



## 3 Ways Manulife's (TSX:MFC) Re-branding Strategy Is Already Paying Off for its Shareholders

### Description

**Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) these days finds itself not only undergoing a corporate re-branding overhaul but a change in the way it fundamentally handles its business operations.

Now that we're a few months into the transformation of Canada's largest insurance company by market capitalization, it's worth taking a closer look at how the changes have been paying off.

Late last year, Manulife announced an update to its global brand identity it hoped would represent its evolution into a simplified, customer-centric business model.

Part of those changes included a minor refresh to its corporate logo but, more importantly, a re-branding overhaul that's seen it take more than 30 global brands under a single unified umbrella that will operate under the title of Manulife Investment Management.

In response to what it feels are complaints on the part of customers that the insurance industry can at times be "complex and confusing," the company hopes the new model will communicate to its customers its "commitment to simplifying" the process of obtaining insurance and "better highlight how its offerings are connected," ultimately making for a more consistent, seamless customer experience.

Part of that approach to redefine its business and how it interacts with customers has been through its new behavioural insurance programs, also introduced late last year.

Backed by behavioural science and driven by data analytics, its "Manulife Vitality" programs allow customers to pair up their digital fitness wearables with the insurer's technology platform, allowing users to track their daily activity on measures like fitness, diet and other lifestyle choices.

Not only do everyday lifestyle choices affect Canadians feeling of well-being, but they also account for as much as 86% of our national health costs, so it's certainly easy to imagine how the program offers the potential of being a huge win both for the company and its paying customers.

And the results thus far are saying just that.

As of last November, the Vitality program already had eight million members globally.

As part of its first-quarter financial reporting, the company said that the behavioural science program is increasingly being recognized as a strong differentiator among its product offerings and a strong driver of improvements in its Net Promoter Score, a management tool used to gauge the loyalty of a firm's customer relationships.

Meanwhile, another element of the Canadian insurance giant's transformation is becoming a more efficient, focused, digital enterprise.

During the first quarter MFC rolled out its electronic claims system in Asia as well as its first (and the industry's first) voice-enabled retirement product in the U.S.

By delegating certain tasks from human staffers to digital automation processes, it's hoping it can save on costs and keep its expense efficiency ratio in check.

Redemptions for MFC were higher in Asia during the first quarter — a development that MFC attributed to a rationalized sales force but could also have something to do with fewer “high value touch points” across customer channels.

Something like this shouldn't come as much of a surprise to investors, as sales will often exhibit a “cliente effect” when a company diverts from a prior business strategy, with existing customers leaving a firm, and the firm showing losses until (and if) those losses are replaced by new customers to the revamped business model.

## Foolish bottom line

Changes like the ones that MFC is going through take time but the results thus far are mostly encouraging.

However, investors may want to brace themselves for [more volatility in the quarters ahead](#), as the company's customers try to grapple with the new framework.

And while long-term there will ultimately be some who the new model is just not the right fit for a slimmer, more streamlined, cost-efficient enterprise that's better able to tap into the [technology available at its fingertips](#) should prove to be a “win” for its shareholders.

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