



NobleOak Life: Media Release

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The Net Promoter Score – Results from Independent Survey – JUST RELEASED!

Australian Banks and Life Insurers

Independent research company, Pureprofile, has just completed a survey with 1,200 respondents in June 2016, to compare the current Net Promoter Scores across banks and life insurers as well as a survey of over 300 NobleOak customers in April 2016. This research, commissioned by independent Life insurer, NobleOak, has some very interesting findings outlined below.

What is NPS?

The Net Promoter Scores (NPS) is a well utilised customer loyalty and referral measurement tool introduced in a 2003 Harvard Business Review article "One Number You Need to Grow", by Fred Reichheld. It measures the likelihood of customers to recommend a business or product to friends and colleagues.

A Net Promoter Score* (NPS Score) is an important metric used by many financial institutions. It qualifies existing customers on how willing they are to recommend the service provider to friends and colleagues. It is rare for this score to be positive for financial institutions.

"I have found the NPS to be the simplest and most effective measure of the likelihood of customers to refer NobleOak to others."

Anthony R Brown – NobleOak CEO

Pureprofile Research Findings – June 2016

The Pureprofile research shows that Australians do not rate banks and Life insurers very highly, especially the larger integrated players. The more satisfied a customer is with the communication they receive from their financial providers, the more likely they are to recommend their bank or insurer.

Overall bank customers are more satisfied than insurance customers.

NobleOak clearly outperforms the other financial services institutions surveyed with an industry leading NPS of 37.

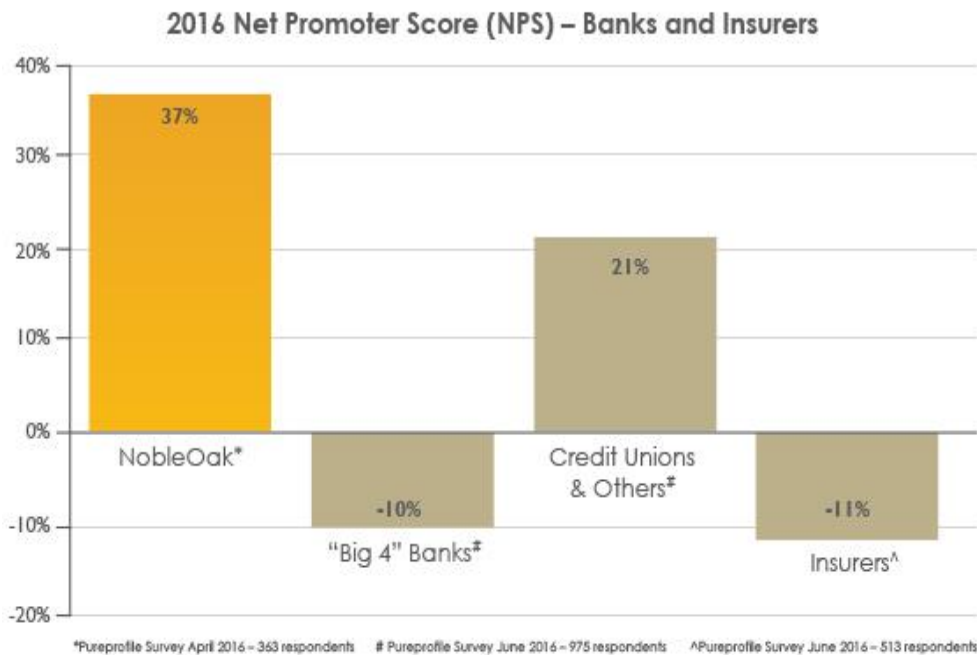
The research surveyed approximately 1,200 respondents. The findings are detailed below:

	Total surveyed with interaction	NPS	Service	Satisfaction with Pricing	Would recommend (scores 5-10)
Banks (refer table below)	975	-0.2	95%	66.6%	88%
Life insurers	513	-10.5	93.2%	74.9%	86%
NobleOak	363	37	98.5%	98.5%	95%

	Total surveyed with interaction	NPS	Service	Satisfaction with Pricing	Would recommend (scores 5-10)
Banks comprise	975	-0.2	95.1%	66.6%	88%
i) Big 4	671	-9.8	93.7%	61.6%	83.8%
ii) Credit Unions and Other	304	21.1	98.0%	77.6%	94.1%

1. A Positive NPS is still rare

The research showed that the banks had an NPS score of -0.21 while Life insurers scored -10.53.



[NobleOak outperformed the banks and insurers surveyed with a positive NPS score of 37.](#) This result confirms that while many banks and Life insurers have focused a great deal on customer satisfaction over the past few years, there is still a long way to go.

