THE BRANDING OF FINANCIAL INSTITUTIONS

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ABSTRACT

Branding is a process which enables identification of products and services, as well as their differentiation compared to competition. Brand is the base of competitive advantage and long-term profitability of the bank, therefore it has to be conceived and recognized as strategic capital. Branding process is psychological category, which by communication reaches the awareness of the people. In every moment of awareness our mind collects information and creates new knowledge and experiences. The information is a process which presents the activity of communication. To inform means to transfer knowledge to someone. If some data, or wealth of data that we have received do not increase the level of our existing knowledge, then those data are not information. Knowledge is the awareness and understanding of the facts, truth and information acquired by learning experience. The ultimate goal of branding is to change the awareness of people, or their knowledge, preferably in our desired direction. Changes in awareness of people are the result of experiences that they have by themselves, so branding is directly connected to the experience of the people who have contact with the brand itself.

Key words: Brand, financial institution, client, financial services/products, branding strategy

INTRODUCTION

Each financial institution exists to achieve its goals. Purpose of existence, the most often is defined through mission of the institution itself. From the purpose, in other words that is mission, issues comes out the vision. By defining the vision, the goals stand forward, in other words position that is being aimed for. Vision is a great deal of abstract category. It is only a guideline, specific shape of the road to be followed to execute the predefined bank’s business goals. One of the goals can be establishing the positive attitude towards the bank by the client. The goals are, in their essence, some kind of nice wishes.

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Process of making positive attitude of client to the bank, concerning its products and services that it provides, is known as branding. The branding is a process which enables identification of products and services, as well as their differentiation compared to competition.

The brand is often, because of easier understanding, being put equally with material elements of marketing communication which are being used as its support – creating of slogan, logotype, jingle etc. However, the brand is much more than that. The brand is the base of competitive advantage and long-term profitability of the bank, therefore it has to be conceived and recognized as strategic capital. Basic elements of the branding are visual, and often physical assets which are used for identification and differentiation products/services of the bank.

The brand in finance
Creating a brand in finance area presents complex procedure, shaped by signals and functional operating of different departments within the bank. In the banking, there are plenty of products which are nonmaterial. Complexity of many products/services, especially in the field of investments, creates problems for presentation of those products/services to the clients. This products/services can not be defined easily and can be difficult to understand. Further complications from the marketing perspective, are implicit responsibility, which institutions that offers financial services, have when providing the advice to their clients. Every institution that provides financial services has to keep perception about greatness of influence which their marketing and selling activities can have on life style of individuals or prosperity of certain company (companies). Apart from this, complexity shouldn’t be an obstacle.

Accordingly, in the banking industry, the branding must, without a doubt, combine consistency with clear message. Consistency, in all communication and interactions with clients, improves confidence and the stronger the message is, the less is the chance of confusion due “information overload”. The brands try to win heart and soul of client, and they are central part of company concept. Powerful brand will be recognized Klasens (2007). Operational work of one bank can serve as an example. For a long time now branch offices of the banks have lost sense for local life. Some of the global banks have found the way to restore it. They attract clients by reintegration of the branch offices into the local life.

Some a number of American global banks have developed by buying small local banks, attracting clients who have other choice into financial service area. In the brand promoting process, this banks identify major clients and the most effective points of interaction. The aim is to attract clientele of the branch offices. On its Web site and in the public, the bank has for its credo the best treatment of clients. The management considers that client services presents the only competitive, lasting advantage of the bank.

The bank makes 20,000 phone calls every month and delivers thousand questionnaires by Internet and post mail. The aim is to discover what is the most motivating for the clients, when they apply to one of the branch offices.

Citizens have understood that the branch offices are the most important contact point. Detailed activity plans consider braking down the cold and egoistic grayness of banks and increasing notoriety of brands as well as satisfaction of clients. Analysis of monthly data has confirmed that clients have been the most sensitive on the exterior of the branch offices, interior equipment and ambience of automatic counters. The information had for the result project – rationalize (well planned) the branch office, which represent the brand characteristic qualified as – highly respectable, loyal, warm and full of understanding. Also, the bank followed one of the greatest principles in the brand area – to establish realistic aims to achieve. Good concept has for its consequence satisfaction of clients and employees. Four principles have been identified which have to be followed in the brand process development (Živković, 2007):
- Identifying the most important clients;
- Concentration of investments on profitable demands;
- Setting the realistic goals;
- Continuous evaluation of performances.

