



**Leeds
Building
Society**

Industry sector:
Financial services

Client:
Leeds Building Society

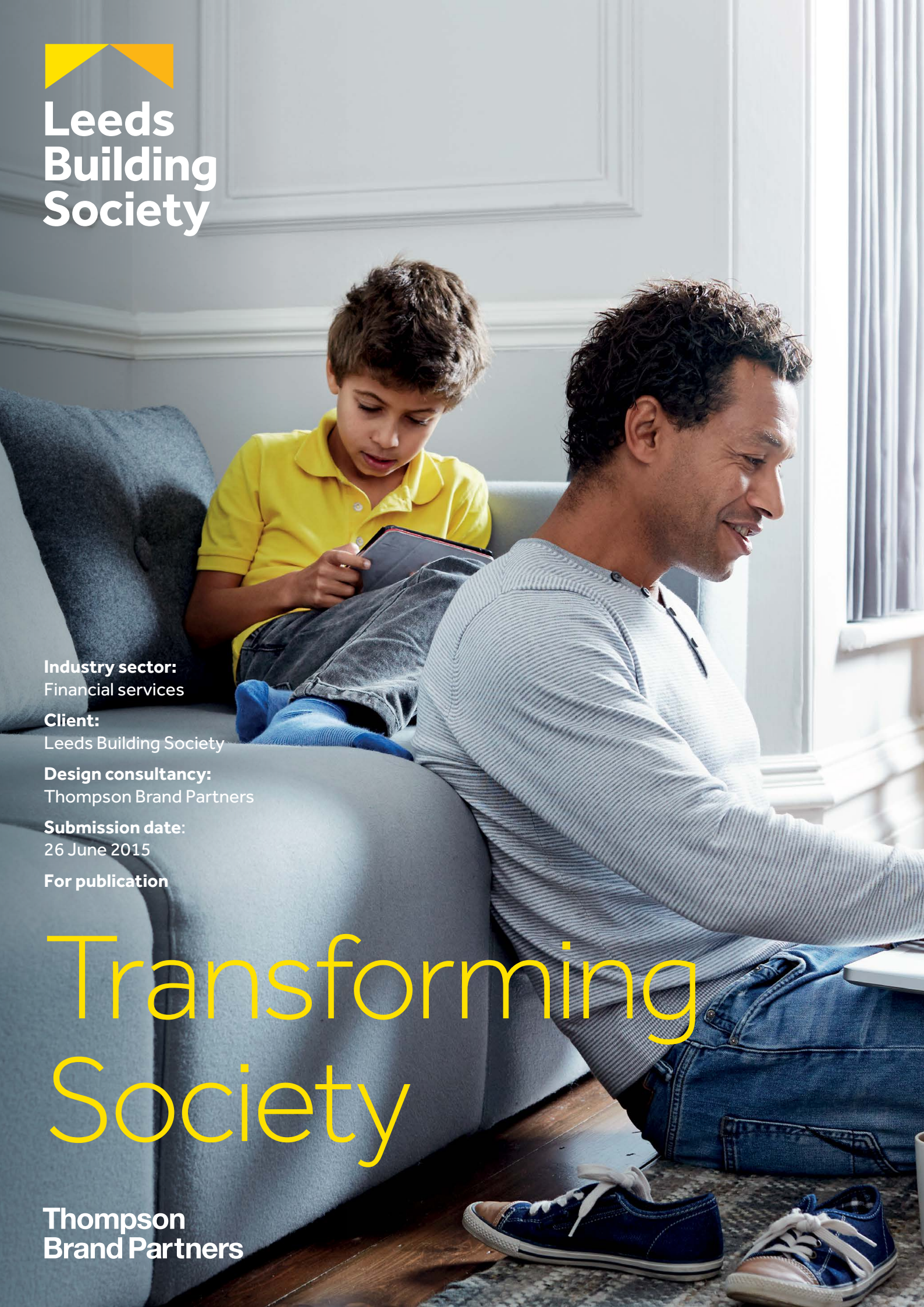
Design consultancy:
Thompson Brand Partners

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For publication

Transforming Society

**Thompson
Brand Partners**



Executive summary

The UK financial services sector has taken a battering since the recession in 2008. Regularly rocked by scandal and mismanagement, trust levels — especially in the banks — had been extremely low. Perceptions of building societies was better, but many younger people did not understand what they were or what makes them different.

