

## Media Release

# Corporate Sized Businesses Happiest with their Banks

(24 February 2014 – Australia) Mid-sized Corporate businesses are much more satisfied with their banking providers than both smaller businesses and the biggest Institutional enterprises, according to research from industry analysts East & Partners.

Presenting research at the company's sixth Open Markets Briefing in Sydney last week, East's Business Banking Index (BBI) for December 2013 shows that Corporate businesses – or those turning over A\$20-725 million a year – have a BBI score six times higher than that of the Micro segment of businesses with A\$1-5 million annual revenues.

East's BBI program interviews around 1000 businesses of all sizes around Australia every two months, with businesses asked to rank their banks on scale of 10 to 100 against four criteria: loyalty, empathy, satisfaction and advocacy.

For the Corporate segment, the BBI score is a collective 64.0, while that for Micro businesses is a record low 11.2.

SME businesses, those with annual revenues of A\$5-20 million, are also disenchanted with their banks, as shown by their BBI score of 16.4, while Institutional businesses with A\$725 million or more in revenues report a BBI of 29.6.

## Business Banking Index Score by Segment

10 (low) to 100 (high)

Segment	2012 (N: 798)	2013 (N: 1,004)	2014 (N: 984)
Micro Business	12.1	11.5	11.1
SME	20.1	18.4	16.3
Corporate	68.3	65.5	63.6
Institutional	32.5	31.7	31.4
TOTAL	32.8	31.1	29.4

Source: East & Partners Business Banking Index

The results are corroborated through other East research programs such as the firm's Transactional Banking (TB) programs, where a comparison of satisfaction levels also confirms the trend.

Taking six product and service areas from TB reports for the SME, Corporate and Institutional market segments, Corporates report the highest satisfaction levels in five of the six areas. In the sixth, internet banking, SME's posted the highest satisfaction level.

Lachlan Colquhoun, Head of Markets Analysis at East & Partners, said that while it had been clear for some time that smaller businesses were the most disenchanted with their banks, it was a newer trend for Corporates to be most satisfied. "Over the period of the Global Financial Crisis it seemed that banks were more concerned with catering for the Institutional businesses at the big end of town," said Colquhoun.

"But in the period since then it is clear that banks are getting it right with the mid-market Corporate segment. What is happening at the small end of town, however, is another story."

## About the East & Partners Open Markets Briefing

East & Partners hosts Open Markets Briefing sessions in Sydney quarterly, highlighting key changes in the business banking landscape based on the firms' comprehensive market research programs across the Asia Pacific.

Attended by representatives from over 60 different local and international banks, financial service institutions and a number of local and international media houses, East & Partners' Open Markets Briefings are fast becoming a feature of the financial calendar.

Other Open Markets Briefing Locations include:

- › Sydney
- › Melbourne
- › Singapore
- › Hong Kong

Business Depositor Segments:

- › Institutional – A\$725 million plus
- › Corporate – A\$20-725 million
- › SME – A\$5-20 million
- › Micro – A\$1-5 million

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