



**Media Release**

## **Ads reaping mixed results for major banks**

(19 October 2006 – Australia) Australian business customers are increasingly thinking about smaller and regional banks despite significant investment in advertising by several major banks, according to the East & Partners Business Banking Sentiment Index for September.

The Index reveals that in the four months to September, the Big Four banks have experienced a four percent decline in their collective share of customer mind while smaller challengers, led by BankWest, St George and HSBC, increased their mind share by 10 percent.

The Index also monitors which business banking advertising customers noticed over the previous month with the results able to be presented by bank, state and customer segment.

Westpac was the big winner in the September Index with almost a quarter of the business banking market nominating the bank first when asked whose advertising aimed at business customers “caught their eye”. Westpac dominated NSW with a huge 34.4 percent of NSW saying they had noticed Westpac’s advertising. Westpac was second in Victoria after National Australia Bank.

NAB increased its share of advertising awareness in September, to 19.8 percent of the total market compared with 18.3 in August.

More customers noticed ANZ’s business banking specific advertising in September than in August. Commonwealth Bank, however, continues to lag behind its peers in terms of advertising awareness and mind share traction with less than four percent of NSW customers saying they had noticed its advertising campaigns, just 4.2 percent in Victoria and 3.3 percent in Queensland.

“Only 3.7 percent of businesses recalled seeing CBA business bank advertisements, compared to 24.4 percent of businesses who recalled seeing Westpac advertisements and 19.8 percent of businesses who recalled NAB advertisements,” East & Partners analyst Zoran Knezevic said.

“Of the businesses spoken to in September, only 13.2 percent listed CBA as the top of mind business bank compared to 19.2 percent in June this year. That’s a decline of more than 30 percent. They have been noticeable by their absence in business banking advertising and it shows,” he said.

“Interestingly, although Westpac’s advertising awareness has increased significantly, over the past four months, its share of mind has dropped, which would indicate that getting onto a customer’s radar is not simply related to advertising. ANZ is another where mind share is not keeping pace with advertising awareness,” Mr Knezevic said.

East’s Index shows that only 6.6 percent of Queensland businesses did not recall any business bank advertising in September, compared to the national average of 18.7 percent. Furthermore, only 11 percent of Micro Businesses could not recall any business advertising in September, compared to 24 percent of SMEs and 21 percent of Lower Commercial enterprises.

“Although there has been a steady tick up in the number of customers recalling business bank advertising, there remain a lot of opportunities for further advertising by the banks, with nearly one in five businesses not recalling seeing any advertising aimed at business customers,” Mr Knezevic said.

NAB remains the number one “top of mind” business bank with more than one quarter of Australia’s businesses nominating it as the bank they think of first as a business bank.

HBOS Australia’s BankWest was the best performer in terms of mind share among business customers.

BankWest’s share of business customer mind grew by 35 percent in the period from June to September to bring the national mind share to 6.5 percent, placing it behind St George, Australia’s sixth top choice business bank. HSBC’s mind share also grew strongly with 3.5 percent of businesses in September listing the bank as the top of mind business bank.

While smaller banks such as BankWest and HSBC improved their mind shares nationally, the Big Four also faced competition from regional banks which occupy a significant share in the minds of customers in particular states or regions.

So while Bank of Queensland has a relatively low profile nationally, as many as 18 percent of businesses in Queensland ranked it as their “top of mind” business bank placing it just behind NAB and ahead of Westpac, ANZ and CBA.

*Advertising Campaign Recall – Who businesses are noticing*

	% of Businesses			
	Jun 2006	Jul 2006	Aug 2006	Sep 2006
ANZ	8.0	9.5	10.9	13.0
BOQ	1.0	0.8	1.2	1.4
BWA	2.8	3.0	3.8	3.1
CBA	4.0	4.0	4.2	3.7
HSBC	0.6	0.6	1.0	1.2
NAB	15.6	16.7	18.3	19.8
SGB	7.0	6.2	6.4	5.3
WBC	19.8	20.7	21.5	24.4
OTHER	8.8	9.5	11.3	9.4
NONE	32.4	29.0	21.5	18.7
TOTAL	100.0	100.0	100.0	100.0

*Source: East & Partners Business Banking Sentiment Index – September 2006*

### **About East & Partners' Business Banking Sentiment Index**

The East & Partners Business Banking Sentiment Index is a monthly survey of 500 business customers monitoring sentiment and customer satisfaction towards business banks. In addition to specific sentiment measures, the Index also monitors mind share and advertising recall among Micro Businesses (annual turnover A\$1-5 million), SMEs (annual turnover A\$5-20 million) and Lower Commercial enterprises (annual turnover A\$20-100 million).

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