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## CUSTOMER SATISFACTION STUDY HERMES COVER 2004

### - EXECUTIVE SUMMARY -

In the past months, within the framework of quality assurance, the mandatory consortium Euler Hermes Kreditversicherungs-AG / PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft commissioned a customer satisfaction study of the services provided by the Federal Export Credit Guarantee Division.

Psychonomics AG, an independent market research institute specialising in the financial services sector, surveyed more than 500 export companies and banks, a highly representative proportion of the total number of customers currently safeguarding their amounts receivable by an export credit guarantee.

The study is representative of the entire customer base. It includes the whole spectrum of policyholders, from large-scale companies to small and medium-sized enterprises, thus enabling customers benefiting from the broad range of products on offer to state their individual opinions and experiences.

#### **Coherent appearance of the mandatory consortium**

First of all, the survey revealed that all surveyed customers were familiar with the shared responsibilities between the mandataries and the Federal Government. The mandatory consortium is perceived as a closely integrated and coherent entity, which suggests a very effective cooperation between the two companies.

#### **Overall satisfaction**

One of the key findings of the study is the high level of customer satisfaction:

Both the cover facilities as such and the quality of services provided by the consortium are rated extremely positive. Especially in contrast to private financial service providers (credit insurers, banks etc.), the satisfaction numbers were significantly higher, more than 90 % rated the quality of services provided by the consortium as "good", "very good", or "extremely good". Furthermore, the consortium also performed very well on a number of individual aspects such as customer support, terms of contract, or online services.

#### **An attractive instrument for all company sizes**

In most areas the individual ratings with regard to specific aspects excel those of other financial service providers.

It is remarkable that there is hardly any difference between the ratings of large-scale companies and small and medium-sized enterprises. This reveals that in the course of the extension of the product range and an enhanced customer orientation, the consortium succeeded in developing the export credit guarantee scheme into an attractive and easily manageable instrument for small and medium-sized enterprises.



### **Significant partnership**

The companies surveyed affirm the major importance of export credit guarantees with regard to the successful conclusion of export transactions; 66 % say that without the support from export credit guarantees they would not be able to conclude specific export transactions. In addition, 78 % report that Hermes guarantees offer considerable advantages in contrast to alternative insurance facilities. A great plus here is the effective cooperation with the mandatory consortium and its high competence and expert advice. Of special value to the customers is that due to the export credit guarantees being an official instrument for the promotion of exports and their not being subject to yielding a profit, the mandataries are able to provide each company with objective and in-depth support. As regards the banks, Hermes guarantees are of particular importance insofar as they provide the banks with the necessary securities: In many cases banks do not agree to finance an export transaction unless a Federal Guarantee has been taken out.

### **Effective customer service**

A highly relevant criterion for customer satisfaction is the ability to find adequate solutions for each individual customer.

87 % of the customers surveyed report that staff members of the mandatory consortium are able to offer competent solutions to their respective problems, a most gratifying positive rating in comparison to private financial service providers. Furthermore, 97 % of the policyholders which have contact with the field staff rank themselves satisfied with the contact frequency, and 98 % experience the field staff as friendly and customer-oriented: Proof of an optimal management of customer service.

### **High marks for online service**

All in all, 90 % of the customers using the online services (policyholders who have taken out a wholturnover policy or wholturnover policy light) rate the service as "good", "very good" or even "extremely good". In addition, 69 % describe the access to the online service as easy and user-friendly.

### **Terms of contract have proved satisfactory**

The findings with regard to the General Conditions and the terms of contract of export credit guarantees are exceedingly positive. 86 % of the surveyed companies rate them at least as "good", for 80 % they are considered transparent.

### **Recommendable but not as well-known as it should be**

60 % of the surveyed customers have made use of Federal Export Credit Guarantees for six years or more, 20 % even for more than 20 years. Proof of high customer satisfaction with the mandataries' performance is the willingness to recommend export credit guarantees: 86 % would be willing to recommend taking out an export credit guarantee, 38 % actually have, whereof 65 % have done so within the last year. All in all, Euler Hermes / PwC AG have a very positive image: The consortium enjoys a good reputation among 99 % of the surveyed customers. Moreover, 84 % of exporters report that the products offered exactly answer their needs as regards the safeguarding of their export transactions.



As, due to the process of internationalisation and the ongoing march of globalisation, the significance of Hermes guarantees for future German export business will - more than ever - continue to rise, the question was asked why other German exporters would not make use of Federal Guarantees. 61 % stated the reason that other exporters may not be aware that such an instrument was available, 40 % answered it may be due to misconceptions about the instrument.

### **A step ahead of the international field**

However, another consequence arising out of business globalisation is that Hermes guarantees will increasingly have to compete with underwriting instruments offered by foreign export credit agencies (ECAs). 93 % of the customers who have had experience with foreign ECAs (10 %) rate the mandataries on a par with or better than their foreign equivalents. Still, 38 %, which is more than a third, rate the mandataries' performance "better" or "much better". In direct comparison, Euler Hermes / PwC AG even outstrip other ECAs taking up the top position.

### **Optimising the potential**

The study also gave some clues as to those aspects of the service which are in need of improvement: Approximately a third of the surveyed customers indicated that there is still room for improvement in the area of credit analysis, application procedure, and claims processing. In particular, customers wished for accelerated procedures and a reduction of the time and effort spent with regard to administrative practices.

### **On the right path**

Overall, the study conducted by psychonomics revealed that the performance of the mandatory consortium is rated very positive. All surveyed customers unanimously agree that during the last ten years the mandatory consortium Euler Hermes / PwC AG has developed into a modern business enterprise of the service industry. However, the findings also reveal: There are still a few tasks to be tackled, in particular the implementing of leaner process management and the acceleration of procedures.

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