



THE
**new
face**
OF MARKETING

Quarterly review
N°4 — 2022

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SWETA MEHRA
CMO, ANZ



THE CHANGING FACE OF MARKETING



With revenues of around US\$13 billion and over 38,000 employees, ANZ provide banking and financial products and services to over 8.5 million customers across 32 markets.*

Sweta Mehra, CMO at ANZ, an Australian multinational banking and financial services company, for around the last five years has used her role to introduce a data-led approach to marketing. Under her leadership, the bank has invested in a range of innovative digital solutions that are driving significant growth for the business.

Prior to joining ANZ, Sweta was a veteran executive at FMCG giant Procter & Gamble, where she held a variety of branding and marketing positions for more than 17 years.

The Capgemini Research Institute spoke to Sweta about how ANZ is taking on digital-only banks and redefining the role of marketing in financial services.

*"FY21 consolidated financial report," ANZ website, accessed 22 April 2022

EVOLVING ROLE OF THE CMO AND MARKETING

How have you seen the marketing function evolve at ANZ?

— Marketing has become more strategic, more closely aligned with the overall purpose of the business.

The nature and composition of my team has changed, too. When I joined ANZ, the function was full of classical marketers: advertisers, sponsorship experts, event managers, research and insights experts, and digital marketers. Now, the highest proportion of people have a technology background, followed by data. There is still a very significant number of classical marketers, but the shift has been dramatic.

Marketing at ANZ is responsible for the reputation and public image of the group, but we are also accountable for driving revenue growth for the business. A third responsibility is to deepen our customer relationships – making customers feel both valued and understood, as well as providing them with all the notifications, nudges, and insights they need to secure their financial wellbeing. So, in marketing at ANZ, the “three Rs,” reputation, revenue, and relationships, are our focus areas.



Sweta Mehra
CMO, ANZ

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How do you measure the business impact of new marketing initiatives?

— When Marketing took on the responsibility of Digital Sales, about 25% of all sales for our Australia division came through digital channels. Now, it is more than 50%. Digital drives around 25% of leads for complex products, such as home loans and business lending, compared with less than 10% a few years ago. Digital – and especially data – is driving our innovative marketing initiatives.

50%

of all sales for Australia division come from online channels

Executive Conversations

The more data we can collect, the more closely we can track the behavior of the customer and the better we understand their interactions with us. Fundamentally, this allows us to see how marketing activity can produce different business results. The time period between when a customer first considers ANZ for a home loan and when their completing an application might be six months; with such a significant time period, we need more data to engage the customer and understand the relative impact of various marketing strategies.

PURPOSE-LED MARKETING

How does ANZ purpose impact products and services?

— In 2017, we introduced our new purpose: “Shape a world where people and communities thrive.” Marketing used that as a focal point and goal when thinking about how to improve the experience for our customers.

To apply that principle, we needed to understand what it could mean in the context of home loans, credit cards – all the different aspects of everyday banking. During the pandemic, for example, we supported our retail, small business, and commercial customers by offering them a raft of relief measures, including deferring loan repayments; we granted approximately 120,000 deferrals for home and business loans. As at March 2021, 95% of deferred home and business loans had returned to their payment schedules, so, we helped them through the worst phase of the uncertainty wrought by COVID-19.

How has ANZ's sense of purpose helped you differentiate your offering in the market?

— We take the core purpose concept of “people thriving” to mean securing their financial wellbeing. We want to help shape communities for the better, making sure they are full of happy, financially secure customers. Financial wellbeing is our business – we understand what it means, both as a concept and for the individual customer. We help people to figure out, firstly, where they want to go and then, how to get there.



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Before getting to the customer experience, we wanted to develop a solid structure of universally applicable metrics and standards. We brought in partners from academia to our business teams and they helped provide mathematical clarity in setting our goals and designing our systems of measurement. We now know how to assess the customer's financial wellbeing

quickly and how to partner with them to improve it. We set safeguards, such as making sure they pay off their debts first before starting a savings program. We encourage the customer to set goals, then create a system of nudges and incentives to help them achieve those goals.

This isn't just for show: customers who receive the nudges double their saving rates versus those who didn't. And, by following their behaviors more closely, we understood the right time to offer them certain products. When the customer is better off and is making the right financial decisions, then it's a win-win. They improve their financial well-being, and we drive growth while minimizing credit risk.

THE DATA EDGE THAT KEEPS THE COMPETITION AT BAY

How have you used data to enhance your market offerings?

— For us, it's no longer about taking the customer on a journey but about taking them straight to their destination. For our business-loan applications, for example, our product and digital teams created a digital solution that allows customers to plug their accounting software straight into our

systems. We can understand their financials almost instantly, which means we can approve working-capital loans much faster.

To make this possible, we have completely renovated our data-storage system; while

before it was sitting in silos across the business, now it is sorted, filtered for accuracy, and made available on demand. Our teams are trained in how to analyze the data and use the insights to answer key questions about customers and markets.

How can banks differentiate themselves from digital-only players/FinTechs?

— Customers want their bank to offer them the same experience they can get online in other industries: streamlined, safe, and available 24/7. However, purely digital interactions can lose that element of personal touch that the customers have historically enjoyed with bank staff. We aim to offer the customer the digital-first service they want and need nowadays but we also want to retain the service experience that we can provide with our very talented staff in branches, contact centers, etc. Providing convenience while retaining a sense of relationship and coaching is how we aim to generate a point of difference with digital-first offerings.

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For the past two years, ANZ has been running a digital transformation program for its Australian business. How has this impacted your responsiveness to changing market conditions?

— We have significantly streamlined our internal systems and market offerings: we've gone from over 200 fee types to fewer than 10 and we've simplified our terms and conditions. On the tech side, we have cut 300 systems down to about 120 and honed our retail banking systems from 128 to just 10 key platforms. This has radically simplified the customer experience. For instance, new customers can join the bank in minutes.

In the first phase of the program, we have focused on helping people manage their money better. We aim to attract savers (who make up just under half of the Australian population) by making banking easier, using a combination of data tools and data-driven insights, backed up with attentive, personalized human support.



NEW SKILLS FOR A NEW BUSINESS ENVIRONMENT

Which new skills do marketing teams need today and how are you instilling them?

— To succeed in marketing, you must be a lifelong learner. We are striving to instill deep, cross-organizational expertise within the marketing function, coordinated by a common language, understood by all members. We have set up a Brand Academy to offer specialized training: creative and campaign development; media planning and buying, creating propositions; and discovery and insights using data and data-driven storytelling.

We are developing a new module on personalization. Our training suite will continue to evolve. Above all, as with our customers, we want to bring clarity to our teams, so they know where they are and how to get where they want to go in their careers.

**Customers who
receive the
nudges double
their saving rates**



Sweta Mehra
CMO, ANZ

"For our business-loan applications, [we] created a digital solution that allows customers to plug their accounting software straight into our systems."

