



The Phase 5 Competitive Online Banking Report

For Immediate Release: August 15, 2005

New study of Canadian Web Banking shows TD Canada Trust and Scotiabank lead in terms customer satisfaction

Toronto - A new survey of Canadian consumers who bank on the Internet shows that TD Canada Trust and Scotia Bank lead competitors in terms of online banking customer satisfaction.

The survey of 2,019 Canadians by Phase 5 Research showed that customers of TD Canada Trust and Scotiabank were more likely than any of the other "Big 5" Banks¹ to be very satisfied with their online banking service. TD Canada Trust's EasyWeb and Scotiabank's ScotiaOnline customers were also more likely to feel that their online banking service provides excellent value.

"TD Canada Trust and Scotiabank are clear leaders in online banking satisfaction" said Dr. Arnie Guha, the study director and Senior VP at Phase 5. "While all the major banks are satisfying their online banking customers, these two banks stand out in terms of the proportion of customers who are truly delighted with the online channel."

"These results are significant because our data clearly show that the online channel is of great importance to Canadians' overall relationship to their bank," Dr. Guha added. "For a large component of the 42% of Canadians who bank over the Internet, online customer satisfaction *is* customer satisfaction. Banks that fall behind in the online channel put their overall relationship with their customers at risk."

The study also found that while all Big 5 banks perform well on basic online banking functionality, Canadians think there is substantial room for banks to improve how they use the Web to provide information on their products and services and to apply and purchase these products online.

"The data show that Canadian banks are not taking full advantage of the online channel as a way to deepen their relationship with existing customers. Customers are saying that banks can do more to provide effective online research, planning and application resources," Dr. Guha said.

Other survey findings of note include:

- Scotiabank rated highest overall in terms of the ease of use and design of its Web site.
- Half of all Canadians who bank over the Internet with the Big 5 banks conduct at least three-quarters of their banking activities online.
- More than a third of Canadians who bank online have researched home or auto insurance online in the past year.
- Less than 20% of Canadian consumers who bank online used an online broker to purchase stocks, bonds, mutual funds.

¹ BMO, Bank of Nova Scotia, CIBC, RBC and TD Canada Trust



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About the Study

The Phase 5 **Competitive Online Banking Report** is the result of an online survey of 2,019 Canadians who banked online with one of Canada's Big 5 banks. Data were collected online in June 2005. At an aggregate level, the results are considered accurate to within +/-2.2 %, 19 times out of 20.

About Phase 5

Founded in 1991, Phase 5 is a leading Canadian marketing research consulting firm that provides research services focused on online products and services and service quality measurement.

Phase 5's clients include major financial institutions, information providers, telecommunications companies and government and not-for-profit organizations across North America.

Web site: www.phase-5.com

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Project Directors

Arnie Guha, Ph.D., is Senior Vice President of Phase 5. Widely regarded as an expert in online user groups and environments, and related marketing and business issues, Arnie helps his clients – banks and insurance companies, technology companies, life sciences firms, media companies, publishers and information providers, and various branches of government – understand and estimate their markets, and to develop products, services and strategies that would best respond to market needs and business objectives.

Prior to joining Phase 5, Arnie was Manager, Marketing Research (Business Initiatives), at RBC Financial Group.

Arnie holds a BA and MA from Cambridge University, and a Ph.D. from the University of British Columbia. Arnie speaks regularly at conferences, focusing on various aspects of online user experience research, from qualitative evaluation of interfaces and task-flow analysis, to benchmarking and performance measurement.

A former Cambridge Nehru Centenary Scholar, Arnie was elected Fellow of the Cambridge Commonwealth Society in 1994.

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Michael Dolenko is a partner at Phase 5, and manages the firm's Toronto office. Michael has worked in marketing and media research since 1991 as both a buyer and a consultant.

Michael's current practice focuses on helping financial institutions, information providers, media companies and e-businesses develop, market and manage products and services in a multi-channel environment.

Michael has spoken on research and Web-related topics at many venues and teaches a course on Measuring Service Quality for the University of Toronto.

Michael earned a BA in Philosophy from Trinity College at the University of Toronto and an MA in Media Studies from Concordia University in Montreal. He is a member of the MRIA and the Usability Professionals Association.

When away from the office, Michael enjoys travel, cooking and long distance running. Michael recently completed the 2005 Boston Marathon.

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