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UBS: brand building in a global market

Jestyn Thirkell-White, UBS, describes how a global bank changed its branding and is making this work among both internal and external audiences

UBS IS ONE OF the world's leading financial firms – the sixth largest bank globally by market capitalisation, with over 65,000 staff worldwide. We are the world's largest wealth manager, a bulge-bracket investment banking and securities firm, and one of the largest global asset managers. In Switzerland, we are the clear market leader in retail and commercial banking. But in every market outside Switzerland we struggle for recognition. Local competitors with deep roots in specific markets and our long-standing American rivals are better known than us, both among our consumer target audience (high-net-worth individuals with €500k or more in financial investments) and among our business audience (fund managers, traders and CEOs/CFOs of large companies). Over the past 18 months we have radically changed our brand strategy and brand management in a concerted drive to build a brand which matches the success of our business and reflects its strategy for growth.

UBS is relatively young. Formed in 1998 by the merger of two venerable Swiss banks (Union Bank of Switzerland and Swiss Bank Corporation), it developed into a truly global firm, with top market positions in the US, Europe and Asia, and more staff in America than in Switzerland, despite its dominant Swiss retail presence. Much of this growth was built through mergers and acquisitions, leading to a brand portfolio that included historic names from the US and UK, such as SG Warburg, Philips and Drew and Dillon Read. This process of acquisition culminated in late 2000 with the purchase of PaineWebber, then the fifth largest retail broker in the US. Strategically, this marked the limit of transformational acquisitions as a driver of growth. It filled the last significant gap in our global coverage across our three core international businesses – investment banking, asset management and wealth management/private banking – and brought us to a position where future growth would have to be driven through organic expansion of our existing businesses.

In late 2001, with the integration of PaineWebber complete, senior management at UBS launched a review of our brand management and brand strategy. UBS, like many financial services competitors, traditionally lacked a strong marketing and branding culture. This tendency was magnified at UBS by the nature of our international businesses. Without a mass-market retail business, our staff and senior management often saw the individual employee as more important than the brand. Investment bankers brought in business through their own personal star status and the range and depth of their contacts in an industry; private bankers brought in business through their charm and the size of their rolodexes – the company name attached to either was seen as secondary.

As a result, our brand portfolio had been built up through acquisition and tradition, rather than through any conscious evaluation of the strengths and weaknesses of our different properties. This left us with a cluttered and confusing landscape in which different brands sold similar products and services to the same clients in the same geography. Different marketing departments competed as much as they worked together and staff used their brands as badges of honour, blocking cross-firm cooperation and cross-selling. This last was a particular concern, given that one of our key business strategies is an 'integrated business model', in which products and expertise from our wholesale businesses (investment banking and asset management) are supplied to clients of our retail businesses (wealth management, and retail banking in Switzerland) and in which harvesting cross-group synergies was seen as a key driver of growth.

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At the same time, while the pace of innovation in financial services is frenetic, differentiation is low. Almost any new product or service in investment banking or wealth management can be replicated by competitors as soon as it is launched, and there is little scope for distinguishing a brand, long-term, through product innovation. Finally, we faced a challenge of maintaining brand relevance across a very diverse range of clients, from small businesses and individuals in rural Switzerland through wealthy German or Hong Kong investors to CEOs of US-based multinationals.

Working with Prophet, a San Francisco based brand consultancy closely associated with branding guru David Aaker, we developed and implemented a new brand strategy for UBS which aimed to address these challenges and start to bring UBS the recognition among its target audiences that its business success already deserves. In the process, we abandoned some of the best-known brands in financial services, and now concentrate all our efforts on the single UBS brand.

Brand relevance

The foundation of our new brand strategy was an in-depth understanding of the needs and desires of our target market, developed through a market research project far more rigorous and comprehensive than anything we had ever

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undertaken before. (In fact, it was the first time we had ever tried to conduct research that looked at more than one of our business areas at a time.) In three phases, we interviewed over 3,500 clients and potential clients and 300 staff in 14 countries.

The qualitative phases used Wirthlin Worldwide's VISTA (Values in Strategy Assessment) methodology, which helped us to determine the relative importance of financial services characteristics, understand the connections between those characteristics and higher-order needs, and assess which characteristics were positively or negatively associated with UBS. One lesson from our competitive analysis was that many of our competitors focus brand communications on functional consequences of their offering, rather than on the emotional consequences or values that these drive. Our research process was therefore designed to identify these higher-order needs, to try to find the basis for a brand positioning which had a deeper resonance with our clients.

Subsequent quantitative research allowed us to test the appeal and potential for differentiation of specific benefit statements developed for each of our different client segments, based on input from the qualitative research and an understanding of our business model and offering.

The key output from this research, from the point of view of brand portfolio strategy, was that there was a remarkable congruence of needs between our different client segments, as soon as one moved away from more functional attributes and into the realm of emotional consequences and values. Finance is a fairly low-interest category, and we found that from CEOs to retail clients, what clients and potential clients wanted most from a relationship with a financial services provider was confidence in the financial decisions they were making – be it a merger or the choice of mutual funds to invest in. Anecdotally this may not seem unreasonable, but it was very important for our own confidence, and from the point of view of selling the single-brand strategy to the organisation, that we could show that we could craft a unified message which would have relevance and resonance across our different client segments and geographies.

