



## THE MARKET

For many years, Australians have associated the big four banks with a frustrating lack of differentiation. Fuelled by the perception of a cosy friendship between the major banks, accusations of a lack of competition were never far from the surface.

But in 2009, NAB CEO Cameron Clyne decided it was time to turn this on its head. Driven by his motivation to create a sustainable business model underpinned by better customer relationships, he introduced a Fair Value agenda. And from here, regular customer-focused improvements started rolling out.

Of course, the bank needed to do more than just make improvements. It needed to demonstrate a commitment to them – and this called for a game-changing strategy.

## ACHIEVEMENTS

Starting with the new brand promise of ‘more give, less take’, NAB launched a strategy that was big, bold and (for a bank) completely out of character.

The strength of the ‘Break-Up’ campaign was that it was backed up by real action. NAB led the industry in abolishing some of the most complained about fees in banking. ‘Break-Up’ sent shockwaves through the Australian financial sector and the public, as for the first time a bank had spoken honestly about cutting ties with the other three. People respected the candour in a sector known for its secrecy.



This action quickly restored the faith of customers. As NAB CEO Cameron Clyne noted, ‘We wanted to achieve a real business result with this campaign. If we want people to know we’re



different, we have to behave differently.’

Twelve months later – and following supporting campaigns featuring credit card and home loan offerings – the effect of the ‘Break Up’ is still obvious. And for the first time in over a decade, NAB now tops the major banks in customer satisfaction and is achieving sustained, above-system growth across product ranges.

The statistics tell a similar tale:

- ‘Break-Up’ was the #1 discussed topic on Twitter in Australia (Source: Twitter Trends)
- There were approximately 100,000 visits to the blog in a single day (Source: NAB Social media team)
- Daily posts across all social media about NAB increased 320% (Source: NAB Social media team)
- It generated A\$5mil of earned PR media in a single day (Source: Propeller PR)

Impressive as these figures are, the best evidence of its success is this: Since ‘Break Up Day’, over one million Australians have switched their banking to NAB.

## HISTORY

The National Australia Bank was created in 1981



with the merger of two of Australia’s oldest and most historically significant banks, the National Bank of Australasia (established in 1858) and the Commercial Banking Company of Sydney (established in 1834).

In an environment of increased deregulation and competition during the 1980s, the newly formed National Australia Bank enjoyed strong growth domestically while expanding its operations overseas through the acquisition of several large foreign banks. Further broadening its financial abilities, the National Australia Bank also acquired MLC in 2000.

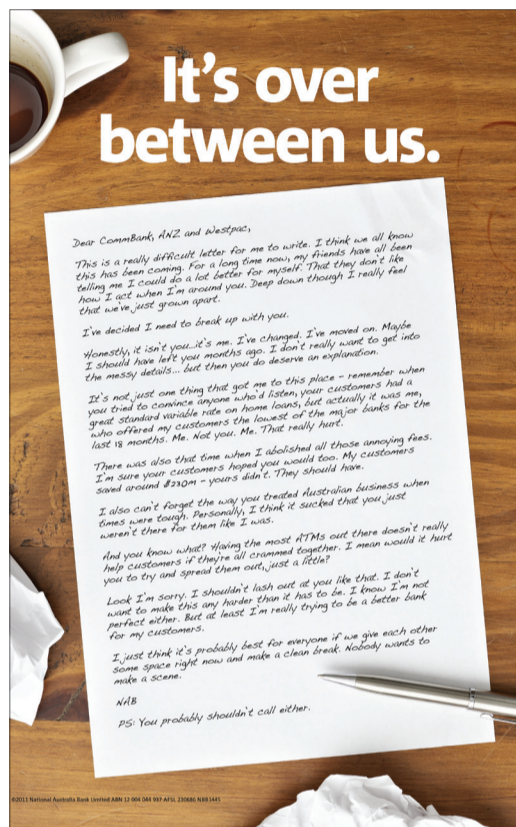
But it was the rebranding in 2006 as ‘NAB’ that was a real marker for change in the organisation. Under the new moniker, NAB purchased Greater Western bank, created UBank to compete in the online banking sphere, and acquired Aviva. This made NAB/MLC the largest wealth management and life insurance business in the country.

## THE PRODUCT

In response to the Fair Value agenda and the ‘more give, less take’ brand promise, NAB’s Personal Bank has continued to make changes, focusing on

delivering better banking for customers. NAB believes that what is good for customers, is good for their business.

