

THE HEAT REPORT - 10 Years On

THE HEAT GROUP
2003-2013

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Executive Summary

The Heat Poll focuses on the opinions of and issues facing the women in Australia. This report has analysed 10 years of data, taking into consideration the responses detailing the issues affecting Aussie women and drawing comparisons between data in 2003 vs 2013.

“Time” remains the key currency for women, with flexibility emerging as the number one issue for working women today. Australian mums seek more flexible working arrangements and are even prepared in some cases to earn less money in order to achieve better work/life balance. Personal satisfaction and salary remain key motivational drivers for working women.

Women believe they are not being paid what they are worth (relative to the effort they put in, as well as in relation to their male counterparts) and in many cases are willing to make their salaries public in order to raise awareness of the issue.

Women believe that there are still major differences between male and female managers, with typically ‘male traits’ being perceived as more closely linked to being bad managers.

When it comes to self-employment, fewer women surveyed today than in 2003 predict they will be starting their own businesses in the short-to-medium term.

Despite being supportive of flexible working environments, women are generally unsupportive of other mothers who need to bring their children into the office.

Women are time-poor, and are juggling their spare time between family and friends relatively successfully, but not finding enough time to exercise and look after their health.

From a self-image perspective, women today are seeking make-up products to help boost their self-esteem levels, and are less happy about their body shape & size than ever before.

Women feel overwhelmingly that when it comes to an interview scenario, they are judged on their appearance far more than their male counterparts, and their appearance could be a deciding factor in how successful the interview is.

Make-up also plays a clear role in their overall work ‘persona’, and ultimately their success- as many women believe that more attractive employees are forgiven for mistakes more easily than unattractive employees.

About The Heat Group

With a portfolio of 10 personal care brands and growing, The Heat Group is the largest Australian-owned cosmetics company. Industry data shows that someone, somewhere, will purchase a product distributed by Heat every 2.6 seconds¹.

Heat is the exclusive Australian distributor for leading global brands Max Factor and COVERGIRL, Bourjois and essence. Heat also proudly owns cosmetic and personal care brands ulta3, MUD Make Up Design, Billie Goat Soap and Satin Cosmetics. Heat is also a licensee for Warner Bros Consumer Products, developing a range of personal care products based on the much loved characters from Warner Bros. Consumer Products.

A vision to develop and market brands specifically for a new generation of women is what drove Gillian Franklin, Managing Director, to start Heat in May 2000. Starting from humble beginnings, the founders of Heat Group worked out of coffee shops with no brands to speak of until the opportunity arose to pitch for the Australian distribution rights of P&G brands Max Factor and CoverGirl. With limited infrastructure, Heat Group won the pitch, and within a matter of months became a multi-million dollar business.

In 13 years, Heat Group has grown substantially, currently employing around 150 staff members and distributing products to around 5000 retailers around Australia. Heat also sells direct to the public via their online store shop.heatgroup.com.au

The Heat team works every day to recognise, understand and meet the needs of Australian women, with respect to their appearances but also the wider pertinent issues for women living in today's world. Heat stays in touch with Australian women via its regular heat polls and research.

In the workplace Heat is also strongly committed to creating modern, flexible working arrangements. Heat pride themselves on their unique company culture and offer many enviable benefits to ensure that they continually attract the best team possible.

Heat's mantra is summed up by four words that the staff members penned at the beginning of the Heat journey: creative, dynamic, passionate, smart.

¹ CTFA Data, FY2013.

Methodology

The Heat Polls

Heat regularly engages with women via the Heat Poll, a research initiative that provides valuable insight into the needs of Australian women, their opinions and the issues they face. Additionally, Heat holds bi-annual extensive surveys that dig deeper and more comprehensively to get at the roots of issues that are affecting women. The polls are self-completed online questionnaires of approximately 30-40 questions each time, emailed to a database of women who have elected to take part from the online member base.

The questions are designed by The Heat Group, with a focus on issues currently affecting Australian women. New Heat Polls are released frequently throughout the year with all participants having the option to respond anonymously.

