

Advertising not the key to Customer Mind Share

(12 November 2012 – Australia) Big advertising spending by Australia’s banks doesn’t necessarily deliver higher mind share, the latest research from leading industry consultants East & Partners has found; important, due to mind share becoming the biggest driver of market share outcomes in business banking.

Of the Big Four domestic banks, NAB has the highest mind share amongst business customers as a “business bank”, with 22.4 percent, but has the second lowest advertising recall with 13.8 percent. On the flip side of this, ANZ has 21.8 percent recalls for their advertising but only 15.4 percent of customers’ share of mind.

Outside the Big Four, HSBC and Bank West have the next highest mind share with 6.3 percent and 3.7 percent accompanied by relatively low advertising recall (5.9 percent and 2.7 percent respectively).

Institutional customers, in particular, seem to be less swayed by advertising than customers in the Corporate and SME segments.

NAB, for example, with the second lowest advertising recall, has the highest mind share among Institutional customers. Westpac, which has the highest advertising recall (22.5 percent), produced their highest mind share results among Corporate and SME’s.

The Mind Share/Advertising Recall Ratio

	% Mind Share over % Advertising Recall
ANZ	70.6
NAB	162.3
CBA	84.5
WBC	98.7
HSBC	106.7
BWA	137.0

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East & Partners' Head of Markets Analysis Lachlan Colquhoun commented, "Mind share is a much more sophisticated phenomenon and is driven by more subtle influences than advertising campaigns."

"Our research shows that if banks want to increase their market share among business customers, understanding mind share and investing in developing it delivers better returns on investment than above the line advertising spend", Mr Colquhoun added.

"These customers are more responsive to thought leadership – where a bank will take the lead on an issue of real relevance and continue to deliver incisive commentary and information which reflect customer concerns.

"It's more about intellectual firepower and relevance than advertising spend and a slick campaign, which business customers tend to see straight through."

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.

Index Methodology: For this round of the Business Banking Index, direct interviews have been conducted with 1,009 businesses based on a structured sample frame of the target population nationally, comprising:

- › Institutional – 221 – (A\$530+ million turnover enterprises)
- › Corporate – 249 – (A\$20-530 million turnover enterprises)
- › SME – 287 – (A\$5-20 million turnover enterprises)
- › Micro – 252 – (A\$1-5 million turnover enterprises)

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