

Tuesday, 19 June 2018

## Industry Funds satisfy top investors

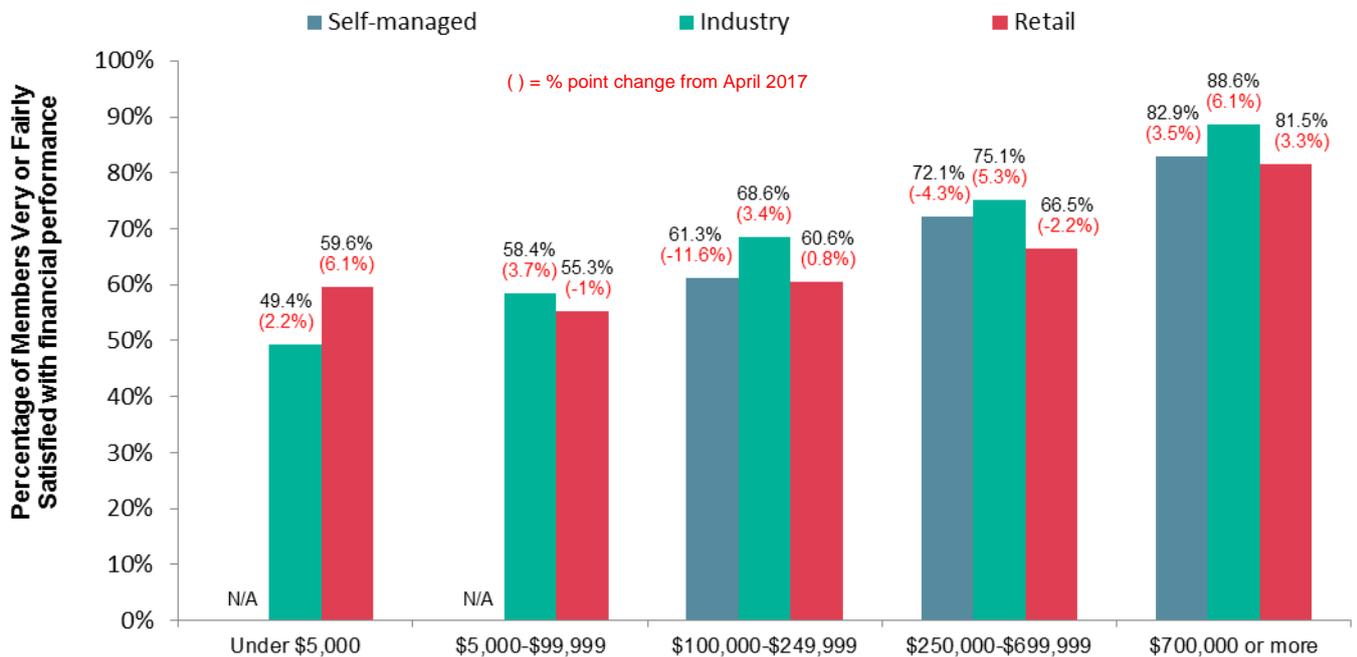
New data from Roy Morgan’s Single Source reveals that, among customers with superannuation balances in excess of \$100,000, industry superfund customers were the most satisfied over the 6 months to April 2018. Self-Managed Superannuation Funds (SMSFs) and retail superfunds, trail industry superfunds among high-balance members. Retail superfunds provided higher levels of satisfaction for customers with super balances below \$5,000, yet struggled to impact other customer segments.

These are the latest findings from Roy Morgan’s Single Source data, which is a survey of over 50,000 consumers per annum, including over 30,000 superannuation fund members.

### Industry fund satisfaction tops all but lowest balance holders

In the six months to April 2018, Industry Superfunds had the highest satisfaction with members of all account balances over \$5,000, including the members with \$700,000 or more saved. While historically SMSFs had provided the highest satisfaction levels among higher balance funds, a decline of 11.6ppts among \$100,000-\$249,999 balance customers from our April 2017 results has placed them under industry funds and nearly equal with retail funds. Retail funds showed highest relative performance among funds with under \$5,000.

