“Banking on the new ANZ” - the post ANZ & The National Bank merger communications strategy & plan

Background

In 2012 the ANZ Bank and The National Bank came together in one of New Zealand's biggest brand merger projects, an initiative that won a COMM PRIX award in 2013.

While the merger was successful there was still a risk the “new ANZ” brand might not live up to its promise and that staff, customers, stakeholders and the public would gradually come to dislike it. Pre-merger research indicated that more than 30% of The National Bank customers would reluctantly move to the new brand and make a judgment over time. The news media would also be looking for any sign that the merger hadn’t worked. If their suspicions were proved they would label it a failure, creating a downward spiral of bad publicity.

A follow-up strategy and plan was, therefore, needed so stakeholders could believe they could bank on the new ANZ.

Research

The pre-merger communications campaign paid off with the new brand moving from fifth to third in favourability for all banks shortly after the change. But the numbers were polarised - most either liked the new ANZ or didn’t, with the dislikes the biggest of all the bank brands.

The bank’s “soft” measures around its role in communities, social responsibility, acting with integrity, being a good corporate citizen and supporting the New Zealand economy were not strong. Improving the performance in these “soft” measures would be critical to locking in the change. This research strongly informed the strategy and plan.

Objectives

The objectives set to determine success were:
- help limit any loss of customers;
- help lock in any customers who have doubts about the changes; and
- critical to all this, keep staff engaged.

Quantitative nationwide research and the annual ANZ Group staff survey “My Voice” were the measures.

1. Paint the image that the merger had gone incredibly well, as measured by favourability ratings. Targets were set to:
   - raise favourables from 50% to > 52%
   - reduce unfavourable from 29% to < 27%

2. Improve the new ANZ’s “soft” measures. Targets were set to:
   - raise community awareness from 29% to > 31%
   - raise socially responsible agrees from 40% to > 42%
   - raise acts with integrity agrees from 53% to > 55%
   - raise good corporate citizen agrees from 42% to > 44%
   - raise supports NZ economy agrees from 31% to > 33%

3. Help ensure the high staff engagement score achieved leading up to the change (74 %) did not drop.

Audiences

- *Staff* – 8000 nationwide, with about 3000 customer facing and about 2000 former The National Bank employees. While staff engagement was high it was feared that some might become disengaged if customers became unhappy in the post-merger period.
- *Customers* – 1.7 million New Zealanders have a financial relationship with the bank, with about half being former National Bank customers. The research indicated the new ANZ was still vulnerable with this group.

- *Customer influencers* – industry associations, mortgage and insurance brokers, lawyers, real estate agents who recommend ANZ. Many are motivated by commissions so we had to show the merger was worthwhile otherwise they would negatively influence customers.
- *News media* – business media and commentators. This group thought the merger had gone exceedingly well were likely pounce on any negatives they heard about.
- *Key politicians* **-** Minister of Finance, Minister of Commerce, Opposition Finance spokesperson, members of Parliament's finance and expenditure select committee. Given the bank's size and influence in the New Zealand financial ecology we knew that any hint of a problem would cause them concern.

Messages

1. The merger of the brands has been a great success, leading to increased market share in the critical home loans segment and in the overall profitability of the company.
2. The new ANZ plays a significant role and makes a difference in New Zealand communities and the success of the country's economy.
3. The successful merger has led to…<<detail>>
4. Only about 2000 customers out of 1.7 million left, they say, as a result of the merger.

Strategy

- Define for stakeholders what the measure of success is – home loan market share and profitability **-** and point them out as evidence that the merger continues to be successful and has set the company up for even greater success. In parallel with this be upfront with a figure for those who defected and, importantly, put this in context with the 1.7m who stayed.
- Don't move on too quickly from the merger – use it as a reference point at every opportunity to say that it is the reason things are successful.
- Make the leadership team more visible talking in a confident, informal and fun tone about the future, and announcing wins and good news as evidence of the success.
- Keep a strong focus on staff engagement as they are the key to conveying an atmosphere of confidence and success.
- Show a "soft" side to the new ANZ and find examples that show a new more contemporary image.

