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Westpac leads big four in business customer satisfaction and advocacy

The satisfaction level of Westpac business customers in January was 70.5% and although down by 1.3% points from December, it remained well clear of its nearest competitor, the CBA on 66.4%. Westpac has held the lead in satisfaction among the big four since January 2014. It also leads on advocacy of its customers with 50.3 % being very likely to recommend it compared to the CBA in second place with 41.5%.

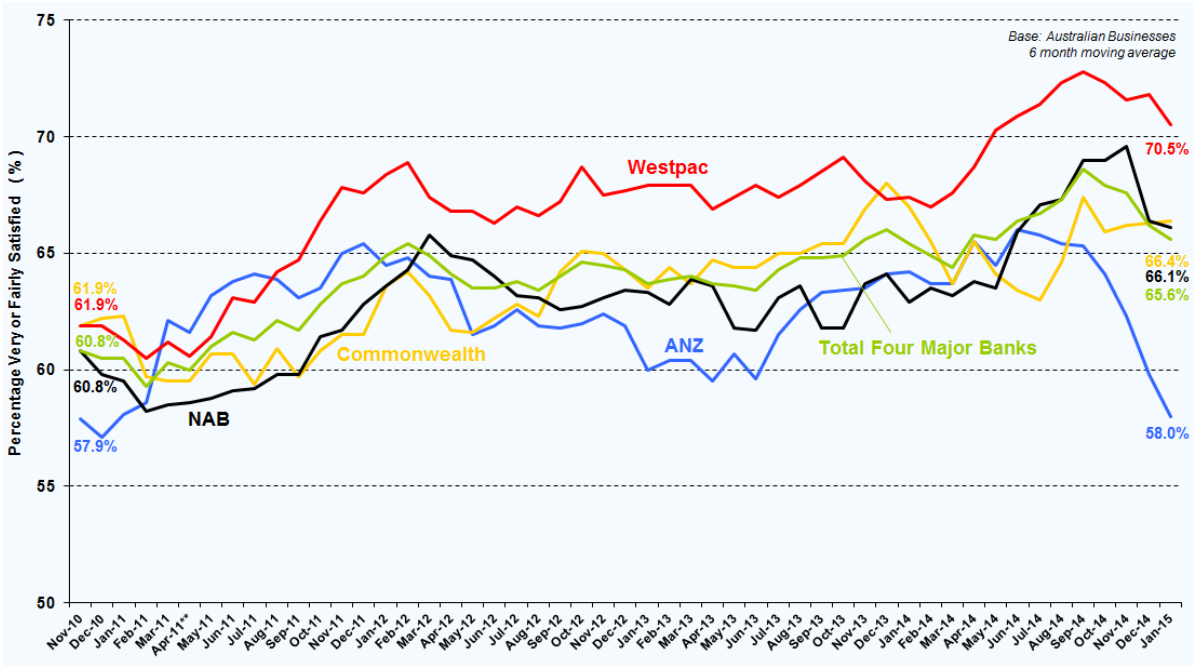
These are the latest findings from the Roy Morgan Business Single Source survey of around 12,000 interviews pa with business decision makers.

Big Four business customer satisfaction trending down

The Big Four banks have been showing a downward trend in business Customer Satisfaction since September 2014 when it was 68.6% and has fallen to 65.6% in January 2015. During this period the ANZ declined by 7.3% points to 58.0%, NAB is down 2.9% points to 66.1%, Westpac down 2.3% points to 70.5% and CBA lower by 1.0% points to 66.4%.

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Business Customer Banking Satisfaction