Leeds Building Society set itself a 10 year goal in 2012 to be the best building society in the UK. This would require massive investment in technology, people and its service proposition. To pay for it, the Society needed to expand from its regional base and significantly increase levels of profit.

This is the story of how design has been used to refresh the Society's branding. How design helped change perceptions of Leeds as being old fashioned and attracted vast numbers of new customers and business. How design has helped create 110 new jobs this year alone. How design helped 7,800 people buy their first home, and how it changed the internal culture and motivated the workforce. And in a year when the economy grew by only 2.6% and the organisation celebrated its 140th birthday, how design delivered record-breaking performance levels, propelling Leeds Building Society towards its 10 year goal.

(201 words)



Executive summary



For the 12 months to April 2015, the Society has achieved the following fantastic results:

Signifies all-time record level in 140 years

Increased profits:

- Operating profit up to a record £80.9m, up 26%.



Operating profit

£80.9m
up 26%



Attracted new talent:

- Over 110 new jobs created with a similar number expected in 2015.



110
new jobs

Membership growth:

- Total membership up to a record total of 721,000, up 7%.



Total membership

721,000
up 7%



Increased mortgage lending:

- New mortgage lending grew to £2.7bn, up 24%.
- This was well above market-share (3).
- Enabled 7,800 first time buyers to become homeowners.
- Net residential lending increased to a record £1.1bn, up 14%.



7,800
new owners



New mortgage lending

£2.7bn
up 24%



Net residential lending

£1.1bn
up 14%



Increased savings deposits:

- Savings balances grew by £560m to a record £9.2bn, up 6%.
- This compares to a total UK household deposit growth of 4.4% (2).



Savings balances

£9.2bn
up 6%



Project overview

Background

Leeds Building Society is the UK's 5th largest building society with around 700,000 members. It offers savings, mortgage and insurance products to its members, who own the Society due to its mutual status.

In 2013, with general levels of trust in the financial services sector low, the Society developed a new 10 year vision to be Britain's most successful building society and embarked on a growth strategy. Thompson Brand Partners was commissioned to refresh the brand in order to support these ambitions.

The previous branding had been developed and launched in 2006 following the merger of Leeds and Holbeck Building Society and Mercantile Building Society.

Examples of old branding



Logo



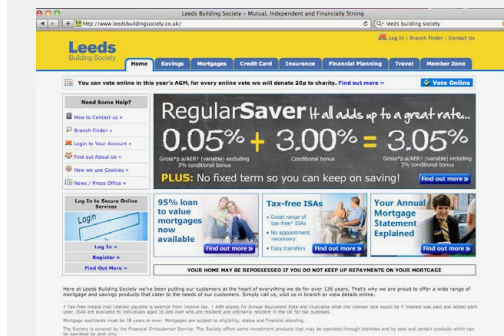
Recruitment advert



Branch



Head office



Website



Uniforms & collateral

Project overview

The marketplace

In the 4 years prior to the start of the project, the savings and mortgage market had seen significant change. A number of smaller building societies had been acquired by the larger players as scale was identified as important, e.g. Chelsea by Yorkshire, Scarborough by Skipton, Dunfermline by Nationwide. Other mutual options were credit unions and the Co-operative Bank.

The building society sector performed reasonably well in 2013 – 2015, after competition for savings and mortgage business remained high.

The High St. banks were leading on innovation, but suffering from very low levels of customer trust. Online comparison tools and intermediaries were opening up access to a wider range of products, and new players were entering the market, including supermarkets and the Post Office.

Overall competition was at an all-time high, and interest rates for savers were (and continue to be) at an all-time low.

Key business challenges

To achieve its 10 year vision, the Society had a number of key business challenges, which fell into two areas:

1. Achieve more growth in challenging market conditions

- Attract more new members and retain existing members.
- Widen the ageing membership base (e.g. average internet saver was 57).
- Secure higher levels of profit to fund the required investments.
- Attract new savings deposits in an era of the lowest interest rates the UK has ever experienced, to help fund higher levels of mortgage lending.
- Attract more mortgage business, especially via intermediaries, in an era of low house prices, greater deposits and increasing levels of regulatory compliance, adding costs and time to the mortgage process.

