HOW BANKS CAN PROFIT FROM THE MULTI-TRILLION DOLLAR FEMALE ECONOMY
Table of Contents

Executive Summary 2
Introduction 3
Myth 1 7
Myth 2 9
Myth 3 12
Myth 4 14
Action Plan 17
Conclusion 19
Executive Summary

Most banks face big challenges to grow. But there is a potentially attractive opportunity many are missing: the multi-trillion dollar market for women’s banking services. It is reasonably well understood that structural barriers, notably a lack of credit history, hamper banks from serving female customers more effectively. But it is less well understood what banks can do to remove barriers and seize the business opportunity.

Therefore the Global Banking Alliance for Women, supported by McKinsey & Co, commissioned a study to explore what banks can do to better serve the fast growing market for women’s banking services. The report draws on over 30 interviews with CEOs and other senior bankers from institutions representing about 20 percent of global banking revenue.

Research shows that the market for women’s banking services is getting bigger and offers banks attractive growth opportunities. Indeed, this segment is sometimes called the ‘biggest emerging market’, making up 40 percent of the world’s workforce, and surpassing India and China combined. Yet many banks have misconceptions about what is required to serve women successfully. From our interviews with leading bankers we identified four common ‘myths’ that impede banks trying to develop better services for women.

Myth 1: Men and women are the same.

The reality is that women and men have different attitudes towards finance. Women are more risk averse than men, favor saving over investing and are more loyal to an institution that provides the services they need.

Myth 2: All we need is products that are feminized.

Research shows a different reality: namely, that serving women is about tailoring value propositions to suit each sub-segment within a holistic view of their needs. Moreover, with the women’s market it is services, not products, which matter most.

Myth 3: There is no business case.

In fact there is substantial evidence that the women’s market is a very profitable opportunity. Notably women have lower rates of non performing loans, higher deposits relative to income and greater loyalty and advocacy. Women are also underserved providing a significant growth opportunity for banks.

Myth 4: There is no data on gender.

Banks, in reality, have a lot of data but may need to use sampling and other manual methods initially to develop the business case. The capability to capture gender data is easy to develop and it will let institutions rapidly create new solutions to better serve the women’s market for banking services.

An action plan for change

Our interviews, and research from McKinsey, show when leaders role model and align with change, it is much more likely to be successful. Almost 90 percent of banks with a program for women have a dedicated executive leader.

Training in employee skills and sensitization boosts capabilities and ensures men feel involved in a women’s program. Finally, banks that have successful women programs motivate employees with incentives as well as formal systems of reinforcement, including key performance indicators.

Banks that have a successful program for women usually began small and built it over time. The good news is that tapping this market is low cost, easy to do incrementally and quickly profitable.

Introduction

Finding growth is a big challenge for most banks. The weak economic environment, increased regulation and growing competition are making it hard for banks to grow. Looming over this sombre landscape, however, is a potentially attractive opportunity: the multi-trillion dollar market for women’s banking services.

We contend that the women’s market offers the banking industry a much needed and largely untapped growth segment and one that aligns with banks moving to become increasingly customer centric. Yet there are significant and well documented structural barriers that prevent banks from serving female customers more effectively.

Regulation often precludes serving informal businesses, which are disproportionately owned by women. Additionally, women in developing countries are more likely to lack a credit history or suitable collateral. Less understood, however, is what banks can do to remove a number of barriers to serving women and grasp the business opportunity.

This report, commissioned by the Global Banking Alliance for Women (GBA) and supported by McKinsey & Company, Inc., explores what banks can do to connect with women and capture a fast growing, potentially lucrative, market for banking services. It looks at building up data and exploiting it in different ways to serve women both as a segment and as individuals. It also considers some successful women’s programs that banks are already running to distil lessons learned and key insights.

