

Entrant: Peter Parussini	Category A: Reputation/Brand Management/CSR
Organisation: ANZ Bank New Zealand Ltd	Entry Title: The new ANZ

Overview

In 2003 ANZ Bank New Zealand acquired The National Bank from British bank Lloyds. It ran the two banks as separate brands with separate products and technology systems, positioning The National Bank as the premium brand and ANZ as the 'everyday' one.

In 2010, as the Global Financial Crisis (GFC) slowed economic growth, the bank decided to move to a single brand, single technology system and single set of products. The aim was to simplify the business for staff and customers and reduce costly duplication. The chosen brand was ANZ. This is the brand of the bank's Australian parent company and the one operating in 32 markets around the world. The business set the deadline of late 2012 to complete the move to one brand.

Goals and Objectives (see measures in Results section)

To move to **one brand (ANZ)** while:

- retaining and engaging staff
- retaining National Bank customers
- managing the bank's reputation
- positioning the bank to continue to grow

Stakeholder analysis

- **Customers:** ANZ New Zealand has around two million customers. One in two New Zealanders banks with ANZ: half are ANZ customers, half are National Bank customers. Customers include high net worth private banking customers, small and large business customers, agricultural customers, retail customers and customers of related products (e.g. insurance). Research shows 9% of customers will move to a competitor if The National Bank is to disappear. Customers are intensely loyal to the National Bank brand which has a reputation for premium service.
- **Staff:** ANZ is New Zealand's largest private employer with 9,000 staff based across New Zealand in offices, contact centres and branches. Staff cover a range of functions and education levels. Around 5,000 staff deal with customers directly. Frontline staff treat the 'opposite' brand as competition rather than part of the same team, with many National Bank staff believing they work for the 'better bank'. While the system change is common knowledge, only a small number of staff can know about the brand change as the information is market-sensitive.
- **Competitors:** The New Zealand banking industry is competitive. Other banks are looking for opportunities to poach disaffected customers and staff. The brand and system changes will create opportunities for them to convince customers that service will slip, and persuade staff that jobs will be lost. New Zealand-owned banks will make a feature of ANZ's Australian ownership.
- **Media:** Since ANZ bought The National Bank in 2003, the media has speculated that ANZ will drop The National Bank brand, with resulting job losses and branch closures. Media know the bank is planning to move to one technology system in late 2012 (as this is public information) and there is a risk that they are anticipating a brand change around this time too.
- **Government and regulators:** The bank will need to convince politicians and regulators that the system change (which is integral to the brand change) will not compromise New Zealand's banking and financial system. The government also needs reassurance that the bank will not close branches or cut jobs when it moves to a single brand.
- **Staff union:** Many staff are members of one of New Zealand's largest unions. The union is on guard for a brand merger which could put their members' jobs at risk.
- **Influencers:** Influencers (e.g. lawyers, brokers) are an important channel for bringing in new business. The bank needs their support for the brand change to retain and grow market share.
- **New Zealand communities:** Local communities are likely to be concerned that the brand change will lead to branch closures and job losses at a time (post-GFC) when many companies are laying off staff. They might see the change as 'proof' that Australia controls New Zealand's banking system.
- **ANZ Group:** ANZ New Zealand is part of a global banking group. The bank needs to engage and inform a large number of senior stakeholders (including board members and shareholders).

Other challenges

- Other bank mergers in New Zealand resulted in branch closures, job losses and heavy customer defections. The industry benchmark was set in 1996 when Westpac and Trust Bank merged brands and lost 6% of their customer base.
- The brand change is a 'material disclosure'. This means the bank needs to advise the New Zealand and Australian stock exchanges before it tells staff and customers. All staff privy to the proposed change have to sign non-disclosure agreements (NDA).
- The technology system change underpins the brand change. The bank can not announce the brand change until it is confident the system change will succeed.
- This is a complex system change. It involves major changes to the products ANZ staff and customers used, and could disrupt the New Zealand banking and financial systems if it fails.
- On the morning of the brand announcement, news media run a story saying the bank has decided to change the brand.