### Satisfaction with Financial Performance of Superannuation Funds



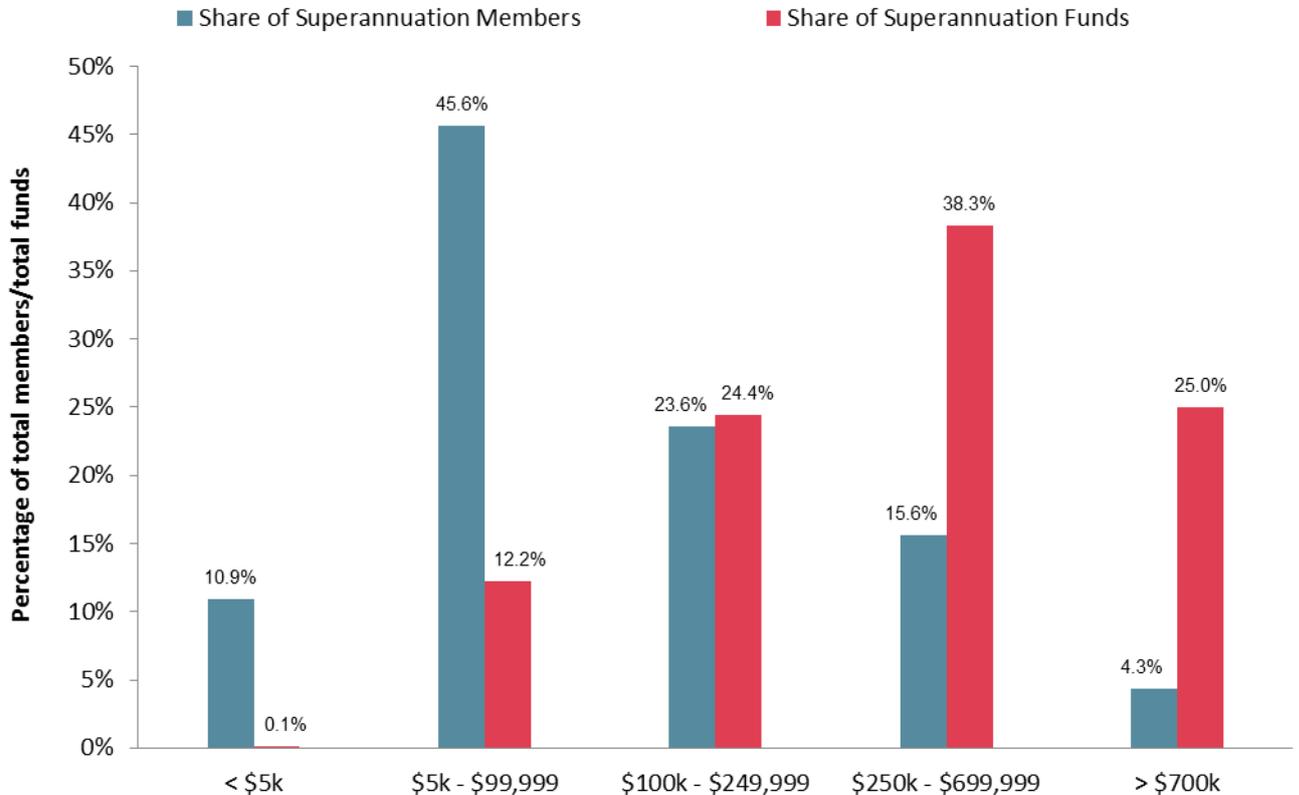
**Source:** Roy Morgan Single Source (Australia), 6 months to April 2017 n=15,329; 6 months to April 2018 n=15,530 **Base:** Australians 14+ with Superannuation

FOR IMMEDIATE RELEASE

### The heavy skew of the superannuation market

Although retail funds have the highest satisfaction amongst low balance members, their success should be measured against the funds held in this segment. These accounts under \$5,000 only represent 0.1% of the monetary value of the entire superannuation market.

### Share of Superannuation Members Compared to Superannuation Funds Contributed



**Source:** Roy Morgan Single Source (Australia), 6 months to April 2018 n=15,530 **Base:** Australians 14+ with Superannuation

