

Rebranding process and strategies to success marketing essay



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However, the role of rebranding is usually misunderstood and undervalued that many think it is just a simple change in brand name and logo. Also, Balmer and Greyser (2003) note that academics identify that managers regularly fail to comprehend the essential of corporate rebranding, and frequently only focus on PR strategy to quickly reposition their corporate brands (ibid). Besides, rebranding (Muzellec et al., 2003) is judged to be a time-consuming, very costly and high-risk strategy that more often leads to failures. Its risk threats potential of marketing power in brand equity (Dunham, 2002; Stuart and Muzelec, 2004), loss of choices, loyal customers, and market share. Moreover, Hatch and Schultz (2003) stress that corporate rebranding can be a challenging procedure. This paper will examine that rebranding is not just changing brand name and logo or PR-focused. It involves in many branding process and strategies to encourage customers to reconsider about the brand. Moreover, example of successfully rebranding of LEGO will be given to show that rebranding is a suitable choice to drive better firm in long run.

Role of rebranding

To understand an actual role of rebranding, the definition of it should be given. The word rebrand is a combination of two terms: re and brand. Re is defined as the prefix used to form an ordinary verb that means an action of doing over or doing something for a second time (ibid). The American Marketing Association offers a description of brand as ' a name, term, symbol, design or a combination of them intended to identify goods or services of one seller or group of sellers and to differentiate them from those of competitors' (ibid). De Chernatony and Dall'Olmo Riley (1998) note that

this meaning emphasizes on the differentiation of corporation's activity by name and visible identity strategies. Therefore, A characteristic of rebranding is an reestablishment of a name, term, symbol, design or a mixture of them with the aim of raising a differentiated or new position in the mind of both stakeholders and competitors. It can be elucidated that rebranding is a strategy that changing more than a brand name. From the first part of, it indicates to converts in marketing aesthetics, by evolutionary adjustment of the logos and slogan to the revolutionary formation of a new name (Stuart and Muzellec, 2004). Apart from name change, the second part to be reformed is the positioning of the brand.

Reason to do rebranding

In the face of changing environments and forceful rivalry, a brand needs progressing regeneration to certify continued relevance and not disappearing from the market that benefit for long term management (Feder 1998; Knox & Macklan, 1998, Beus and Matanda). Revitalizing the brand also strengthen brand meaning and brand equity Muzellec and Lambkin's (2006). With a relevant, enduring, and credible promise of value, rebranding open an opportunity to reinvent clear unique favorable brand identity and strong brand image, which help the brand can be seen as an innovator and thought leader among industry. Subsequently, it easily to capture a position in the consumer's mind and create awareness. Then, There is a chance to convert customers' perception and attitude to get brand satisfaction that enhance or regain the corporate brand equity. Moreover, Ghodeswar (2008) mentions that a robust brand identity that is well comprehended and experienced by the clients can bring distinguishing the brand from race,

raise customers' trust and loyalty, and attain growth. Schmitt and Simonson (1997) also outline that unique and compatible brand identity can add value to business products and services, and may be able to charge a price premium.

Rebranding Process and strategies to success

As already mentioned, rebranding has its risks. When a new name is launched, the old name has to be abandoned. Horsky and Swyngedouw (1987) state that this might annul years accumulated of goodwill in the form of name credit, positive brand images, and routinized buying behavior. Nonetheless, there are processes and strategies lead a corporate to generate a well-established and strong clear image practice, which, with deliberateness, will be able to accomplish in rebranding that worth an effort.

In regard to the rebranding method, Muzellec and Lambkin (2006) design a model of rebranding. As seen in the figure below, it includes two goals that are to create new brand image and to reflect new brand identity. There are two accentuated participations in this model; internal employees, involving in creating the cultural image, and external stakeholders, involving in creating the image.

Figure 1. A Model of the Rebranding Process (source: Muzellec and Lambkin , 2006)

From the process of rebranding, in order to be success, the prior thing to be concerned is to analyze the cause of rebranding to set an explicit objective.

