CORPORATE IDENTITY OF BANKS IN A FUNCTION OF MARKET COMPETITIVENESS

Vera Zelenović, PhD
The Faculty of Economics, Republic of Serbia
vzelenovic@rpkns.com
Milivoje Davidović*
The Faculty of Economics, Republic of Serbia
milivojed@ef.uns.ac.rs

ABSTRACT

Strong competition in the banking market increasingly emphasizes the role and importance of Corporate Identities of banks. In the beginning it has been created to allow recognition of the differences between banks, now corporate identity is an essential component of market competitiveness in banks. Contemporary and current trends in the banking industry found its reflection in the corporate identity of banks. The work is divided into three segments, where each of them defines and explores the individual role and importance of each of the elements of corporate identity: name, logo and slogan of bank. Analysis each of the elements of corporate identity will be followed by actual examples from the world of banking, with special emphasis on the correlation between corporate identity and market position of bank. The last segment is reserved for concluding remarks.

Key words: corporate identity, name, logo, slogan, image, competitive advantage

INTRODUCTION

The term "corporate identity" was born during the fifties of the twentieth century by Walter Margeliza, from one of the first consulting firms in America and Lipinkot Margeliz, to describe the activities in which "all of the more visible manifestations of the organization are designed to create a coherent corporate unit which binds to a specific theme, attitude or identity." In order to operate well and to achieve success in the marketplace, bank needs to create its own unique and distinctive identity. Initially created to provide recognition and differences between banks, now a corporate identity (CI) is an essential component of the market competitiveness of banks in its continuing struggle for client’s identity. Corporate potential is the sum of the elements that make the visual and acoustic appearances of banks, as an expression of its personality, and that is all what business partners see and hear about bank. Applied in this context, corporate identity (Bogdanovic, 2002) includes also: "understanding of the bank" and "ethics of the bank" and "culture of the bank".

THEORY

Policies of corporate identity is strategically planned and implemented operational activity, oriented towards the interior and exterior of the bank, the phenomenon and behavior which is realized through the following funds: corporate design, promotion activities and public relations-communication of banks, bank’s attitude toward coworkers, customers, competitors, shareholders, as well as the norms of behavior within bank. Objectives of corporate identity can be different (Ind, 1996): (1) To improve communication within the bank; (2) To increase the public's perception of a bank; (3) To increase the market value of shares, (4) To announce a new business strategy, (5) To create a public reputation, (6) To determine the position on a global scale.
Key elements and characteristics of the general bank's corporate identity need to be determined at its inception and relate to: (Vunjak, 2008) 1) Bank Name, 2) Trademark-logo of bank and 3) Bank Slogan

1. Bank name

The name is the most important part of corporate identity and often the most valuable capital of the bank, and the first thing what makes the bank different from other banks. Observed from the business point of view, the name embodies the status of the bank and identifies the product quality in relation to competition. The name reflects entrepreneurial philosophy and corporate culture, expands trust and accelerates progression of products and services through the bank's financial currency. Name is, as a rule, constant, permanent value, because it involves constancy in perception, psychological experience of past and current generations, consistent amplitude sound wave, other sensory data and universals, expressing the unity and totality. Bank name should also contain the word bank and it should closer and symbolically represent the essence of its business. There are three types of bank names: (Zelenović, 2008) 1) geographical names, 2) mixed names and 3) initials. It is wrong assumption that all the good names are already taken! In traditional banking, banks often had in their name the name of the territory from which the bank originates, or had the initials of its founder. Prefixes are often added to the names and from them we can conclude in what kind of work is bank primarily engaged in (agricultural, commercial, savings, credit and mortgage). The globalization of the banking market has brought along a universal type of bank, which was read by the names of banks, which are increasingly seeking neutrality, memorable and translatable into all languages, not burdened by geographic, personal or ethical guidelines, thus demonstrating the universal dimension of money.

2. Trademark and logo of the bank

Trademark and logo of the bank are of great importance, as they serve to identify the bank and the absence of its full name. Trade mark is a combination of visual symbols of the brand and brand names marked with characteristic typeface, whose basic function is to transmit name of the bank.

Trade mark and logo of bank define the company and its operations, point to her style and stand out from the competition; this is the first and the right way for bank to be positioned in the minds of consumers. Given that the trademark is a holder of the entire visual identity, and that it rarely changes and in special situations, it is necessary, from the very beginning, to clearly define its meaning, color and symbols and application. The key role of trade mark and logo is to make a brand from a bank in the market, with the aim to differentiate the banking products and services in the market from the competition. Bank logo designs features: (Zelenović, 2008) 1) severity, 2) high standards, 3) privacy, 4) the focus value of the bank's name fonts, 5) formal and 6) standard color

Quality of the logo is seen through the following: 1) a harmonious entity, 2) emphasizes name, 3) elements related to the business, 4) legit font and 5) proper screening in black and white version. The tasks of the trademark: 1) protection from false bank exchange, 2) protection of users with guaranteed quality, 3) speed recognition and 4) guaranteed continuity of quality.

