

Business Banking customers proceed with caution

(20 August 2009 – Australia) The current level of uncertainty associated with the global and domestic economies is having a tangible effect on the behaviour of business banking customers, according to East & Partners' latest Business Banking Customer Satisfaction Monitor (BBCSM).

In the latest BBCSM, the number of business customers that are unsure whether they intend to buy more bank products in the next 3 to 6 months has leapt from 23.5 percent in December 2007 to 47.7 percent in the July 2009 report.

Over the same period, business customers have become equally unsure as to whether they will switch any of their business to another provider. Back in December 2007, a mere 11.3 percent of business customers indicated that they were unsure about their switching intentions. However, in the latest BBCSM, this figure has shot up almost three times with 30.0 percent of customers now unsure about their switching intentions.

"The last eighteen months has rocked the confidence of business customers, making them more cautious. While, generally speaking, we are seeing more positive sentiment, the global financial crisis has put businesses on their guard," said Robert Morgan, East & Partners' head of market analysis.

"This is clearly translating into an increased level of uncertainty as the debate continues as to where the economy goes from here. However, this air of indecision does provide a significant opportunity for the banks to get closer to their business customers and take a more advisory role," Mr Morgan concluded.

The market average business banking satisfaction rating, for July 2009, was 4.73 (out of 10), a decrease from last month's score of 4.85. The fall is the eleventh consecutive monthly decrease in overall satisfaction.

Of the Big Four, no bank saw an increase in satisfaction this month, with ANZ taking the biggest hit. NAB maintains the top Big Four satisfaction rating, with a score of 6.50 this month.

In fact, there were no banks that managed to increase their overall business banking customer satisfaction this month.

The top rating this month in overall satisfaction went to the Regional banks, with a satisfaction score of 6.51.

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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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