For more than three years, NAB has offered the lowest standard variable home loan rate of the major banks – and pledged to remain lowest of the majors in 2012. It removed monthly account fees on its most popular everyday account, abolished overdrawn account fees on personal accounts and led key reforms to make credit cards fairer for customers; reforming the payment hierarchy, abolishing over limit fees and cutting late payment fees. All of these changes were made to benefit NAB's existing, as well as to attract new, customers.



The abolition of fees also flowed into Business Banking.

In early 2010 some of the most annoying fees - inward and outward dishonour fees, the Periodical Payment Deferral Fee, and the cash-handling fee - were all scrapped, to the relief of over 500,000 small business customers.

Recognising that what businesses most need is access to credit, NAB also remained open for business. From November 2008 to February 2012 NAB defied the trend and increased business lending by almost \$20 billion at a time when all other banks combined reduced theirs by \$41 billion (Source: APRA data Feb 2012).

Subsequently NAB Business Banking became the market leader with a 24.6% share of business lending (Source: APRA, March 2012).

#### RECENT DEVELOPMENTS

The power of the 'Break-Up' campaign wasn't what was said, but what was done. The impact was immediate and powerful making people vote with their feet. As NAB's reputation grew, the other banks' differentiation scores narrowed. They remain that way today.

From this platform, NAB has been able to stretch their Fair Value reputation across the business – using it as a basis for decision-making and to market everything from its credit card product (through the Honesty campaign) to home loans (via

the Freedom campaign). The Fair Value agenda has allowed the Business Bank to build its core positioning of 'We see Australian business' on the real support NAB shows for all levels of Australian business. Critically, NAB began to show a clear understanding not only of how Australian businesses work, but what they need to prosper.

#### PROMOTION

The 'Break-Up' campaign was seen, discussed and argued-over by millions. But few remember that it all started with a tweet – a 'seemingly' mistaken pre-break up message from a NAB employee that quickly went viral after saying "Sooooo stressed out. Have to make a tough decision and I know I'll probably hurt someone's feelings! Arrggghhh."

This was the first salvo in an integrated PR campaign that would encourage people to follow NAB, stand up for what's right and break up with the other banks.

What was so striking about the campaign was the tone in which it was delivered. For the first time, here was a big bank speaking like a real person. It was as refreshing as it was disruptive.

The 'Break-Up' was monumental in its scale and commitment. From the moment the 'Dear John' letter appeared in newspapers, it was clear that NAB was going to be doing things differently. The humorous videos showing NAB teams delivering the 'Break-Up' message to the other big banks, and the huge 'you're dumped' messages delivered by helicopter, only reinforced this.

#### BRAND VALUES

NAB has always believed in courage, curiosity and integrity. Driving every decision and action that NAB makes, these traits are also the cornerstone behind NAB's desire to make banking better.

Internally, this is far more than just marketing talk - it's been a revelation that's swept through the entire organisation and staff will happily tell you how liberated they feel now that they have the power to change those things that have long annoyed customers.

Bolder, braver and more committed to making banking better, NAB and its customers look set to enjoy a bright future together.

#### CORPORATE SOCIAL RESPONSIBILITY

To make a genuine difference in the community, NAB targets its social programs to areas where their resources will achieve the maximum social impact and business benefit. This explains why – rather than just injecting funds into the education sector – programs like NAB Schools First are an integrated approach, helping people do more where it's needed. Already, this program has rewarded successful school and community partnerships with over \$15 million.

NAB's Microfinance program provides zero interest and low-interest loans to Australians who are most in need, and is the largest in any developed economy worldwide. Having



committed over \$130 million, NAB has already delivered 60,000 zero or low interest rate loans.

This motivation to make a difference is seen in NAB's Indigenous Reconciliation Action Plan. Designed to support economic and social development in indigenous communities across



the country, it works in partnership with leading indigenous organisations.

NAB's other successful CSR programs include its Australia-wide volunteering program, as well as the Beyond Carbon Neutral program.

**THINGS YOU DIDN'T KNOW ABOUT NAB**

- NAB has maintained the Lowest Standard Variable Home Loan Rate since June 2009.
- In 2010 NAB became Australia's first carbon neutral bank.
- In 2010 NAB won the Canstar Cannex Excellence Award for Banking Leadership for its removal of fees.
- The NAB Schools First program has recognised and rewarded school-community partnerships with \$15 million worth of funding.
- In 2011 NAB won Money Magazine's 'Home Lender Of The Year'.
- NAB has been recognised as an Employer of Choice for women for 6 years in a row (2006-2012).