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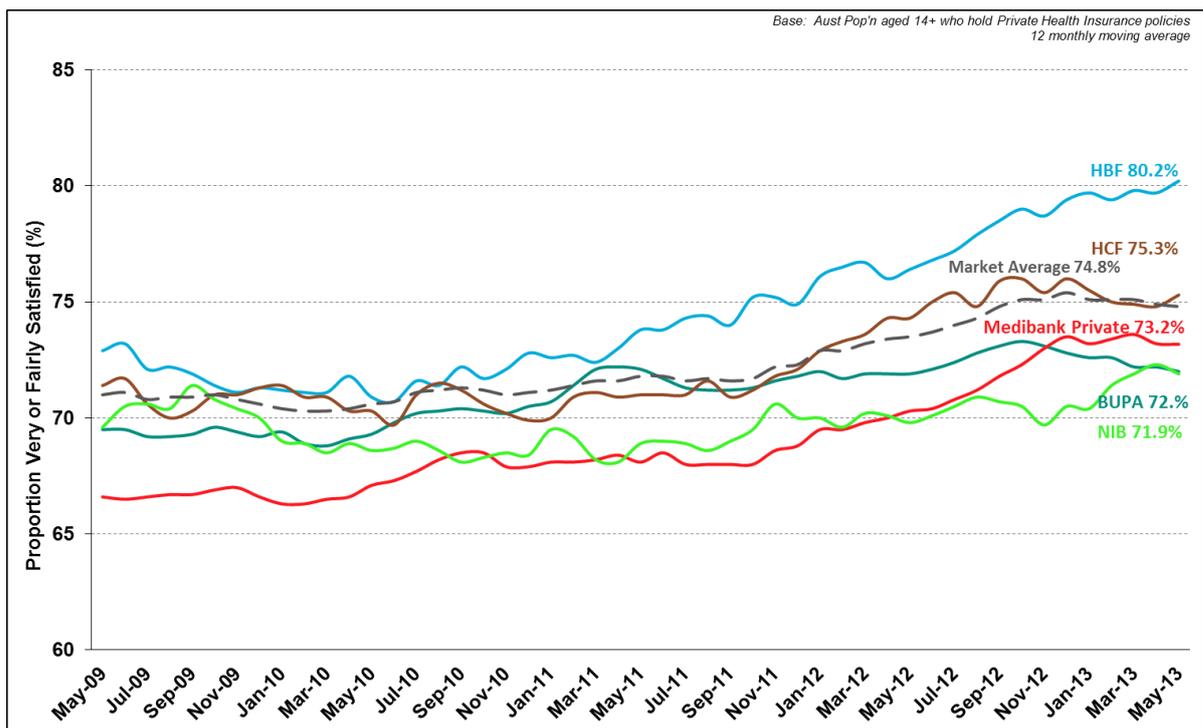
Medibank Private overtakes BUPA for customer satisfaction but both below the industry average

Among the two largest private health insurance providers, BUPA customer satisfaction has been ahead of Medibank Private from 2009 up until the end of 2012. Since that date, Medibank Private customer satisfaction has passed that of BUPA which poses a major threat to customer growth, particularly as both major players have satisfaction levels below the market average. These are the latest findings from the Roy Morgan Single Source Survey of over 50,000 interviews per annum.

Over the last few years, satisfaction among Medibank customers has improved considerably and is now 73.2% in May 2013. By contrast, declines for BUPA over the last six months has seen its customer satisfaction fall to 72.0%. These shifts in customer satisfaction have seen Medibank overtake BUPA, rising from last place among the five major private health insurers to now sit third in terms of customer satisfaction, ahead of NIB and BUPA.

Over the six months since November 2012, satisfaction among BUPA customers in NSW has been in consistent decline, dropping by 3.7% points to 67.8% to be the lowest in Australia. Also noted over that period is a general drop in satisfaction among BUPA customers who do not have children.

Private Health Insurance Customer Satisfaction



Source: Roy Morgan Single Source (Australia), 12 month moving average, average sample size = 22,550

Base: Australians 14+ who hold Private Health Insurance

FOR IMMEDIATE RELEASE

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

“Despite recognition among major Private Health Insurers of the importance of customer satisfaction in optimising customer retention and growth, opportunities for improvement clearly remain.”

“In the current private health insurance landscape of price competitive advertising, comparison tools, and the increased ease of switching, competing providers need to develop and leverage a better understanding of their customers and their needs in order to counter the negative impact of rising premiums.”

“These annual premium increases (necessary to cover the growing cost of services, claims and the increased cost of medical treatment) and the relative ease with which consumers can now compare and switch products, mean that now more than ever, lower levels of satisfaction will translate to higher levels of customer defection.”

“The biggest threat therefore to three of the market leaders ie Medibank Private, BUPA and NIB, is that they are all below the industry average for customer satisfaction and are a long way behind the rating given to most of the smaller players.”

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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.

In Australia, Roy Morgan Research is considered to be the authoritative source of information on financial behaviour, readership, voting intentions and consumer confidence. Roy Morgan Research is a specialist in recontact customised surveys which provide invaluable and effective qualitative and quantitative information regarding customers and target markets.

Roy Morgan Consumer Single Source

Roy Morgan Single Source is based on over 50,000 interviews each year and has been designed and engineered to represent the ideal source model. It provides an integrated understanding of consumers; what they are like, what they consume, what they buy, what they think, what they want, what they watch, read and listen to. The overriding benefit of Roy Morgan Single Source is the strategic insights it offers in the ability to link many aspects. Not only can an organisation's profitable customers be delineated by what they think, do, watch, but so can non customers. Hence brand positioning, product differentiation, merchandising, efficient media planning, market expansion and line extension opportunities can all be considered in the light of the correct understanding of the marketplace.

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
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2