Some 7000+ women have elected to take part in the Heat Polls, with new participants joining regularly.

The Heat Group targets the new generation of Australian women aged 18-59, employed in professional, managerial and white-collar occupations. The Heat Poll respondents are as follows:

- 83% are employed (vs 65% of Australia's female population)
- 50% have 1 or more children (vs Australian fertility rate of 1.933 babies per woman)
- 67% work as professionals, managers or in white collar occupations (middle management, sales, clerical) (vs 53% of Australia's female population in the labour force)²
- 8% are self employed (vs 14% of Australian women who work as business owners or independent contractors)³
- Earn an average wage of \$60,000 per annum (Average annual income of women is \$55,000 ABS Jan, 2013 6306.0)

² <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4125.0main+features1110Jan%202013>

³ <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4125.0main+features1120Jan%202013>

Why Women Work

Money matters

Financial independence remains a key motivating factor for Australian women, with 38% of women today claiming it is the main reason why they work (up from 35% in 2003).

However, women aren't solely motivated by money, with 69% of women stating they would still work if they had enough money. This mirrors the results in 2003, where 68% of women said they wouldn't give up their role and stop working if this situation applied to them.

In 2013, only 12% of women used regular remuneration increases as a measure of career success.

WHAT HAS CHANGED?	
2003 <ul style="list-style-type: none">• Status and Power• Personal Satisfaction	Now <ul style="list-style-type: none">• Flexible conditions, work/life balance• Double-income families are required for survival

Flexibility remains key driver

Today's woman places greater importance on work/life balance, and prioritises flexibility arrangements with employers.

The number of women demanding flexible working conditions and a family-friendly work environment has risen over 100% over the last 10 years, with 40% of today's women naming this as their top priority, up from 19% in 2003.

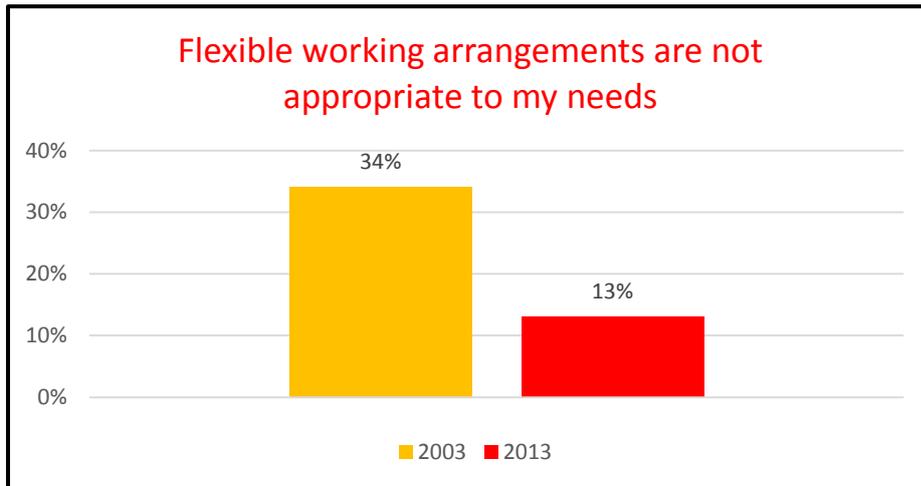
33% of Aussie women in 2013 said they require the flexibility to work from home due to family commitments, highlighting the need for employers to provide understanding and flexible work arrangements.

For 57% of women, working at home is the ideal solution to enable them to better balance both work and family responsibilities and give them the flexibility that they require.

Interestingly, 24% of women surveyed in 2013 stated that they would be prepared to take a pay-cut in order to achieve greater flexibility in their role – with 92% of these women stating that they would be prepared to take a 10% pay cut. This demonstrates that many women are prepared to put a value on their work/life balance – up to 10% of their salary!

