Rebranding Challenges
by Charles Wendel

Early in my consulting career I worked for a large consulting firm that also owned a branding unit. Headed by an incredibly charming Brit who spoke with an Oxbridge accent and had extensive experience in this area, his group worked with companies that wanted to rebrand and, often, rename, whether due to an acquisition, an internal crisis, or other reason. Svengali-like, he would lead executives down a path that included a new name, logo, messaging, taglines, and similar changes.

Names changes and branding efforts have mixed results. Back in 2013, *Fortune* published an article that reviewed several recent names changes and evaluated their effectiveness:

*Research in Motion to BlackBerr*y. Analyst comment: “The fact is that a name change doesn’t matter when no one buys your new hardware.”
Apple Computer to Apple. This made sense since computers were becoming a smaller part of Apple’s focus.
Philip Morris to Altria. Analyst comment: “The name Philip Morris became synonymous with cancer sticks.”
Andersen Consulting to Accenture. Analyst’s comment: “Accenture’s timely name change allowed the firm to escape Andersen’s ‘brand destruction’.”
BackRub to Google. First, who knew? Analyst comment: “Google’s ability to turn its title into a verb, as in ‘Google it’, helped the company succeed.”

The point of that article was that name changes are not effective unless that change is backed up by a compelling strategic reason. In recent years an increasing number of banks and credit unions have also changed their names, often either due to M&A or the desire to eliminate any local or regional geographic reference. The Wells Fargo name is rare among banks in that, for those who know any history, it points to a particular place and time, namely, the old West when stagecoaches delivered the mail. However, the name is so well established and in the past had so much positive brand equity that changing it seems impossible.

This week’s *Barron’s* reports that Wells is not changing its name, but rather “the bank’s visual identity.” The article mentions several of the issues that resulted in substantial bad publicity for the bank: “The company’s woes began in September 2016 when it admitted it had created millions of accounts without customers’ permission. Among its other scandals: a $1 billion settlement with regulators over auto-loan and mortgage practices and a federal probe of sales practices in its wealth management business.”

The article states that the rebranding is in response to the number of financial advisors who have left the bank. It quotes *Investment News* as saying over 1,100 advisors have departed. Certainly, banks we know in this business see Wells as providing a continued source of potential staff.

But rebranding only works if all the problems have been identified and the company has the basis for saying it is forging a new path. Frankly, that often also involves new management. Another *Investment News* article highlights some of issues with a rebranding effort. Writing about Tim Sloan, the CEO; "Mr. Sloan is aiming to fix a corporate culture that had allowed short cuts and bad behavior to flourish for years, until it erupted in September 2016 with reports that the bank had possibly set up millions of fake accounts on behalf of customers who never asked for them. Mr. Sloan's predecessor, John Stumpf, stepped down a month later. Mr. Sloan was confident enough in his turnaround efforts that earlier this month he launched "Re-Established," an ad campaign emphasizing that it's addressing problems and making things right. In a press release, the chief executive officer said it marked "a turning point by expressing how we are fundamentally a different company today, and that it feels like a new day at Wells Fargo."

Regarding the new tagline, it is worth going to thefinancialbrand.com and reviewing some of the over 1,000 bank and credit union taglines they list. One bank, Abbey Nation al, now part of Santander, tried five taglines during its life. The problem with rebranding and initiatives like changing taglines is that it often just represents marketing gloss rather real change. Many customers have become cynical about the apologies and promises for change that they hear from many of the companies they deal with, not only banks but others such as Facebook and various airlines.

The fact is that the old adage about putting lipstick on a pig is correct. Conversely, at a recent conference I heard a senior JP Morgan banker make a comment that anyone considering rebranding needs to reflect on: "Be the person in the room who is not afraid to say what needs to be said." Here is an example of the opposite happening. Facebook's Sheryl Sandberg just made a speech in the UK in which she in effect apologized for the company's past actions and promised change. Today's Recode website recounts how attendees viewed the speech: "Everyone was barking about how terrible it was and how tone-deaf she is. And then she walked in and it was literally like their long-lost lover, friend. Everyone jumped to their feet — 'Sheryl!' Oh my God, how could these people not be in a filter bubble?"

In the case of rebranding exercises, internal execs need to be willing to raise their hands and ask the questions necessary to ensure that the reality matches up with the aspirations that the rebranding effort is highlighting. Too often the gap between reality and the rebranding "promise" is considerable.