

What are the potential benefits of rebranding marketing essay



This paper aims to review the Rebranding attempts taken over so many companies & evaluates them with the purpose of gaining knowledge & to understand the subject of Brand Revitalization.

A brand owner reinvents the brand with the goal of updating or reviewing based on external or internal circumstances.

Rebranding is often indispensable after a Merger or an Acquisition or if the brand has outgrown its identity or marketplace. The resolution to rebrand is about much more than just a change of logo, and should not be taken casually - it means making a change to the very core values and offerings of a company.

The risks of a rebrand can be enormous, but get it right and it can enhance and refresh a business and this study aims to take cases of various such Indian companies who have undergone transition in recent times and analyze them.

Today in this corporate world, the scenario is fast changing with new technologies, mergers & acquisitions & production ramp-ups. Consumers are no more ignorant of the products they are buying but they are conscious of the Brands, Brand Equity & value for money. Hence companies have realized this & have gone in for rebranding time & again. This paper aims to review some of the recent cases of rebranding, what pattern can be drawn out and to find out whether a rebranding exercise gives enough Returns on Investment or not.

Purpose of the Study

To understand what is Rebranding & when does the need arise

To understand what does Rebranding involve

To analyze various impacts of Rebranding

Promotional Strategies adopted during Rebranding

To understand the benefits of Rebranding by analyzing the cost involved & the payback

Significance of the Study

This study helps in understanding a very important aspect of creating Brand Equity. Sustainable development of a brand is necessary & rebranding helps to do that. Also, some recent cases of Branding have not been analyzed and this study shall help in maintaining a record & reference for the same.

REVIEW OF LITERATURE

Rebranding

What is Rebranding ?

Rebranding is the Brand revamping, re-positioning & redesign of the existing brand in order to meet long term strategic goals.

It encompasses various changes such as changing the Brand name, the Identity, the logo / symbol, image & imagery, the strategy - both marketing & Advertising. Rebranding is not just a transformation in the visual identity of a brand , but it means to change the effective overall strategy of a brand for a service or a product.

<https://assignbuster.com/what-are-the-potential-benefits-of-rebranding-marketing-essay/>

Rationale for Rebranding

It is a means to send a signal to the marketplace that there is a change in something about the organization which may be because of :

Aligning Product Strategy with overall Company goals & strategies

The Emergence of New competitors

Moving the brand upmarket

Development in new technology

New Development in the Marketing Environment

Change in Customer Needs, tastes & Preferences

Clearing a Negative Association with a particular Brand/ Product/ Service

But always the prime reason for the company to do so is to communicate to the mass a fresh new message, a new appeal, a new zeal , a new evolution, or the new Heads of the company wish to communicate.

Rebranding can also result from situations that arise during Emergencies, Crisis, Corporate Restructuring or bankruptcy.

It happens almost in every Product/ Service category that once front-runner in the category like - Voltas, Zenith, Bournvita, TWA - Have seen a fall & hard times because of different issues. But after effective Rebranding, brands such as Volkswagen, Axis Bank, Onida, Vodafone have bounced back prominently.

Classification :

Rebranding can be classified into two types :

Corporate Rebranding

Product/Service Rebranding

While Rebranding what needs to be considered is :

What are the sources of Brand Equity?

Shall positive associations lose their strength or USP?

Will negative connotations be linked to the brand?

Decide on the positioning, whether to keep it same or Reposition?

And finally Deliver what you Promise

Rebranding Strategies may range from “ Back to basics” strategy to “ Entire Reinvention” on the other hand and many combinations in between the two.

C: Documents and SettingsManan MehtaDesktop00. jpg

The effective study of Rebranding can be best studied with the cases of the best rebranding of the current times :

Airtel

Videocon

Star Plus

HLL to HUL

Bank of Baroda

C: Documents and Settings\Manan Mehta\Desktop\airtel. jpg C: Documents and Settings\Manan Mehta\Desktop\airtel-new-logo. jpg

Bharti Airtel , India's leading Telecom Services Provider , recently unveiled its revamped Brand on November 19, 2010. This has been launched in the 19 countries globally that Airtel operates in.

