

Behind the FNB rebrand

Last Friday, South Africa's oldest banking brand, FNB, unveiled its new logo as part of its new strategy to transition towards, and be perceived as, a brand that extends beyond "just banking". Brand Finance reflects on the recent FNB rebrand.



Source © The Citizen [The Citizen](#) The FNB old and new logo

The previous FNB logo stood for 36 years but it appears internal management has decided it doesn't lend itself to digital applications and the future roadmap for the bank.

Rebrands often bring more than a visual identity overhaul, serving the purpose of signaling a strategic change in the business to consumers and other stakeholders – in this case, the new logo is accompanied by various other initiatives including a new FNB app, website, and the continued promise of being a “formidable provider of advice-led financial and lifestyle services, underpinned by exponential help”.

Do the changes create value

Recent years have seen many leading financial services providers rebrand to try and position themselves as more agile, innovative, and future-oriented.

Within financial services in South Africa, we have observed OUTsurance, Nedbank and Absa make similar plays in 2017

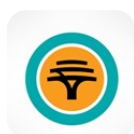
and 2020 respectively.

In other sectors we've seen companies like Total rebrand to TotalEnergies as they aim to shift perceptions away from being an oil & gas brand to one more sustainable and better equipped for the needs of the future.

Sometimes these changes are minor and are largely aimed towards updating the visual identity, whereas in other instances they encompass significant levels of transformational change without necessarily changing the visual identity – Standard Bank comes to mind.

However, the important question to ask is how effective these changes can be in building brand equity and creating value for the business. And, if the changes can in fact create value, and does the value outweigh the extensive rebranding costs that accompany it?

Other aspects of a rebrand or strategic shift that are often overlooked include an internal focus to bring about positive change through areas such as improved morale, a refined sense of purpose, and greater loyalty among staff.



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A closer look

Looking more closely at FNB's rebrand, the process will include rebranding all digital and physical assets ranging from branches, ATMs, and the website, down to smaller assets such as office stationery and promotional items. Not to mention the costs incurred in the initial visual audit, the design of the new logo, the new brand tone of voice, and guidelines to name a few.

What does this mean for the world's 4th strongest banking brand?

In Brand Finance's global banking 500 study, FNB is ranked 4th in overall brand strength (Brand Finance's composite measure of the perceptions of a brand) whilst local competitor Capitec also features among the top 10 in second.

With such formidable strength displayed to date, one may wonder why such a drastic change is necessary for FNB. After all, if isn't broken, don't fix it. Well, the broader answer FNB would point to is staying relevant in an ever-changing business environment.

Results from Brand Finance's banking research help paint the picture of the current state of competition in the South African retail banking market.

Starting with the brand funnel, a staple FNB comes out on top in both familiarity and consideration exhibiting its commanding position in the market.

Perhaps as expected, the other incumbents also exhibit similarly high levels of familiarity. However, when we look at consideration, only Capitec comes close to FNB.

Having boasted such a robust brand funnel with respect to the old identity, FNB will need to ensure it can maintain these results following its transition.



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Customer concerns

Alongside the new logo identity, FNB launched a new mobile app that is aimed to be more user-friendly, personal, and ultimately better than its predecessor.

The Apple app store, however, tells a different story with the new app scoring an average rating of 3/5, with comments such as: “This bank has taken the app too far. It’s made using it impossible!”

On the other hand, Absa, Capitec, Nedbank, and Standard Bank all have ratings of 4.5 or higher.

Prior to this, Brand Finance research showed perceptions of FNB’s innovation and website and apps to be significantly ahead of its competitors, but the rebrand and accompanied changes may put these perceptions at risk if FNB is not able to quickly resolve customer concerns.



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8 Apr 2022



Social listening review

Finally, looking at the overall trend of online activity, the rebrand has certainly been noticed with engagement peaking for the year following the announcement.

On the other hand, social sentiment has dipped slightly although still higher than in the earlier weeks of September and still firmly net positive.

Social listening is a useful tool for real-time feedback, but Brand Finance’s latest wave of South African retail banking research, which is currently in the field, will help provide a more in-depth view unpack of consumer perceptions towards the rebrand.

It will be fascinating to observe if and how perceptions may have changed for FNB and the other banks within the market since the last wave.

Finally, it will be interesting to see how other players in the market react with Capitec now 21 years old and no longer seen as the “new guy”.

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