64% of women feel overwhelmingly happy with the way their careers and professional working lives are progressing

Employers are slowly responding to the needs to women; The poll confirms employers have also begun to understand the importance of granting working women flexibility in their working



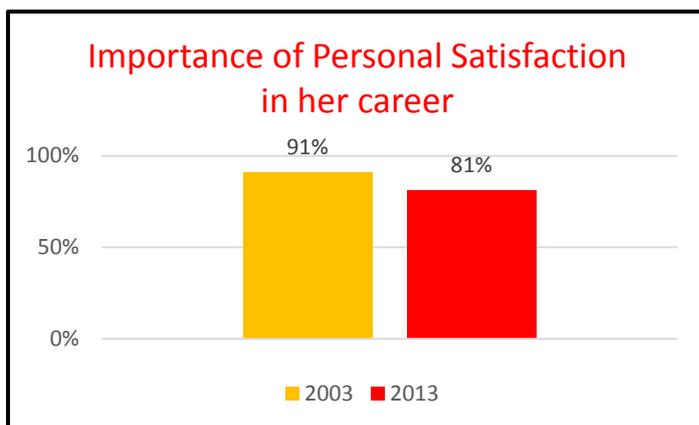
hours and offering a family friendly environment, with only 12% of women naming this an obstacle in 2013 compared to 34% in 2003.

Status and Power less important

The emphasis women place on status and power has greatly decreased. In 2003, 21% of women selected it as their main priority for their career, down to only 1% of women today.

Personal Satisfaction still about work life balance

When it comes to measuring career success, 81% of women say they know they have achieved this by their own level of personal satisfaction. This is a 10% decrease from 2003, when 91% of women said personal satisfaction is tantamount to career success.



For ultimate career satisfaction in 2013, 30% of Aussie women believe that work/life balance is the key to happiness.

27% of women believe they haven't yet discovered their true calling, and unearthing this would create further career satisfaction. This compares to 41% of women in 2003 who felt they hadn't discovered their true calling in the workforce.

Getting to the top

For 41% of career oriented women, further training supported by their employer is the ideal way for career progression and growth to occur. This compares to 27% of women who believe having a mentor is most beneficial for their career, mirroring the responses and data from 2003.

Other motivations

Having dual-incomes is important for 32% of women in the workforce today, making it easier to raise and care for their families. For 29% of respondents, stimulation and challenge is another key reason Aussie women are in the workforce.

Prestige plays a very small role in measuring career success, with only 4% of women recording it as an important aspect of their working life.

Women still not paid equally

According to Australian women in 2013, the situation is dire when it comes to remuneration and salary:

- Over half of Aussie women (55%) believe that they aren't paid what they deserve - a drop of 4% since 2003.
- 47% of women want to work fewer hours than they do now
- 73% of women believe they go above and beyond the call of duty, and as a result, do not receive fair pay for the hours they work
- 70% of women also are adamant that the gender pay gap still exists, predominantly due to the continuing secrecy surrounding salaries.

69% of women surveyed in 2013 stated that they would be willing to make their salary public if it would help achieve greater pay equity between males and females.

- Of the women who regularly work over their agreed hours of employment, 62% of women do not receive overtime pay, and 74% do not receive gifts, bonuses or time in lieu for working overtime.

About the Boss

"Female managerial style" favoured

Even today, when comparing male and female managers, women believe there is a huge difference in their strengths, weaknesses and management styles. Respondents feel that:

- Male leaders are more demanding (52%), risk taking (39%) and aggressive (39%).
- Women leaders are noted for their approachability (56%), understanding natures when it comes to their employees and their personal lives (64%) and their ability to listen (63%).
- Female leaders also understand the desire for flexibility, with 47% of women stating that female managers willingly offer this to their teams.

