SEVEN KEYS TO SELECTING THE RIGHT NAMING & BRANDING PARTNER

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BRANDING
NAMING
STRATEGY
EXPERIENCE DESIGN
RESEARCH

A FINANCIAL INDUSTRY POSITION PAPER

Changing the brand identity or name of a well-established financial institution may be the most critical strategic decision and enterprise-wide project your bank will undertake. It presents huge opportunities for positive growth, but it also carries reputation risk, cultural impacts, financial and emotional implications that will touch every aspect of your business, brand, stakeholders and image. Selecting a skilled and seasoned branding agency partner capable of guiding your leadership team and staff through the challenging and complex process to ensure successful outcomes is mission critical.

Yet the final selection decision of a skilled naming and branding partner is sometimes based on flawed assumptions: that all naming processes are alike; that the lowest cost provider is the best; that a local agency who knows the area will be more successful; that an agency with less financial industry experience may bring "fresh" and unique ideas. Or even that you don't need to spend the money to hire outside experts when you can do it yourself.

The risks of picking an inexperienced agency for renaming (or attempting it internally) are high on many levels. Agency naming failure for financial institutions has resulted in 1) A year plus of countless dollars spent with no name; 2) invaluable senior level and Board resources and organizational focus totally wasted; 3) Board frustration and misalignment with senior leaders; and 4) Leadership and Board reputation hits from staff, customers and the public. The end result is that the naming process must be repeated all over again.

> **"WE REALIZED THAT THIS WAS SO MUCH MORE THAN JUST A NEW LOGO OR NAME... A LOT OF IT DRIVEN BY THE DATA ANALYSIS AND STRATEGIES THAT STRUM HELPED CREATE."**
>
> — MARTY KELLY, SVP/CMO
> FIREFLY CREDIT UNION, BURNSVILLE, MN

Many small creative agencies claim “expertise” at this incredibly complex renaming journey that can take more than a year to fully complete and roll out. Organizations sometimes make a “low cost provider” selection thinking they’re comparing apples-to-apples in their selection of a skilled strategic naming partner, only to discover later critical strategic steps were missed and risk factors were unknown or ignored.

The impact of weak naming processes, lack of gaining alignment among management and Board, lost time, costly trademarking blunders, and subsequent expenses from a failed naming process is devastating on organizations, internal teams and stakeholder trust. It is not a project any organization ever wants to be forced to repeat.

With such high stakes and so many vital areas to consider beyond lowest cost, clear insights are needed into the importance of these mission-critical hiring decisions in choosing a naming partner. Based on our 25 years of naming experience and work on renaming over 70 financial institutions across the US and Canada, we have identified the 7 most critical criteria for evaluating and selecting a skilled agency partner as part of a professional name evaluation or successful renaming and branding process.

“WE SELECTED STRUM BECAUSE OF THEIR EXPERTISE WITH REBRANDING FINANCIAL INSTITUTIONS AND BELIEF THAT DATA-LED PROCESSES AND STRATEGY CAN HELP DETERMINE THE APPROPRIATE OUTCOME.”

— ERIC LANHAM, SVP MARKETING
7 17 CREDIT UNION, WARREN, OH

One:

DEEP NAME & BRAND PROCESS

Is there a proven renaming process and skilled brand consultants that have led senior level teams through a strategic renaming program successfully? What cultural and growth results were achieved? Is the process built on evaluating vital long-range growth goals, future target segments, smart market research, risk evaluation factors, mission and values integration, competitive brand positioning and scenario planning with cost benefit options?

One of the first places renaming projects fall apart is from non-strategic processes that focus on quick, high-volume name creation, and ignore the vital strategic considerations of changing names. These range from future market growth plans, to target audience segmentation, market awareness and competitive brand positioning.

There are profound differences between naming processes. Some agencies leap into creating new names and logo designs without cautious thought around trademark challenges, timing and organizational communications impacts.

You should make sure the agency you select knows from experience the realistic time, diligence and thoughtful focus needed to address key organizational growth initiatives, your future vision, market demographics and emerging growth strategies. Your renaming process should be highly strategic and relevant to help shape your envisioned future competitive position.

