

## Corporate segment most likely to advocate their banks

(23 April 2012 – Australia) East & Partners' latest Business Banking Index has revealed a banks' Corporate customers, those companies turning over between A\$20-530 million per year, are the most likely to advocate their banking relationships to peers.

Over the last two months Corporate banking customers have advocated their primary bank and/or Relationship Manager an average of 0.73 times, compared to larger, Institutional customers (actual advocacy 0.48 times) and Micro businesses (0.20 times). Corporates are clearly the more aggressive advocates of their banks, although at less than one such referral in the past two months, it is difficult to read this as a ringing endorsement of their banking relationships.

Easts' research also shows that business banking customers in Queensland are far more likely to advocate their primary bank than companies in other states. New South Wales based enterprises by contrast are the least willing advocates. Business banking customers across all four segments nominate Service Level Experienced as the most important driver encouraging advocacy, overall Product Features & Performance being the least important factor driving bank advocacy.

### *Exhibit 1*

#### ***Propensity to Advocate Primary Bank – March 2012***

<b>Bank</b>	<b>Average Advocacy Score</b> 10=would not recommend — 100=would recommend
ANZ	13.3
CBA	11.2
NAB	34.6
WBC	12.8
Regionals	33.2
Internationals	29.3
TOTAL	22.1

#### **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

East & Partners' Principal Analyst Paul Dowling commented, "These are important performance measures of the customer relationship for banks as business customers nominate significant impacts on their buying behaviour based on how strong an advocate they are – stronger advocates buy more from their incumbent relationship bank than weaker advocates"

"Actual levels of advocacy, however, remain relatively weak and mirror weak propensity or intent to advocate. Monetising the investment being made by commercial banks in customer advocacy programs has clearly become harder in today's credit environment but remains critical to customer retention and margin enhancement for providers." Mr Dowling added.

### **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 Depositor Segments:

- › Institutional – A\$530 million plus
- › 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: 02 9004 7848  
m: 0420 583 553  
e: [sian.d@east.com.au](mailto:sian.d@east.com.au)