

Thursday, 27 September 2018

Satisfaction with Industry Superannuation Funds lead Retail Funds at top end

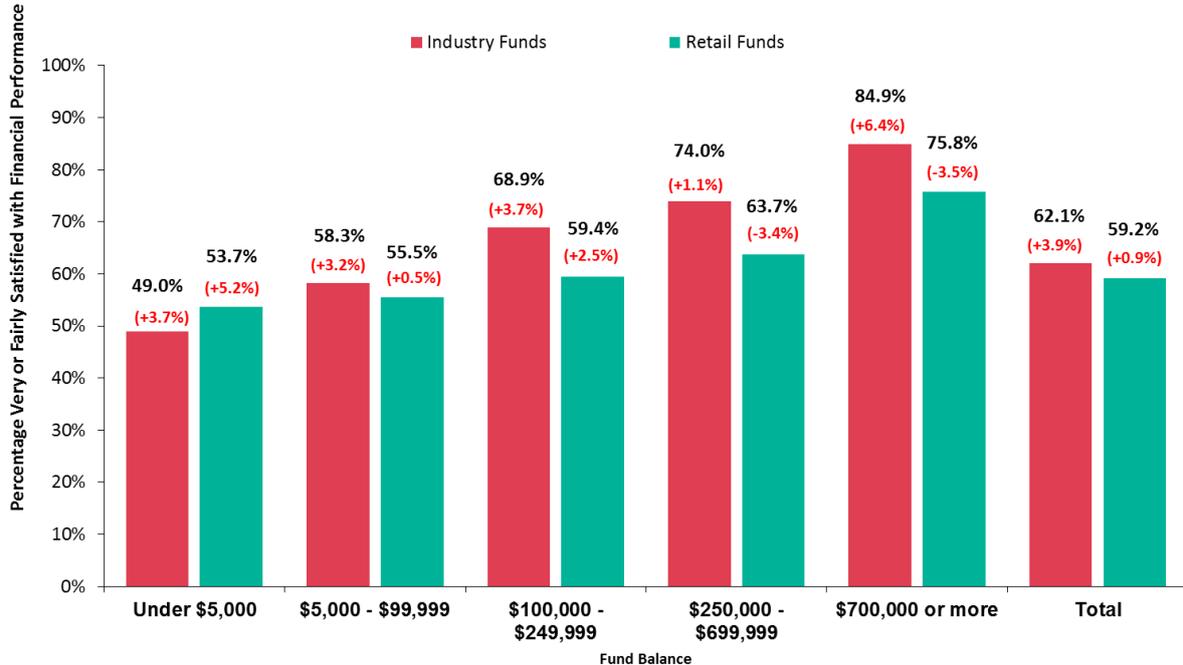
New results from Roy Morgan shows that in the six months to August 2018, the satisfaction with the financial performance of industry funds was well ahead of retail funds for all balances over \$100,000, 71.5% - satisfaction for industry funds, compared to 63.0% for retail funds. Satisfaction with industry funds peaked at 84.9% for those with balances over \$700,000, well ahead of retail funds with 75.8%. Understanding fund performance in the \$700k+ segment is particularly significant as it accounts for 26.3% of the total funds in superannuation but only 4.6% of members.

These are the latest findings from Roy Morgan's '[Satisfaction with Financial Performance of Superannuation in Australia Report August 2018](#)' which is based on in-depth interviews conducted face-to-face with over 50,000 consumers per annum in their homes, including over 30,000 with superannuation.

Industry Funds show biggest gains in satisfaction

Over the last 12 months, industry funds had an overall gain in satisfaction of 3.9% points, ahead of the 0.9% point improvement for retail funds. The biggest improvement for industry funds was in the \$700k+ segment where satisfaction improved by 6.4% points, followed by the \$100k - \$249k and the under \$5k segments that both improved by 3.7% points. Retail funds only showed improved satisfaction for balances below \$250k and declining satisfaction for higher balances where 64.5% of the superannuation funds are held.

Satisfaction with Financial Performance of Industry and Retail Superannuation Funds



Source: Roy Morgan Single Source (Australia). 6 months to August 2017, n = 26,119; 6 months to August 2018, n = 26,295.