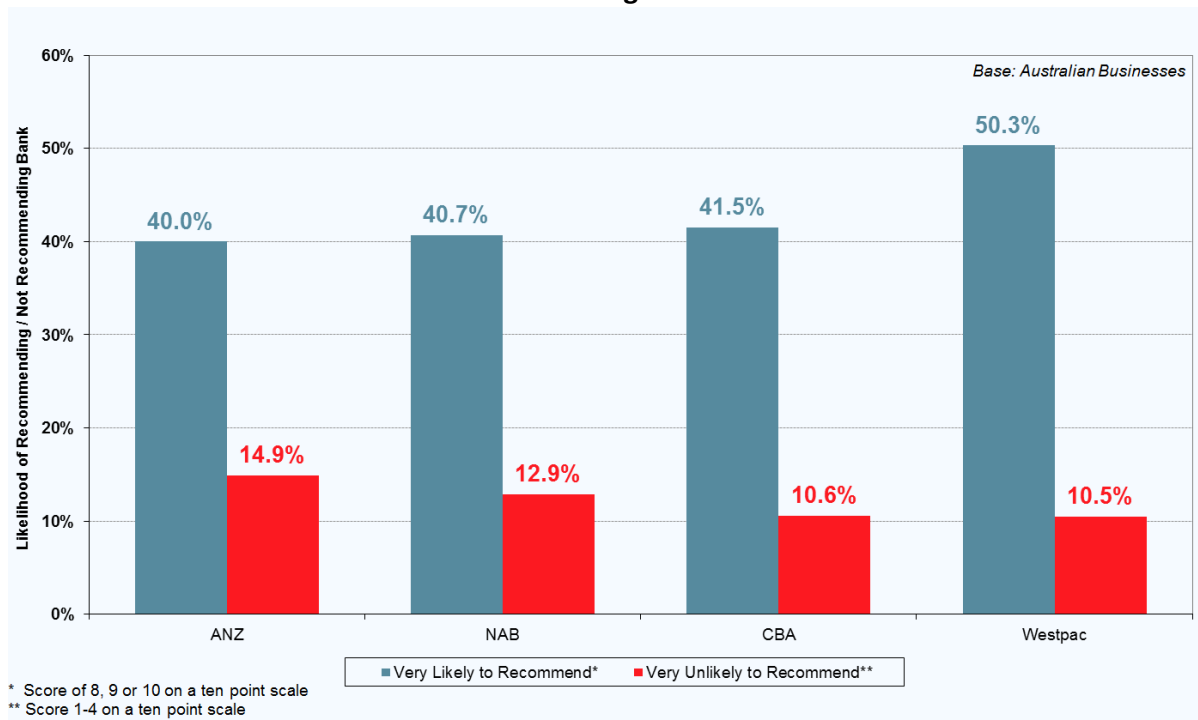
Source: Roy Morgan Research Business Banking Satisfaction Report, January 2015. Average 6 monthly sample, n=6,222

This downward trend in business satisfaction by the big four is by no means universal across all banks. The banks outside of the big four during this period actually increased their satisfaction level from 69.4% to 70.6% (up 1.2% points). The best performers of the major banks outside of the big four were Bendigo (82.3%) and Suncorp (77.3%).

Westpac customers the most likely to recommend their bank

Of the big four banks, Westpac clearly has the highest proportion (50.3%) of business customers classed as being very likely to recommend their bank to others (high advocates). The other three major banks have very little difference between them over their proportion of high advocates, with CBA on 41.5%, NAB 40.7% and ANZ 40.0%.

