

Small Business Banking Satisfaction Declines as Service Quality Suffers, J.D. Power Finds

Small Business Banking Customers Seek Stronger Partnership with Their Bank

COSTA MESA, Calif.: 26 Oct. 2017 — Many small businesses are feeling neglected by their banks as satisfaction in nearly every factor declines, according to the J.D. Power 2017 U.S. Small Business Banking Satisfaction Study,SM released today.

“Small business banking is one of only two financial services industries measured by J.D. Power to show year-over-year declines in customer satisfaction in 2017,” said **Bob Neuhaus, Financial Services Consultant at J.D. Power**. “The performance gaps we’re seeing are pervasive, affecting virtually every customer touch point with the bank. Customers without an account manager and non-borrowers are especially vulnerable to competitive poaching and represent an important opportunity for banks to deepen relationships across multiple products.”

Following are some key findings of the study:

- **Small business banking satisfaction declining:** Overall small business bank customer satisfaction declines to 790 (on a 1,000-point scale) in 2017 from 797 in 2016, driven primarily by declines in account activities (-1.9 points); problem resolution (-1.5); fees (-1.5); and account manager (-0.8).
- **Account managers play major role in relationship:** Overall satisfaction is 135 points higher among small business customers who have been assigned an account manager and who say they feel they have a full partnership with that account manager (887) vs. those who do not have an account manager (752). However, customers who indicate having an account manager that does not fully understand their needs are even less satisfied (743) than those who have no account manager at all. Currently, just 52% of small business customers say they have been assigned an account manager.
- **Small business lending is window to improving customer relationships:** Small business customers who have borrowed money from their banking institution are significantly more satisfied than non-borrowers (822 vs. 757, respectively). The borrowing process is an important opportunity for small businesses to build a trust-based relationship with their banks.
- **Customers with account managers more likely to promote bank:** Net Promoter Scores,[®] which measure the percentage of customers who are loyal enthusiasts who keep doing business with a company and urge their friends to do the same, are a significant 29 points higher among small business banking customers who have an account manager assigned than those who do not.

Bank Rankings

Chase ranks highest in small business banking satisfaction in the West region for a fifth consecutive year, with a score of 819. Chase is followed in the West region by **U.S. Bank** (797) and **Bank of the West** (788).

M&T ranks highest in small business banking satisfaction in the Northeast region with a score of 815. **Capital One** ranks second (813) and **TD Bank** ranks third (809).

Citibank ranks highest in the Midwest region, with a score of 839, followed in a tie by **Bank of America** and **Fifth Third Bank**, each with 806.

TD Bank ranks highest in small business banking satisfaction in the South region, with a score of 819. It is followed by **Capital One** (817) and **Chase** (815).

The 2017 U.S. Small Business Banking Satisfaction Study includes responses from 8,378 small business owners or financial decision-makers who use business banking services. The study was fielded in June-August 2017.

For more information about the U.S. Small Business Banking Satisfaction Study, visit <http://www.jdpower.com/resource/us-small-business-banking-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2017195>.