2. Improve the team and continue to deliver outstanding service

- Continue to motivate the team – over 1,100 colleagues were divided between head office and 56 branches spread throughout the UK.
- Attract new talent and bring in new people with best practice and innovation from other sectors and competitors, to complement colleagues who know the Society inside out.
- Continuously improve customer service levels – in an increasingly commoditised financial services sector, optimising the customer experience is seen as a key differentiator.
- Increase national brand awareness by successfully transitioning from predominantly regional awareness to a national brand presence.

Successfully achieve against these challenges and the Society would be better placed to achieve its 10 year goal.

Project overview

Scope of the project

The initial brief was for a brand refresh, leaving core visual assets including logo, colours and fonts unchanged. However, following extensive stakeholder consultation and research by the agency, insights were identified that showed the degree of refresh needed to be greater than originally anticipated, in order to widen the audience.

This strategic thinking helped to develop the brief and widen the scope of the exercise. The client realised, with our help, that to achieve all of its business objectives it would need to consider a full rebrand, including a review of the brand identity, and to rollout the new branding throughout the business, including branches, uniforms, website, internal communications and signage.

Project launch date

Appointment of agency: June 2013

Launch of rebrand: Jan 2014

Key results: 12 months to April 2015

Design budget and production costs

Rebrand design budget: £62,500

Rollout design and artwork budget: £41,000

Website design and build budget: £52,000

(635 words)

Outline of the design solution

Based on insights identified during the stakeholder research, a new brand proposition was developed to help drive all aspects of how the Society operates. Highlighting a purpose that had not changed since the Society's establishment in 1875, the proposition was simply to help people to save and then buy their own home.

Helping you
get on with life

The proposition

The customer-focused proposition was of a Society that used its experience and knowledge to identify the products that customers need to get more out of life, delivering them in a straightforward way and with high levels of customer service. When this is done well, the customer does not need to think about their savings or mortgage arrangements, and are free to get on with life. Working in partnership with the client, the written proposition was fine-tuned before being approved by the board.

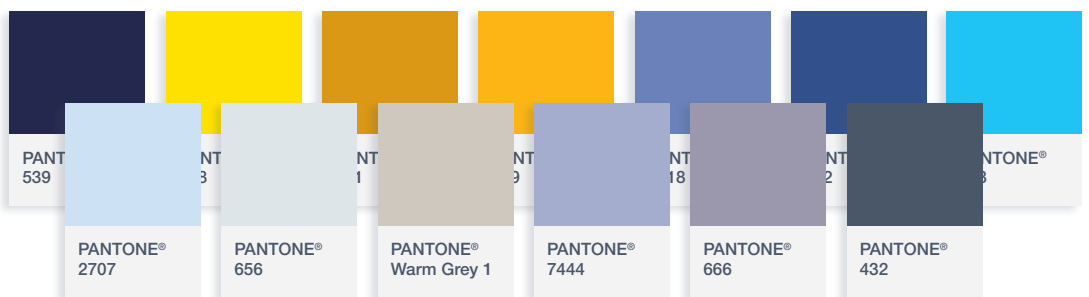
In order to appeal to a new, wider audience whilst not alienating the existing members, a modern visual identity was designed, with clear links to what had gone before. The identity was based on the following:

- Increasing the size of 'Building' and 'Society', to the same as 'Leeds', to reflect the importance of being a mutual building society.
- Changing to a more contemporary typeface.
- Changing the balance to more blue and less yellow.
- Changing the shades of blue and yellow, to deliver more contemporary and higher quality cues.
- Adding a range of contemporary blues and greys.
- Introducing a simple logo, based on the idea of a roof over your head.
- Using new images that fit the proposition of people getting on with their lives, which feature brand colours to create the new look-and-feel.

The overall impression is that of a more modern organisation, more in touch with its customers, which understands modern life and the levels of service customers demand.



