Westpac: Women’s Markets Pioneer Ranks #1 among Global 100 Most Sustainable Corporations

Westpac At-A-Glance

- Established in 1817, the Westpac Group was the first bank and company in Australia. The Group has six brands serving 12 million customers.
- The Westpac Group is ranked in the top 5 listed companies by market capitalization on the Australian Securities Exchange Limited (ASX), with a market capitalization of AUD$95.5 billion (as of March 31, 2014).
- The Westpac Retail and Business Bank (RBB) serves 6.1 million customers across 852 branches and 71 business centers.
- In Westpac RBB 2.1 million female primary account holders contribute AUD $1.55 billion in annualized revenue (as of March 2014)*.
- In January 2014 the Westpac Group was ranked #1 on the ‘Global 100 Most Sustainable Corporations in the World’ list at the World Economic Forum in Davos, Switzerland as assessed by Corporate Knights.
- Westpac is a founding member of the Global Banking Alliance for Women and an international leader in best practices for the Women’s Markets.
- The Westpac Group is the first Australian bank to have a female customer, a female branch manager, a female CEO and a dedicated Women’s Markets team.
- Women represent 60% of the Westpac Group’s workforce and 42% of its leadership (FY 2013).
- Westpac expects women to represent 50% of its leadership by 2017, the bank’s 200th anniversary.

Westpac: Women’s Markets Pioneer Ranks #1 among Global 100 Most Sustainable Corporations

An international pioneer in banking for the emerging female economy, Westpac has recognized the potential of women in Australia over the past 15 years. Meeting women’s unique needs as customers, employees and leaders has become a key differentiator for Westpac. Today, Australia’s oldest bank considers developing the Women’s Markets a critical pathway to future success.

Why Westpac Leads in the Female Economy

Westpac, throughout its history, has continually sought out new business opportunities and developed long-term strategies to ensure the sustainability and profitability of the organization. In the 1990s Westpac observed the shifting demographics of Australian women, including their increased participation in the labor market, rising control over financial decisions and higher education levels. The bank also noticed that female customers were increasingly seeking opportunities beyond traditional forums to network and exchange information.

Seeing these trends, the bank conducted a Vision into Action project to determine the potential business opportunity. Westpac’s research revealed, among other insights, that women in Australia felt they were not treated with respect by their financial institutions. This knowledge led Westpac to form the world’s first dedicated Women’s Markets unit, helping to determine the bank’s long-term strategy that would position it as the Bank of Choice for Women and the Employer of Choice for Women.

Westpac’s 15 years of research has shown that women and men have distinct needs when it comes to how they want to be served by their bank. Women tend to require more information before making a purchase decision, tend to be less financially literate and tend to be less networked. Westpac’s Customer Value Proposition (CVP) offers women access to information, education and networking opportunities. This holistic proposition is delivered seamlessly as the organization is fully aligned to this customer-centric approach.

Today, the Westpac Women’s Markets unit is measured by its impact on the 2.1 million female primary account holders. As of March 2014 these customers contributed AUD $1.55 billion in annualized revenue to Westpac’s bottom line.

“We will achieve our vision through a very simple approach – by truly putting customers at the center of all we do. This single driving principle guides the development of our strategy and ensures we grow our business in the most sustainable way – by delighting our customers and having our customers act as advocates for us”

– Gail Kelly, CEO, Westpac

“I see becoming the Bank of Choice for Women as a long-term strategy integral to our core business, not just an add-on.”

– Larke Riemer
Director of Women’s Markets, Westpac

* The Women’s Markets unit sits within RBB and not the entire Westpac Group.
Key Insights from 15 Years of Research

Some of Westpac’s most important Women’s Markets research takeaways include:

1. **Women have distinct financial concerns.** Women tend to be more concerned with retirement, saving/budgeting, mortgages and paying bills.¹

2. **Women’s financial independence does not necessarily translate into financial security.** Although a majority of women see themselves as financially independent from others, only around 52% feel financially secure, while 23% feel insecure, and the remaining feel neither insecure nor secure.²

3. **Women can be strong advocates and are more likely to share experiences.** Westpac has consistently found that women have higher Net Promoter Scores.

