

Customer Advocacy of Business Banks Remains Low

(11 April 2011 – Australia) The latest bi-monthly advocacy research by business banking research firm East & Partners has revealed that good service represents the strongest driver of advocacy with corporate businesses. Nearly a quarter of all corporate enterprises report that service is the most important driver encouraging them to advocate their primary bank. Despite this, actual advocacy still remains low and Intention to advocate even lower.

The firm's March 2011 report reveals that 24.1 percent of corporates view service as the most important driver encouraging them to advocate their primary bank, with only 16.3 percent nominating availability and ease of access to credit as a driver.

Notably, despite this seemingly simple correlation, corporate businesses are only reporting actual advocacy of their primary bank or relationship manager at an average of 0.71 times in the last two months; fewer businesses recommending or referring their incumbent providers translates into lower levels of customer acquisition.

"Middle market companies are still not advocating their banks. It is notable though that service has superseded access to credit as the most important driver of what advocacy that is occurring – a further indication of normalising credit relationships between customer and bank," said East & Partners' Principal Analyst Paul Dowling.

"This isn't the case, however, in the SME and Micro segments, where credit continues to dominate customer advocacy," Mr Dowling added.

Micro businesses and SMEs are reporting incidences of actual advocacy at only 0.35 and 0.52 times respectively.

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About East & Partners' Business Banking Advocacy Monitor

The East & Partners' Business Banking Advocacy Monitor is a bi-monthly Index of business customer advocacy and sentiment towards banks, based on interviews conducted Australia-wide with a structured sample of +/- 775 companies turning over A\$1 to 100 million per annum, some 4,650 direct interviews with business banking customers annually. The Index provides a monitor of several key drivers of customer engagement behaviour with their banks including advocacy, detraction, empathy, satisfaction, loyalty and mind share.

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Average Advocacy Score by Bank – March 2011

10 (would not recommend) to 100 (would recommend)

	(N: 799)
ANZ	14.5
BOQ	56.9
BWA	24.4
CBA	11.3
CITI	15.0
HSBC	45.5
NAB	36.2
SGB	37.1
SUN	17.0
WBC	14.0
OTHER	18.5
TOTAL	23.3

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