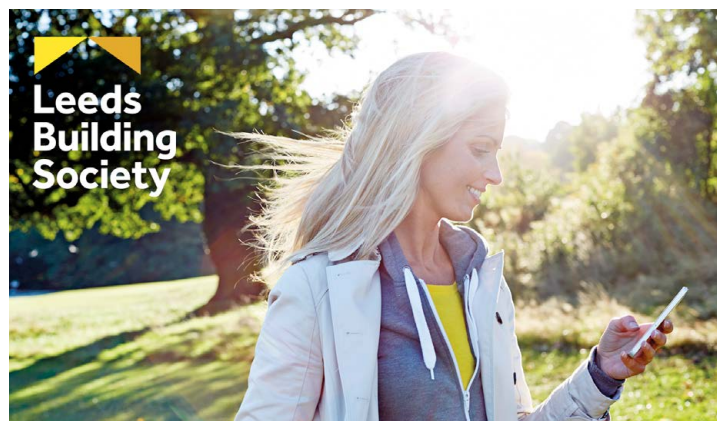
Logo



Colour palette



New brand imagery



Outline of the design solution

The proposition and new brand were embedded through a UK-wide colleague engagement programme via a series of interactive workshops, supported by a multi-channel internal communications campaign. This enabled a high proportion of colleagues to discuss and understand how the new brand would impact on their own role. Brand champions then helped to cascade the thinking to the rest of their colleagues.



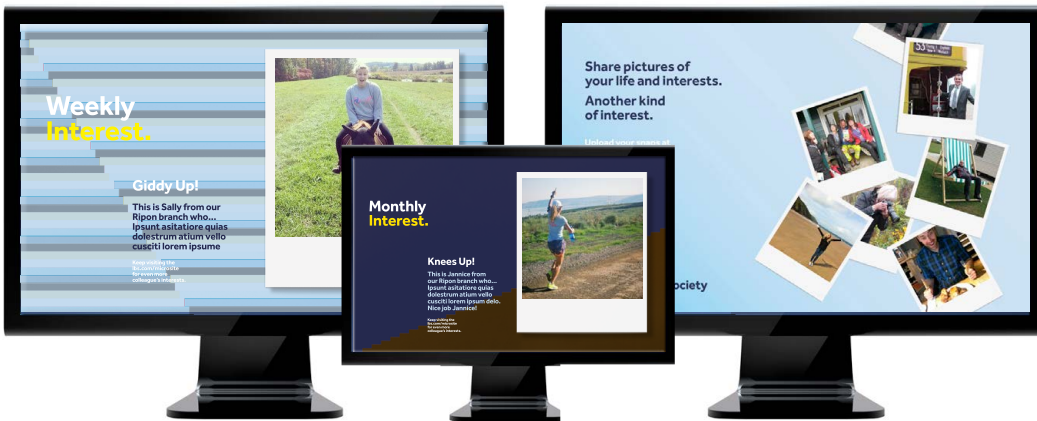
Internal communications



Annual report



Members magazine



Internal social media site



Engagement exercise



Colleague engagement



Outline of the design solution

The visual identity has been consistently applied throughout the Society, including branch fascias, staff uniforms, signage, promotional activity and corporate communications. New photography was commissioned for use throughout customer communications and promotions. With a new approach to UX and customer journeys, a new site structure and new imagery, a new front end was designed and built to work in conjunction with the existing back end. The most important change though, has been in the behaviours of the colleagues. With full knowledge of what the brand proposition stands for, the people that make up the brand have been successful in helping to build the Leeds Building Society brand.

(362 words)



Brand imagery



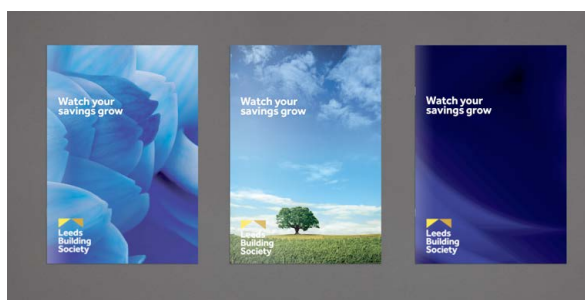
Uniforms



Responsive website



Branch fascias



Savings books



Sponsorship

Summary of results



Signifies all-time record level in 140 years

The results of the rebrand have been outstanding, with success against all the key business challenges as follows:

1. Achieve more growth in challenging market conditions.

Membership growth:

- Total membership up to a record total of 721,000, up 7%.