Two:

STAKEHOLDER ENGAGEMENT

Does the process include expert guidance to build alignment that is inclusive of Senior Management and Board of Director engagement right from the start? What level of name strategy workshops will be facilitated and developed with your leadership involved? Is there careful thought around building an internal Naming Team: like hand selecting a balanced Naming Team to lead consensus building and decision making to manage a strategic process? Missing these steps certainly allows for a lower cost process, but at what cost ahead to building team alignment and achieving goals?

Part of the value from an effective name change process can be in gaining organizational alignment towards a shared long-range vision of growth, brand equity, reputation management and competitive differentiation. Not engaging the board has resulted for some in a failed attempt at transformational change without stakeholder buy in, that can unfairly raise irrational and emotionally charged "worst case" fears of frustration and misalignment.

Three:

TRACK RECORD & RESULTS

You'll want to know if the agencies have a range of C-suite client references from renaming large (billion dollar plus), medium and smaller financial institutions that demonstrate positive, successful, high impact renaming programs. What do senior leaders share about their renaming process, experiences of staff, management and Board engagement and subsequent impacts across the organization?

> **"A NEW NAME AND ITS POTENTIAL FOR TRANSFORMATION ARE FRUITFUL ONLY IF THERE IS BUY-IN AT EVERY LEVEL… WE ACCOMPLISHED MUCH MORE THAN WE HAD HOPED, UNIFYING AND ALIGNING ALL STAKEHOLDERS."**
>
> — BRENT ZORGDRAGER, RETIRED CEO
> KINDRED CREDIT UNION, ONTARIO, CANADA

Do their naming and branding clients and projects show measurable results in market growth, new customer acquisition, enhanced revenues, engaged staff culture and distinctive competitive brand positioning that warrant the major investment (or just an expensive name, logo and new colors)?

Does the agency have specialized knowledge and experience not only renaming financial institutions (i.e. not products), but building successful brand strategies (not a "look and feel" graphic design program or logos) for a range of financial institutions? Is there a robust portfolio of distinctive names, logos, tone of voice and integrated brand programs that have generated best in class results? What percent of their work is focused on naming, market research and brand consulting: versus graphic design, logos, print or campaign services?

Four:

NAME EQUITY RESEARCH

Do they have expertise helping organizations and their Boards that want to conduct a Name & Brand Evaluation first to determine whether changing names is the right strategic decision, compared to other scenario options? Does it include not only market research, but risk evaluation, cost/benefit insights, target market segmentation and potential growth impact evaluation of each potential name or brand change scenario?

Before you leap too fast into changing names to solve a lack of new customer growth or because you have a community charter, you should first evaluate all these scenario options with an expert guide who can help you frame the right evaluation criteria for decision making. The difference between name equity, brand equity and eligibility confusion in the market can be subtle, but help you ensure you avoid costly mistakes. The right strategic decision about your name and brand should help drive positive growth, enhance your brand image, fire up your internal teams and inspire customers to deeper relationships and engagement.

It is critical that the agency has expertise in internal stakeholder, and external consumer market research to initially evaluate current name and brand equity. Do they identify from research needed improvements in your delivery systems, customer experiences, brand reputation drivers and "brand gaps" to address needed enterprise-wide brand experience improvements? Have they conducted name testing research evaluation before? Has that name equity research led to decisions to NOT change names, but to re-brand instead?

Five:

TRADEMARK KNOWLEDGE

There are vast differences in agency leaders' knowledge, experience, evaluation of trademark attorney reports and advice in this mission critical stage of name creation. As many CEOs have learned the hard way, creative names that can't be effectively trademarked can result in frustration, anger and failed processes—often months too late and with vast resources already consumed.

It is critical to learn if the agency has created financial names that have won the highest level "bomb proof" federal Class 36 trademark (for banks, credit unions, insurance, trust, mortgage, brokerages, debit cards, products, etc.), at the US Patent and Trademark Office (USPTO, or CIPO in Canada). This is the highest level of protection afforded by law and it is truly a mission-critical asset for generations ahead. Is the agency knowledgeable of the differences between federal, state and common law trademarking, and is their guidance working with your trademark attorney a part of their consulting and guidance services? If the agency does not accurately estimate the time required for critical name research and risk evaluation (e.g. USPTO TESS searches, Google, local directory, domain searches) their proposal may appear deceptively cheaper, but it may also be missing critical safeguards for avoiding risk.