4. **Women feel less comfortable with being in debt.** A recent snapshot of Australia’s female SME owners shows that 72% finance their businesses out of their own savings.³

5. **Women drive savings.** Women are confident savers and strict planners. 56% are likely to plan to put money in their savings accounts, and 54% are likely to have saved for a home loan deposit.⁴

6. **Women are underinsured.** Six out of 10 Australian women do not have life insurance, and more than a quarter of women think they could have more insurance but feel they cannot afford it.⁵

7. **Women are not preparing adequately for retirement.** The average 60-year-old Australian woman would need to work an extra 25 years to retire at the same levels as her male counterpart.⁶

8. **Women are avid seekers of information but may not know where to get it.** Westpac found that access to information was the greatest challenge facing women when starting a business.

9. **Women need financial education.** Women self-report less experience, knowledge and confidence in financial matters, and are very likely to express a desire to improve in these areas.⁷

10. **Women seek mentors and networks.** Two in 10 women were interested in starting a business but were daunted by not knowing where to start. These women require better support networks.⁸

11. **Women are tremendous users of technology.** Women use mobile banking three times more than men. Westpac has also found that women increasingly prefer using smartphones for banking.⁹

12. **Women are not a homogenous block.** Westpac found that Generation Y (women aged 18-34) struggled the most with saving and budgeting, while single women had the greatest concerns over credit card and other loan debt.¹⁰

References:
1. Core Data Research 2011
2. Core Data Research 2011
3. 2013 Westpac Women SME survey
4. Westpac 2013 Market Research presentation
7. Core Data Research 2011
8. Core Data Research 2011
9. Westpac 2013 Women & Technology report
10. Core Data Research 2011
Leveraging Research into Value

Westpac’s Women’s Markets research showing that women expect different things than men do from a bank was integrated into their CVP – which takes a holistic approach to finance that includes access to information and education as well as a network of peers and mentors.

Building a Brand: Ruby

Rather than labeling its Women’s Markets initiative as a small part of the bank’s larger portfolio of offerings, Westpac created a sub-brand with its own unique identity. The development of the Ruby brand had two results: It attracted women who may have otherwise been skeptical of opening up to a bank, and it created internal momentum, as bankers were excited about the look and feel of the brand and the new tools it offered for targeting customers.

Moving Beyond Bank Branches: An Award-Winning Online Network

To fulfill its mass-market value proposition, Westpac developed an online portal to extend financial information to more Australian women. Named Ruby Connection, the interactive community is branded like a lifestyle magazine, making it accessible and appealing to all women – not just existing Westpac customers. Ruby Connection is a separate entity from Westpac’s corporate website and serves as a pull rather than a push marketing tool: No products are ever sold through it, but it is clear to users that Westpac sponsors the community. Recognized as the “most responsive” website by the 2013 Australian Mobile Awards, Ruby Connection has exposure to over 2.3 million women customers on an ongoing basis.

Helping Women Reach up and Branch out

Westpac found that networking is one of the most valuable ways a bank can support its female customers. Westpac organizes a variety of networking opportunities for women, targeting them according to their segment needs. For its Premium and SME segments, Westpac offers the Learn, Lead and Succeed event, a full-day educational session attended by more than 1,000 women annually. For its High Net Worth customers, Westpac organizes luncheons with its CEO and other high-profile speakers.

“What I really respect and admire about Westpac is they have put themselves out there time and time again to deliver on the really solid business information that I need to succeed.”

- Catherine Hallgath
Westpac client and SME owner
Encouraging Financial Capability for Australian Women

The Women’s Markets team partners internally with Westpac’s Financial Literacy unit, the Davidson Institute, to provide educational offerings for women. The Davidson Institute has developed online financial courses for women such as “A Road to Financial Independence,” “Family Finances” and “Returning to Earning.” The Institute also assists the Women’s Markets team in hosting events and local seminars in branches and organizing Women in Business workshops.

Westpac also weaves education into promotion. To address the superannuation (retirement) gap between men and women found through its research, Westpac developed three television ads targeted at women, relaying the data findings, stressing the importance of retirement savings and offering a solution. The ads caused a great spike in sales of retirement products to both men and women.

