



# METHODOLOGY

## Small Business Award New Zealand

### August 2019

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

Canstar's *Small Business Award* uses a unique methodology that compares the product offering and institutional factors provided to small business customers in New Zealand. The Product Assessment measures the value proposition of small business financial products assessed in Canstar's Business Savings and Transaction Account Star Ratings and Business Credit Card Star Ratings in addition to the product features of each institution's Business Loans. The Institutional Factors component of the methodology assesses the service provisions offered by each institution considered.

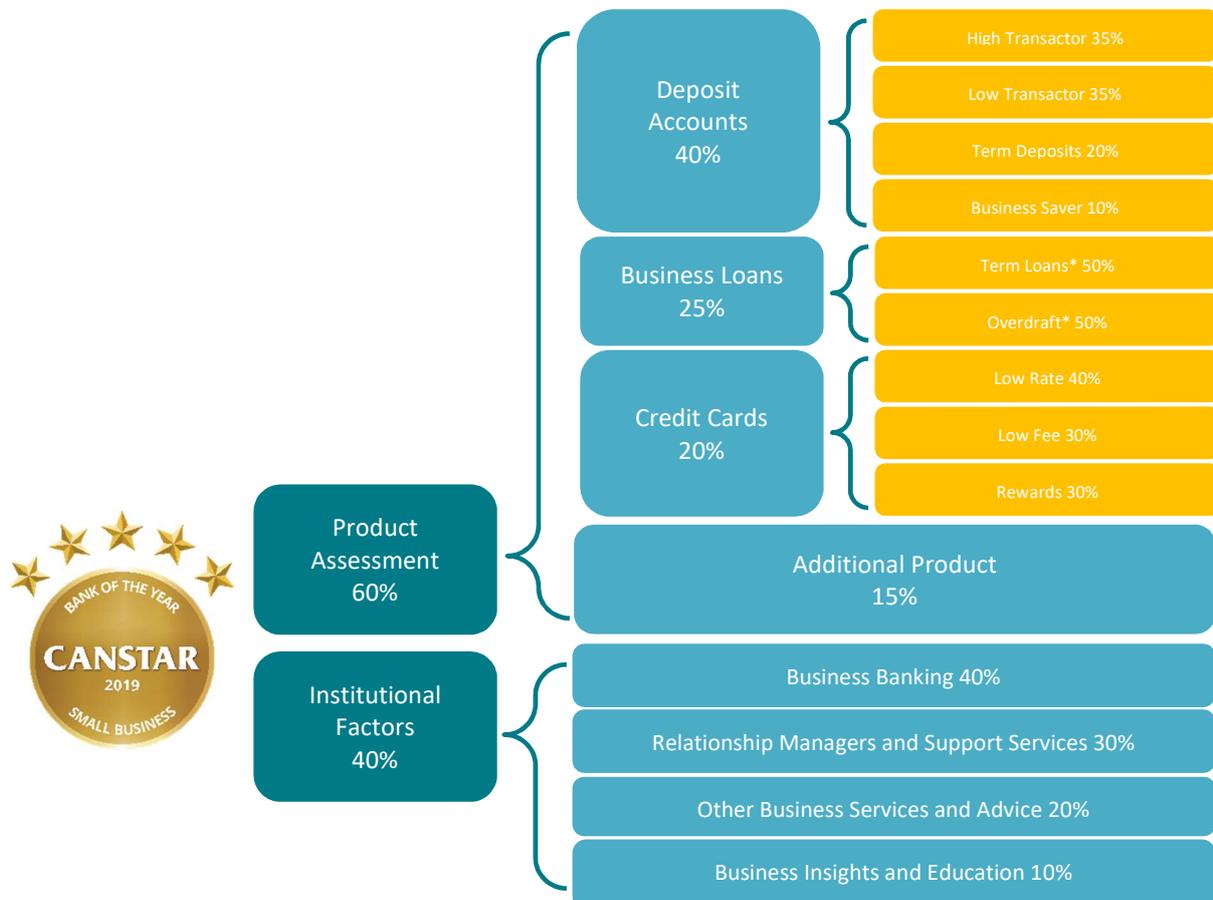
#### Eligibility Requirements

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

- Loans
- Credit Cards
- Transaction / savings accounts
- A branch network in both North and South Island

#### Award Methodology

To arrive at the total score, Canstar applies a weight against the product assessment and institutional factors scores. The weights reflect the relative importance of each component considered within the methodology. The breakdown of weighting for each category is displayed below:



Please refer to the individual product star ratings methodologies for credit cards, deposit accounts, and term deposits 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%	-

## Additional Products

Feature Category	Category Weight
Small Business Package	20%
Equipment Finance	20%
Insurance	20%
International Banking	20%
Risk Management	20%

## 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	50%
Support Services	50%
<b>Other Business Services and Advice</b>	<b>20%</b>
Start Ups	40%
Disaster Relief and Support	20%
Specialist Advisors (Franchising, Industry, etc)	20%
International (Advice, Language and assistance)	20%
<b>Business Insights and Education</b>	<b>10%</b>

### Branch Coverage

The branch coverage score incorporates the ranges of services offered and provided in-branch to customers, making up 70% of branch coverage score and branch numbers account for the remaining 30%. The score for branch numbers is calculated on the basis that if a bank has at least 1 branch per 30,000 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%
Self Service	20%
Payments	15%
Security Limits	15%

## 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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