

The Rebrand Scam by Charles B. Wendel

Is it coincidental that the words rebrand and SCAM rhyme? I think not.

On March 30th of this year Volkswagen announced it was changing its name to Voltswagen to emphasize its focus on electric cars. A few days later the company admitted it was just an April Fool's Day joke.

As defined by *marketbusinessnews.com*: "Rebranding is the process of changing the image of a company or product. The aim is to make the new image more attractive to consumers. It is a marketing strategy that involves changing the logo, name, symbols, or a combination of all of them. We rebrand to raise awareness of a company's or product's new identity."

But changing the image often has little, if any, overlap with changing reality. And many branding efforts seem to follow a lemming-like path, imitating one another rather than being creative.

Apparently, many companies want their customers to view them as "true." Examples include: Trulia (for hotels), Trulicity (for diabetes), Time and Tru (Walmart apparel), Therma-Tru (exterior doors), RunTru (air conditioning), Truett (a baby's name), TruValue (hardware), TruEarth (detergent), Tru (a Hilton hotel), TruBank (community bank), and Truiant (credit union).

And then there is Truist, the name that resulted from the combination of the SunTrust and BB&T (once the mouthful Branch Banking and Trust). I am sure there are branding experts who view the new name positively, but they would, wouldn't they? The *Banking Dive* website states: "Truist has spent \$125 million on its new brand, the bank said in a court filing Friday, according to [The Charlotte Observer](#). That breaks down to **\$7 million to create the name**; \$4 million for it to be approved by regulators and shareholders; \$40 million to configure operating systems to reflect the new branding; and \$75 million in marketing." Faced with a lawsuit by Truiant, Truist said that "more than 7,460 federal registrations use the prefix." So much for creativity.

Excuse me: **\$7 million to create the name???**

I once worked for a large consulting firm that had a branding unit and saw how the sausage was made. My client needed to go through a name change because it was being spun off from a larger company. The consulting unit provided the client with hundreds of names to consider, one was finally picked and then logos, font styles, etc. were all agreed to. Even with its spiffy new name the company disappeared years later due to credit and funding issues. Image did not align with reality.

Right now, the transition to greater emphasis on digital banking has rebranding experts circling banks like sharks around a small boat. Banks need to think one, twice, three times before launching on a rebranding effort. Maybe it is unfair to pick on Truist, but...What was wrong

with a name that projected strength and warmth, that is, Sun Trust? And to this day Sun Trust branches near me in Miami remain Sun Trust branches, the change still not having been made.

In truth, perhaps in this case as many others, rebranding has more to do with corporate politics than anything else.

Yes, rethinking the brand and how you present the brand to your marketplace makes sense. But banks need to consider the time and dollars they spend on that effort versus other priorities. Right now, banks are reaching out to local communities and trying to demonstrate the value they provide. They face more pressure from regulators and Congress to do so. Imagine the impact of a bank announcing that the dollars they would have spent on a name change would instead go to that effort. Yes, there are a lot of Citizen Banks and First Banks around the country, but those names can be adjusted to allow for differentiation.

I hate to repeat myself but: **\$7 million to create the name??**

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