Implementation/tactics

1. *Create wins and publicise them internally and externally*

We deliberately applied for a range of national and international awards – communications, marketing, legal, HR, IT, finance and management – because winning or doing well helped legitimise the merger. It also meant we could remind audiences of the success of the merger. A number of speeches about the merger were also arranged for conferences to lock in the success with opinion leaders. Cost **-** $NZ 10k

2. *Create an internal campaign that unites the whole bank*

We took a relatively obscure internal campaign run by the Retail division and turned it into a bank-wide initiative. "Paint New Zealand Blue" saw staff involved in online quizzes to help them get to know other business units, spend time with other teams, get involved in a customer or community activity and refer a customer to another team. Videos, online stories and competitions were created to support this. Cost **-** $NZ 30k

3. *Create CEO online chats to enable intimate conversation with staff*

We created regular CEO online chats which have become so popular that as many as a third of staff have been logged into the hour long conversations. Cost **-** $NZ 5k

4. *Reinforce key messages through major media profiles of the CEO*

A number of high profile news media features were arranged with the CEO. Cost – nil

5. *Use the half year and annual results to reinforce key messages*

The set piece quarterly, half year and annual results all attributed the company's successes to the merger. Cost – nil

6. *Use the brand merger anniversary to reinforce key messages*
On the week of the anniversary of the change, relationship managers called key clients and those who had previously been identified as influencers to talk about the success of the merger. Calling scripts were developed to ensure they were all on message. Cost - nil
7. *Celebrate branch openings/refurbishments*
As a result of the merger, a number of old ANZ and National Bank branches were amalgamated or new ones built. These were celebrated internally and publicised externally. Cost - $NZ 50k
8. *Big focus on grassroots pr*
We ran strong leverage campaigns in provincial and community media and social media around grassroots initiatives with our sponsorship and the ANZ Staff Foundation. Cost - $NZ 60k
9. *Give the credit to frontline staff*
Staff road shows congratulated everyone for the successful change, spreading the credit to frontline staff in particular. A powerful video was created to communicate this. Cost - $NZ 200k
10. *Re-ignite the ANZ Staff Foundation to help drive engagement*
ANZ has a staff payroll giving programme. This Foundation was re-ignited to further engage with staff. An internal campaign of videos, personalised online stories and staff meetings saw membership rise from 13% to 21%. Cost - $NZ 50k
11. *Use video messages for more engagement and personality*
CEO and MD video messages have been used extensively since the merger as they are far more engaging. We have also deliberately used humour, often self deprecating, and non-corporate style communications to better reflect the new ANZ internally. Cost - $NZ 60k
12. *Create new sponsorships to demonstrate the new ANZ*
Professional golfer Lydia Ko was brought on as an ANZ Ambassador and visiting British artist Williard Wiggins' exhibition was sponsored to demonstrate a more contemporary brand. These were strongly leveraged, particularly via social media. Cost - $NZ 60k (excl the sponsorship properties)
13. *Remind people of ANZ's work in the community*
Building on the magazine produced for the merger, "Fabric" was published to highlight the new ANZ's work in the community. This was distributed to all staff, posted to key stakeholders, given to customers via branches and delivered to the public via nationwide newspaper inserts. Cost - $NZ 200k
14. *MP briefings*
A series of briefings were held with MPs on various issues to do with the economy where key messages about the success of the merger were built in. Cost - nil

Results/Outcome

Quantitative Research

The new ANZ brand continues to improve with favourables going from 50 % to 54 %, above the target of 52 %. The unfavourables reduced from 29 % to 24 %, which was better than the target of 27 %.

All the new ANZ's "soft" measures have improved, with most way above target:

- Community awareness has gone from 29 % to 31 % (against a target of 31 %);
- Socially responsible agrees has gone from 40 % to 48 % (42 %);
- Acts with integrity agrees has gone from 53 % to 54 % (55 %);
- Good corporate citizen agrees has gone from 42 % to 47 % (44 %); and
- Supports NZ economy agrees has gone from 31 % to 45 % (33 %).

My Voice staff survey

Staff engagement pleasingly rose to another record level, 76 %.

The strategy and plan was successful with the new ANZ brand getting stronger and any possibility of a retreat being avoided. Customer numbers have stayed stable and home loan market share has gone up 50 basis points to 30.65 % of all providers. The annual cash profit to the end of September 2013 of $1.44 billion was up 12 % on the previous year, a record. The brand continues to improve with favourables up above target and unfavourables reducing much more than expected. The all important "soft" measures have moved, some significantly. Everyone was particularly pleased about the strategy and plan's impact on staff engagement which surpassed the target and reaffirmed the importance of staff to any change project.