

Bank on a new image

Major companies have discovered a brighter corporate identity can do wonders for business

By Anne Forrest, published in Agenda on 14 April, 1996.

Hang Seng Bank last month joined a growing list of Hong Kong companies that have modernised or developed a new corporate identity, when Chief Secretary Anson Chan Fang On-sang and bank chairman Sir Quo-wei Lee unveiled a new version of the Hang Seng coin. Cathay Pacific, Hang Lung Development and Wharf have revamped their identities in the past few years, joining the 1980s makeovers of Hongkong Bank, Jardines and Hutchison Whampoa.

But changing the way people - customers, investors, employees, business partners - see a company involves more than a new logo.

For Hang Seng Bank, the new look signals a major transformation that began in late 1993.

In the early 1990s, the bank found itself in an increasingly fierce competitive environment with changing consumer demands and difficult staff recruitment and retention. It was no longer enough to be a profitable 60-year-old major Hong Kong institution.

As Hang Seng's vice-chairman and chief executive Alexander Au said in a December 1995 speech: "While it may have been true when Shakespeare said 'That which we call a rose by any other name would smell as sweet', this must be disputed in today's marketplace.

"It's no longer enough to have a rose - or rather a good product. Good products can be copied. It's the name that is unique, and branding a company and its products is gaining in importance."

In 1993, the bank was already reshaping and expanding its products and services, installing the latest technology, and enhancing staff training and participation.

"We knew we could not stop at these business enhancements," Au said. "It's the Hang Seng Bank name that is unique, and we needed to convey the desired image for our brand name." The management realised the bank needed to be repositioned - with its customers, employees and the community. They wanted an image that would reflect their conduct and core values. They wanted to be recognised as a caring employer and a caring community bank.

"We wanted to establish a new, progressive image as a financially strong bank offering high quality services in Hong Kong and China," Au said.

They also wanted to reassure present customers while attracting new ones, especially younger clients and professionals.

All these goals called for communication.

First, they started with staff to assist in building up the quality of the bank. As Au said, this meant a move away from "one-way information feeding to two-way traffic".

In the past two years, the staff count has expanded by 920 to a total of 7,900. Since just over a year after the communication programme was launched, the turnover rate has been the lowest among major banks in Hong Kong.

Second, the bank turned to external communications, establishing a corporate communications department, to ensure all decisions were consistent with the image.

Programmes were put in place to increase awareness among the public. New marketing initiatives and advertising have been rolled out - all designed to reposition the bank in its audience's minds.

Investor communications activities were made more transparent. Annual reports now provide much more information than the regulatory authorities require.

A responsive media relations programme was initiated and community sponsorships and donations were broadened.

Third, a review of the logo and corporate identity system was undertaken. During this review the management came to understand just how important the look and feel of a company were to the younger, more sophisticated professional classes.

All its 138 branches are now scheduled to be fully refurbished - and new uniforms will also reflect the "new" Hang Seng Bank.

Has the effort and expense of a total repositioning paid off on the bottom line? Absolutely. Just last month Hang Seng was named the Commercial Bank of the Year by Asiamoney for the second consecutive year. For three years in a row, it topped the list of Asia's best performing banks in an annual survey by Thomson BankWatch.

Staff turnover is down; staff productivity, commitment and pride are up. Product and service ranges have expanded. The customer base is growing younger. The new, modern banking experience is translating into a broader customer base using a wider range of services.

These factors affect the bottom line - and there has been a positive impact on share price performance.