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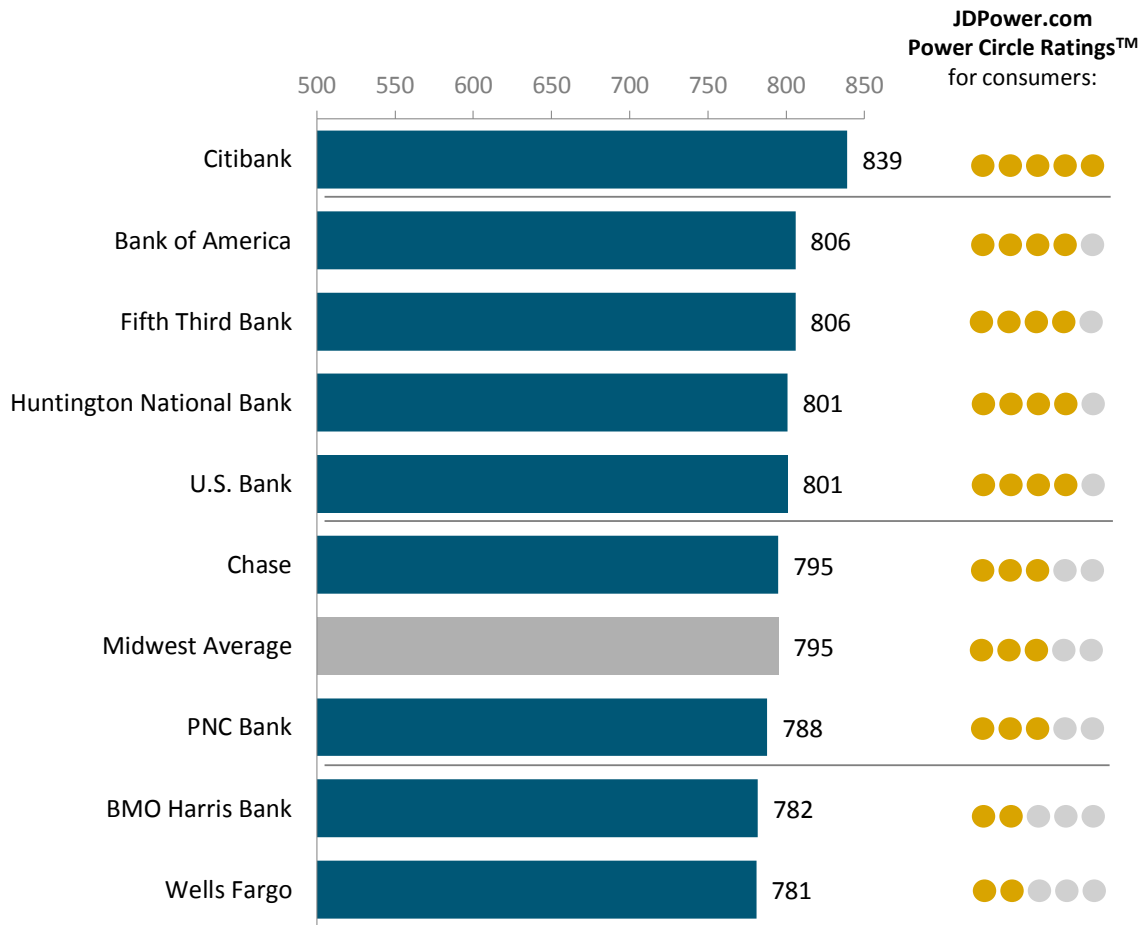
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NOTE: Four charts follow.

J.D. Power 2017 U.S. Small Business Banking Satisfaction StudySM

Customer Satisfaction Index Ranking (Based on a 1,000-point scale)

Midwest



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

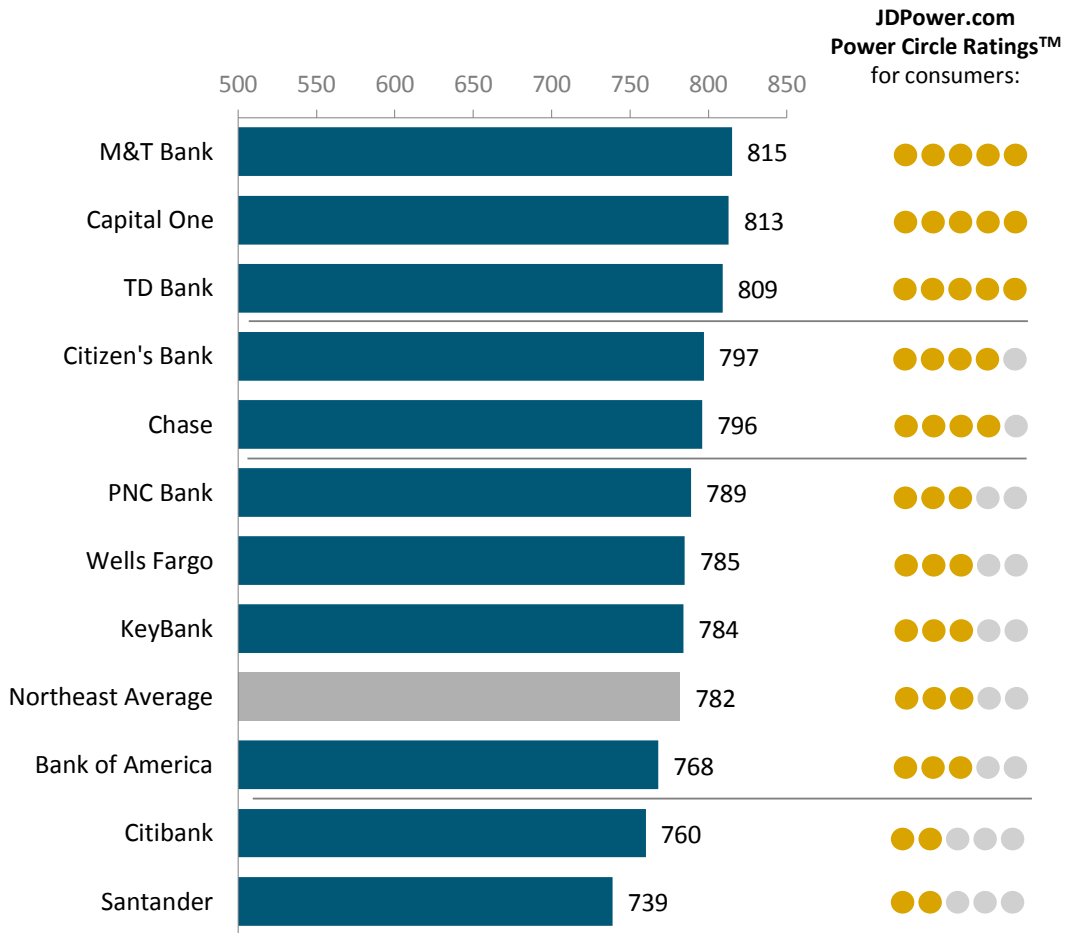
Source: J.D. Power 2017 U.S. Small Business Banking Satisfaction StudySM

