

## Getting its house in order

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With a new branding and business strategy, LIC Housing wants to put behind a chequered 2010.



V K Sharma realised the lacunae in LIC Housing's branding exercise soon after he took over as its Chief Executive Officer. "We were glad sponsors of a Maharashtra Chamber of Housing Industry (MCHI) event. But our logo was the least prominent." The new logo, which was launched in the first week of December, has the punch line – Ring out the old, ring in the new.

Sharma took over from Ramachandran Nair after the bribe-for-loan scam hit the second largest housing finance company in 2010. The Central Bureau of Investigations arrested Nair for allegedly taking bribes for giving loans to real estate developers. Nair is out on bail now.

At that time, the housing finance company (HFC) was under pressure from all quarters, including the finance ministry. As a result, Sharma, a career LIC man in-charge of south zone, had several challenges. For one, confidence amid employees and customers had to be restored. He also had the tough task of increasing market share of the company in tough times.

To restore employee confidence and prepare them with response strategies to address concerns of customers and investors, Sharma travelled across the country to branch offices and spoke to employees. He also held several senior management conclaves.

In one such conclave held in Pune, the decision to change the logo was mooted. "My managers felt that the plain logo with just two colours wasn't vibrant enough to attract attention." The Pune conclave, which was attended by 300 area managers, decided to increase the number of colours.

The work on the new logo started almost six months back when it sought presentations from four agencies – R K SWAMY, Mudra, Fortune and Lintas. After this, a meeting of the publicity and general managers' committees was held which decided on the final logo – a blend of all the four presentations. "While no agency was given the mandate to change the logo, each of them had been asked to give their presentations based on our background presentation. The basic idea was to highlight the values of LIC, our parent company. The new logo highlights this," adds Sharma.

Image consultants agree with the basic ethos of the new look. "I believe the new logo depicts more stability, dependability and reliability. Unlike the old logo, name of the parent company, LIC, stands out prominently. Also, the blue and yellow colours, though a little dull, blend perfectly," said Parul Shukla, image consultant, Image 4 U Consulting.

However, the logo change is just one of the many changes. A new campaign is also in the offing, which will sell the idea of bigger, better, brighter and faster. "For each one of them we have gone into the detail," says Sharma.

Other things like moving to an information technology platform to process applications faster, improve turnaround time and servicing is also taking place. Another plan is to concentrate of tier II and tier-III cities.

The company which was set up in 1989 has been a consistent player. For the September-end quarter, it had a loan book of Rs 56,000 crore.

In comparison, Housing Development Finance Corporation – the biggest player – has a loan book which is more than double at Rs 1.25 lakh crore. The country's largest bank, State Bank of India has a home loan portfolio of

Rs 92,383 crore. And while SBI entered the home loan market in early 2000, the aggression was only seen post-2006 under O P Bhatt's regime.

And there are a number of other players like Dewan Housing Finance Limited, Indiainfoline and others which are aggressively trying to tap the market.

Many bankers also feel that LIC Housing's pace has been its main problem. A senior public sector bank official said, "It (LIC Housing Finance) is not seen as very active player, though it has the support of the parent LIC. We are more bothered about what HDFC and ICICI Bank do."

Last year, its image took a serious battering due to the scam. This year, the overall slowdown in credit off take in the second half of the year, has hurt business. But Sharma is aware of the challenges. "We went through a turbulent phase and have come out successfully. Everyone wants things to change," says Sharma.