

# Branding According to Steiner

*There are few names that define an industry. Branding guru Henry Steiner is one. Kenny Lau meets up with the master to find out what he thinks about the business, Hong Kong and building brands in a recession.*

It has been 48 years since Henry Steiner first came to Hong Kong from New York on an assignment for the *Asian* magazine. Despite the intention to stay only for a short time, his work and influence over this period earned him the honor as one of the 100 most important people affecting Hong Kong since 1841 by *Next* magazine.

Having founded Steiner & Co

in 1964 to offer comprehensive corporate identity programs and advice on branding strategy, he says one of the privileges for having stayed during Hong Kong's decades of tremendous transformation was watching how the city evolved from the role of an entrepot at the end of the Second World War to become the international finance center today.

"When I first came out here, people did not know what graphic design was. The opportunities came forward and I was able to do some rather nice things," he says.

The *Asian* magazine, a regional publication and the project that brought Steiner out here, was the beginning of an era marking Asia as an entity. Even the title of the magazine was a statement, he says, referring "Asia" as a core focus. Significantly, Hong Kong was chosen home of the publication, which had a circulation at 750,000 copies, because the city was the most "central and neutral" in all of Asia, even though printing could only be done in Japan.

In the years as a graphic designer for publications and corporations, Steiner came face to face with waves of development in Hong Kong while working for magazines such as *Readers' Digest*, *Asian Week*, and *Far Eastern Economic Review*, and companies such as HSBC, Swire, and Jardine Matheson.

"Hong Kong was very primitive [at the time of my arrival] but waves of change came," Steiner points out.

Tourism was the first in these waves of growth that helped put Hong Kong on the international stage. It led to the exponential growth in the retail sector and the city itself to become known as a shoppers' paradise. Not only did Steiner develop branding strategy for hotels and travel-related companies, Lane Crawford and other upscale retailers also became some of his clients.

As the banking industry grew in prominence in the 1980s and 1990s on the world stage, Steiner's expertise on brand strategy was very much sought by banks and other financial institutions. In fact, Steiner designed local bank notes issued by Standard Chartered Bank currently

in circulation and the corporate logo of HSBC.

"In a way, I was part of these [waves of development in Hong Kong]," he says. "It was quite nice."

Aside from multi-national corporations, local family-owned businesses, including prominent conglomerates, appear to have stronger brands now than they did in the early days, Steiner notes. But it was a "little unfortunate" that the thrust of building international corporations seems to have somewhat faded. These companies now tend to focus on specific projects rather than building corporations.

## Defensive plays

Well-known brands, which may be associated with Hong Kong, were mostly created prior to 1997. And there has not been much since then. The focus has instead shifted to real estate development on individual project-basis rather than building big brands.

"I feel that they have gone back to their old habits of keeping low profile

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Henry Steiner, with former AmCham chairman Steve Marcopoto, says in a recent AmCham luncheon that anytime is a good time for the branding process, especially in economic downturns, because "people will understand there might be a reason for it."

and letting their projects have privacy rather than building a company," Steiner says. "It is kind of a defensive mechanism."

Even for those who do choose to develop a brand, a common problem exists among companies in Hong Kong: not applying a particular brand strategy universally, in which case a logo may not be utilized in all communication channels. Rather than building a coherent identity, branding is often seen as something fashionable or stylish. It is deemed a decorative option, rather than a communication imperative.

What Steiner does is advising his clients on an overall strategy and creating something that communicates with the public. Not only does he often talk with his clients about their history and vision but also the implication of names and visual language. The goal is to come up with something that relates to what they do while respecting their traditions and customs.

A brand, however, is different than an image or identity. It is a combination of a logo and reputation. "I can create a logo but I cannot build a brand for a company. The company has to put a lot of exposure into a logo before it becomes a brand," Steiner explains. "You have to have repetition, which will lead to reassurance and

familiarity until people recognize it and feel comfortable with it."

Branding is surely nice but it isn't for everyone. An import/export company, which has no product of its own doesn't require a brand on a letterhead to do business, Steiner says. "Are you going to a mass market? Will you be in a position to go through the recognition process? If it became hard to make a brand worth putting any money into, I would discourage people."

A commitment to see branding as integral to corporate strategy is the key to success. A brand strategy will not work if one just thinks of it as "a cheap fix," Steiner says. A long term, coherent strategy with action is what it takes for symbol or logo to have meaning. "You just can't just have a logo and sit back and wait for people to see it. You've got to take it out and show it to people," he explains.

