

## RESPECT THE BRAND

Important lessons have been learnt on the importance and complexity of brand management for all in business from two recent high profile Australian case studies.

The decision by the Commonwealth Bank of Australia to raise its variable interest rates by .45% on 2 November, being 20 basis points above that of the Reserve Bank of Australia, drew immediate, voluble and emotional responses from the Australian Federal Government and all sectors of the media.

We were interviewed extensively and repeatedly by the Australian media on the business implications for the CBA and its brand.

In essence, we contended that the character of the decision had been previously and repeatedly made public by statements of the chief executives of the four major banks. It was evident that individually and collectively they were endeavouring to educate clients and the public at large.

That will not be possible in future because the Australian Competition and Consumer Commission (ACCC) has determined that such public utterances could be deemed to be collusion between the major banks and will be the subject of legal action.

Hence, in future the public will be less informed and the doctrine of "no surprises" has been trashed.

Our analysis of the situation was that the decision of the Commonwealth Bank, which was subsequently followed by its competitors, did not and has not changed the opinions held of the banks per se, by many Australians. The most common phrases used about banks are:

- \* "Banks are greedy"
- \* "Banks are uncaring"
- \* "Banks are bastards"

So, in the short term the Commonwealth Bank of Australia will be less popular. That, in isolation, will not be sufficient cause for a significant and sustainable loss of business and market share.

The recent decisions by CBA and the three other major banks have simply intensified, rather than changed the opinions held of the banks. So now, currently many Australians believe and express:

- \* Banks are more greedy than previously thought
- \* Banks are more uncaring than previously thought
- \* Banks are bigger bastards than ever

Criticism from Wayne Swan, the Federal Treasurer has seemingly been dismissed by the bank corporate leaders. Rightly so. This is a man who did not comprehend the concept of "the real cost of capital", and is arguably financially illiterate.

Business leaders need to protect the inherent value of their brand names.

References by Australian politicians of bank super profits totalling \$21 billion have to put into perspective. One mining company, BHP Billiton, recently recorded a total annual profit of \$16 billion.

## CELEBRATE SUCCESS

Whatever happened to the philosophy and practice of recognising, celebrating and rewarding success? The four major Australian bank chief executives should be lauded and supported for leadership which contributed to stability and relative national economic buoyancy.

## QANTAS

The ongoing problems of Qantas and the trauma with the A380 aircraft and its Rolls-Royce Trent 900 series engine is another matter.

It is not the single instance but rather the serial nature of multiple problems which are inflicting damage on the brand names of Qantas, the A380 and Rolls-Royce.

My quote in an early interview in "The Age" newspaper in Victoria generated a lot of subsequent interest in other international media, including from Britain, The United States of America and New Zealand. It was:

"Where are Tom Cruise and Dustin Hoffman when you need them?"

It was a light hearted reference to the movie "Rain Man", and the statement by the autistic character Raymond Babbitt that Qantas had never had a crash, or a casualty and had the best safety record of all airlines.

Sadly, the subsequent further instances of problems with the A380 aircraft and the Rolls-Royce Trent 900 series engines did change the opinion of many people. It was understandable that statements about Qantas having the best safety record were or could be qualified by first the question:

"How safe is it flying with Qantas?"

It would have followed that the issue was subsequently elevated with the question:

"Is it safe to fly with Qantas?"

Alan Joyce, the Managing Director of Qantas is to be congratulated. He made himself readily available to media, was open, expansive and reassuring in his public statements.

Crisis management and media presentation skills are two specific areas of expertise of an associate David Marshall of Talkforce Consultants.

David conducts highly interactive workshops for public and private sector entities. Full use is made of high profile media case studies and recorded interviews with participants. It is a great learning experience.

If you are interested to develop your skills and those of your team members in crisis management and media presentation do contact David:

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