Stability, Trust, And Perceived Size

Contributed by TNS
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Are Top Barriers To Consideration For International Banking Providers

The latest information from the TNS Commercial Banking Momentum Monitor shows that a meaningful percentage of businesses with revenues between $3MM and $2B are likely to seek new international banking and trade partnerships as the economy stabilizes and businesses look for growth opportunities.

Bankers seeking the business will have to overcome the stability, trust, and size perceptions before being entered into the consideration set. â€œStability and trust still remain the most important factors in the bank provider decision making process, despite the type of product or service being considered.

Glenn Staada, Vice President of TNS.
â€œFor international services, mid-sized banks also need to demonstrate they have the resources to compete with the largest banks. Once these barriers are overcome, the opportunity to win new international banking relationships is focused on product set, rates and fees, technology, and RM specialization.â€•

Demand for International Banking Services in the Near-Term
According to the study, one in ten business banking and middle market banking clients are likely to require a new international banking product or service in the next 12 months. International funds transfer and foreign exchange will be among the highest in demand among those likely to expand or change a banking relationship.

â€œSmaller firms within this segment are just as likely as the larger firms to be seeking out these services, and Central America and Asia will be two of the top regions considered for international expansion,â€• Staada added. Â

The Best Banks for International Services and Drivers of Consideration
Chase, Bank of America, and Wells Fargo are equally perceived as being the best at providing international banking services.

The top internationally headquartered providers are Deutsche Bank and HSBC.

While, financial stability and trust are the two most important factors that clients are currently using to evaluate international banking partners, rates and fees, understanding the clientâ€™s industry, demonstrating local market knowledge, high-quality web-based systems, and a dedicated RM also have a high impact on consideration.

Being headquartered in the U.S. is not a disadvantage, but perceived size is. Mid-sized banks are at a disadvantage compared to Bank of America, Chase, Wells Fargo, and Citi due to perceptions of less knowledge, less experience, and less infrastructure.

About the Study
The business executive findings are based on the Commercial Banking Momentum Monitor (CBMM). This program is an ongoing, dynamic research study of mid-sized companies (US based Middle Market companies with revenues $3MM-$2B) across a variety of sectors.

TNS is undertaking this program on behalf of major US financial institutions. The program explores a wide range of topÂ¬ics of concern to company financial decision-makers.

The Bank Advisory Board is a select online community of company financial decision makers managed and operated by TNS as part of the CBMM program.

Membership is by invitation only. The survey used for this release was fielded in January - February 2010.

A total of 227 interviews were completed.

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