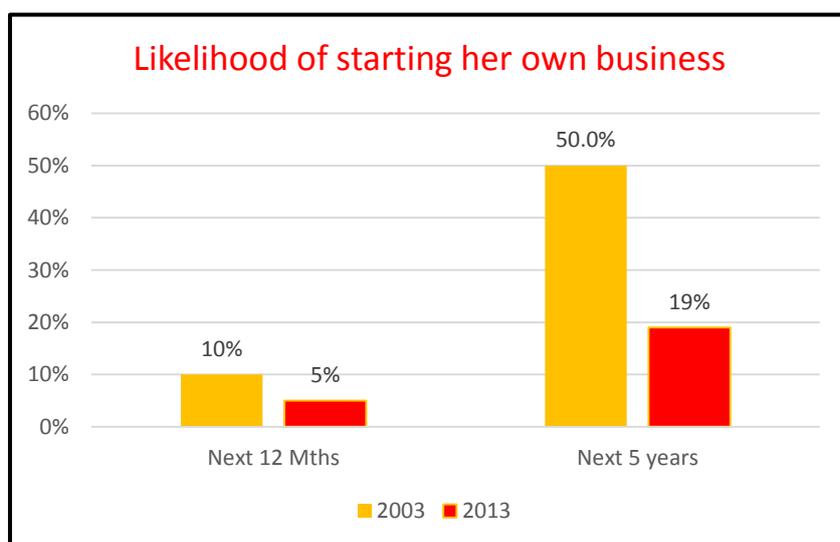
Women believe bad managers can easily be identified by their use of intimidation and fear in their dealings with their employees and team. The number of women who have cited this as their 'pet peeve' when dealing with a manager has increased by 40% since 2003, from 44% to 84%.

On the upside, women today have more appreciation for their managers, with only 18% of women wanting to fire their boss, a major drop from 30% of women in 2003.

Self-employment

Owning your own business less appealing today

- **Right now:** Only 8% of Australian women say they are self-employed, a huge drop from 14% of women who had their own businesses in 2003.
- **Next year:** Within the next 12 months, only 5% of women plan on starting their own business, compared to 10% that named this as a short term goal in 2003.
- **Next five years:** the number of women who are looking into the future and would plan on starting their own business in five years has decreased by 31% in 2003, with only 19% of women who are seeking self-employment



Motivations for starting their own business

- Freedom and flexibility remain ever relevant for women, with 67% stating that this is the most attractive benefit of moving into self-employment, compared to 54% in 2003.
- The financial benefits of self-employment are also enticing to Aussie women, with 22% who believe they would be better off financially if they worked for themselves.
- A great business idea (25%), coupled with self-confidence (24%), and business management training (18%) are other areas women believe would support their ambitions to move into self-employment.
- Additionally, 32% of women say a solid support network is the foundation for starting their own business.

Women & Motherhood

Children in the workplace still not desirable

For mothers wanting to bring children to the office, 46% said this is acceptable, only if there is a separate facility for childcare, this figure increasing 22% since 2003.

In an emergency situation when all childcare options have fallen through, only 13% of women said that bringing a child to work is okay.

97% of women believe that it is never ok for a mother to breastfeed in the work environment

Interestingly, while women agree certain circumstances make bringing children to work okay, only 38% of women said they would bring their child to work with them if they had the option.

Motherhood is still highly valued

An overwhelming 69% of women believe the skills they have developed as a mother have made them better at their jobs, particularly due to the further enhanced ability to multitask (69%).

Women understand the intricacies and complexities of raising children, with 53% of women saying that full-time employment and caring for children under the age of five are equally difficult tasks.

In fact, if a monetary value could be placed on motherhood and raising children, 30% of respondents stated that they believe the average salary that a stay-at-home mother is worth ranges between \$40,000 - \$59,999 p.a.

How do women spend their spare time?

Motherhood key but lifestyle and travel now also priorities

In the past ten years there has been zero change in how many women rank motherhood as their top priority in life. 2003 and in 2013 exactly 44% of respondents said that they still consider motherhood the most important factor.

There has been change in other areas however, with many women today ranking lifestyle (62%) and travel (43%) as life priorities. Back in 2003, women ranked marriage (40%) and career success and fulfilment (40%) first.