“It is not easy for companies to achieve a positive NPS score due to the way it is calculated, and the greater expectations discerning customers now have of financial services providers. Only customers that score 9 or 10 out of 10 are counted as “promoters” and customers that score you 0 to 6 out of 10 are counted as “detractors”. Even if someone scored you with a pass mark of 5 or 6 out of 10, they are still categorised as “detractors”. The number of “detractors” is subtracted from the number of “promoters” to achieve your score. You have to really perform well to achieve a positive NPS score”
Anthony R Brown, CEO of NobleOak

2. Gap in communication – a changing trend

81% of respondents had some form of communication with their bank in the last 6 months, while only 42% had had an interaction with their Life insurance provider in the last 12 months.

This comes as no surprise as traditionally insurers have not provided regular communication to their customers. Life insurance especially has been seen as a ‘set and forget’ product and insurers have been reluctant to communicate with customers beyond their annual renewal notice.

NobleOak believes this trend is changing in the digital world with customers having easy access to product and company information and more inclined to undertake their own research. Digital communication allows customers to consume information in their own time and in their own way.

Access to this communication means that customers are looking to take more personal control of their financial situation and expecting more meaningful communication from their financial providers to help them do this. The providers that do this well will have more connected customers who are more likely to recommend them to others.

“As many Life insurers have less regular contact with their customers than banks, it’s not surprising their NPS scores are lower than banks. While it’s disappointing that Life insurers did not score that well overall for NPS, this may also be fuelled from recent poor publicity targeting a couple of the larger insurers. It should be noted that the total Life insurers’ satisfaction score is still a very respectful 93%.”
Anthony R Brown – NobleOak CEO

“Net Promoter Score (NPS) is an important performance measure at NobleOak, as we do not mass market our products or pay large upfront commissions to advisers to sell our products. We pass savings back to customers through lower premiums and therefore rely heavily on word-of-mouth referrals. I have found the NPS to be the simplest and most effective measure of the likelihood of customers to refer NobleOak to others.”

Anthony R Brown – NobleOak CEO

3. Providing Personal Service – size doesn’t matter

The Big Four banks appear to lag in the level of satisfaction customers have with the service they provide their customers. The Big Four had 95% of customers classified as Extremely Satisfied or Satisfied with their service while the smaller banks and credit unions rated higher at 98%. The smaller organisations seem to have closer relationships with their customers.

Life insurers fell short in customer satisfaction for overall service with a respectable 93% of customers Extremely Satisfied or Satisfied with service. NobleOak Life, in a recent survey, received Extremely

Satisfied or Satisfied scores from 98.5% of customers, well ahead of all the banks, credit unions and Life insurers.

“The Pureprofile results confirm that while many banks and life insurers have focused a great deal on customer satisfaction over the past few years, there is still a way to go. For less diversified providers such as credit unions and NobleOak, it is easier to build a strong service ethic into our cultures, and we often attract staff with a strong service ethic in the first place. I believe this helps us connect better with our customers and achieve higher promoter scores than the larger integrated providers.”

Anthony R Brown – NobleOak CEO

4. Access to affordable products – NobleOak providing value

Pricing is always a key factor when recommending products or services. The respondents' level of satisfaction regarding pricing hovered at the lower end of the spectrum, with the large banks being rated 66.5%, Life insurers rated 74% and smaller banks and credit unions rated 77.6%. Once again the stand out performer in this category was [NobleOak with 98.5% of customers satisfied with their pricing](#).

“At NobleOak, we are very proud of our 2016 Net Promoter Score of 37. We invest a lot of time into maintaining and building a client focused culture and investing in staff training.”

Anthony R Brown – NobleOak CEO

Further Information on NPS

**To calculate NPS, you simply ask customers “How likely are you to recommend XYZ to your friend or colleague?” using a 0-10 scale. “Promoters” (who score 9-10) are loyal, enthusiastic fans. They are far more likely than others to remain customers and to increase their purchases over time. Moreover, they account for more than 80 percent of referrals in most businesses. Passives (score 7-8) are satisfied but unenthusiastic customers who are vulnerable to competitive offerings. Detractors (score 0-6) are unhappy customers who can damage your brand and impede growth through negative word-of-mouth. Your Net Promoter Score is simply the percentage of promoters minus the percentage of detractors. It is therefore not easy to obtain a positive NPS score, and many firms have negative scores.*

[About NobleOak Life Limited](#)

NobleOak has been protecting Australians since 1877. We are a public unlisted Australian Life insurer, regulated by APRA and our products are backed by a top 3 global reinsurer for extra security.

NobleOak has a genuine desire to provide our clients with truly valuable products to better protect them and their families.

Covers provided by NobleOak include great value, comprehensive Life, TPD, Trauma, Income Protection and Business Expenses insurance. We keep our costs low by avoiding expensive mass advertising and large upfront commission payments to third parties. We are able to pass these savings back to our clients through reduced premiums, supported by outstanding personal service.

CANSTAR Award Winners

[2016 CANSTAR Outstanding Value Direct Life Insurance Award](#)

[2016 CANSTAR Outstanding Value Direct Income Protection Award](#)

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