Our findings come from over 30 interviews with CEOs, business unit heads and strategy directors representing about 20 percent of global banking revenue, with a broad participation of GBA members and selected other leading institutions (Exhibit 1). We consulted institutions with developing and established women’s programs, and others with no formal program at all.
Women’s banking services is a growth market

There is substantial evidence that women’s banking services offer a new avenue for growth: women play a central role in the global economy and make up 40% of the world’s workforce, a proportion that is growing, particularly in the developing world. In fact, the women’s market is sometimes described as the “biggest emerging market” with the size of the global female economy surpassing that of China and India combined. We would therefore argue that the global female economy is powerful, and a highly attractive opportunity for banks to target.

In addition, the market for women’s banking services is a source of sustainable growth for the financial services firms that deliver the right customer programs. Take Westpac. It ranked first in the “Global 100 most sustainable Corporations in the World” due, in part, to its record in serving women. In sum, the increasing financial power of women provides a real growth opportunity for banks.

The Global Female Economy: Fast Facts

- Women play a central role in the global economy, making up 40% of the world’s workforce, according to the World Bank.
- The female workforce is growing: 870 million women who had not previously participated in the mainstream economy will gain employment or start their own business during this decade, Booz & Co. estimates, with most coming from developing nations.
- Women also run their own businesses: nearly four in ten (38 percent) of small and medium enterprises (SMEs) in emerging markets are owned by women, note McKinsey & Co. and the International Finance Corp (IFC). Women are economically powerful, controlling about $2 trillion of global consumer spending, according the Harvard Business Review.
- Women control 27 percent of global wealth, with women in North America and Australia controlling 33 and 31 percent respectively.
- The wealth of women will continue to rise. Women in the US will inherit 70 percent of the $41 trillion in intergenerational wealth transfer expected over the next 40 years, data from Boston College’s Centre of Wealth and Philanthropy shows.

Traditional levers offer poor growth prospects

Banks can no longer rely on the traditional growth levers. In developed markets household deleveraging and low interest rates are severely limiting growth. Indeed, McKinsey Global Banking Pools estimate retail bank revenue growth in Western Europe to be 3 percent on an annualised compounded basis through 2020. GDP growth in most developing markets is also projected to decline. Meanwhile, regulation to raise bank capital levels and police conduct is reining in banks’ capacity to grow. Regulatory pressure is also being felt in less mature markets. The price of ‘know your customer’ and other risk profiling tools is increasing costs, particularly for small banks, while revenue is falling from customers who simply cannot comply with these requirements. These changes have forced banks into a strategic rethink. Many leading banks are exiting non-core and uncompetitive businesses and geographies, and cutting costs. Yet banks are also looking for new niche markets and segments to develop long term revenue growth.

At the same time, due to digitalization in bank operations and increasing exploitation of big data, it is increasingly easy to tailor customer programs to specific segments. And within these segments, banks are able to design particular sub-programs catering to the needs of female customers. With big data, for example, banks can overcome the lack of individual credit records, which have hampered lending to women in the past, by using other data sources such as customer account information from retailers or telecom providers.
Myths prevent banks from capturing the women’s market

Substantial evidence shows that there are significant opportunities for banks to grow and earn profits from targeting financial services for women. Yet many banks have misconceptions about what is required to serve these customers successfully. Our interviews with leading bank executives identified four common misconceptions held by many banks about developing banking services for women.

- Myth 1: Men and women are the same.
- Myth 2: All we need is products that are feminized.
- Myth 3: There is no business case.
- Myth 4: There is no data on gender.

Each of these misconceptions is a barrier preventing banks from acting to develop better services for women. We will now examine each one in more detail.

**Myth 1: Men and women are the same**

**Reality:** Men and woman have different attitudes towards finance

A common objection to developing a program of bank services for women is that their attitude to finance differs little from men. However, social science research, particularly into consumer behaviour, pinpoints some attributes that distinguish women from men. For banks, three female characteristics are particularly relevant:

- **Women strike a more conservative balance between risk and reward**
  - Women are more inclined towards safety, and thus prefer to place more money in instruments that yield fixed returns. The GBA Women’s Market analytics survey confirms that women drive savings as banks report that the value of savings from women as a percentage of total deposits is higher than the proportion of women in the credit portfolio in all cases.

