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What Kind of Customer Tends to Recommend Their Financial Institution for Asset Management?

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Summary

- The introduction of new customers by existing customers is one important form in which the provision of customer-oriented, high-quality services by financial businesses leads to securing a customer base and earnings. In this report, two points are examined using the FSA's Customer Awareness Survey on Sales of Risk-Oriented Financial Instruments: (1) whether the intention of introducing financial institutions to friends and acquaintances differs according to the attributes of customers, and (2) which services that financial businesses provide are more likely to encourage existing customers to recommend them to others.
- Looking at the results of question (1), it became clear that young people and Internet bank and securities users were more likely to introduce their own financial institution to friends and acquaintances. It was also found that the tendency to provide introductions was stronger amongst people who started asset management due to NISA.
- Consideration of (2) suggests that in the case of face-to-face banking and securities trade, the tendency of customers to provide introductions is enhanced by services that are generous and reliable at the time of sale or after sale of financial products. On the other hand, in the case of Internet banks and securities companies, it was suggested that cheap commissions, the ability to earn and use reward points, and the ease with which transactions can be made are services that increase the willingness to provide introductions.
- Assuming the level of customer satisfaction to be constant, the difference in the tendency to provide referrals due to customer attributes and services mentioned in (1) and (2) decreases. This suggests that improving customer satisfaction is important in order to increase the number of referrals of financial institutions. Based on the above, it is also confirmed here that financial businesses should aim to secure their own stable customer base and profits by providing high-quality services that satisfy customers.

Attention

This report is a summary translation. The official document is only in Japanese.