Overall, research has indicated that women are still as time-poor as ever, with 53% saying they feel they are short on time, this figure only dropping 6% from 59% in 2003. Only 16% of women say that balancing their lives is easy, and they find it simple to fit everything into their schedules.

Friends and family

When it comes to spare time and prioritising how they spend it, 97% of women say they find it easy to make time to spend with their children, and 95% of women say that finding time to spend with their partner is not a challenge.

In order to nurture their personal relationships, women have noted they need to devote more time to their partners (28%), their friends (26%) and their children (18%). While women place emphasis on their friends, family and external relationships, 33% of women also want more time they can spend on themselves (33%) along with personal leisure time (19%).

Health and Wellbeing low on priority list

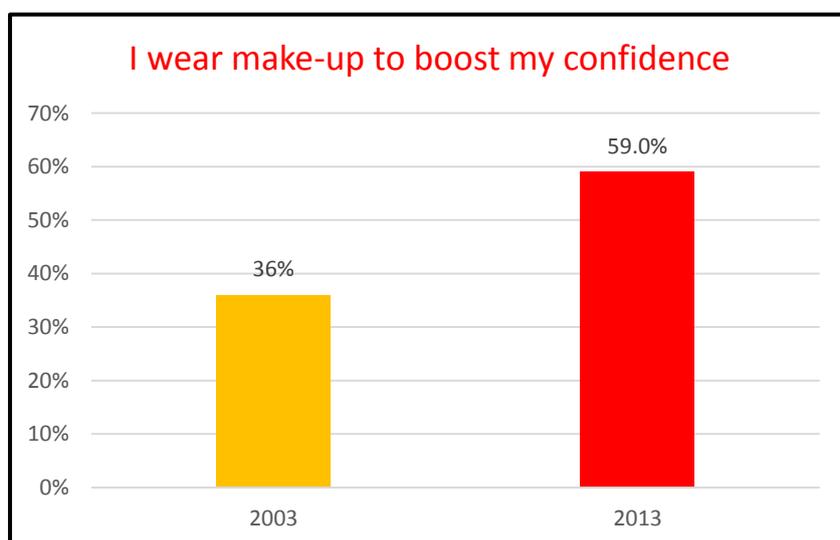
Exercise is undoubtedly one of the most important elements for mental and physical health and wellbeing; however this is one of the areas women today find most challenging to fit into their lives, accordingly to 24% of women surveyed. While finding it tough to factor into their day-to-day routines, 44% of women wish they could devote more time to their exercise regimes and name exercise as a priority.

Make-up & self-confidence

More closely linked than ever before

More than ever, women today feel wearing make-up can make them feel good about themselves, with 95% agreeing with that statement (up 43% since 2003). One of the key reasons is 98% of women believe that the simple act of putting on make-up can improve a woman's appearance, a huge rise of 70%, up from 28% since 2003.

Women also believe that wearing makeup gives them a confidence boost with 65% of women stating this is why they wear makeup, compared to 36% in 2003. Other reasons women today are wearing makeup include masking blemishes and imperfections (56%), enhancement of certain features (43%) and integration into personal identity, just as a woman would express their individual style through clothing (34%).