The brand represents the sum of clients’ experiences, which refer to service/product or institution. Experience is being transferred in every interaction, as long as the contact with client lasts. Even when the bank has the clearest vision of the effective solutions there are no guarantees that realization will go on in desirable perception. Therefore, in the managing process, the great brands put the project in hierarchy organizational barrier filters. The great brands conduct permanent surveillance, managing and intergration of intervention process, in order to keep their programs for clients.
Nowadays, it is trend for dynamic programs – for example progressive invention, analysis and managing with client preferences toward experiments with anticipation of their conduct in the future. In the constructing and managing process of the branding financial services, it is necessarily to start with effective public relations, and with potential investors as well. The information which are available to the bank, in final point should provide the maximum output of services and products. In that process, using of information has to be effective and to help getting in sight the clients’ activities. Effective managing of information provides quality and assurance in order to successful CRM. Concentrating of data is doing by “datamining” in order to determinate client basis better.

Creating a powerful financial brand demands to understand how to engage client trough the brand more then trough prices or service/product. Understanding of clients’ perspective is needed to provide delivery of relevant, useful information which clients value and positively associate to the bank. Organize of development services/products and distribution on the communication points should bring to successful outcome. One of the newest experience, accents the importance of fair treatment of client.

Before starting new communication, it is necessarily to instruct employees into the brand. Converting employees into proponents of the brand, is accomplished by making of them good clients on the first place. Employees could be engaged in order to stimulate performances and profit. It is in trend using digital marketing to attract clients by brand, trough creation on-line experience of the brand, trough advertisements which are relevant and engaging. It is needed for the brand to be positively positioned in order to exist on competitive market, as well as continuing and effective measuring performances on-line marketing campaign, in brand managing process. It is recomended stimulating interactivity to trough integration mobile advertisement in the bank, in order to maximaze auditorium and increasing income from investments.

Besides those activities, it is necessarily to obey some of the laws which define influence of the brand on the clients perception:
- The law of words - The brand has to possess one word in client perception;
- The law of credibility - The success of the brand depends on its authenticity;
- The law of quality - The quality is important, but the brand is not build only on the quality;
- The law of category - The leading brand promotes its category, not the brand;
- The law of the name - In the principle the brand is nothing else but the name.

The key elements for creating a strong brand are: Bilten Beogradske berze (2008)
- The Name,
- The Logo,
- The Slogan.

Mentioned elements make visual identitity of the brand. Its basic function is to transmit the character and essence, and above all corporate spirit of the oraganization. The name of the brand in the most directly way affects on the perception of the brand. The name of the brand is something that is being daily used in communication between the bank and client. The logo is graphical solution of the brand. By creating deep visual image, the bank provides generation of long-term image which insures strong link between a client and the brand. The thired element of visual identity of the brand is the slogan. Good slogan reflects character and the position od the brand in the mind of permanent and potential users of the bank services. The basic purpose of the slogan is to support the image that reflects the name and the logo of the brand.

Top-level slogan

The way to the global, even the local recognized brand is not easy at all. The branding process is process that is developing in the perception of the people. It is psychological category which by communication reaches awareness of the people. In every moment of the awareness our mind
collects information and creates new knowledge and experience. The information is a process which presents the activity of communication. To inform means to transfer knowledge to someone. If some data or wealth of data that we have received do not increase the level of our existing knowledge, then those data are not information. Knowledge is the awareness and understanding of the facts, truth and information acquired by learning experience.

The ultimate goal of the branding is to change the awareness of people, or their knowledge, preferably in our desired direction. Changes in the awareness of people are the result of experiences that they have by themselves, so the branding is directly connected to the experience of the people who have contact with the brand itself.

That means that matter of the explicitness and nondouble-meaning which Web site or TV commercial should transmit is of the essential importance in the branding in the awareness of clients, otherwise their own experiences will be undesired. In the principle the essence of every commercial is to transmit the message to potential consumer (client), but on the way that he understand it and that the result of that experience is changing of his awareness in the desired direction for us.

In the chaos of modern market where average person becomes exposed to all types of different commercials and became overload with information, the only way to attract his attention is „too simplified“ message. The function of the slogan is to transmit to the people the message in two-three words which will present clearly and fastly the offered idea in their mind. Good slogan provides fast and nondouble-meaning communication. It has to bring about desired emotion, because only with experience by itself in the awareness becomes the information. Something that is not remembered as data, but cognition.

USP (Unique Selling Proposition), or statement can symbolically communicate the basic selling message to the potential client. Although that concept is different then concept of the slogan (which can be related to any kind of idea), USP can be seen as the certain kind of slogan related to the individual sales story. Sales story by itself has to be unique compared to the other offers alike to it. However, it is about proposition which indirectly drives the potential clients awareness to identify certain name, idea or product/service. (www.e-magazin.com)

While the slogan will reflect the basic idea and purpose (mission) of commercial, USP will be used for individual service. In certain slogans (as USP too), useful strategy can be AIDA, which is being used in writting of commercial. In further that means that slogan should:

- **A (The Attention)** - attracts attention,
- **I (The Information)** - provides information,
- **D (The Desire)** - brings about desire,
- **A (The Action)** - produces action.