Next vital step, which is a fundamental of new identity and new image creation, is (Merrilees and Miller, 2008) a design re-vision of the brand

centered on understanding of the customer to meet both current and
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expected desires. The corporate brand identity has to be redefined, in reply to crucial variations in the company's structure, strategy, and performance (ibid). Brand identity is composed of a core and extended identity (ibid). Core identity generally involves product attributes, service, store ambience, user profile, and product performance. Extended identity is interlaced over brand elements controlled into consistent and meaningful sets that deliver brand composition and brand personality, relationship, and emblem association. Aaker (1996) states that one key to build a successful brand is to know how to strengthen a brand identity by identify what the brand stands for and excellently mark that identity. Moreover, a brand position, which is a main factor in rebranding development, is also a part of the brand identity and value scheme that is to be conveyed to the target market. The positioning is used to demonstrate a brand benefit compared with rival brands. Thus, the repositioning is a method of altering the identity of a brand and /or products relatives to the competitors' identity. However, it should be highlighted that rebranding should balance core belief of the corporate brand and brand progress correlated to modern circumstances. The core brand concepts and (Kapferer, 1997: 334) memory should not be renounced in order to build a bridge from the traditional corporate brand to the improved corporate brand. In the other word, the brand must allure new clients with a fresh, motive experience, whilst, at the same time, keep the existing customer base. Then, the aesthetic brand or creations of new corporate names, underpinned by anew corporate brand vision and new corporate brand values (ibid), have to be strongly rebuilt such as new name, new slogan and so on. After a unique positioning and aesthetic elements are recreated, they have to be clearly communicates through effective media use. The heart of rebranding is

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communication to convinced stakeholders about the change. Rebranding decisions need to be based on valuable research in stakeholders' prospects to the new corporate brand and their view as fundamental to the organization's identity (Gotsi & Andriopoulos, 2007). In addition, firm can express its distinctiveness in the connection with stakeholders by usage of holistic framework to combine the firm's activities and its vision. (ibid). Furthermore, to develop the stakeholders' commitment, the company should pay attention on internal marketing. Mitchell (2002) mentions that internal branding is crucial in promoting the new brand to workforces within an organization because it generates superior harmony between internal and external brand messages. Employees are participants who play a major role in the internal communication of rebranding or called "inside-out" approach (Ind, 2003). They are committed to send product quality and knowledge or satisfy customer by in-store experience. The more organizations positively encourage employees, the more customers receive the brand promise (Punajaisri, et al, 2009). Scholars prescribe that firms should set a compelling vision and clear brand values, plus they should use their internal communication channels to "live the brand" (Balmer, 1995; de Chernatony, 2001; Hatch and Schultz, 2003; Van Riel and Balmer, 1997). Therefore, it is indispensable to involve staff in every level from a very early step in drafting the marques and implications of the new corporate brand. To effectively deliver a revitalized brand from employees to customers, organizations need to ensure the proper of employment, guidance and incentive (Zeithaml et al., 2006, cited by Jevons et al., 2005). The new brand concept is certainly represented through integrated and coordinated marketing mix. Product or service design, customer service, distribution, pricing, promotion and

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relationship management, must be integrated. Promotion or communication is a heart of rebranding to build awareness of the modifications to stakeholders. Public relations may be used when the purpose is to adjust attitudes. Finally, Lomax et al. (2010) adds a final step of rebranding that project management team should monitor and control the rebranding result.

There are two degrees in the process of rebranding, which are evolutionary and revolutionary. Evolutionary is a gradual change in the company's positioning and aesthetics. It is used for a hardly perceptible to outside observers' case. This process will take time to cumulate adjustments and innovations. Kaikati and Kaikati (2003) suggest two strategies can be adopted in this type of rebranding. Firstly, phase in/phase out strategy, during the phase-in stage or introductory period, the new brand is tied in some way to the original brand. After a transition time, the old brand is gradually phased out. Secondly, translucent warning strategy, it relies on varying clients before and after the actual brand name adjustment intensive promotion, in-store display and product packaging. . Revolutionary, in contrast, refers to a chief, recognizable conversion. Refer to Kaikati's strategy, company can adapt the Sudden eradication strategy in revolutionary rebranding. It is another interesting option that involves changing the old brand name to the new brand name immediately. This strategy is suitable when the corporation wants to dissociate itself because its " old" image does not likely have a chance to resuscitation. Nevertheless, firm have to develop a well-planned policy for conduct the expiry and funeral of their elderly brands.

