

Rebranding - A Boon To Survive

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INTRODUCTION

One of the key decisions a company makes in regards to marketing relates to the brand. Branding is critical to product identification and is a key factor in differentiating a product from its competition. A brand represents a company's promise to its customers and tells the world who the company is and what it delivers. It's the latest trend and it's coming at you on a regular basis- "*Rebranding*" is being used extensively in the corporate world and it is going to last in the distant future. Not only do companies use the process of rebranding but countries, wars, and celebrities are using the process as well to distribute or promote themselves with a different identity. Some companies have even done rebranding several times. The driver behind frequent rebranding is the fact that consumers are fickle. If your product is not the newest and the best, then consumer will try something else. They expect innovation ... if you don't keep up with new improved formulas and fashionable logos, then you will lose customers. This paper is an attempt to identify rebranding and its elements and outline the mistakes to avoid when rebranding in an effort to answer the question "*Does Rebranding Really Work*".

REBRANDING - WHAT IS IT?

✿ **Rebranding:** This can be defined as, "*A process of giving a product or an organization a new image, in order to make it more attractive and successful.*" (Collins English Dictionary). This is done to increase consumer loyalty, improve member professionalism, enter a new market trend, create a stronger voice in the industry, increase shareholder value or to re-energize a company.

One of the key decisions a company makes is in regards to marketing related to the brand. Branding is critical to product identification and is a key factor in differentiating a product from its competition. A brand represents a company's promise to its customers and tells the world who the company is and what it delivers. A well known fact in the advertising world is that a company's brand is not what the company says, rather it is what others perceive it to be. When the brand no longer reflects the evaluation of the products and services, then rebranding is essential for the continued success of the company. As competition heats up and sales start to cool down, companies often seek to breathe new life into the brand through rebranding. Rebranding occurs when a product or service developed with one brand, company or product line affiliation is marketed or distributed with a new and different identity. It is usually more than simply a change in the brand's logo and other superficial changes and should involve radical changes to the brand name, image, marketing strategy, and advertising themes. In order to complete rebranding, several areas should be reviewed including positioning, personality, clusters of values, logo, company, identity and vision prior to the building of a brand. Rebranding can take place for a new product, a mature product, or even developing products.

In some cases, a total rebrand may not be necessary, but rather a partial rebrand. When a brand has been firmly established, it may be outdated or needs refreshing due to new products or services, partial rebranding may be more appropriate. It is critical that the brand value that has been developed over the years not be eliminated. Subtle changes to update it may be all that is necessary to get the message across and revitalize sales.

It is important to differentiate between rebranding of a product versus repositioning of a product. Repositioning may involve a change in any of the marketing mix elements in an effort to respond to declining sales or market share. The goal repositioning is to target existing products at new markets or segments. Repositioning may be part of a rebranding campaign. In contrast, rebranding should involve a total change to fundamental company elements such as mission statements, values and widely recognized logos in an effort to have the company's brand accurately reflect what it offers.

The cost of rebranding varies - depending upon the size of the company and the extent of the rebranding effort.

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WHEN SHOULD REBRANDING OCCUR?

Rebranding is appropriate and essential under several circumstances in order to ensure success in product and service delivery. Often, a company has adapted their products to keep competitive in the market place to the extent the company's brand may no longer accurately reflect what it offers. In the case, a minor brand overhaul is necessary, Pitney Bowes is an example of a company who started as a postage meter company and bow offered a variety of services related to document and mail management as well as software that powers MapQuest and GM's Onstra. Pitney Bowers required rebranding in order to have the company's brand accurately reflect the evolution of its products and services.

A large quantity of acquisitions or merging of companies may require rebranding in order to adequately reflect the new, larger company. When AT&T was acquired by SOUTHWESTERN Bell in 2005, corporate leaders knew rebranding was required in order to reassure existing customers that everything they liked about the old companies would remain. When Manpower of Milwaukee made several acquisitions and moved from a temporary employment agency to a broad based employment services company specializing in recruitment, assessment, training, outsourcing and consulting, they recognized that an extensive rebranding process was required in order to effect changes necessary for the bigger and better company.