You have to give fine edge to your commercial message in order to incise it to the awareness of your potential clients. Clear out all contradictions in your message, simplify it, and then simplify it even more if you want to achieve permanent impression to those whom it has been dedicated to. The effectiveness of the slogan will depend only on the reaction caused in the world of common people, to whom actually it has been dedicated to.

**The brand identity**

The essence of branding itself is to take place in the awareness of the people in such a way that they can make the difference between the particular brand and the others. How to accomplish strong identity?

What is the essence? One of the many brand definition is that is the beloved trade mark. In creating a real new brand the essence is to find that kind of attributes that will suit to client needs, create his
personality who will correspond to target group with whom it communicates. The essence of the successful branding of new service/product is to find a closet in something that has not been contained by brands already known. That particular means that service/product which we offer has some new characteristics in its personality which will make it interesting to same specific target groups. The whole story is based on perception of clients. In its identity this brands will have some new character lines, which will be aliked or perfectly matched to some people and their needs, make then global brands. However some brand dominate on the market, there will be always place for the new innovative brands.

The brand credibility

Creating image of financial institution, in other words creating association which consider the financial institution and its offering program has the key influence on the perception of clients about quality of financial services and products. Especially are important associations which consider credibility, assurance and likeliness of the financial institution.

What the credibility is? - In the communication with client, every financial institution, the Bank in this case, sends certain messages. Those messages are not only the commercials or advertisements in the media. The message is when the people see the logo too, when someone shows to them visit card or when they visit the Web presentation. Each of this messages has influence on certain target group. The sum of the all influences in the awareness of the people will create some perception about the brand.

Where is the credibility in that? - Simply, it is the measure how much people believe to those messages. That is trust that they have to the messages that have been told to them. The first messages which are recognized in his awareness are not words, but the visual experience which picture causes.

The Love on the first sight - On the first place, that visual experience has to be pleasant to the eye, it has to be real harmony of colors, and unities have to be arranged by the rules of composition which suits to something that we are used to. Every little picture, every word, has to be the message for itself, but that all of them as whole make impression of preofessionalism.

The voice of the authority - Besides mentioned, the perfection in the looks and the experience, the credibility is above all made on the authority.

How to create the credibility:
• To enable to the facts and the information can be easily checked;
• To demonstrate that the real and serious institution exists;
• To underline the expertise of the institution and to show it through announced content;
• To show that in the background there are people who can be trusted to;
• To enable the simple contact;
• To choose the commercials carefully;
• To avoid the mistakes of any kind.

The brand, oftenly, can be the only essence element of the differentiation in the complex market ambient. In the great number of cases, it presents asset wherewith, in this case the bank, can manage the strong competition, and be recognized and admited by potential clients. The bank can achieve significant advantage by creating a strong brand, because it provides significant place in the perception of clientele, and to the investors at the last, higher price of the stocks on the stock market.

The basic criterias for choosing certain elements of the brand are: Kotler, K.L. Keller (2006)
- The Rememeberance – how easily can be remember and recognized;
- The Meaning – to which point they are crediable and suggestive;
- The Likeliness – how much attractive they are;
- The Transmissibility – in what size they increase value of financial products and services on which they are applied to, as value of the brand itself in the different geographic areas and the market segments;
- The Adaptibility – if they could adopt to new era;
- The protection law – in what sense can be protected from the copying.

The name of the brand of the financial institution and/or financial services and products is part of the brand which can be spoken. It can be contained of the words, the letters and the numbers. The name of the brand is often the only hallmark which differentiate one financial service/product from the others.

Successful name of the brand has the next characteristics: D. Jobber i J. Fahy (2006)
- The Distinguishness - it is identified and differentiated from the others at once;
- The Relevance - adduces benefit from the services;
- The Effectiveness - it is easily recognized, remembered and spoken;
- The Flexibility - it is suitable for introducing new financial products and services into offering program of financial organization.

The part of the brand which cannot be spoken is called the logo and it presents an important element of the visual corporate identity of the financial organization. That is typographic sign which makes certain associations, beliefs and expectations of client. Unlike the name of the brand, which presents the element of the brand in the awareness of client, the logo is element of the brand which is awarded by clients visually. There are three different types of the logo:
- Textual - it considers certain shape of the letters that is being written the name of the organization, financial products and services;
- Graphical - contains symbols, drawings, emblems;
- Combined - presents combination of previous two logos.

CONCLUSIONS

Creating image of the financial institution, in other words creating associations which are concerned on the financial institution and its offering program has the key influence on perception of client about quality of financial services and products. Especially are important associations which are concerned of the credibility, the assurance and the likeliness of the financial institution.

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