

## Demand for business banking products dropping

(2<sup>nd</sup> August 2011 – Australia) There has been a significant drop in demand for business banking products from customers over the last 4 months across all commercial banks including the Big Four domestic providers, international and regional banks, East & Partners' latest Advocacy Monitor has revealed.

A continuing drop in the demand for business banking products from customers has been highlighted in East & Partners latest measure of business customer advocacy and sentiment.

From March this year to July, every bank has experienced a reduction in demand for business banking products.

Of the Big Four, Westpac and the National Australia Bank have experienced the biggest drops with a decline of 3.6 and 2.6 percent respectively.

All the regional banks have also seen a downturn in demand, with East & Partners' research showing Citi Bank and Suncorp being the most affected with a drop of 3.6 and 3.8 percent respectively.

This declining trend in demand for business banking products has been reported across all business segments, from Micro businesses to the Mid Corporate sector.

SME businesses are reporting the biggest drop in demand over this period, with a decline of 4 percent. The market at large has displayed a total percentage decrease in the demand for business banking products of 3.1 percent.

East & Partners sees this drop in appetite reflecting some key dynamics currently impacting business, including a lack of proactive and often confusing engagement from providers being reported by business customers, a general fragility in business sentiment, lack of clarity around near term economic conditions and, in particular, outside the resources sector, businesses not investing for business growth.

### East & Partners Pty Ltd

Level 39, 2 Park St Sydney NSW 2000 Australia

p: +61 2 9004 7848 f: +61 2 9004 7070

[www.east.com.au](http://www.east.com.au)

ABN: 23 151 025 599

## About East & Partners' Advocacy Monitor

A bi-monthly Index of business customer advocacy and sentiment toward their banks, based on interviews conducted Australia-wide with a structured sample of over 4,600 middle market and SME customers companies turning over A\$1 to 100 million per annum.

The Index provides a monitor of several key 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: Merchant Segments

Mid Corporate – A\$20-100 million

SME – A\$5-20 million

Micro – A\$1-5 million

For more information or to interview our Principal Analyst Paul Dowling, 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)

### East & Partners Pty Ltd

Level 39, 2 Park St Sydney NSW 2000 Australia

p: +61 2 9004 7848 f: +61 2 9004 7070

[www.east.com.au](http://www.east.com.au)

ABN: 23 151 025 599