



## Banks not delivering international services to Australian Corporates

(25 March 2013 – Australia) Australian corporates are increasingly focussed on international markets but are dissatisfied by the international transaction banking products delivered by their banking providers, according to the latest research from leading industry analysts East & Partners.

Easts' most recent Corporate Transaction Banking Markets Report (CTB) shows that international transaction products now account for the highest percentage of product churn in the corporate market, comprising of enterprises with an annual turnover of A\$20-530 million.

The report reveals that 14.8 percent of corporates which switched or added a product provider in the last six months did so because they wanted a better international transaction banking service. This figure rose from 13.2 percent in the previous research, conducted in August 2012. Account Services & Cash Management came in at a distant second with 6.1 percent.

The research also discovered a wide gap between the importance corporate customers place on international transaction banking and their satisfaction level with the services currently being delivered.

Asked to rate the importance of products on a scale of 1 (high) to 5 (low), corporates rated Full Service International Transaction Banking at 1.06. Asked to rate their satisfaction with the product, on the same 1 to 5 scale, corporates rated their satisfaction level at 2.04, the worst satisfaction result among seven criteria.

### Transaction Banking Product Satisfaction Ratings

	Average Rating Reported	
	1 – 2 – 3 – 4 – 5 (satisfied)	1 – 2 – 3 – 4 – 5 (dissatisfied)
	Aug 2012 (N: 893)	Feb 2013 (N: 897)
Account Services & Cash Management	1.54	1.52
Payment Processing	1.61	1.58
Remittance Processing	1.63	1.61
Internet Banking	1.70	1.68
Desktop Banking (formerly Integrated e-Banking)	1.73	1.71
Cross Border Payments	1.69	1.66
Full Service International Transaction Banking	2.06	2.04

Source: East & Partners Corporate Transaction Banking Markets Program

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Lachlan Colquhoun, Head of Markets Analysis at East & Partners, said the research sends a clear signal to banking providers.

“This segment of Australian businesses is increasingly outward looking and is engaging offshore with customers and also as part of its supply chain,” said Colquhoun.

“It is clear that the banking providers are lagging behind with their product development, to the point that customers are increasingly looking to switch banks on the basis of their dissatisfaction on this important criteria.”

“Any bank which invests in this product area and improves the performance of its international service should strike a chord amongst Australian corporates.”

#### **About East & Partners’ Australian Corporate Transaction Banking Markets Report**

A six monthly demand research service focussed on the A\$20 – 530 million turnover “middle market”. Consisting of some 11,160 companies the program interviews a structured sample of 890 plus enterprises twice yearly.

The Corporate Transaction Banking Markets report reveals core industry insights from influential business CFOs and Treasurers of the most competitive aspect of ongoing Australian Banking industry investment. The genuine success banks are having in understanding underlying business needs and transaction banking requirements are evaluated against Competitive Market Share, Payments, Internet Banking, Trade and Cash Management metrics. Product and Operational Importance and Satisfaction Ratings are directly comparable and interdependent upon Churn Levels, Futures and Bank Mind Share.

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