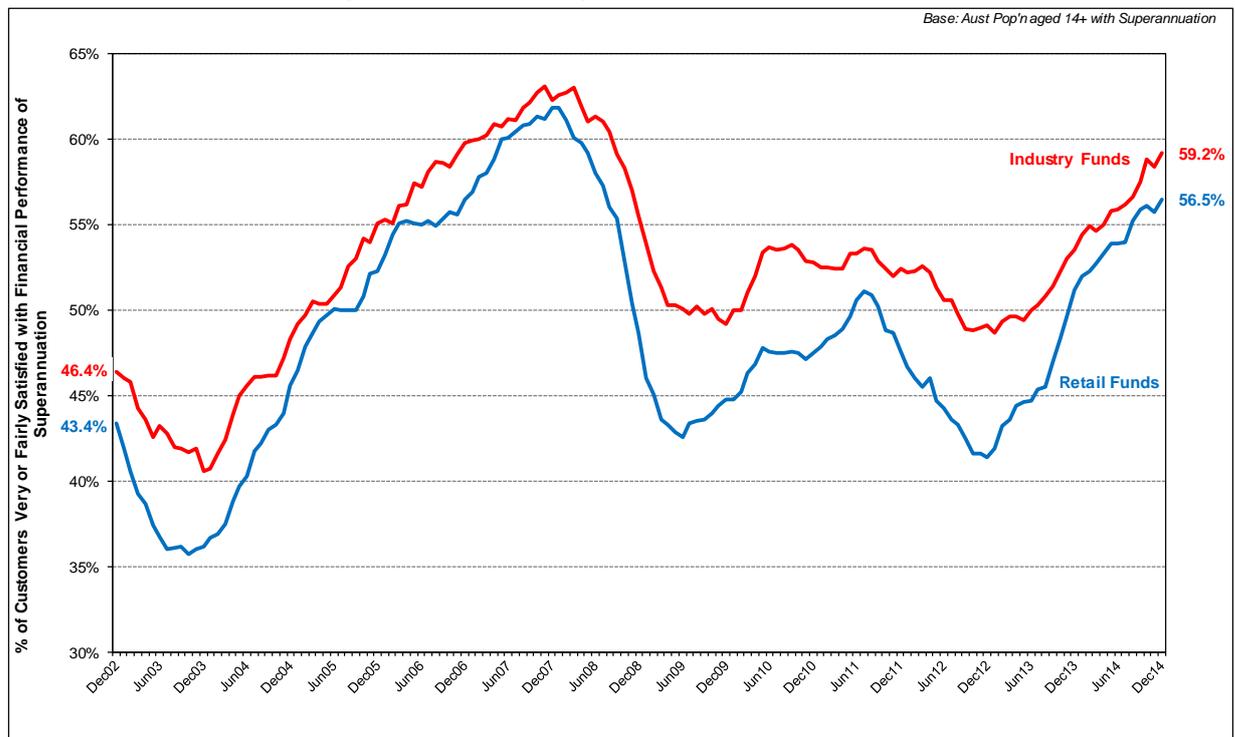
Industry superannuation funds continue to be ahead of retail funds for satisfaction with financial performance in December with 59.2% compared to 56.5% for retail funds. Both groups increased satisfaction levels over the last twelve months, with industry funds up 5.7% points and retail funds up by 5.3% points. Industry funds have had higher satisfaction than retail funds every month since this survey began in 2002.

These are the latest findings from the Roy Morgan Single Source survey of 15,932 interviews with people holding superannuation conducted in the six months to December 2014.

Superannuation satisfaction, industry funds vs retail funds

The lead in satisfaction for industry funds has varied considerably since 2002 but they have always remained ahead of retail funds.

Satisfaction with financial performance of superannuation



Source: Roy Morgan Single Source (Australia), six months rolling July 2002 – December 2014. Average sample n=15,500.

Retail fund satisfaction appears to be more sensitive to stock market fluctuations, as shown by the more dramatic drop experienced in 2008. Many have accredited the decline, which was greater than for industry funds, to differences in investment allocations.

Despite considerable fluctuations in satisfaction over the last twelve years, the lead held by industry funds has changed little, with industry funds ahead by 3.0% points in 2002 and 2.7% points in December 2014.

Industry funds well ahead with high value customers

Although industry funds only lead retail funds overall by 2.7% points for satisfaction, the gap is much greater among people holding balances over \$5,000.

For those holding less than \$5,000 in superannuation, retail funds have marginally higher satisfaction than industry funds (45.7% compared to 44.8%) but this segment accounts for only 0.3% of total superannuation balances.

