

## Where is customer loyalty in business banking?

(10 July 2012 – Australia) Australian Corporates are by far the most loyal segment of customers in business banking, significantly more so than either small business or institutional customers the latest research from East & Partners has shown.

Relative to twelve months ago, there has been an increase of 6.2 points in how Corporates view their own loyalty to their bank. This increase sees them, on a scale of 10 (not loyal at all) to 100 (very loyal), with a score of 54.1 (47.9 in May 2011), considerably higher than other segments of the business market.

Micro Businesses evidence least loyalty to their “home” bank, with a score of 11.4, only 1.4 points above the lowest possible loyalty score. Micro businesses are followed by SME’s and then the Institutional segment at 16.3 and 26.4 respectively.

### Average Loyalty Score by Enterprise Segment

10 (not at all loyal) to 100 (very loyal)

Segment	May 2011	May 2012
Micro Business	18.2	11.4
SME	24.3	16.3
Corporate	47.9	54.1
Institutional	29.2	26.4
TOTAL	29.5	26.7

Paul Dowling, East & Partners’ Principal Analyst commented, “These are large disparities across the business banking landscape – Corporate customers between 4.7 and 2.0 times more loyal to their core banking relationship than other segments – and clearly says something about the variation in experience that different kinds of customers are having with their banks”.

“Insights from East’s segmentation work suggest that this “middle market” is more dependent on a close and constructive working relationship with their primary banks than others. These businesses are typically focussed on growth, have arguably greater appetite for debt funding that growth and have critical needs for enhanced banking infrastructure, especially in payments, than both their smaller and larger siblings” Mr Dowling added.

#### East & Partners Pty Ltd

Level 39, 2 Park St Sydney NSW 2000 Australia

phone: +61 2 9004 7848 fax: +61 2 9004 7070

www.east.com.au

ABN: 23 151 025 599

## About East & Partners' Business Banking Index

A bi-monthly Index of business customer behaviour toward their banks, based on interviews conducted Australia-wide with a structured sample of over 6,150 companies across four segments annually.

The Index provides a monitor of a number of important drivers of customer engagement behaviour with their banks including advocacy, detraction, empathy, satisfaction, loyalty, channel engagement, advertising recognition, product demand, product advocacy and mind share.

Note: Business customer Segments

- › Institutional – A\$530+ million
- › Corporate – A\$20-530 million
- › SME – A\$5-20 million
- › Micro – A\$1-5 million

For more information or to interview East & Partners, please contact:

Sian Dowling  
Marcomms & Client Services  
East & Partners  
t: +61-2-9004 7848  
m: + 61-420 583 553  
e: [sian.d@east.com.au](mailto:sian.d@east.com.au)