



# METHODOLOGY

## Small Business Award New Zealand

### July 2017

#### What is the Canstar *Small Business Award*?

Canstar *Small Business Award* uses a sophisticated and unique ratings methodology that compares both cost and features across Small Business products. The ratings are aimed at small businesses of varying sizes, with profiles and loan sizes to suit.

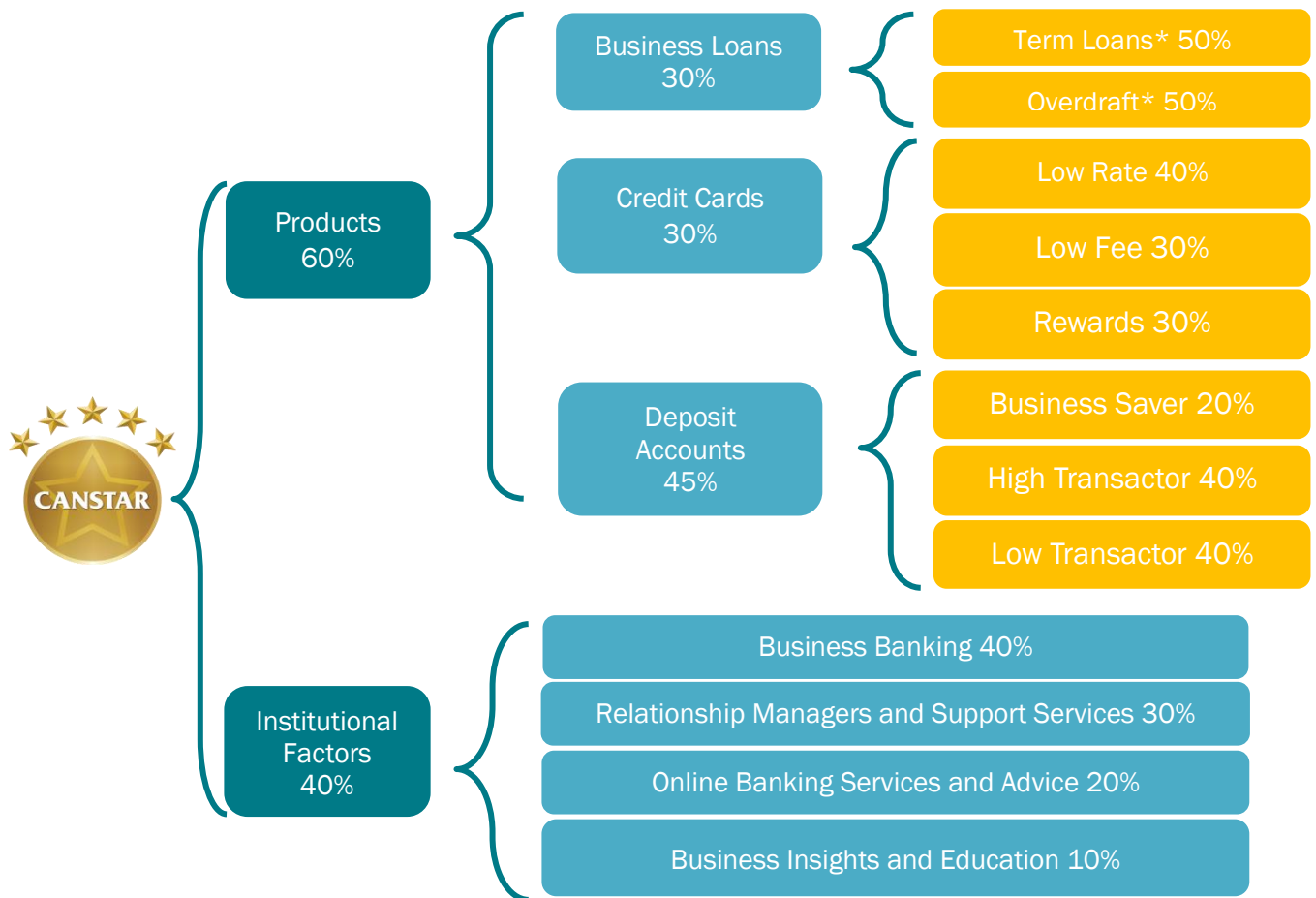
#### Eligibility Requirements

To be eligible for inclusion in the award, institutions must offer the following to small businesses:

- Loans
- Credit Cards
- Transaction / savings accounts

#### Award Methodology

To arrive at the total score, Canstar applies a weight against the price score and the feature score. The weights reflect the relative importance of costs and features in determining the products offering outstanding value. The breakdown of weighting for each category is displayed in the following methodology trees:



Please refer to the individual product star ratings methodologies for credit cards and deposit accounts for how those products are scored.

## Business Loans - Features

Category	Term Loans	Overdrafts
<b>Loan Terms</b>	<b>60%</b>	<b>95%</b>
Lending Terms	65%	55%
Security Requirements	10%	5%
Loan Purpose Availability	25%	10%
Overdraft Terms	-	30%
<b>Product Functionality</b>	<b>40%</b>	<b>5%</b>
Redraw Facility/Transactional	35%	-
Portability	25%	100%
Repayment Capabilities	20%	-
Split Facility	10%	-
Switch Facility	10%	-

## Institutional Factors

Feature Category	Weighting
<b>Business Banking</b>	<b>40%</b>
Branch and ATM Functionality	50%
Branch Coverage	85%
ATM Functionality	15%
Online Banking Functionality	25%
Payment Services	25%
<b>Relationship Manager and Support Services</b>	<b>30%</b>
Relationship Manager Coverage	85%
Support Services	15%
<b>Other Business Services and Advice</b>	<b>20%</b>
Small Business Packages	30%
Start Ups	10%
Risk Management	25%
Equipment Finance	25%
Disaster Relief and Support	10%
<b>Business Insights and Education</b>	<b>10%</b>

### Branch Numbers

The score for branch numbers is calculated on the basis that if a bank has at least 1 branch per 25,000 people living in New Zealand, then they should receive the full score.

### Relationship manager numbers

The score for relationship manager numbers is calculated on the basis that if there is at least 1 relationship manager present per 40,000 people living in New Zealand, then the bank should receive the full score. Scores are calculated separately for both the North and South Islands.

### Online Banking Functionality

Feature Category	Weighting
Transaction History	25%
Payroll	25%
Payments	15%
Security Limits	15%
Self Service	20%

## Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

## Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the Canstar website at [www.canstar.co.nz](http://www.canstar.co.nz) if you would like to view the latest star ratings reports of interest.



- Agribusiness
- Credit cards
- Deposit accounts
- Home loans
- Personal loans
- Term deposits
- Youth banking
- Business banking
- KiwiSaver
- First home buyer
- Online banking
- Reward programs
- Travel insurance

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