Planning and execution

#	Strategy	Tactics and examples
1	Treat the brand change as a campaign	<ul style="list-style-type: none"> ▪ Show ANZ is taking the best of both banks to build a new brand: the new ANZ ▪ Build a campaign around four stages with broad themes: <ol style="list-style-type: none"> 1. Warm up, with themes 'simplification' and 'it's time' 2. Announce, with themes 'right place, right time' 3. Reassure, with themes 'the new ANZ' and 'the power of two' 4. Excite, with theme 'more' (for customers) ▪ Show perspective: use a 'whakapapa' (Māori word for genealogy) to show the latest brand change is an example of the way both brands (The National Bank and ANZ) have continued to evolve over time, and that change is constant and will continue.
2	'Warm up' ANZ brand in the eyes of National Bank staff and customers and the public	<ul style="list-style-type: none"> ▪ Sponsor high-profile activities under the ANZ brand (e.g. 2012 New Zealand Olympic Team). Involve staff, customers and local communities around New Zealand (e.g. a nationwide Olympic bus tour). ▪ Increase PR around existing ANZ-branded activities (e.g. ANZ Fieldays for agricultural community, ANZ community donations and staff volunteering). ▪ Signal that a brand change is likely and why (e.g. CEO staff roadshow May 2012, speeches at customer events, media release May 2012 announcing financial result). ▪ Lift staff engagement in the year before the brand announcement. ▪ Launch an internal programme to increase personal contact with customers in the months before the brand announcement (e.g. customer calling programmes).
3	Build a wider story about improving efficiency for staff and customers	<ul style="list-style-type: none"> ▪ Set up the 'New Zealand Simplification' (NZS) programme. ▪ Pursue opportunities across the bank to simplify the business (e.g. reduce products, simplify customer processes). ▪ Showcase this work regularly internally and externally, using 'simplification' as a key word (e.g. CEO and senior leader messages, CEO road shows, intranet articles, media releases).
4	Use staff as ambassadors for the change with customers	<p>Bring staff onboard to support the brand change so they will help customers through the change.</p> <ul style="list-style-type: none"> ▪ Tell staff about the brand change before customers and the media. ▪ Announce the change just after bank branches closes at 4.30pm. This gives staff time to reflect on the change before they face customers the next day or see the news on TV that night. ▪ Give staff three simple key messages (see strategy 8 below) to use with customers.
5	Brief staff in a personal manner	<ul style="list-style-type: none"> ▪ 700 managers to brief staff face-to-face. Where they can't do this they will brief staff by phone or their staff will join another team's briefing. ▪ If staff are on leave, their manager will call them after the briefing.
6	Use a decentralised approach, involving and engaging managers in the change	<p>Rationale: get managers' buy-in to the change and ensure they lead the change with their teams.</p> <ul style="list-style-type: none"> ▪ Advise managers, using confidentiality agreements, initially on a 'need-to-know' basis and, closer to the announcement, through roadshows rolled out to successive management tiers. Build engagement by showing that executive managers trust line managers with this confidential information. Every briefing manager will be aware of the change, date and the key messages by announcement day. ▪ Appoint briefing managers in all business units to allocate all staff to briefings and arrange logistics for the briefing sessions. ▪ Make senior managers visible to staff and customers on announcement day.
7	Target customer and influencer communications	<ul style="list-style-type: none"> ▪ Segment customers and influencers based on their value to the bank and the risk of customers leaving the bank. ▪ Prioritise communication based on these segments (e.g. personal calls to some customers and influencers from announcement day onwards).
8	Use simple messages that address the concerns of staff, customers and public	<ul style="list-style-type: none"> ▪ Commission research to understand our customers (qualitative and quantitative, covering customers living in cities and provincial regions). ▪ Develop simple, 'plain English' messages (listed below) for all internal and external communication, based on this research. Stress the logic of the decision and position the bank as building a 'new ANZ' from the best of both banks. ▪ Peer-review the messaging and briefing materials with an independent communications consultant (John Connelly and Associates). ▪ Key messages: <ol style="list-style-type: none"> 1. <i>Customers will continue to see the same people they've always dealt with and we'll continue to be in every community we're in now.</i> 2. <i>There will be no frontline job losses as a result of the brand change.</i> 3. <i>The new ANZ will be the best of both banks – combining ANZ's strength and presence across Asia Pacific with The National Bank's reputation for great customer service and internet banking.</i>