It is important to ask how many outstanding, unique and distinctive financial names they have created that have been federally trademarked with the USPTO (versus simply "registered" by the state or NCUA, affording you little to no legal trademark protection).

Worse yet, poor trademarking blunders from a lack of renaming expertise has led to high visibility "cease and desist" orders—sometimes costing millions of dollars and damage to the reputation of those forced to stop using a name that was improperly used (violating federal trademark laws). Not to mention the process must be fully repeated and time, costs and a customer and market rollout duplicated all over again. The impacts, losses, market visibility and stakeholder resentment that coincide with getting it wrong are staggering.

GAINING A FEDERAL LEVEL TRADEMARK IS ABSOLUTELY A BEST PRACTICE

Gaining a federal level trademark is absolutely a best practice and intelligent long-term business practice for any bank that could one day expand across counties, states or even nationally (especially via the internet). The value of a federal level USPTO trademark is potentially worth millions of dollars over time in equity, brand reputation, market protection and consistent awareness. With over 220,000 financial names protected by the USPTO in Class 36 alone, winning a federal trademark is extremely challenging in this busy category. It should not be left to amateurs, because the cost of future mistakes is too high. Selecting the low bid could one day become the costliest mistake organizations can make.

Six:

ROLLOUT PLANS & STAGING

Often overlooked in the RFP process of agency selection is the knowledge, staging and planning value of "Road Mapping" every step of the renaming process from start to finish. This expertise helps organizations avoid land mines, minimize critical communications and timing to employees and customers and ensures a high likelihood of total success. And that takes expert guidance and knowledge.

Does their naming process include critical "best practice" operational staging, overall budgeting, internal planning, organizational communications staging (and confidentiality)? Do they offer Customer Communications, plans for phased timing and public rollouts that have ensured virtually flawless rollouts and limited customer complaints, closures, negative social media or customer account losses?

For organizations who've never been down this road before (most of them), you'll want to make sure your agency is an expert at advising you—guiding your senior leaders and Board at each critical step of the journey. The timing of when to share sensitive changes to your name is absolutely mission-critical. They must be managed carefully and with great confidentiality to avoid premature news leaks that can wreak havoc on your reputation, trust and winning the confidence of all stakeholders.

Seven:

BRAND IMPLEMENTATION DEPTH

Once the final name has been approved and voted by the Board, the work of branding and marketing communications external marketing should be in full swing. Agencies with the expertise to continue forward on a wide-ranging set of integrated brand and marketing projects that are not just print and traditional campaigns alone, but digital, social and video/TV, can accelerate time to market and successful implementation across all channels. You'll want to learn early what the agency's experience is leading organization-wide brand programs—staging and implementing successful outcomes and results.

Financial institutions should carefully consider these questions as they evaluate agency candidates and decide how many firms they will want to teach, manage and link together through this major project implementation.

- Can they design a successful all-staff name/brand rollout event, themes, management roles and brand film to launch a new brand vision of change ahead?
- Do they develop integrated brand channel experiences: new branch prototypes; responsive websites; digital messaging and branch merchandising rollouts that ensure consistent brand experiences and results?
- Can they train all staff, managers and leaders on living out the brand with total consistency, ongoing focus, onboarding new staff and creating new personalized customer experiences?
- Do they design customer and public brand launch campaigns that drive name awareness and product growth to increase revenues and growth?

Choosing the right agency partner to guide your organization, your Board and employees through a successful, high impact name and brand program can prove the difference between a costly shiny new logo, and a game-changing repositioning that yields major results in new custormer growth, revenues, wallet share, cultural evolution and sustainable competitive advantage.

Strum is a leading national financial services strategic marketing, brand and analytics agency providing savvy brand strategies, creative and consumer brand insights and campaigns to improve competitive differentiation and enhance growth and performance.

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