

Business' Satisfaction with Pricing Falls

(18 December 2008 – Australia) East & Partners' November 2008 Business Banking Customer Satisfaction Monitor (BBCSM) shows a continuing decline in customer satisfaction regarding Business Banks' pricing.

Since February 2008, the customer satisfaction rating for pricing has significantly fallen from 5.31 to the latest level of 4.91 (using a scale where 0 is 'very dissatisfied and 10 is 'very satisfied').

The significance of this slide is highlighted by the fact that of the nine factors monitored in the BBCSM, Pricing now achieves the second poorest rating only behind Convenience.

Interestingly, customer satisfaction ratings concerning pricing significantly differ according to turnover segment with those businesses in the \$5 – 150 million turnover range reporting markedly worse ratings than those businesses with a \$150 – 500 million turnover.

Overall, National Australia Bank comes out on top regarding pricing achieving a relatively respectable rating of 6.14 compared to the worst performing bank which manages a rating of just 3.71.

East's BBCSM is based on interviews with 850 business customers every month (10,200 annually) turning over between A\$5 and 500 million per annum.

"The poor rating and continued fall in satisfaction regarding business bank's pricing is arguably being fuelled by the fact that business customers do not perceive their banks to be fully passing on the unprecedented rate cuts that the Reserve Bank of Australia have implemented" East & Partners' head of market analysis, Robert Morgan said.

"What is also interesting to note is the fact that businesses in the lower turnover segments appear to be more disgruntled about their bank's pricing compared to those businesses with a higher annual turnover." Mr Morgan said.

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About the East & Partners' Business Banking Customer Satisfaction Monitor

The Business Banking Customer Satisfaction Monitor is based on interviews conducted each month Australia-wide with a structured sample of 850 companies turning over A\$5-500 million per annum, some 10,200 direct interviews with business banking customers annually.

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