- **Women have a greater focus on building deep relationships**
  - This has two implications for banks. First, women require that a relationship is established. Once this is done they are more receptive to financial advice and product information from a financial advisor, research from Prudential shows. Men, in contrast, have a greater tendency to buy products direct instead of via an intermediary or salesperson. Women want a relationship with a bank, while men want a transaction.

**Women strike a more conservative balance between risk and reward**

A recent US study by Prudential found that 70 percent of women consider themselves savers as opposed to investors. In contrast, 70 percent of men enjoyed the ‘sport of investing’ and were prepared to take some risk for the opportunity of greater financial reward, whereas only 49 percent of women were willing to do the same.

This finding extends across cultures. A DSP BlackRock survey in India found that women are more inclined towards safety, and thus prefer to place more money in instruments that yield fixed returns. The GBA Women’s Market analytics survey confirms that women drive savings as banks report that the value of savings from women as a percentage of total deposits is higher than the proportion of women in the credit portfolio in all cases.

**Women have a greater focus on building deep relationships**

This has two implications for banks. First, women require that a relationship is established. Once this is done they are more receptive to financial advice and product information from a financial advisor, research from Prudential shows. Men, in contrast, have a greater tendency to buy products direct instead of via an intermediary or salesperson. Women want a relationship with a bank, while men want a transaction.
Second, women have a higher propensity to share experiences, and act on the recommendations of peers and friends. Thus, women are an important source of referrals and Westpac has found that women have a higher net promoter score. And in fact, tell up to 52 people about a good experience, but will also tell many others about being treated badly. Banks can leverage this trait to increase awareness and attract a loyal customer base, but must focus on establishing relationships based on trust when serving women.

Women take more time to make decisions

Women make decisions differently than men. They tend to want more information and be more thorough, and take longer to reach decisions. Several studies, including one by LPL Financial, show that women take longer than men to make investment decisions. To maximise sales to women, Banco Nacional de Costa Rica found that it needed to sensitise sales people to how women make decisions differently from men.

Banks should take these attitudinal differences into account when developing value propositions and marketing campaigns targeted at women. Focusing on relationship building, allowing women time to make decisions and couching promotions in terms that resonate with women can generate positive returns with minimal investment.

“An ‘aha’ moment was when our bankers learned that women generally take longer to make decisions. This understanding explained a lot.”
— Beth Marcello, PNC

The research shows that the women’s market places more value on services than it does products. Sometimes a feminized version of an existing bank product may seem popular, but it is not enough. There needs to be a real value-add to products and services, taking into account female needs and concerns, to make a women’s program successful. This means asking “What challenges do women customers face?” and “How can banks help?” rather than asking “What products do women want?”

The research shows that banks with successful programs have helped women get access to finance, knowledge and networking opportunities. These link clearly to the attitudinal differences highlighted in Myth 1.

EXHIBIT 3

### Differences in financial attitude between men and women

<table>
<thead>
<tr>
<th>Differences in financial attitude with the services they need</th>
<th>Services women need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance between risk and reward</td>
<td>Access to credit</td>
</tr>
<tr>
<td>• Women tend to err on the side of caution</td>
<td></td>
</tr>
<tr>
<td>• Women often sacrifice potential upside in exchange for lower risk</td>
<td></td>
</tr>
<tr>
<td>• Women have an orientation towards saving</td>
<td></td>
</tr>
<tr>
<td>Preferred type of relationships</td>
<td>Access to networks</td>
</tr>
<tr>
<td>• Women prefer deeper relationships</td>
<td></td>
</tr>
<tr>
<td>• Women are more receptive to financial advice</td>
<td></td>
</tr>
<tr>
<td>• Women share experiences and act on recommendations of peers and friends</td>
<td></td>
</tr>
<tr>
<td>Decision making process</td>
<td>Access to knowledge</td>
</tr>
<tr>
<td>• Women want more information before making financial decisions</td>
<td></td>
</tr>
<tr>
<td>• Women generally take longer to reach decisions</td>
<td></td>
</tr>
</tbody>
</table>