3. The slogan of the Bank

In the chaos of modern markets, particularly on the Internet, where the average consumer has become too exposed to all types of advertising, and other messages, and become over-communicated, the only way to attract his attention is with the over-simplified message - slogan. Slogan represents distinctive business phrase of company, that reflects bank's key point in its operations; it is a motto, a phrase or short sentence that is used for commercial or political purposes. Its goal is to be easily remembered by frequent repetition and also, the idea, that company sells, should be recognized. The slogan is a short advertising message in two or three words, which affects consumer's awareness and explains the benefits and advantages of the
particular product, service of company. The function of slogans is to convey the message to people, which will in their minds clearly and quickly present the proposed idea. A good slogan allows quick, clear and unambiguous communication. The question is how to find a suitable slogan? There should be found a way to describe in a few words or at least one line, what makes a bid (proposal) of the bank unique? Perhaps it is better to get answers indirectly, by asking questions, what are the problems or fears of potential listeners or readers of your slogan that you can solve for them? The slogan has to cause the desired emotion, because, only through an experience, it becomes acknowledgment in the minds of people. Something what is remembered not as a fact, but as knowledge.

The term (Kostic, 2008) "USP, or Unique Selling Proposition is the statement that symbolically communicates your main sales messages to customers. USP can be seen as a kind of a slogan related to the individual selling story, although, it is a concept different from a slogan (which can be connected with any of the ideas). From the very name it is implied that it is necessary that selling bid in question, must be unique, compared to similar offers. Also, it is a proposal where the indirect consumer's awareness drives to identify with a specific name, idea or product." While the slogan will reflect the basic idea and purpose (mission) of the bank, USP will be used for individual sales offers. In devising bank's slogans (as well as USP), it is more practical to use the AIDA strategy used in the writing of advertisements. This means that the bank's slogan should: A (Attention) attract attention, I (Information) provide information, D (Desire) challenge desire and A (Action) produce action.

Certainly, it is impossible to achieve all these effects in a few words, which is another proof that the real slogan does not come easy¹. In communication, the less is better. (Kostic, 2008) To reveal what is the essence of the message you want to transfer to the client, you should use the famous suggestion RIES, Al and Jack Trout, a marketing theory of the authors of the positioning "in marketing and in architecture, less is more (better). You must sharpen your advertising message to cut into the consciousness of listeners. Cut out all the contradictions in your message, simplify it, and then simplify even more, if you want to achieve a lasting impression. "The most important thing to know when you are creating a slogan is that it is not specifically designed just for bank and its employees. You should keep in mind that it is intended for the ordinary man, who has never heard about the idea that you want to show. Your message should be recognizable to anyone, even if it sounds banal to some of them. To find the right measure between simplicity (the minimal recognition messages) and its volume (length text), it is the best to make detailed testing. A bank should demonstrate the slogan everywhere and ask more people for comment. Effectiveness of slogan will depend only on a reaction in ordinary people’s minds. The slogan should: 1) attract attention and interest of consumers, 2) contain the main idea or thought propaganda messages and 3) encourage the consumer to action. Market searches for slogans that have a rhythmic entity, balance, ease of reading and the possibility of faster memory! The slogan is not a graphic element and form of expression, but it needs a graphic shape and present. It is better to be without a slogan, than with a slogan that says nothing, and that is not simple and is hard to remember. You can build the entire propaganda campaign on a good slogan! Slogan should: be easy to remember, call on a brand name, contain key benefit, differentiate the brand, give a positive feeling about the brand, reflect the brand’s personality, be strategically competitive, original and simple, allow the campaign, be sleek, neat and believable, and assist in determination of the brand. Slogan of bank is a phrase, short sentence that is used for commercial purposes and it expresses the key motto of the bank in dealing with clients. The goals of this kind of slogans are to: a) be easy to remember - frequent repetition and b) recognize an idea or purpose which is placing. Primary function of the slogan is: a) to transmit messages to users; b) fast, clear, unambiguous communication; c) positioning in the customer's minds; d) more effective placement on the market.

¹ Great marketing agencies charge tens of thousands of dollars for a good slogan.
METHODS

Problem: In order to be more effectively presented on the financial market and to gain a competitive advantage, banks have to devote great attention to design their corporate identities. It is in every bank's interest to create unique and distinctive identity, which is of great importance for successful business on market. Based on a fact how serious and professional is a bank about solving this requires of modern banking market, banks can count on a profitable and successful business.

Objective: The aim is to demonstrate the importance and role of the corporate identity of the bank in gaining competitive advantage in the market. By analyzing general corporate characteristics of successful and profitable banks in the world, we can determine the significance which they have in banking.

Subject: The subject of business is defining and analyzing general corporate characteristics of banks, which are a function of the banking. In the first part of this paper, there is given a theoretical overview of these features, while in the second part, there are given analysis of practical examples of corporate characteristics of successful banks in the world. For the purpose of this paper there has been used a common method of content analysis of literature, books and magazines and websites.