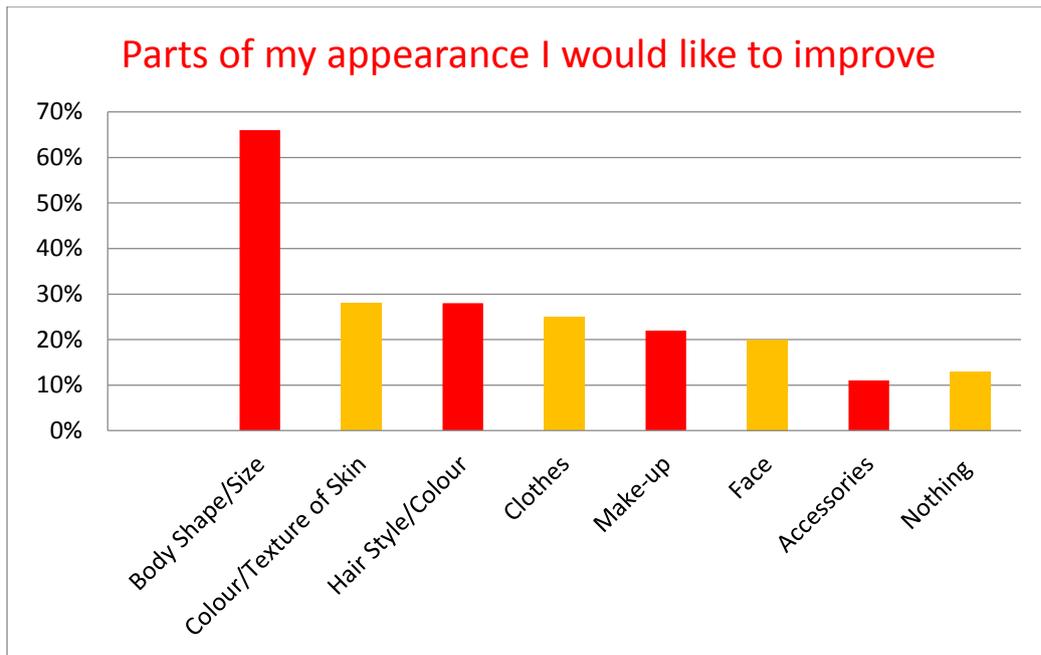


The effort a woman puts into her appearance and the amount of makeup she may wear can be dictated by her mood, according to 83% of women. When feeling sad, 36% of women have admitted they wear less makeup.

When it comes to their daily makeup regime, 38% of women apply their makeup quickly and effectively, taking between 5-10 minutes to do the job. In 2003, 20% of women spent 16-20 minutes on makeup application compared to 16% of women now.

In 2003, only 20% of women said that body shape makes somebody beautiful and 40% of women said that confidence is the key to radiating beauty. For today's woman –body shape and size is the aspect of themselves that most women want to improve (66%).

Other areas of appearance women would like to improve include colour/texture of skin (28%), hair style or colour (30%) and clothes (25%).



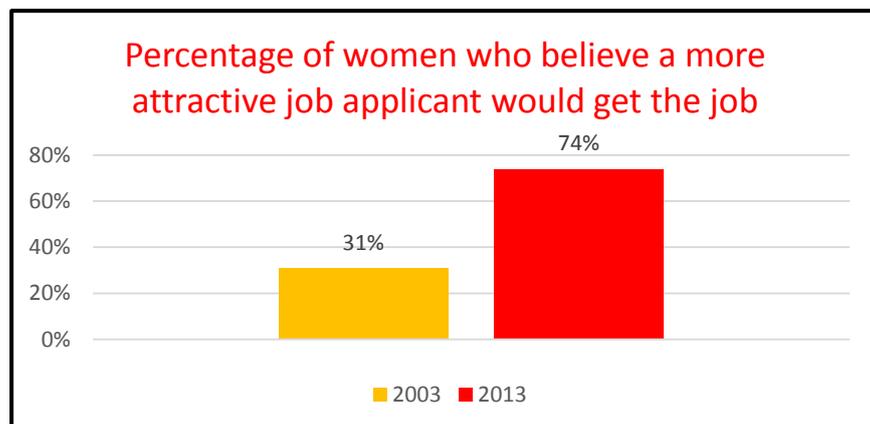
Appearance and Career Success

Women feel discriminated against in the workplace

When it comes to career success, the emphasis women feel employers place on looks and appearance has increased substantially in the past decade.

In the interview

When it comes to job interviews, women believe that appearance and the ability to look the part is the key to securing your next role, with 89% of women stating they are judged on their appearance in a job interview situation.



83% of Aussie women also feel prospective employers are placing more emphasis on looks and appearance when they are looking for work, than that of their male counterparts.