Satisfaction with financial performance of superannuation by balance held



Source: Roy Morgan Single Source (Australia). 6 months to December 2014 (n=15,932)

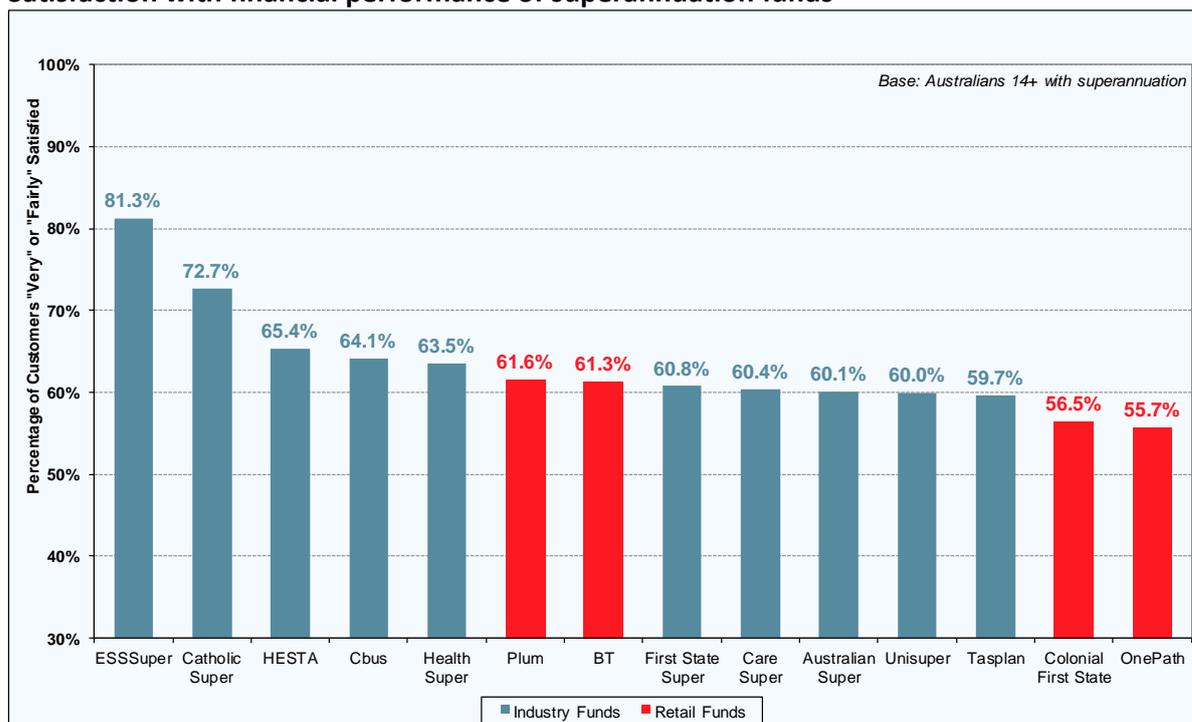
At the top end of the balance range (ie \$250K+), industry funds have a satisfaction level of 80.4%, well ahead of retail funds with 73.2%. Although this segment accounts for only around 10% of customers, they hold approximately 43% of total superannuation funds.

Satisfaction levels for both industry and retail funds increase in line with balance held but industry funds maintain a significant lead for all balances over \$5,000.

Best performing superannuation funds

Of the major superannuation funds in this survey, industry funds took out the top five places with ESSSuper the best performer scoring 81.3 % satisfaction, followed by Catholic Super (72.7%), HESTA (65.4%), Cbus (64.1%) and Health Super (63.5%).

Satisfaction with financial performance of superannuation funds



Source: Roy Morgan Research Superannuation Satisfaction report. 6 months to December 2014 (n=15,932)

The best performing retail funds were Plum (61.6%), BT (61.3%), Colonial First State (56.5%), One Path (55.7%) and MLC (54.8%). AMP was further behind on 49.6%.

Norman Morris, Industry Communications Director, Roy Morgan Research, says:

“With intense competition and controversial issues surrounding retail super funds and industry funds, it is important to include consideration as to what the fund members think regarding financial performance of the two groups. It is ultimately the members that will decide where their funds will be directed.

“Of particular significance is the fact that industry funds have their biggest lead in satisfaction among their members with balances over \$250K, where over 40% of balances are held. It is important to note that this group is facing losses to self-managed funds, making it critical to retain them. Currently satisfaction with industry funds in the over \$250K+ segment is higher than the satisfaction level of self-managed funds (80.4% compared to 78.4%), this is a positive for industry funds.

“The satisfaction level of retail funds in the over \$250K+ group is only 73.2%, which places them below the level of both industry and self-managed funds. The challenge now for the big retail funds is how to raise the satisfaction level of their higher-value customers to avoid loss of funds”.

For comments or more information about Roy Morgan Research’s finance data, please contact:

Norman Morris

Industry Communications Director

Office: +61 (3) 9224 5172

Norman.Morris@roymorgan.com

Roy Morgan Research Ltd. A.B.N. 91 007 092 944 Quality System Certified to AS/NZS ISO 9001

401 Collins Street, Melbourne, Victoria, 3000 – GPO Box 2282U, Melbourne, Victoria, 3001, Australia

Tel: (03) 9629 6888 Fax: (03) 9629 1250 (03) 9224 5387 melbourne@roymorgan.com www.roymorgan.com

Related research findings

View our [Consumer Satisfaction – Financial Performance of Superannuation in Australia Monthly Report](#)

View profiles of [Superannuation Members](#).

View our [Superannuation and Wealth Management in Australia Report](#).

About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in New Zealand, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2