FINDINGS

By researching practical examples of successful names and signs of banks worldwide, it has been concluded that on corporate characteristics have been paid exceptionally high attention. The fact that they are at the same time the most profitable banks in the market on the one hand, and very professionally designed and with a message in created names and symbols of banks, on the other hand, it can be concluded that there is a mutual correlation and a close relationship between market competition and names and characters of banks. As an example, there has been given the clarification regarding the name and trade mark of successful banks in the market: (Best Logos-Worlds Best Logos and Brands, 2009)

American Home Bank

Brand name "RBC Financial Group". The new logo continues to honor tradition and its strong Canadian roots, keeping the traditional symbols of the lion and the world. The new brand also clearly defines the future of RBC Financial Group and points to its growth strategy in North America and in markets around the world.

Deutsche Bank

An example of modifying the character of the bank within the changes on the market, and the bank's business philosophy is best illustrated in the following Table 1, which illustrates the modification of one of these leading investment banks in the world, Citigroup.
Table 1: Variations of the sign in accordance with market changes

Source: www.worldsbestlogos.blogspot.com

These slogans of foreign banks faithfully reflect both the current situation in the global banking market (The slogan of the BNP Paribas Bank), and the specific business philosophy of each bank separately (slogan Citizen Bank).*BNP Paribas Bank – The bank for a changing world *Bank of America – Think what we can do for you *Midland Bank – Together we make a great team *Citizens Bank – Not your Typical Bank *The Royal Bank of Scotland – Make it happen. Where people matter. *Barclays bank – It’s our business to know your business *Union Bank of Switzerland – You & Us

Slogans of domestic banks usually reflect the specificity and characteristics of the market activity of the same.*AIK Bank - Domestic and Strong, *BANCA INTESA - Number 1 in Serbia, *NLB Bank - I Know Why, *VOLKSBANK - Trust connects, *KBC Bank - Life connects us, *CREDY Bank - There are unique solutions, *Hypo - Alpe Adria Bank - Follow Your Dreams,*Findomestic Bank - With us, it is easier, *SERBIAN Bank - In the Tradition of the State, *AGROBANKA - with us, everything succeeds. In table 2 is presented the evolution of the slogans of the largest banks in the world, in accordance with changes in market and business policies. This evolution demonstrates the best how slogans are the living thing, and how much they need to reflect and monitor the performance of banks, all with the aim of better market position.

Table 2: Ron Shevlin’s suggestions

Source: www.worldsbestlogos.blogspot.com

<table>
<thead>
<tr>
<th>Bank of America</th>
<th>Higher Standards</th>
<th>Higher Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital One</td>
<td>What’s in your wallet?</td>
<td>Hand over your wallet.</td>
</tr>
<tr>
<td>UBS</td>
<td>You and us</td>
<td>You B.S. So we B.S.</td>
</tr>
<tr>
<td>RNC</td>
<td>Thinking Behind the Money</td>
<td>The Thinking Behind</td>
</tr>
<tr>
<td>SouthTrust</td>
<td>You’re Not Just Another Customer. We’re Not Just Another Bank.</td>
<td>You’re Not Just Another Customer. You’re Our Only Customer.</td>
</tr>
<tr>
<td>Morgan Stanley</td>
<td>One client at a time.</td>
<td>(Stealing from) One client at a time.</td>
</tr>
<tr>
<td>Milford Bank</td>
<td>Milford’s Best Bank!</td>
<td>Milford’s Only Bank!</td>
</tr>
<tr>
<td>citibank</td>
<td>Live richly.</td>
<td>Live richly. We do.</td>
</tr>
<tr>
<td>E*TRADE</td>
<td>It’s your money.</td>
<td>It’s your money.</td>
</tr>
</tbody>
</table>

DISCUSSION

Theoretical consideration regarding the name, logo and slogan of the bank, coupled with practical solutions that exist in a globalized banking market, talk about the close connection between the name and slogan of the bank, with market trends and current business policies of banks. This
connection points out the importance of name, logo and slogan on market competition of banks. This is supported by the Table 2, which shows how bank modifies its slogans in line with market changes, all in an effort to more clearly portray and to bring closer its business policies to their clients. This is important because the customer's increased satisfaction gives the bank a competitive advantage in the market, resulting in the successful business. How much banks attach attention to designing characters, and how much are banks aware of previous facts and analysis sign, demonstrates the American Home Bank, which is presented in the paper.

CONCLUSIONS AND IMPLICATIONS

A large degree of influence of names, characters and slogans to the recognition of the bank in the market, its market positioning, and therefore the profitability of the operation, tells how much attention and skill is necessary to pay attention to the general corporate features. They are of crucial importance, not only during the formation of banks, but also later in their business, they are subject to change, because they have to monitor changes in the bank's business policy and the time's spirit. The most successful banks in the world have recognized the role and importance of these corporate characteristics, so that through the changes and modifications thereof, can track changes in their banking operations.

The results reached in this study have practical applications in creating a development strategy of commercial banks, in their performance in the market, in order to get benefits on the competitive market. Experiences of successful banks, which devoted full attention to these corporate characteristics, are of great importance, especially, for the banking markets in developing countries and their banking systems, because they can serve as a good example in which direction and how the Bank should develop, in terms of corporate identity.

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