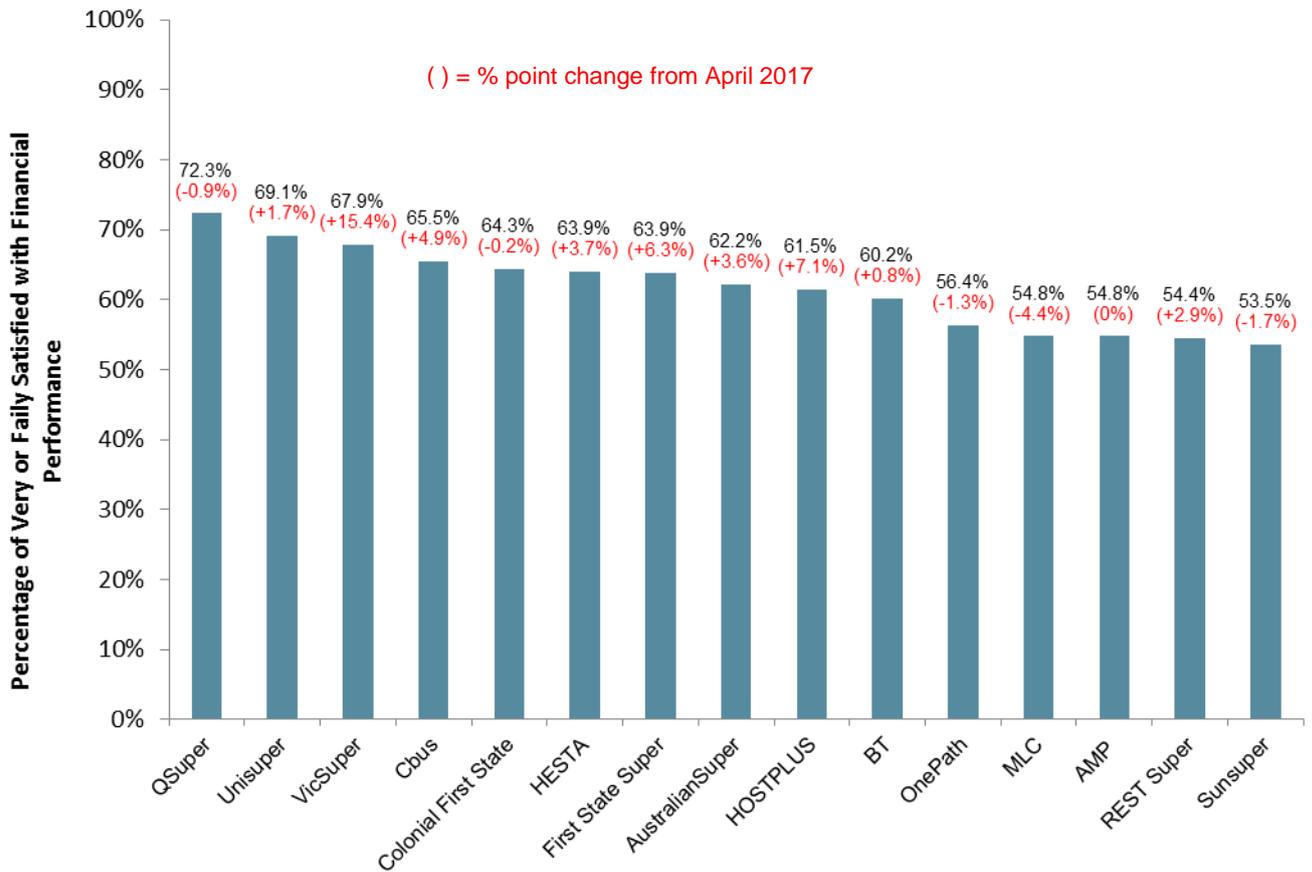
By comparison, account holders with balances between \$250,000 and \$699,999 comprise 38.3% of the whole superannuation market, despite representing only 15.6% of all super members. Combined, superannuation accounts with a balance over \$250,000 are worth nearly two-thirds (63.3%) of the entire value of superannuation, and they are held by only 19.9% of all super members. As a result, higher satisfaction scores among the high balance customers will likely yield greater business results for the funds able to satisfy them.

### QSuper continues to lead in satisfaction

Satisfaction with superfunds has increased by 2.7ppts to 61.2%, with the strongest growth coming from VicSuper, having grown by 15.4ppts since April 2017. Other high gains in satisfaction include HOSTPLUS with 7.1ppts, First State Super with 6.3ppts, and Cbus with 4.9ppts of growth. Funds with declining satisfaction include QSuper, falling by 0.9ppts, One Path (-1.3ppts), SunSuper (-1.7ppts) and MLC (-4.4ppts).



**Satisfaction with Financial Performance of Superannuation – 15 largest funds<sup>1</sup>**



**Source:** Roy Morgan Single Source (Australia), 6 months to April 2017 n=15,329; 6 months to April 2018 n=15,530 **Base:** Australians 14+ with Superannuation <sup>1</sup>Based on Customer Numbers

The leaders of satisfaction among the largest 15 funds include QSuper with 72.3% satisfaction, well above Unisuper (69.1%) and VicSuper (67.9%). Superfunds with lower satisfaction include Sunsuper with a 53.5% satisfaction rate, along with REST Super (54.4%), AMP (54.8%) and MLC (54.8%).

**Norman Morris, Industry Communications Director, says:**

*“Superannuation satisfaction is a vital part of understanding the behaviours of members, as it is how they feel regarding the performance of their fund that will ultimately determine their actions. Understanding what drives the satisfaction of members will prevent switching and encourage further investment and engagement with superfunds.”*

*“Deciding which customers to prioritise is equally important, given the heavy skew of the market towards high balance account holders. Despite representing a small segment of the population, the industry superfund satisfaction lead among the \$250k-\$700k category is likely to be more valuable for them than the satisfaction for accounts under \$5,000 will be for retail superfunds. Arguments could be made for developing loyalty with low-balance members to help them grow into larger account holders, though this will require superfunds to invest not only in the market, but in their own customers, in the long term.”*

View our comprehensive report on [Superannuation Satisfaction](#), as well as [Individual Organisation Member Profiles](#). These profiles and reports provide a broad understanding of the target audience, in terms of demographics, attitudes, activities and media usage in Australia.

**For comments or more information please contact:  
Roy Morgan Enquiries  
Office: +61 (3) 9224 5309  
[askroymorgan@roymorgan.com](mailto:askroymorgan@roymorgan.com)**

**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

FOR IMMEDIATE RELEASE