“Myth 2: All we need is products that are feminized

Reality: Serving women is about tailoring value propositions to suit each sub-segment within a holistic view of their needs

“We had launched a Diva card in retail banking with female specific benefits – but it was not particularly effective.”
— Chris Furness, Standard Chartered

“Women’s market places more value on services than it does products. Sometimes a feminized version of an existing bank product may seem popular, but it is not enough. There needs to be a real value-add to products and services, taking into account female needs and concerns, to make a women’s program successful. This means asking “What challenges do women customers face?” and “How can banks help?” rather than asking “What products do women want?”

The research shows that banks with successful programs have helped women get access to finance, knowledge and networking opportunities. These link clearly to the attitudinal differences highlighted in Myth 1.”

“‘A primary overarching difference is that women really want a relationship with a bank; they want us to understand their business and the bigger picture of what they want to achieve. Men tend to be more transactional.’
— Beth Marcello, PNC

“‘When a woman says – I’ll think about it – don’t think they are not interested – just ask when you can call them back.”
— Maria Aminta Quirce, Banco Nacional de Costa Rica
10

How banks can profit from the Female Economy

Access to finance. In emerging markets, where we noted that women struggle to qualify for loans, banks have moved to accept alternative forms or levels of collateral. Centenary Bank, for example, uses cash-flow based lending and accepts a range of securities including chattels and guarantors, both of which are easier for women to obtain than land title, traditionally mandated by banks. This has helped woman business owners in Uganda. In developed markets, some banks like Westpac do not make changes to products but just market them differently. In fact, we found that just 45 percent of banks with women’s programs tailor the financial product offering to women.

Access to knowledge. There is an abundance of data that shows women in all segments lag men in financial literacy. Allianz found that nearly two-thirds of women express a strong interest in learning more about finance and retirement planning. Banks that help plug know-how gaps and integrate knowledge into their programs can thus empower women, and build trust in their brands. Indeed, among the institutions interviewed, we found that each bank with a women’s program offers access to knowledge as a key part of their value proposition.

Access to networks. Research shows that women tend to have narrower but deeper networks than men. This is true when working in organizations as well as when running their own businesses. For example, female entrepreneurs tend to rely on a support network of their spouse, family and friends while male entrepreneurs tend to network widely to include other entrepreneurs and investors. There is also a difference in how men and women network. Women tend to focus on establishing a relationship when networking rather than making a transaction (sealing a deal). Since entrepreneurs rely heavily on their networks for access to funding, expertise and markets, supporting women to widen their network and focus on deal making is an important input. Our research has demonstrated that ~60% of banks with women’s programs assist women by providing networking opportunities to their female customers. Within that, many banks also encourage mentoring between entrepreneurs.

Delivering value to women through segmentation

The most common way to deliver value to different women customers is to tailor value propositions for sub-segments defined by basic income (retail) and firm revenues (SME). A recent GBA member survey found that around 80 percent of banks still define small- and medium-sized businesses based on loan size. However, some banks are also exploring different ways of segmentation: Itaú segments women entrepreneurs into categories based on individual personal priorities in terms of the balance of family and business, and on the stage they are at in their lifecycle. Garanti Bank uses the maturity of a business to segment SMEs, offering different financing options and types of education (basic program and a mini-MBA) as well as national female entrepreneur awards to established SMEs.

Segmentation in retail, particularly in developed countries is increasingly intricate. Citi, for example, runs a network of engagement platforms to build brand affinity, while deepening its understanding of customer needs and behavior by collecting better data.

Developing tailored value propositions by segment can be driven by a desire to better serve the women’s market. But banks with active women’s programs have found that all customers benefit from this approach. This can be a test case for granular, customer-focused needs understanding and applies beyond the women’s segment. Understanding customer needs is at the core of creating services for women, but better understanding your customer, male or female, results in better, more appropriate services.