9	Choose a date that plays to the bank's advantage	<ul style="list-style-type: none"> ▪ Choose a date to take the media and competitors by surprise, that is also overshadowed by other national events: (Wednesday 26 September 2012) <ul style="list-style-type: none"> ◦ The industry expects the bank to complete the system change before it reviews its brands. ANZ has publicly said the bank will move to the new system in late 2012, not as early as September. ◦ There are a number of other major national news events scheduled around this time that will distract the media
10	Manage feedback loops	<ul style="list-style-type: none"> ▪ Collate feedback from staff and customers and respond to it quickly. <ul style="list-style-type: none"> ◦ Examples for staff: face-to-face briefings with managers, CEO and leader tele-conferences ◦ Examples for customers: feedback via staff, CEO live chat on Facebook
11	Manage announcement day carefully and have contingencies	<ul style="list-style-type: none"> ▪ Produce a detailed runsheet of activities, times and responsibilities and rehearse the activities involved. ▪ Pre-write and peer-review all materials and double-checked materials and email addresses before sending. ▪ Agree clear roles and responsibilities for Corporate Affairs team to co-ordinate internal and external briefings, including a press conference and thousands of calls and emails to customers, government and other stakeholders. ▪ Update and rehearse crisis communications plan.
12	Reinforce the change	<ul style="list-style-type: none"> ▪ Produce a follow-up briefing pack to help managers reinforce the change after announcement day. ▪ Launch a major marketing campaign, sponsorships and customer events across New Zealand immediately after the brand announcement. ▪ Give staff 'new ANZ' collateral to create excitement (e.g. branded mugs). ▪ Reinforce changes in all communications in the days and months that follow (e.g. leader messages, CEO road show, intranet stories).
13	Celebrate the change	<ul style="list-style-type: none"> ▪ Launch a marketing blitz to celebrate a new ANZ that will deliver 'more' for the bank's customers and has 'the power of two' banks behind it. (This supplements ANZ's global 'we live in your world' master brand campaign.) ▪ Produce internal stories that celebrate the collaborative efforts of staff across different business units. ▪ Produce a magazine for staff, customers and influencers demonstrating the new ANZ's commitment to the community.

Results

Objective	Main measures and aims	Result	Other evaluation
Retain and engage staff	<ul style="list-style-type: none"> ▪ Retain staff: no significant increase in voluntary turnover (year to end February 2013 over same period 2012) ▪ Lift staff engagement from 2011 (72%) ▪ Staff readiness survey (28 September to 8 October): <i>National Bank staff are confident about talking to customers about the system and brand change: 80%</i> 	<p>Met</p> <p>Met: 74%</p> <p>Met: 94%</p>	<ul style="list-style-type: none"> ▪ Staff briefed by manager: 99% ▪ Unique hits to intranet pages announcing and reinforcing the brand change (26 to 28 September): 8,736 ▪ Positive feedback from managers and staff
Retain National Bank customers	<ul style="list-style-type: none"> ▪ Retain 98% of National Bank customers after brand change (based on market share data to end February 2013) 	Met: 99.5%	<ul style="list-style-type: none"> ▪ Positive customer feedback ▪ Increased customer contact created new business
Manage bank's reputation	<ul style="list-style-type: none"> ▪ No significant media issues for longer than a month after announcement ▪ Contact all Members of Parliament and local authorities personally on evening of announcement, with customised information about local branches 	<p>Met</p> <p>Met: 100%</p>	<p>Media coverage in fortnight after brand announcement:</p> <ul style="list-style-type: none"> ▪ 56% positive ▪ 27% neutral ▪ 17% negative
Position bank to continue to grow	All of above		<ul style="list-style-type: none"> ▪ Market share has increased (including rural customers)