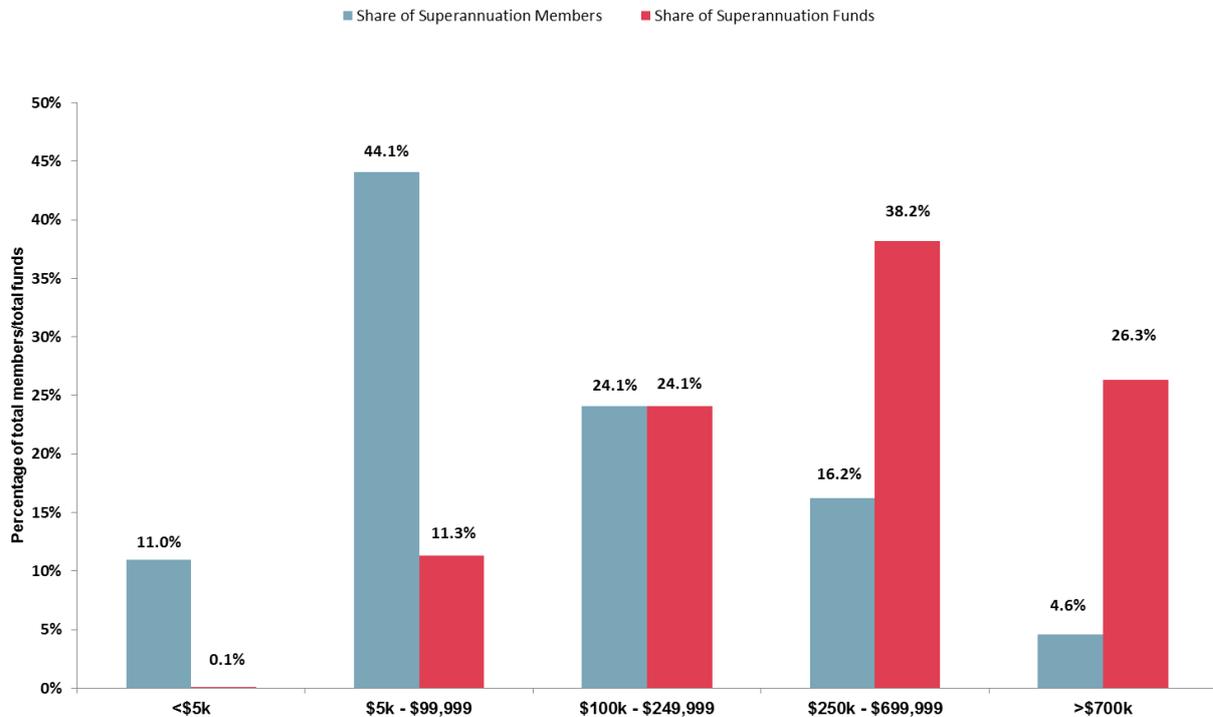
Base: Australians 14+ with superannuation, 6 months to August 2017, n = 16,166; 6 months to August 2018, n = 16,018.

FOR IMMEDIATE RELEASE

Heavy skew in the superannuation market

The only area where retail funds challenge the satisfaction lead of industry funds is for balances of less than \$100k which account for 55.1% of fund members but only 11.4% of funds. Although retail funds lead in satisfaction among those with balances under \$5k, this segment is of little value as it only holds 0.1% of the total market despite having 11.0% of the customers. As a result of this skew we can see that improving satisfaction among the lowest value group is unlikely to gain funds in the short term.

Share of Superannuation Members Compared to Superannuation Funds



Source: Roy Morgan Single Source (Australia), 6 months to August 2018, n = 26,295
Base: Australians 14+ with Superannuation, n=16,018

Norman Morris, Industry Communication Director, Roy Morgan says:

“Despite significant adverse publicity given to the superannuation industry as a result of the finance Royal Commission, satisfaction with superannuation has actually improved over the last twelve months and is currently well above the average of the last decade.

“Superannuation satisfaction is a vital part of understanding the behaviour of members as it is unlikely that the majority will be actively engaged enough to be reading performance tables. It is more likely that it is how they feel regarding the performance of their fund that will ultimately determine their actions. This release has also shown the importance of understanding satisfaction levels not just overall but across different balance ranges, due to the fact that success with the high value members is likely to show greater gains in fund volumes.

“The data shown here is only a small part of the superannuation and other finance data that we have collected from more than a million interviews over the last two decades. To understand more about superannuation in-depth, including brand performance and long term trends, ask Roy Morgan.

To learn more about Roy Morgan’s superannuation data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan 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
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