What's the most important part personal presentation in an interview? 59% of women firmly believe that clothes and/or shoes are highly important when it comes to sealing the deal in an interview. However 68% of women believe wearing the right makeup to a job interview can be the 'make or break'.

On the job

Hiring and employment opportunities aren't the only areas where women believe appearance and looks offer more advantages, with 51% of Aussie women stating that they believe attractive people are forgiven for their mistakes more than people of average attractiveness, up by 17% from 34% since 2003.

Women recognise that personal presentation is important, with 93% of women today stating they always make an effort with their appearance at work. Women have also noted that more importance can be placed on appearance depending on your industry, with 31% of women stating their appearance is considered very important and 51% of women stating their looks are moderately important.

Women today see no value in the blondes vs. brunettes debate, with 87% of women stating that hair colour doesn't make a difference when it comes to career success. 8% of women were 'team Brunette' and 5% believe blondes are more successful, which highlights a major change in our thinking since 2003, whereby 34% of women believed that brunettes achieved more career success than their blonde counterparts.

Wearing makeup flows into the working life of many women, with 73% of women today stating that makeup is part of their work persona. For 79%, not wearing makeup and facing the world with a bare face would make them feel underdressed. This is similar to the 2003 finding that 33% of women wear makeup only to please their boss, with only 30% stating they wear makeup to please themselves.

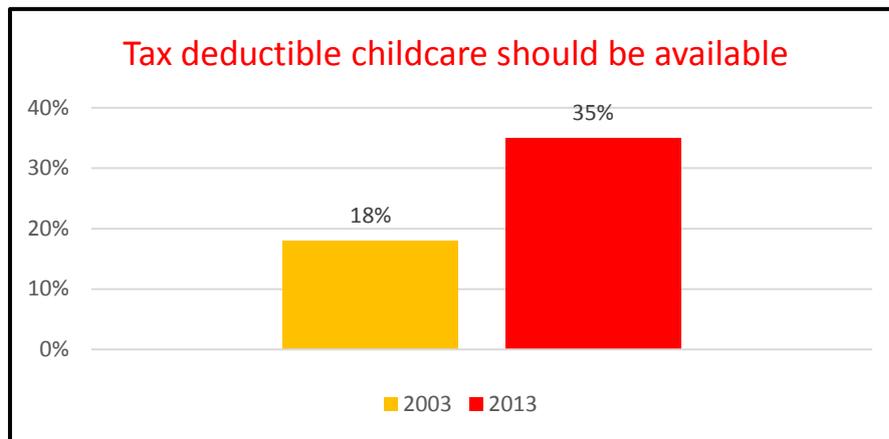
Appearance can even be cause for promotion, according to 40% of women today, who believe that effort invested into their looks can be rewarded through career progression.

When it comes to wearing makeup in the workplace, 27% of women believe that makeup should be tax deductible, which is a marked decrease since 2003 whereby 56% of women said makeup should be tax deductible. However, in today's day and age, 55% of women believe that if a woman's profession genuinely requires makeup, such as an air-hostess, or an actress, that it should be tax deductible.

Political Interests

When asked which changes women would most like to make to government policies to help Aussie women in business, 47% of respondents strongly feel that gender discrimination in the workplace needs to be reduced and refreshed policies need to be implemented.

The need for tax-deductible child care is stronger than ever, with 33% of women stating that this would be one of their three wishes to help Australian women in business, compared to just 18% in 2003. Women are also seeking improved paid maternity leave policies (34%) in order to make it easier for mothers to remain in the workforce so they don't need to have such a lengthy break within their chosen career path.



Public health and the healthcare systems are a priority for Aussie women, with 61% of women in 2013 who are urging the government to invest more funding in healthcare systems. This compared to 42% of women who named public health as the issue affecting Australia most in 2003.

Contact Information

For more details about the report or to arrange interview opportunities with Gillian Franklin, Managing Director of The Heat Group, please contact:

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