“I am the CEO of a business, but when it comes to my investments, I just don’t understand what my financial advisor is saying, and I am embarrassed to ask.”
— Linda Descano, Citi, on feedback from female clients

“Women do not want pink products – they want information, education and networking opportunities.”
— Larke Riemer, Westpac

“I am the CEO of a business, but when it comes to my investments, I just don’t understand what my financial advisor is saying, and I am embarrassed to ask.”
— Linda Descano, Citi, on feedback from female clients

“Women see benefit in participating in organizations that allow them to network with each other.”
— Beth Marcello, PNC

“Women tend to network in a different way, in different places, at different times.”
— Chris Sullivan, RBS

“Women tend to network in a different way, in different places, at different times.”
— Chris Sullivan, RBS

“Women see benefit in participating in organizations that allow them to network with each other.”
— Beth Marcello, PNC
Myth 3: There is no business case

Reality: The women’s market offers banks a profitable opportunity

Women are underserved both as consumers and as proprietors of SMEs. This offers a profitability opportunity for banks that spans both emerging and developed markets.

One indication of the scale of the opportunity is the credit gap – defined as the difference between the desired and actual levels of debt for credit constrained small businesses. In emerging countries, McKinsey and IFC estimate that the credit gap for women-owned SMEs is about $287 billion with the largest gap in Latin America and the Caribbean. Typically, women have relied on informal sources of finance, including their own savings, and loans from friends and family.

Microfinance has increased women’s access to finance in recent years; however, larger loans are needed to meet the capital requirements for the start-up and expansion of SMEs. Crowd sourcing and angel networks are beginning to play a larger role, while venture capital remains out of reach for most women-owned businesses. For commercial banks this is an underserved market that extends well beyond emerging countries. Data from the US and Israel (compiled by the Global Entrepreneurship Monitor 2012 Women’s Report) shows how lack of finance accounts for twice the proportion of business failure among women compared with men. Other data provides evidence that female entrepreneurs have lower access to finance than their male counterparts across Europe.

Women as consumers are also underserved. Lack of knowledge of financial products, exacerbated by limited communication from banks addressing women, is a significant barrier. In emerging economies, Global Findex has found that women are about one-fifth less likely than men to have an account with a financial institution or to have borrowed formally. Research from the GBA’s Women’s Market Analytics documents how average loan balances for women are one-third or more lower than for men. Yet even if women can get a loan, they often lack access to other financial services such as digital payment methods.

In developed economies, access to collateral is less of an issue, but female consumers are still underserved by banks. Research by Allianz shows dissatisfaction with product information and poor advice, which is sometimes condescending or delivered in an intimidating institutional environment.

Programs for women can generate worthwhile returns

Though women are currently un-served or underserved, banks with women’s programs told us they are profitable and that female customers have desirable characteristics. A major UK bank, for example, has found that businesses with a female proprietor have lower churn (15 percent vs. 21 percent for businesses with a male owner). Women-owned businesses served by BHD León have a lower rate of non-performing loans than ones owned by men across all segments. At Westpac, meanwhile, women customers hold a greater number of products and accounted for top line revenue of $1.5 billion in 2013. Finally, data from BLC Bank shows the average profit margin for SME loans to women is 15 percent higher than that of loans to men.

EXHIBIT 4 Case example of one bank: lower NPL and similar profit margin for women-owned small business customers

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women-owned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average profit margin on loans</td>
<td>-15%</td>
<td>+54%</td>
</tr>
<tr>
<td>Non-performing loans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women-owned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men-owned</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All of these metrics mean that banks can begin earning healthy profits from women’s programs – usually in less than two years. BLC Bank’s program was profitable within 18 months, while Banca Mujer at Banco Nacional de Costa Rica became profitable in year one after a 60 percent growth in the number of women SME customers. Itaú Unibanco has seen a rapid increase in its number of female-owned SME customers by becoming the bank of choice for women. To harness the power of women customers, banks should analyze their management information systems to identify opportunities where women are under-served in a given segment. In addition, banks should track key performance indicators by sex to assess how the female segment can be targeted to improve bank performance. Some banks have even established a compelling management dashboard to track key performance indicators for the women’s segment over time and review the business case for their women’s programs.

