

Mind Share leads to Market Share

(24 August 2012 – Australia) Pre GFC, Customer Satisfaction and Advocacy were sure-fire ways of predicting Relationship Share outcomes, banks with happy customers were usually banks with the most customers.

In today's economy however, Mind Share has become the major driver of Market/Relationship Share. Respected business banking analysis company East & Partners has highlighted this correlation in their latest research among Australian Corporates.

When asked which bank was recalled first for Cash Flow Financing, 14.1 percent of corporate CFO's nominated NAB, NAB is also the primary provider of Invoice Discounting needs among this same group, with a customer relationship share of 46.9 percent, however both Mind Share and Market Share have begun slipping over the last few years.

Bendigo Adelaide bank which has been experiencing a steady climb in recognition in this space has also begun to see the benefits with Market Share increasing in line with their Mind Share.

Providers of Cash Flow Financing for Australian Corporates

Bank	% Share of	2009	2010	2011	2012	% Change
NAB	Market	48.8	48.3	48.8	46.9	-2.9
	Mind	18.8	15.9	15.0	14.1	-11.3
SGB	Market	16.3	17.0	15.7	14.5	-14.7
	Mind	7.7	8.1	6.8	5.4	-33.3
BEN	Market	7.3	7.8	8.7	8.9	14.1
	Mind	3.1	6.6	7.8	8.8	33.3

Source: East & Partners Australian Corporate Banking Markets program

Further highlights of this analysis report include:

- Relationship Manager Engagement
- Borrowing Intentions
- Wallet Share by Individual Product and Provider
- Business Churn
- 23 product markets analysed

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David Brown, East & Partners' Head of Client Development commented, "Post GFC, businesses have seen their core banking relationships fundamentally altered with costs continuing to rise and changed service propositions from providers. The greatest source of advertising 'word of mouth promotion' can no longer be relied upon to drive customer acquisition or gains in wallet share, with advocacy for banks now at record lows.

With Mindshare being now the greatest predictor of wallet share, banks are looking to a myriad of positioning activities to ensure they are top of mind" Mr Brown added.

About East & Partners' Australian Corporate Banking Markets report

A six monthly analysis of treasury, financial markets, debt, corporate finance & advisory and working capital product engagement by Australian corporate businesses with an annual turnover of A\$20-530 million.

The program provides market share analyses by primary and secondary banker, weighted share of wallet, share of customer mind and panel positioning. Also monitored are corporate borrowing expectations, individual and market wide importance ratings for product and relationship banking attribute, including individual bank Relationship Manager performance, together with bank-by-bank satisfaction ratings.

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