

Our peers had outperformed us: NAB

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by Melanie Timbrell

NAB's recent bid to take back the retail banking market through its 'Break Up' campaign came from a realisation the bank had been "outperformed" by competitors.

Speaking at an Australian School of Business event yesterday, NAB's group chief executive officer Cameron Clyne was candid about the Bank's shift in focus since his appointment in January 2009.

"We were the largest business bank and the smallest retail bank," said Clyne. "And we were watching banks stronger than we were in retail grow even stronger through the mergers of CBA and Bankwest, and Westpac and St. George."

NAB's management team realised their significant investment in technology would reap benefits only in the longer term. But a more immediate solution was needed to improve NAB's risk profile by gaining additional retail customers.

"People were saving more and there was a mood of consumer activism on the back of the GFC. We decided we needed to tap into that," said Clyne.

Delivering the lowest variable mortgage rate and abolishing fees was the first move. Although there was an appetite for the NAB offering, an attention-grabbing campaign was always going to be necessary to cut through to potential customers.

The campaign was the Bank's cheapest advertising campaign to date, relying largely on viral social media advocacy, for which it won a Cannes Lions Grand Prix award.

NAB now boasts 225,000 new retail customers and can claim that once again it is gaining ground in the retail segment.

Clyne said NAB's future lies in innovation and new ways to tackle old business problems. He aims to use NAB's 44,000 staff to drive improvement internally across the business. This is indicative of a broader approach to aspirational management which Clyne describes as agile, flexible and resilient.

"It is important to realise that as CEO you aren't actually running the company," he said. "Focus on what you can actually achieve; the culture and risk management protocols...The CEO has to constantly role-model the culture they expect to see in the organisation."

This includes accepting some criticism and acknowledging weaknesses – a self awareness Clyne is unapologetic about requiring within his own bank. It is a standard now being foisted on the whole industry as NAB moves away from the former lack of competition and the retail consumer again becomes a focus.