Sunil Mittal, the Chairman & MD of Bharti Airtel, said that this rebranding was to make Airtel have a single, unified & powerful global reach to their customers, stakeholders & business partners and have the grander experience for its 200 million customers worldwide. It was mainly because of its acquisition of the Zain Group of Africa that it was operating now in 16 countries in the continent.

Brand Revamping included :

i) New Logo

- Designed by Brand Union, a London Based Agency,

ii) Signature Tune

- By A. R. Rahman ,

iii) Commercials ,

iv) Online Presence.

<https://assignbuster.com/what-are-the-potential-benefits-of-rebranding-marketing-essay/>

The Research among the Social Media People for the level of acceptance for the Rebranding exercise of Airtel, was carried out by Brand Monitor Team at Position which got a mixed response as follows :

C: Documents and SettingsManan MehtaDesktopnews-sentiment. png

C: Documents and SettingsManan MehtaDesktoptwitter-sentiment2. png

C: Documents and SettingsManan MehtaDesktopblog-sentiment. png

The promotion strategies include :

Media Conferences

New series of Television Commercials

Sponsoring Cricket Tournament

Airtel Brand Awareness campaign in Stadium Stands

Print, Outdoor & Radio Media

Comparison Created which gives a negative connotation about the Logo since it looks like a merger of the Videocon & Vodafone logos.

So, overall the Rebranding exercise which took about 300 Crores on the extensive promotion was not so well-accepted by the secondary stakeholders. C: Documents and SettingsManan MehtaDesktopcustomer-logo-thumb. png

C: Documents and SettingsManan MehtaDesktopphoto. cms. jpg C:
Documents and SettingsManan MehtaDesktop110521-271549-
videocon_logo_detail. gif

In July 2009, Videocon underwent Brand Revitalization. The New Refreshing Identity focuses on developing latest technologies with stress on value perception , innovations as well as quality of the highest standard. The “ V” represents two cartoon characters “ Chouw” & “ Mouw” conceptualized to create a strike with the young audience & the green is to symbolize Videocon’s ecology drive.

Brand Revamping Included :

New Logo

Designed by Interbrand Singapore

New Tagline

Experience Change

New Mascots

Created by McCann Erickson , Delhi

New Strategy

Online Presence

To respond to the changing market dynamics in India & Overseas, Videocon has adopted this change with a constant endeavor to listen and that is the rationale from where Videocon gets Inspiration to Rebrand itself.

The Positives that work in Videocon's favour are :

Right Target Market Segment

Right Timing

Fresh Appeal

Good Launch Platform

The Promotional Strategies of Videocon include :

Brand Identity Unveiled by Brand Ambassador Shahrukh Khan in US , a major potent market for Videocon

Five Short Television Commercials with its mascots

Revamped Digital Presence

E-Selling through Web Channel

Conventional Media Promotions

The following Smart art shows the Brand Revitalization model as suggested by Keller. The Green Path is what has been Adopted by Videocon :

Thus the Repositioning exercise has definitely helped Videocon to be better & wiser.

3.

C: Documents and Settings\Manan Mehta\Desktop\star-plus. jpg C: Documents and Settings\Manan Mehta\Desktop\Star-Plus-New-Look-200×160. jpg

After Star Plus was dethroned from its Numero Uno position by Colors & it slipped to Number 3 Rank, the need for Revamping came into Picture. The Channel as shown sported a blue logo , which was an extension of the Star India Corporate Logo. Somehow, the feel of it was reducing the relevance to the young viewers in the youngest country of the world.

From 12th July, The Star TV network rebranded its flagship channel. The President of the group states that this activity would reassure stakeholders, joint-venture partners as well as advertisers that the brand is being energized, which always would bring Television Rating Points at the end of it.