Communications effectiveness

A major driver of our move to a single brand was the need for more effective communications and higher return on investment. Financial services is a very fragmented market: despite representing a high proportion of global advertising spend, the degree of clutter and competition for attention and the limited engagement of the target audience in the category means that getting your message heard is increasingly difficult. With relatively limited resources and considerable overlap between the different segments we were targeting, we realised that our different brands were competing with each other for share of voice. Moving to a single brand has allowed us to concentrate firepower on a common message which is relevant and distinguishing for all segments. Resource allocation has become more rational, and is now driven centrally from the perspective of the whole firm's branding goals, rather than by individual business groups. This has led to a fairly significant redirection of resources, with much more focus on the US, where we have the largest gap to bridge in terms of brand familiarity compared to key competitors.

Driving this sort of change through the organisation required significant commitment. To ensure that resources are allocated in the interests of the whole firm, and that all brand communications share the same message and commitment, a new group-wide branding function was created. This was given responsibility for all advertising and sponsoring across the firm, removing these activities from the control of individual business groups. Brand-based advertising and sponsorship is now funded centrally, and while product and service advertising is funded by individual businesses, execution is carried out by the central group, to ensure consistency and 'on-brand' messaging.

Business group interests are protected through a matrix management structure, in which the heads of marketing of each business group are also part of the brand management team, and formally responsible, together with the head of brand management, for the development of the brand. Agency rivalries were eliminated with the adoption of a single advertising agency globally (Publicis), again tasked with ensuring consistency of message around the world and across businesses and product areas. Although there were teething troubles, these arrangements now work well, with a much higher level of cooperation between different business-group marketing departments than was ever present in the past, and a commitment to a shared UBS voice.

A final key component of the move to a single brand voice was the elaboration and adoption of brand identities for our key client segments, and based on these, for UBS as a whole. This is the first time that most of our business groups have had a defined brand identity to guide their communication and to provide a standard against which to judge proposals. In ▶

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some ways, this could have been the most controversial part of the whole process – defining for the first time, what the firm really wanted to stand for in the minds of its clients and prospects. However, the process through which it was developed, based on our extensive research, rigorous analysis and a very high level of involvement from senior line management in the different business groups, helped to ensure that there has been widespread buy-in and acceptance for the brand identity.

Bringing the firm with us

Perhaps the most difficult task in introducing the single brand within UBS has been in driving the brand identity internally – within the firm. There are many examples of services firms which have run great advertising, based on a deep understanding of client needs, and describing a truly appealing value proposition, but who have failed to deliver an experience to their clients that matches the advertising claims. (United Airlines' 'United Rising' campaign is a classic). UBS is already a leader in many areas of its business and strives to provide a customer experience that is valued by its clients across all its diverse business lines; in some areas it has developed programmes that are explicitly aimed at delivering on brand experiences. However, there are undoubtedly parts of our business where we could do better.

While there is common agreement among senior management on the content of the brand identity, UBS is not yet a brand-led firm, and there is not yet a shared understanding of the importance of matching customer experience to the brand promise, particularly at middle management levels. Similarly, while many in marketing were enthusiastic about the idea of a single brand, they were often used to working in a very free-form way, rather than in a world where messaging strategy and content was so centrally defined.

To start addressing these issues, we have run several training initiatives, focused on two core constituencies: middle management – the top 600 members of the firm – and 'brand influencers'. Brand influencers are a diverse group who either create communications materials for UBS, or have influence over the behaviour of UBS employees – this

Will it work? UBS's 'You and us' campaign

includes members of the various marketing departments within the firm, people from media relations, investor relations, employee communications, HR training and recruitment staff, product development staff, etc. Training for middle management took place as part of the firm's annual Senior Leadership Conference, and was more strategic in nature, explaining the rationale for the brand, what it should mean to their businesses and how they could help make it a reality. Brand influencer training is much more hands-on, and designed to help people use the brand identity in the development of communications messages, training programmes and new products and services. Ongoing communication and training about what the brand means for UBS and how it should be reflected in everything we do remain a key goal.

Appropriate ambition

The problem facing UBS is a lack of awareness and familiarity in many target markets. A lot of what we read about awareness building is about more or less whacky ideas, from Richard Branson ballooning around the world to Volvo creating ads about a fake town in Sweden where every family buys one of their cars. We have achieved much at UBS to improve the clarity, focus and impact of our brand communications, but aren't we just being too dull and worthy? Unfortunately, we really do think we are having just about as much fun as we can get away with. You have to remember that we are a very low-interest category, and within that category we aim to appeal to the wealthiest, most sophisticated (and generally the oldest) part of the market. Free UBS doughnuts on the buses or a giant inflatable logo hovering over London might be fun to organise and might drive general awareness, but are unlikely to appeal to our core market, or create the image we want to be renowned for. We have to remain true to the brand, even if this means that short cuts to fame are harder to find.

Looking forward

In the last year we have centralised our brand communications management, development and spending, retired the PaineWebber and Warburg brands, adopted a single UBS brand, transformed its communications messaging and strategy and launched a high-profile new brand campaign, all with the aim of starting to match our brand strength to our undoubted business strength.

So, will it work? The simple answer is: we don't yet know. The single UBS brand was adopted in June 2003, but our new brand advertising campaign 'You and us' only hit the streets in February this year. We are committed to regular global research across our different client segments, to track the performance of our branding investments, but our last half-yearly survey was carried out just before the brand campaign launched, and the next survey is only now under way. However, early signs are encouraging. The January survey showed that, despite fairly low advertising presence in the second half of 2003, the introduction of the single brand had already had a positive effect in our business-to-business client segments, where the removal of our competing brands has helped to halve the gap between familiarity with UBS and familiarity with key competitors in the US, our highest-priority market. We are looking forward to the results of our next survey, available late this summer, and hoping that we have made good progress towards making the invisible giant more visible. ■

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