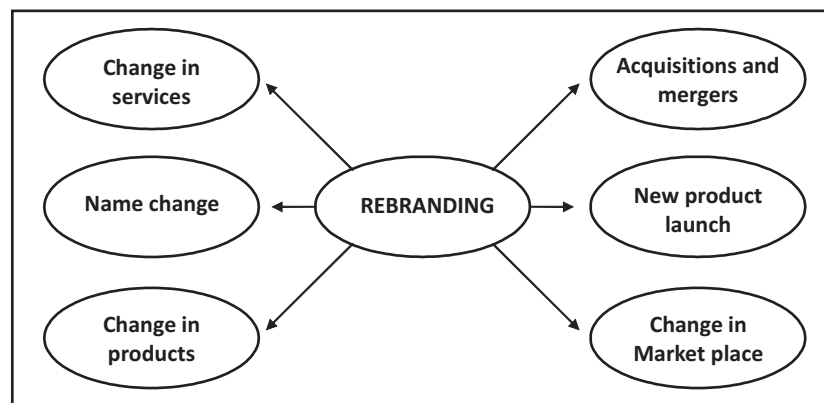
Another reason behind rebranding occurs when a change in services takes place within a company. Racquetball and Fitness out of San Antonio began as a health club. Through the years, it began to offer many more activities such as children's facilities, state of the art audio visual equipment, plush locker rooms and other customer amenities. No longer just a fitness club, the company pursued rebranding, including a name change to Spectrum, in order to reposition itself.

The marketplace itself may change, precipitating a need for a rebrand. Neenah Paper realized its marketplace was changing and it needed to rebrand its products to effectively market to a wider audience. This eventually led to a 30% increase in the environment product line for the company.

When the association for the Cure of Cancer of the Prostate had a name change to the Prostate Cancer Foundation, it required a makeover for the overhaul of the promotional material. This rebranding effort resulted in an increase in the donor base by 35%.

The launch of a new product would be justification to create integrated rebranding campaign in order to communicate the brand message consistently across many platforms. Even though the campaign was not successful, the marketing of New Coke is an example of a rebranding campaign to launch a new product.

Figure 1 : When Is Rebranding Necessary?



IS REBRANDING NECESSARY?

Contradictory opinions exist regarding the process of rebranding. One is that rebranding is essential for business success; to evolve the brands so as to make sure that it keeps abreast of the competition, and meet the consumers ever changing preferences. The other side of the coin depicts an opinion that rebranding should be avoided at all costs. If brands like Kodak and Coca Cola can be market leaders, why should rebranding ever be considered? Generally, many companies consider rebranding as a '*Cosmetic Work Out*'. When companies fail to establish one brand, or companies whose brand had been through any kind of scandal, may go for a rebranding process. Here, the intention is to erase the

previous brand image and establish a fresh one. Some others have positive reasons; like mergers, or a company that is expanding its product line.

Rebranding can be successfully applied to new products - those that are still in the process of development or even to mature products. As this is a very complex process, utmost care must be taken. The new brand should be launched with much empathy and care. This involves a methodical process of proper strategy, personal interactions and memorable visuals.

ELEMENTS OF REBRANDING

Successful rebranding takes time and extensive planning to be done correctly. Too many companies are impatient to see results and do not fully engage in the complete rebranding process, which often leads to disaster. In order to be successful, several steps must be followed when a company decides to rebrand.

ELEMENTS OF A SUCCESSFUL REBRANDING PLAN

- ✿ Research
- ✿ Leadership Engagement
- ✿ Organizational Wide Involvement
- ✿ Communication
- ✿ Training
- ✿ Brand launching
- ✿ Evaluation and control

✿ **Research:** The first step in rebranding is to conduct extensive research in order to know what direction the rebranding must take. Current and prospective customers should be at the front and center when finding solutions. Most importantly, research should be based on the customer, not the product. From this research, a plan should be developed, covering situation analysis, objectives, target markets, budgets and resources, timeframes, responsibilities, and controls.

✿ **Leadership Engagement:** Once a plan is developed, it is essential in any rebranding effort to get the backing of leadership. Without it, you are doomed to failure from the beginning. With the CEO's commitment, the staff can see that the real rebrand supported by leadership is credible. The staff is not interested in investing their time unless they know the people at the top are serious about it. Rebranding is not cheap. Leadership owes it to the company to support any rebranding effort. As soon as the possibility of rebranding gained momentum in 2003, the company's top manager to find out their interest, collect input and secure their buy in. without the rebranding would not have occurred.

