

Size matters for Satisfaction

(26 March 2009 – Australia) Businesses from the top end of town have much more of a ‘feel good’ factor about their banks compared to smaller businesses, according to East & Partners’ latest Business Banking Customer Satisfaction Monitor (BBCSM).

The latest BBCSM shows that CBA’s overall rating is 3.88 which, while low, has been trending up recently. However, when viewing CBA’s satisfaction rating by different turnover segments, a very different story unfolds. Businesses in the \$5-25 million turnover range give CBA a rating of just 3.03, a rating that has continued to fall over past few months.

On the other hand, those businesses in the \$150-500 million segment give CBA an overall satisfaction rating of 5.32 which has risen steadily over the past few months. This means that businesses from the higher turnover segment provide CBA with a satisfaction rating that is almost 76 percent more than their SME peers.

ANZ and Westpac also have stark differences in their satisfaction performance across the various turnover segments, attracting significantly poorer satisfaction results in the SME segment compared to those business with greater turnover. However, St George and NAB break the mould in terms of satisfaction in the SME segment with smaller businesses equally, or indeed more satisfied, than their bigger peers.

“Attitudes towards banks vary significantly according to business size. Evidently, the majority of the Big 4 banks are not servicing businesses in the lower turnover segments as well as those from the bigger end of town.” Robert Morgan, head of market analysis said.

“The perennial dilemma for the banks is how best to service the SME segment in a cost effective manner given the fact that the segment has a large number of businesses.”

“Performance in customer satisfaction is a key requirement to achieving traction in this part of the market. Strong satisfaction ratings translate into ‘stickier’ customers in the long term and result in a more profitable relationship for the provider” Mr Morgan concluded.

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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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