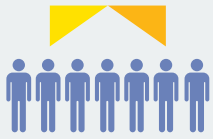
Total membership

721,000



Attract new members:

- Attracted 69,000 new members.



69,000

new members

Increased profits:

- Operating profit up to a record £80.9m, up 26%.
- This compares to total UK economic growth of 2.6% (5).



Operating profit

£80.9m
up 26%



Increased savings deposits:

- Savings balances grew by £560m to a record £9.2bn, up 6%.
- This compares to total UK household deposit growth of 4.4% (2).



Savings balances

£9.2bn
up 6%



Increased mortgage lending:

- New mortgage lending grew to £2.7bn (including 7,800 first time buyers), up 24%.
- This was well above market-share (3).
- Enabled 7,800 first time buyers to become homeowners.
- Net residential lending increased to a record £1.1bn, up 14%.



7,800
new owners



New mortgage lending

£2.7bn
up 24%



Net residential lending

£1.1bn
up 14%



"We have helped more people than ever before to buy their own homes and savings balances are higher than at any time in our 140 year history."

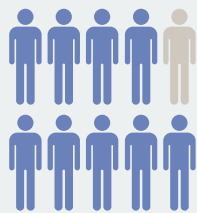
Robin Ashton, Chairman

Summary of results

2. Improve the team and continue to deliver outstanding service.

Outstanding customer service:

- Customer satisfaction level of 92%, maintained from 2013.



Customer satisfaction

92%

- Leeds Building Society was the first financial services organisation to secure the new Service Excellence accreditation launched in 2014 by the independent National Skills Academy.



Improved team motivation:

- Colleague engagement index of 76%, up from 70%.



Colleague engagement

76%
up 9%

- 94% of colleagues strongly agreed or agreed that they were aware of what the rebrand means for the members on the back of the colleague workshops.



94%
awareness of rebrand impact

Improved customer administration:

- 89% of processing completed on the day received, up from 84%.

84% > **89%**
up 6%

Attracted new talent:

- Over 110 new jobs created with similar number expected in 2015.



110
new jobs

Modernised brand:

- The new website was 'Highly Commended' in What Mortgage's 2014 Best Lender Website awards — judged by a panel of 20,000 readers — evidence of a site truly designed with users in mind.



Highly Commended

"These achievements illustrate how our growth strategy – including investing in the best talent and modernising our brand and the ways in which we can meet our members' needs – is enabling us to compete with larger rivals to attract more savers and borrowers in a challenging marketplace."

Peter Hill, Chief Executive

Other influencing factors

Economic background

The UK economy grew in 2014 by a modest 2.6% compared to 2013 (1). Unemployment fell, inflation remained below the 2% target and consumer confidence improved.

House prices rose but the rate of increase slowed in the last quarter. Whilst Bank Base Rate did not go up, increased competition for mortgages resulted in a reduction in the average new mortgage rate. As a result, market rates paid to savers also fell.

The building societies performed reasonably well in 2014 – 2015. Leeds Building Society, though, out-performed its peers. For example, average asset growth across the top 14 societies was 1.59% (6), with Leeds Building Society growing assets by 8% to 12.2bn.

Marketing spend

The total marketing budget was increased by 9% in 2014 compared to 2013, in order to help fund the rebrand. This budget covered all aspects of the rebrand, the rollout and the new website, as well as regular and other marketing activities.

Resources

All financial results taken from the Leeds Building Society Report & Accounts 2014, which is fully regulated by the Financial Conduct Authority.

- (1) Office for National Statistics
- (2) Building Societies Association
- (3) Defined by: Mortgages – Council of Mortgage Lenders market share statistics. Savings – mutual sector net retail savings as published by the Building Societies Association
- (4) Independent colleague engagement survey
- (5) BBC economic tracker
- (6) KPMG Building Societies Database