✿ **Organizational Wide Involvement:** The next step in rebranding is to ask from all level, for inputs within the company. Everyone must feel that they have had their chance for input before they can support and own the process. When USD Rural Development begins research with its rebranding process, it interviewed numerous field and national staff as well as customer focus groups in seven states. Manpower's entire US workforce was involved in the workshop to determine how the tenets of the brand would be woven into business processes and behaviour. Organizational wide involvement generally translates into organizational wide success.

✿ **Communication:** Communication is essential in the rebranding process to inspire employees to embrace and own the new brand. Employees need to hear first what their customers will eventually hear in order to be prepared for questions and in order to help employees internalize the new brand. Communication efforts generally cater around speeches by executives, screen savers, e-mail campaign, internet pages, voice message, blogs, and other tools used to get the message out to the employees. Posting notices in the break room is another way to inform employees. When manpower begins its communication efforts, employees found a different postcard accompanied by a small gift on their desk each morning. Each post card contained a key brand attribute on one side and a related question on the other. Nothing spells by in like gifts and prizes. Using creative ways to get the message across generally gains support and commitment from the staff.

✿ **Training:** Once leadership and staff are committed to the new brand, training is essential to ensure employees fully understand the reasoning behind the change and how jobs and behaviour must employee engagement altered to fit the new brand. In order to ensure continuity within the company, line managers and human resources should be trained to

become trainers, who can then provide training to other employees. Separate sessions are recommended when a company has employees who are non customer facing and employees who are customer facing. Companies should not make the mistake of thinking that the training ends once the new brand is launched. This should be ongoing and is particularly important for new employees during the orientation session.

✿ **Brands Launch Events:** Immediately before the new brand is unveiled to the customers and the public, special events should be held to commemorate the launch. Spectrum spent a day training and communicating with employees at Six Flags Fiesta Texa in San Antonio. All 500 spectrum employees and their families were given free tickets and parking passes to the theme park. All employees attended an all staff meeting at the park's theater in the evening where sessions were presented on marketing, operations and human resources. Employee events should be designed to create energy and excitement, which the employees carry with them to the work place. Deliver the message in as many ways as possible in order for it to become reinforced among the employees.

✿ **Evaluation And Control :** As with any marketing plan, rebranding doesn't end after the product launch. Marketing activities as well as sales statistics must be monitored and evaluated to determine success and the need for changes. Control mechanisms must be in place to ensure planned activities are on target. Once the assessment is completed, it should be determined whether the plan is a success or alterations need to be made. For this reason, evaluation and control should be performed on an ongoing basis.

MISTAKES MADE WHEN REBRANDING

According to Paul Byrne, Smart Circle International's Chief Marketing Officer, the key to any rebranding effort is to determine what you do, who you do it for, and why you do it. The answers to these questions should guide all rebranding efforts. When these steps are not taken, mistakes are made and rebranding often fails. Some of the top reasons rebranding is not successful are outlined below:

✿ **Lack Of True Change:** It is important to remember that rebranding signals change. Your brand is more than your brand- it is more than your logo or corporate colors. Simply repackaging the goods and providing some new designs will not get the results you need. Putting a new cover on an old book doesn't make it new. Brands include everything from customer perception and experiences, to quality, look and feel, customer care and retail and web environments. Make sure the changes instilled are all encompassing or customers will catch on quick and make a fast departure.

✿ **Clinging To History:** The world is changing at a rapid pace and companies need to change at the same pace or they will get left behind. It is important to remember that the assumptions that had been made when the brand was established may no longer hold true. New research should attest to that fact. In addition, new and innovative ways are available to promote products including online advertising, behavioral targeting to identify online users interested in your product, online blogs to promote products, mobile devices to text messages, pod casting and buying infomercial ads for VOD (video on demand) customers. Depending on the target market, new media may be required to reach the customers and historical methods may be useless.

✿ **Launching Without A Plan:** Effective planning must take place in order to keep everyone focused and on target as the rebranding process progress. As discussed previously, plans should include sections for analysis, objectives, target markets, budgets, timeframes, point person and methods for assessing results. No plan-no direction-no success.

✿ **Lack Of Quality Research:** Research is required in order to be able to establish a plan for rebranding. Current and prospective customers must be involved when creating solutions. Knowing customer attitudes and desires is essential in order to deliver the product they want in the way they want it delivered. In addition, research should be interpreted correctly or the rebranding effort can take a wrong direction. Coca Cola performed extensive research but discounted a portion of it, which ultimately became a very important foreshadowing of things to come.