The successful rebranding case study: LEGO

In 1932, Ole Kirk, a Danish carpenter, found the LEGO brand. The brand name, which means ‘ play well’, is fairly significant for the firm vision, and then has become an icon brand for generations of children. LEGO toy has value as it encourages imagination and creativity. In the beginning, the toy was made from simply wood with a company concept “ Play and Learn” (LEGO Company Profile, 2009). Afterward, it was developed to the ‘ stud and tube coupling system’ that offering freedom to build new formations. Over the years, LEGO has evolved in physical figure and form of the blocks as well as brand personality, image and values. As a result, has been considered to be a strong and powerful brand supported by Fortune Magazine and the British Association of toy retailers named LEGO the “ Toy of the century “

However, There is no rose without a thorn, in the 90s, trends in the toy industry were changed by technology improvement that children prefer to play new and innovative video games. Thus, the classic bricks play became old-fashioned. Additionally, at the end the 90s decade, LEGO faced competitors that copied its bricks and sold cheaper which also decayed LEGO revenues (Franzen & Moriarty, 2008: 234). Also, both the company and the clients dropped attention on the brand because the company kept launching brand extensions and expansion into different markets such as theme parks, children cloths, electronic games and so on that too much connected to its core product. Due to all of the reasons, the result of Brand Asset Valuator (BAV) was shown that the characteristic of the brand was fading (Lauwaert, 2009). Consequently, LEGO attempted to recreate its core brand essence.

The rebranding process, solutions found and implementation in stages

First of all, in 2001, LEGO created a task force to analyze the state of brand and come with corporate rebranding strategy. The task force discussed with proprietor, workers, and stakeholders to find organization's value, brand heritage, and brand image. It was found that the company concept was “ construction with building bricks as assembly” and, after carefully analyze, the company decided its new brand identity to “ stimulate creativity “. The creativity provided a new image of dynamism endless possibilities of fun as figure beneath.

Figure 2. Reinterpreting the LEGO brand identity (source: Schultz et al., 2005, p. 169)

Likewise, The brands below the LEGO umbrella were reorganized based on four platforms, revealed through figure 3. (Taylor, 2004)

Figure 3. New LEGO Architecture (source: Taylor, 2004, p. 131)

The LEGO Group declared that the LEGO salvage plan had three principal goals: (1) form an explicit way and radically alter the business model, (2) develop more competitive by centering on customers and (3) trim the non-profitable actions and reduce the hazard level (Annual Report LEGO Group, 2004).

Lego's rebranding process took seven years, started in 2004 (Lauwaert, 2009). It was divided into three phases as presented in the given figure.

Figure 4. Rebranding plan for seven years (source: Annual Group Report, LEGO Group, 2007)

According to the procedure, LEGO decided to sell the LEGOLAND parks in order to remove some products from the brand portfolio. Besides, LEGO tried to connect with consumers online and reached LEGO fans. It, eventually, built many modifications in brand image. Consequently, the company has got sales growth and revenue growth since then. From the financial evidence enclosed in the LEGO Group Annual Reports, it can be said that the firm has regained financially.

conclusion

To sum up, to be successful in rebranding needs more than a recondition logo and name. It involves with revision a whole company to rearrange perception along with attitude of clients, investors, employees and others. However, it should be highlighted that successfully refurbished have to combine both well combination of modern styles and celebrating history. Also, after the rebranding goal is accomplished, it is necessary to control and stay on the track or not gets lazy on maintaining sustainable growth. Through astuteness marketing and a quality control, many firms can exposed innovative techniques to recover their brands and in some cases, created them solidier than ever. As the example of LEGO rebranding case, it survives from the surrounded technological and innovative toys. Thus, it proves that, in the decline stage, while the image is outdated and the competition is arduous, rebranding is the answer for living.