Promoting Women’s Visibility

Westpac’s strong commitment to increasing the visibility of women across Australia is promoted both internally and externally. The bank’s Diversity & Inclusion (D&I) agenda extends well beyond programs typically found in banks. To retain and elevate women at Westpac, the bank offers flexible hours and less formalized work arrangements, as well as mentoring and leadership training for high-potential women.

The bank also recognizes that its Women’s Markets program drives external change. For instance, in partnership with the Financial Review, Westpac introduced the 100 Women of Influence Award three years ago, an annual award highlighting the contribution and achievements of women in leadership in Australia.

“Influence can come from a range of different places, and it is crucial that as a community, we recognize, promote and celebrate the impact influential women are making as leaders in their respective fields.”

– Gail Kelly, CEO, Westpac
Achieving Internal Alignment

Westpac’s Women’s Markets team is part of the Business and Retail Banking division of the Westpac Banking Group. The team currently has four full-time employees working to equip bankers with the resources they need to fulfill the value proposition to women. Their work is backed by an incentive system that is fully aligned with the achievement of business targets from women customers.

Ongoing internal communication is critical for reinforcing the benefits of the Ruby brand to the business, as is supporting the branch network with collateral and education/networking events. At the base, all new staff members are trained on the Ruby brand, how it benefits them, and how to treat women customers with the respect they expect and deserve from a bank.

One of the most important ways Westpac has set itself up for internal alignment is through a cultural emphasis on D&I. Becoming an employer of choice for women was a key precursor to the implementation of the Women’s Markets program and Westpac’s pioneering role in the space. The diversity strategy is championed from above: Westpac’s CEO Gail Kelly chairs the bank’s Diversity Council.

Westpac’s D&I approach is based on hard-wired structural change as well as soft-wired cultural initiatives. Targets are publicly announced by top leadership. In 2010, Westpac announced a target to increase its representation of women in leadership roles from 33% to 40% by 2014. The target was achieved a year early.

Leveraging a Focus on Women for Global Sustainability

Westpac’s pioneering work in the Women’s Markets is directly correlated with its high ranking at the global level on corporate sustainability. Westpac’s sustainability strategy is deeply rooted in the belief that what is better for the community is better for the bank.

In 2013, Westpac took sustainability to a higher level and launched a 5-year strategy that focuses on addressing societal issues and shifting demographics. Employing and maintaining a diverse workforce and ensuring the financial health of an aging population are key areas.

“I think Ruby really walks the talk for us. It showcases our commitment to supporting women customers, helping connect them with each other, creating that really supportive environment – and of course connecting women in our business with our Ruby customers.”

– Slobhan Toohill, Head of Group Sustainability and Community, Westpac

Snapshot of Women at Westpac

- >51% Work flexibly
- 2,227 Take parental leave annually
- >85% Return from parental leave
- 43% Of high-potential program attendees are women
- 61% Increase in participation in Women Leadership programs in 2013

* All figures as of FY 2013

Westpac’s Team Size Journey

4 team members → 9 team members

Spread responsibilities and ownership throughout the organization to downsize back to a smaller team
The Results

Westpac tracks a number of indicators to monitor the success of its Women’s Markets program, and the Women’s Markets team is evaluated on specific performance against these targets. Branch bankers are not evaluated based on specific women-focused measures, but rather on revenue and advocacy targets. Since women are very strong advocates, bankers understand that serving this market significantly drives revenues. The capacity to track sex-disaggregated performance was put in place in 2006. This required a significant investment but was necessary to demonstrate the value of this customer base to the bank.

What Other Banks Can Learn from Westpac

• **Have a Women’s Markets Champion**, a dedicated core team and Ambassadors throughout the organization. Implementation must be driven from a centralized team that is supported with advocates in key positions.

• **Build a sub-brand for your female customers from Day One**. They want a program that feels like it’s their own – not just part of the bank.

• **Analyze results thoroughly**. If you can’t show how profitable the Women’s Markets are, it will be extremely difficult to get buy-in from the board and CEO.