It is clear that focusing on the women’s market can help banks improve performance at a time when many are under pressure. Better serving women could aid banks to boost revenue margins and return on equity, while reducing non-performing loans and helping to lower the cost-income ratio.

“We were surprised at how big a market this is for financial institutions.”
— Pearl Eseua-Mensah, UT Ghana

“We are absolutely convinced as a bank that this is a very good business case.”
— Raoul Nehme, BLC Bank
Robust data is important to build a business case and engage key decision makers. Banks lacking data breakdowns by sex have used sampling and manual classification to build a compelling initial business case. In the meantime, every bank should recalibrate systems to begin collecting sex-disaggregated data. Capturing this information will let banks begin to amass a useful data pool which will expand quickly.

A few simple definitions can help banks improve their data capability rapidly and comprehensively. The GBA has found that 60 percent of bank survey respondents with women’s programs define a firm as female owned when women own 50 percent or more; and one-half of respondents define a female owned SME by the account holder. For their part, WEConnect International – a leading advocate of women-owned businesses as suppliers to global and national corporations, and government bodies – and the IFC have embraced a similar definition of what constitutes a ‘woman-owned SME’: an enterprise with a minimum 51% ownership by a woman/women or greater than 20% owned by a woman/women and have either the CEO or COO be a woman and have greater than 30% of the board be women.

The capability of banks to break down data by sex is mixed, but improving. This is particularly true for US banks, where disaggregation by sex could be deemed discriminatory, and poses legal risks. Nonetheless, we found a majority of banks (55 percent of all banks interviewed and 90 percent of GBA members) have women’s programs, and the capability to disaggregate data by sex.

Myth 4: There’s just no data

Reality: Banks often have better data than they realize

"Because we don’t identify customers by gender, it’s difficult to measure the ROI of the women’s segment and therefore a challenge when competing for internal resources. The external research and our own experience show that more of our business customers are women. Better measurement would allow us to better analyze the impact of our outreach programs and make adjustments that would ultimately improve the delivery of financial services to this segment”.

— Beth Marcello
PNC

"The importance of the data is the evolution – not the absolute number."

— Raoul Nehme
BLC Bank

EXHIBIT 5

Overview of methods used by banks to capture data

<table>
<thead>
<tr>
<th>Methods used by banks to collect data to build initial business case</th>
<th>Percent of banks with women’s programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing data capabilities</td>
<td>55</td>
</tr>
<tr>
<td>Pragmatic solutions</td>
<td>35</td>
</tr>
<tr>
<td>Business case without data</td>
<td>9</td>
</tr>
</tbody>
</table>

Methods used by banks to collect data to build initial business case

Source: Interviews with more than 30 banking executives

About one bank in three (35 percent) with a women’s program is using pragmatic solutions to generate women-related customer data from their existing customer base. But one in ten banks (9 percent) is sufficiently convinced of the opportunity presented by the women’s market to be moving ahead with developing the business case for a program without data. In our interviews, some argued that there is too much focus on data, while others felt the benefits of women’s programs are well established and it was important to act quickly.
Pragmatic solutions banks can use when data is limited

Bank CEOs must not let incomplete or minimal data sets stall efforts to develop banking services for women. Banks can adapt systems and processes to enable sex disaggregation after a program launch. Data can be accumulated rapidly and be made more granular, and accurate, over time.

BLC Bank started tagging existing and new customers in their business segment as male or female only after building the initial business case. This showed the female-owned SME customer segment was growing faster and underscored the clear impact of the women’s program.

- **Use existing data points as proxy.** BAC of Costa Rica reviewed account holder names to identify the sex. Also, identification documents that verify the owners of an SME can be used to determine sex.
- **Tap into relationship manager knowledge.** BHD León asked all of its relationship managers to classify existing business clients by gender.
- **Sampling.** If time and program funding is scarce, the IFC suggest banks mine a data sample to determine gender and extrapolate from this.
- **Customer survey.** An alternative option is to include the gender question in regular outreach surveys of customer satisfaction.