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Customer Satisfaction Index Ranking (Based on a 1,000-point scale)

Northeast



Power Circle Ratings Legend

- Among the best
- Better than most
- About average
- The rest

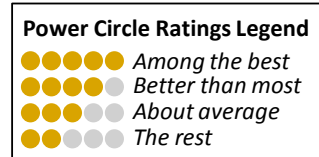
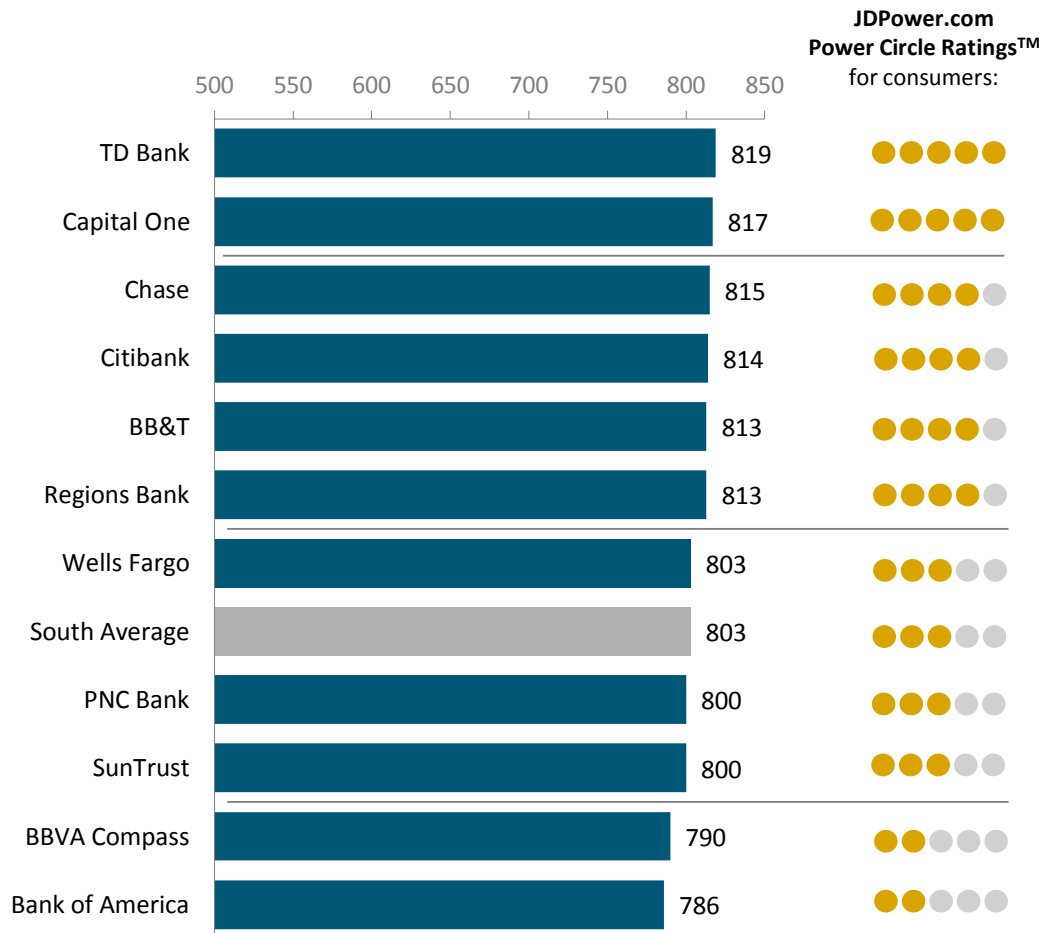
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Customer Satisfaction Index Ranking (Based on a 1,000-point scale)