### Something cheap

The branding market in Hong Kong has in recent years experienced a shift in mentality. A decade or two ago, companies were much more ambitious to grow and nurture a brand of their own in the sense that they possessed a spirit of what Steiner calls "empire building type of branding." Instead, what Hong Kong now has is a shortage of demand in clients who want something good. "All

they really want is something cheap. That means you are not going to get very bright people coming into it," he adds.

The number one difficulty to make a brand actually work lies at the lack of commitment and the reluctance to share the vision or be willing to talk about anything. "The way you handle your branding can be symptomatic of your corporate strategy," Steiner says. "It's got to be the guy in the top who has to sign up on a brand."

The market landscape of branding in Hong Kong has shifted so much since the time Steiner arrived that he may be reluctant today to think of the city as a land of opportunities for this particular industry.

"If I came to Hong Kong today, I don't know if I'd stay, frankly," he puts it bluntly.

However, China will compensate for declining demand in Hong Kong. Chinese companies have tremendous demand to brand its products for overseas markets because they will "not be able to survive if they continue making stuff for other people without their own brands," Steiner believes. "They have to follow the routes of Japan and Korea." And it will benefit Hong Kong, a city "beautifully positioned as a service center for China."

In order for China to thrive on its

## Meet the Designer

Henry Steiner's experience and reputation are international. Born in Vienna and raised in New York, he was educated at Yale - where he studied with Paul Rand - and at the Sorbonne.

Steiner & Co, founded in Hong Kong in 1964, is a leading branding design consultancy. The company's scope is comprehensive, encompassing corporate identity programmes, corporate literature, architectural graphics, book and magazine design and banknotes. Clients include EF Education First, Hong Kong Jockey Club, HSBC, Standard Chartered Bank and

Ssanyong. He has created several series of banknotes for Hong Kong as well as coins for the Singapore Mint.

A distinguished body of work has led to professional recognition: president of Alliance Graphique Internationale; fellow of the American Institute of Graphic Arts, the Chartered Society of Designers and the Hong Kong Designers Association; honorary member of Design Austria and member of the New York Art Directors Club.

He has been named Hong Kong Designer of the Year, a World Master by Japan's Idea magazine, and is

included in Icoграда's Masters of the 20th Century.

He was awarded the Golden Decoration of Honor of the Republic of Austria for design achievement and an honorary Doctorate by Hong Kong Baptist University. He is honorary professor at the University of Hong Kong's School of Architecture and at Hong Kong Polytechnic University's School of Design.

He is co-author of 'Cross-Cultural Design: Communicating in the Global Marketplace' (Thames & Hudson 1995). A monograph, 'Henry Steiner: Designer's Life,' in Chinese, was published in 1999.

brands, good product offerings are prerequisites. "There is no question that products should come first," Steiner says. The ones with bad logos but great business models are destined to succeed because "they got the foundation and something solid." As a brand strategist, "you just have to repackage them but you've got to have something to repackage," he adds.

The fact that Muji, a Japanese retail chain of "no-brand" consumer products, has a prestigious reputation is a testament that they have "very good products" at attractive prices. And it would not be any better if they had a name on their products, Steiner believes. It signifies the importance of having good products in place in the creation of brands.

### Recession strategy

In an economic downturn, advertising may be the last priority on the agenda of many companies. But it may also be the best time to build a brand during a recession because most people have scaled down their advertising spending.

Realistically, when it comes to building or revitalizing a brand, there is never a good time for the brand process. "When business is good, you are busy and you obviously don't need it," says Steiner. "When times

are slow, you don't have the budget and you got other things to think about in terms of strategy.

"The fact is that anytime is a good time for branding but it is best at times like this because if you make a strategic shift, people will understand

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there might be a reason for it."

When the great depression hit almost a century ago, Hershey insisted on spending for advertising and marketing new products, and eventually came out of the downturn owning the chocolate market. In current times, many retail companies have gone under and filed for bankruptcy. But the brands have been retained and sold for million of dollars. "That gives you a sense of the value of brands," Steiner points out. "Stores close but the brands keep going."

"When you have a good brand, with minimum maintenance and little extra expenditure, it keeps going... kind of like the energizer bunny," Steiner adds.

Steiner believes the asset with which to work when trying to revive a tarnished brand such as that of Lehman Brothers is recognition. And that's invaluable because taking a new name won't come with the recognition of such large magnitude.

"If you can take that and say this is a new Lehman with the original value, it is possible," he says. But it would involve massive efforts on advertising and PR while highlighting the history and a commitment to the original ideals. "Everyone knows the name, that's half a battle won. But you need to concentrate on what made it big to begin with."