Action Planning: Making Change Happen

To succeed in tapping the market for women’s banking services a bank may need to transform how it conducts business. Our interviews suggest that the successful development of a program requires:

- **Role modeling and leadership alignment.** Our interviews support McKinsey research showing that where leaders serve as role-models for change, success is much more likely. Nearly 90 percent of the banks with a women’s program have a dedicated executive leader. At BHD León, a successful women’s program was driven by a CEO who had experience in gender diversity programs. At Rawbank, the Ladies First team involved senior leaders before embarking on its program and then engaged internal champions.
- **Internal buy-in.** Beyond senior management, it is important to ensure buy-in at all levels of the organization. At Chase Bank in Kenya, initial resistance was turned around through sharing the stories of successful women’s programs in other markets (such as BLC and Westpac), setting up a strong customer value proposition and training branch level staff how to provide it, sharing women customer statistics and setting up focus groups with external experts.
- **Training in employee skills and sensitization.** This can help ensure all employees get the capabilities to work in new ways, and ensure men feel involved and see the value in a women’s program. PNC offers its bankers a four part training course covering differences between men and women that impact the business development, the key attributes for selling to women, networking and investing for retirement. In addition, bankers have the option to become PNC-certified Women’s Business Advocates, of which 32 percent are men.
- **Formal systems of reinforcement, including KPIs.** These link the required culture to incentives and consequences. We found that banks with successful women’s programs understand what motivates employees and the need to link performance-based KPIs and incentives to their women’s program.
- **Align treatment of women as employees and customers.** In some cases, an internal diversity and inclusion program is considered an essential prerequisite to development of a customer program. For example, CSOB in the Czech Republic believes that a bank cannot begin to seriously address the female market segment without first addressing the internal gender imbalance. We found that around 75 percent of banks with women’s programs have internal diversity and inclusion programs.

“We need to consider the behavior in branches. There’s no point in targeting women with products and marketing if when they walk into a branch they are treated as second class citizens.”
— Peer Stein, IFC
This report has debunked several myths about the market for women’s banking services. We believe there are a number of moves that any bank can undertake. Indeed, most banks with a successful program today started small, looking at existing customer segments, and then sticking to areas where they had data or could easily obtain it. Often, they launched initiatives as part of a CSR program or in tandem with a drive to make themselves more inclusive for female employees, particularly emerging executive leaders.

In short order, banks began to better understand the nature and nuance of the opportunity. From this momentum, insight developed about the market for women’s banking services and confidence grew about the profit opportunity inherent in building a large-scale women’s program.

Yet besides the bottom line impact, banks that successfully serve the women’s market have developed better employee relations and are more engaged with the communities they serve. This has enabled them to find new pockets of growth and serve existing customers more effectively. Bringing better service to the women’s market has also yielded public recognition, notably when quarterly magazine *The New Economy* gave the Women’s Empowerment Corporate Leadership Award to five GBA members — BLC Bank, Garanti, Access Bank, Bank of Deyang and Westpac.

For banks that have lagged there is good news: tapping this latent market is low cost and easy to do by increment. What’s more, evidence shows that the impact on bank earnings is guaranteed.

**Conclusion**

"If you support women entrepreneurs, economic growth becomes sustainable."

— Selin Oz, Garanti Bank

"There is a lot of unutilized potential (among female entrepreneurs). Banks have a role as facilitators in unlocking this potential."

— Chris Sullivan, RBS
For information on joining the Global Banking Alliance for Women, including downloadable application forms, please visit gbaforwomen.org.

@GBAforWomen

GBA for Women

Global Banking Alliance for Women

The Global Banking Alliance for Women is a consortium of financial institutions driving women's wealth creation. Our 41 member institutions work in more than 135 countries to build innovative, comprehensive programs that deliver women entrepreneurs the tools – access to capital, information, education and markets – they need to succeed. Membership in the Alliance provides our member institutions with a global clearinghouse for best practices and a unique platform for peer learning, giving them the resources they in turn need to serve their women customers well.