✿ **Ignoring The Brand Equity:** By ignoring existing brand equity when rebranding, the company faces the risk of alienating and subsequently losing existing loyal customers. This was evident during the attempted rebranding of Coke. The company assumed all customers would like and want the taste of new Coke because they didn't understand the extent of the current brand loyalty. AT&T took this into consideration after merging with Southwestern Bell to ensure customers were comfortable and unconcerned about any loss of services.

✿ **Basing Rebranding On Advertising:** Rebranding is not simply repackaging the products, neither is it simply the

advertising campaign. Brand strategy should be the core item leading advertising. Advertising should not lead brand strategy. Interestingly, some rebranding efforts may not include traditional advertising. Make sure the rebranding campaign is more than advertising or nothing will change for the company.

✿**Lack Of Internal Alignment:** United Airlines performed research, paid a lot of money for an extensive advertising campaign, and made a promise to customers in an effort to rebrand the company. Unfortunately, they failed to implement the plan throughout the organization, which resulted in a failure. Rebranding must signal change and that change must be acknowledged throughout the organization including sales, finance, engineering, customer service etc. A brand is not something you have, it is something you do. As a result, unless every department understands and delivers on the promises outlined in the rebranding efforts, not much will change and it may do more damage than good.

✿**Failure Of Leadership To Embrace Rebranding:** Unless the leadership supports the effort of rebranding and demonstrates it by living the brand, rebranding will fail. The CEO must be responsible for the driving changes in all areas of the company. As the one responsible for setting the vision and leading changes, the company head must ensure the product, service, people and resources are aligned to deliver on the promises.

✿**Not Experiencing What Your Customer's Experience:** The best way to know if a rebranding strategy is working is to walk in the customer shoes. Call the company's 1-800 number to see what services have been received. Buy a product and try to return it. Visit the company website to see if it is easy to navigate and order the product. Solicit feedback from the friend and relatives who use the product and services. So be a customer and see if the experience is positive. If not, reexamine the rebranding strategy before it is a complete failure. Rebranding efforts should be evaluated on a continued basis.

✿**Believing Rebranding Costs Too Much:** The cost of not rebranding may far outweigh the cost of rebranding when a company requires rebranding in order to remain successful. Depending upon the extent of the rebranding process, good thinking and solid strategy come from in house and small and talented branding agencies. Small businesses can take advantage of university students. Sometimes, you need to invest a little to get results- rebranding is one of these times.

✿**Not Planning For Adaptation:** The final presentation is not the end; it is just the beginning of a successful rebranding effort. The implementation process may require several changes as the rebrand takes place. During this time, feedback and evaluation are essential. The team and any consultant need to remain together throughout the implementation in order to address any change which may be needed. For this reason, evaluation and control are an essential part of any rebranding strategy.

CONCLUSION

Successful companies know that at some point, rebranding may be an option they need to embrace to ensure the continued success of their company. The ability to rebrand when necessary has become a way of life. Britney Spears is the perfect example of a celebrity who was introduced as a teen sensation, rebranded into a sexy, pop culture singer, rebranded into a wife and mother and is now in the process of rebranding once again into something we have yet to discover. Rebranding takes place for just about anything.

As branding trends continue to evolve, rebranding success depends upon the ability to adapt to the rapidly evolving media environment and taking advantage of new opportunities to reach the target audience. In order to remain competitive, companies will need to embrace the “Hot” media to spread the message to the younger and techsavvy customers. New method includes blogs, podcasts; mobile phone based programming and the social networking sites. However, a balance must be maintained with the traditional method of media in order to reach and retain the existing customers.

In order to rebrand successfully, key steps need to be taken in the process. Companies who embrace the elements of rebranding usually are able to obtain their goals. Companies who failed to address all the elements of rebranding often make a mistake and succumb to failure.

So does the branding work? Yes and no. It works when it is based on the quality information, has the support of leadership and employees, is well planned, provides adequate training, is integrated throughout the whole company, has a well balanced multimedia advertising campaign that communicated the brand message consistently across

multiple platforms, is customer driven and is evaluated on an ongoing basis to determine if alterations are needed. When these elements are not present, the chance of rebranding success diminishes rapidly.

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