South



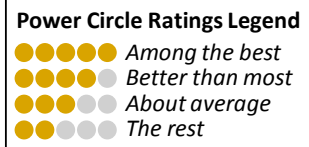
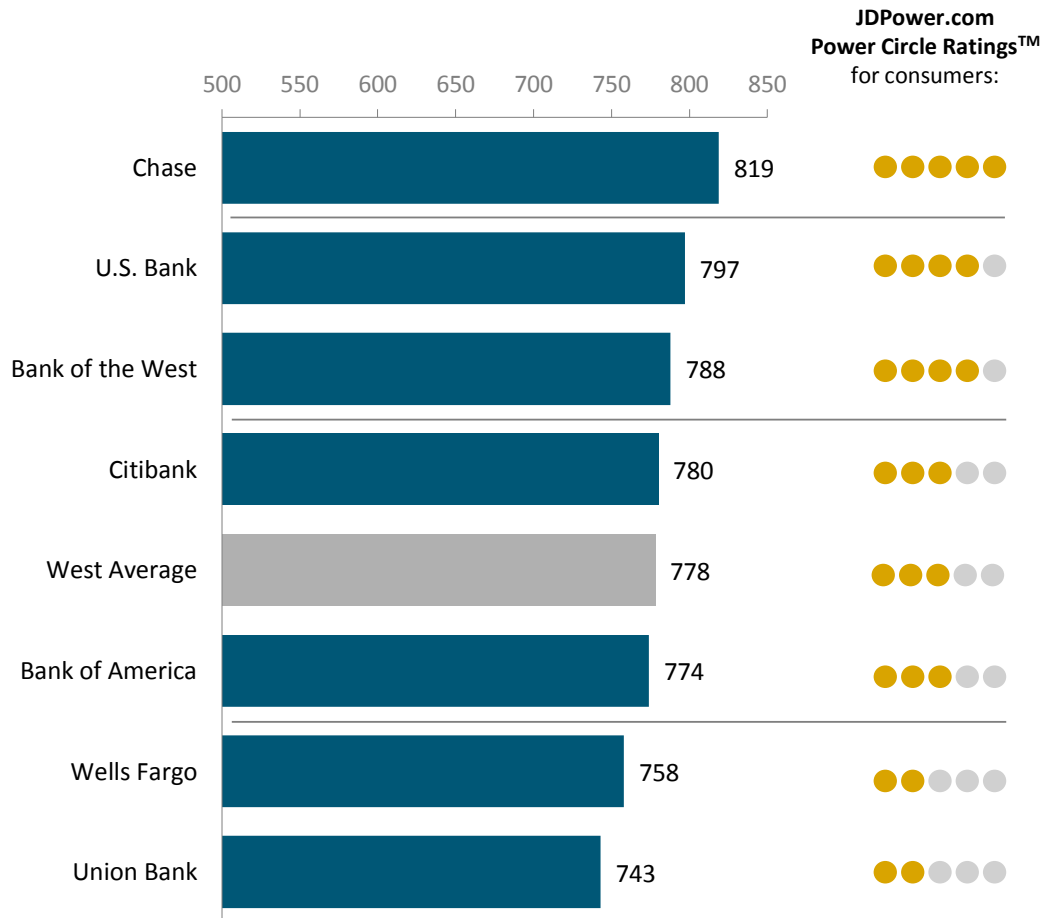
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Customer Satisfaction Index Ranking (Based on a 1,000-point scale)

West



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