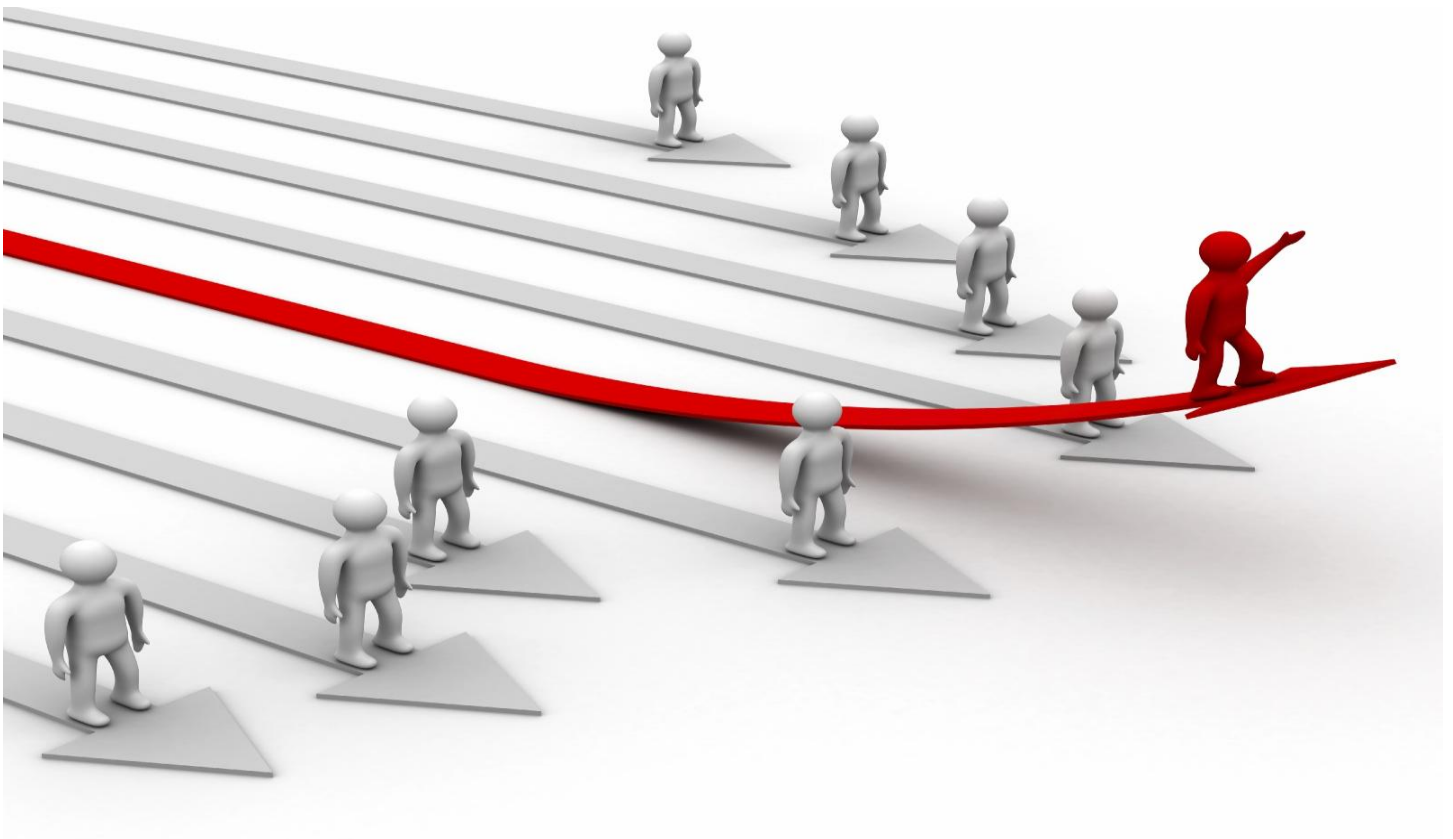


The 2010 Australian Banking Consumer Recommendation & Loyalty Study Overview



An Overview of a Study of the Depth of Consumer Loyalty Towards Australian Banking Brands Using the Net Promoter Score™

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1.0 Report Overview

1.1 Introduction

The 2010 Banking Consumer Recommendation & Loyalty Study has been conducted in order to understand and measure the depth of consumer loyalty towards their chosen brands. A secondary objective was to identify the key elements banking institutions must put in place to increase customer loyalty, positive word of mouth and growth. The study allows organisations to easily compare themselves to others within their industry and, at a high level, outlines the reasons behind the scores of high and low performers. The internationally renowned Net Promoter Score™ methodology was used to measure customer loyalty in the study.

Net Promoter Score was developed by loyalty expert Frederick Reichheld of Bain & Company and Satmetrix Systems. The concept is outlined in detail in Reichheld's bestseller *The Ultimate Question: Driving Good Profits and True Growth* and is used by major organisations worldwide.

The Net Promoter Score is calculated by asking respondents their likelihood to recommend their brand on a scale of 0-10 where 0 is highly unlikely and 10 is highly likely. Respondents that score 9 or 10 are called Promoters, 7 to 8 are called Passives and 0 to 6 are called Detractors. The Net Promoter Score is the percentage of Promoters less the percentage of Detractors.

New & Exclusive

For the first time the study includes the following:

- ❖ An analysis of the reasons consumers refer to when justifying their 'likelihood to recommend' score.
- ❖ Effectiveness and importance of word of mouth in comparison to other marketing channels
- ❖ Number of positive and negative comments consumers make about their respective brands
- ❖ Percentage of consumers that selected their brands primarily because of word of mouth
- ❖ Quantifies the business impact of positive and negative word of mouth.

Survey Methodology

This is an independent survey conducted by Engaged Marketing Pty Ltd.

Fieldwork for this benchmarking study was collected from 1893 respondents via an online opt-in survey during the months of March and April 2010. Respondents were from all over Australia. In addition to banking respondents were also asked questions about their Home Insurance, Motor Insurance and Cars resulting in 6661 responses across the four categories.

Care was taken to ensure the survey met the strict conditions for an NPS® survey. All respondents were actual users/customers of the various brands.

The study only displays results for the nine most popular brands with the largest market shares in the banking category. These included:

- Commonwealth Bank
- Westpac
- ANZ
- National Australia Bank
- Suncorp
- Bankwest
- St George Bank
- Bank of Queensland
- Bendigo Bank

In addition the results of Credit Unions and Building Societies have been amalgamated in their respective categories and analysed to recognise their unique characteristics.

Only scores for brands with sample sizes equal to or greater than 100 were displayed. However, the smaller organisation's scores were included to calculate the overall industry scores.