Business Customers Likelihood of Recommending their Bank



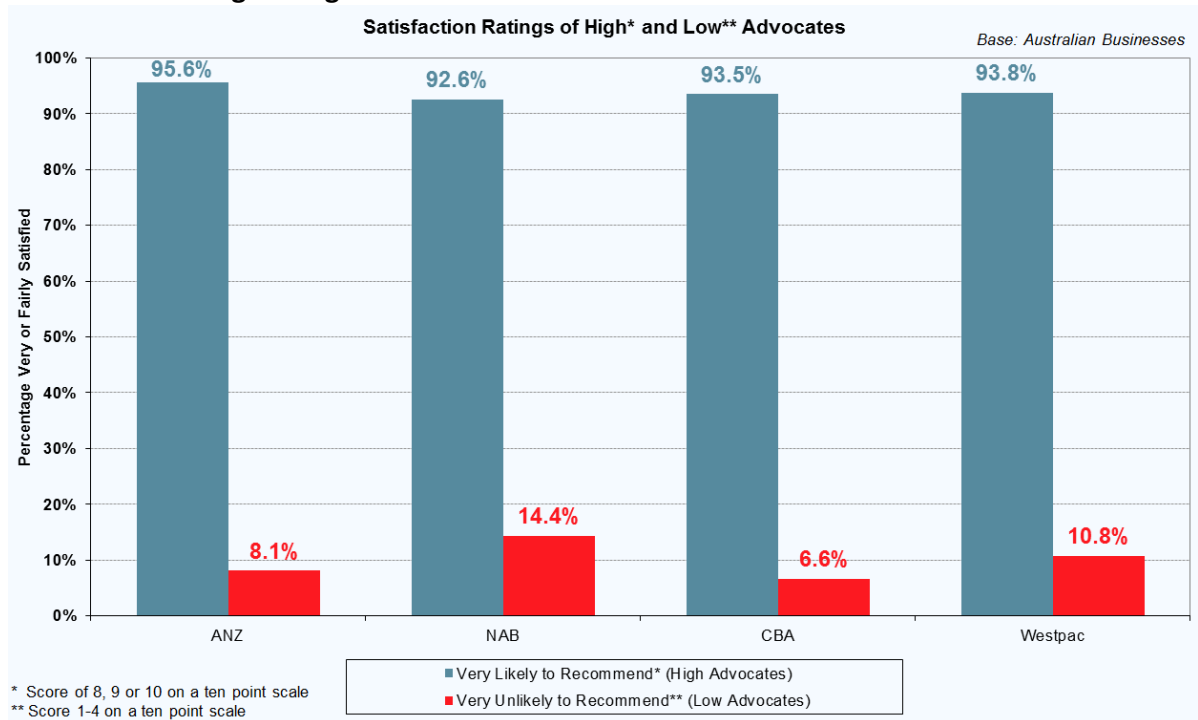
Source: Roy Morgan Business Single Source, 6 months to January 2015 (n=5,218)

At the other end of the scale, more than one in ten business customers of each of the big four say that they would be most unlikely to recommend their bank to others (low advocates). This has the potential for considerable customer losses at a time when competition appears to be increasing.

Strong link between satisfaction with banks and advocacy

Business customers of each of the big four that are highly likely to recommend their bank (high advocates) have very high satisfaction levels. The interest in advocacy has been more apparent in recent years but it must be considered in conjunction with satisfaction.

Satisfaction Ratings of High* and Low** Advocates



Source: Roy Morgan Business Single Source, 6 months to January 2015 (n=5,218)

The high advocates of the major banks all have satisfaction ratings of over 92%, with the highest being ANZ with 95.6%.

Those customers that are very unlikely to recommend their bank (low advocates) have very poor satisfaction levels, with the CBA the lowest with only 6.6% and NAB the highest on 14.4%.

Norman Morris, Industry Communications Director, Roy Morgan Research says:

“There has been increased interest recently by the major banks in growing market share and retaining business customers. A critical factor in achieving these gains is to understand how business customers feel their bank is performing relative to competitors as measured by satisfaction and advocacy.”

“Over the last four months, the satisfaction levels of the business customers of the big four banks has shown a downward trend. This is in contrast to their personal customers whose satisfaction levels have generally continued to improve and are well above that of business customers. It appears from this that banks are focusing on the relative safety of consumer banking rather than the more uncertain and higher risk business market.”

“Westpac is the leader in satisfaction and advocacy among the big four in this market, giving their new CEO Brian Hartzler a good platform to build on. Over the last twelve months, Westpac had the highest satisfaction level of the majors in the micro, small and medium/large business segments. The major challenge facing Westpac will be how to stop the downward trend in satisfaction currently seen across the big four and to maintain its lead among tough competition. The smaller banks generally have higher satisfaction levels and have a positive trend in satisfaction over the last few months and as such they represent a good yardstick for the big four to measure themselves by.”

“Business confidence as measured by Roy Morgan shows a little more optimism in January but given the uncertain economic climate in Australia at the present time, confidence remains brittle and very sensitive to events locally and overseas. If business lacks confidence they will be reluctant to invest in growth, which in turn makes it difficult for banks to expand lending and at the same time keeping the customers happy.”

For comments or more information please contact:

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About Roy Morgan Research

Roy Morgan Research is the largest independent Australian research company, with offices in each state of Australia, as well as in New Zealand, the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan Research has over 70 years’ experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
1,000	±3.0	±2.7	±1.9	±1.3
2,000	±2.1	±1.9	±1.3	±1.0
5,000	±1.4	±1.2	±0.8	±0.6
7,500	±1.1	±1.0	±0.7	±0.5
10,000	±1.0	±0.9	±0.6	±0.4