Rebranding Included :

New Logo

Designed by UK based firm, Venture 3

New Signature Tune

Composed by Shankar Ehsaan Loy

New Tagline

“ Rishta wahi, soch nayi”

The change was reflected in everything, the content creations, the brand solutions, the business provided to the advertisers & the distributors. The new colour represents optimism, energy, prosperity & celebration which align with the core values of Star Plus.

The Promotional strategies include :

Logo Unveiled amongst fanfare at the annual Star Parivaar Awards

Ooh Campaigns by Streetsmart

Outdoor, Print, Television

Star Plus promotional strategies were focused on activity in Category A & B media, it led the coverage. There were 43 articles that covered Star Plus during the period with lots of contribution from major dailies like TOI, HT, Dainik Jagran, Gujarat Samachar, Business Standard.

Also, 14 articles in Magazines carried cover stories on Rebranding.

Branding a Channel at such a level involves a lot of detailing since an emotional connect is associated with the Brand. Research seems to have ascertained that Star Plus has succeeded in its endeavor and has bagged the number one position once again.

Star Plus Investment : Rs. 18 Crores

4. HLL to HUL

India's #1 Fast Moving Consumer Goods Company HLL in June 2007 declared that it would officially incorporate the name of its Parent Company Unilever Pvt. Ltd. Unilever being a Global FMCG major, undertook this rebranding in order to achieve a Global Brand Positioning, without losing the local heritage.

The synergy between maintaining a sense of commitment from the consumers who are attached emotionally to the "Hindustan" showing a solidarity to the Indian Market, with the global alignment of the Corporate name Unilever had to be worked out carefully without any kind of damage towards achieving the goals.

The Unique "U" of the Corporate Logo has 25 different icons which from Sun to Bee to Star to Shells, etc which represent the Vision & Mission of the Company.

Brand Revitalization included :

New Name

From Hindustan Lever Limited to Hindustan Unilever Ltd.

New Logo

Designed by Lowe, Unilever's own communications firm

New Tagline

Adding Vitality to life

In big FMCG players, a Corporate Brand legitimizes the individual products while the Individual Brand Individualizes it to more importance. This is unavoidable in recent times because a consumer needs to have trust on the Corporate for high price and high customer Involvement products.

But also, there is no negative impact involved here since most of the Indians are concerned with the Individual Brands, i. e a Lux, a Surf or a Close-up. So changing a corporate Identity would not make so much of a difference to the end consumer.

The major promotional strategies include :

Press Conferences

Logo featured in all the Products across all categories

TVCs used Corporate logo with Individual brand advertisements

However HUL's reach and penetration in the Rural Market is enormous with about 40 % penetration and 50% of HUL's revenues come from rural markets. Handling the task of changing the mindsets of this population was difficult since the people were familiar with the leaf logo of HLL. But HUL has effectively managed to surpass this hurdle.

5. AXIS BANK

C: Documents and SettingsManan MehtaDesktopclin_03. jpg C: Documents and SettingsManan MehtaDesktopaxis-bank. 264203741_std. gif

UTI Bank is a private sector bank by RBI guideline, and is a subsidiary of the government Institution UTI. In 1994, the UTI brand was given by its promoters to the bank who could use it only till Jan 2008 as per Government directives beyond which it had to pay royalty for using the Brand name to UTI AMC. Hence, after UTI split, several subsidiaries like UTI Mutual Funds, UTI Securities, UTI Bank were allowed to retain the brand name for a while.

But time had come for UTI to leave the brand and it wanted a modern sounding identity. Hence, the recommendation came from several unrelated entities to change the identity & brand name to AXIS BANK. This would avoid the confusion that the UTI brand had generated. Axis would refer to a line of reference, stability & maturity.

The logo portrays a strong growth path for UTI, which is supported by a strong base. Also it indicates that the bank is moving on from a position of strength towards more commitment.

Brand Revamping included :

New Name

New Logo

Created by Ogilvy & Mather (Colour was retained in order to avoid confusion)

New Tagline

Everything is same Except the name

UTI bank went on for extensive promotions in order to communicate the change.

The tagline was kept simple because the Marketing agency did not want to do many things with the rebranding exercise and decided on only communicating the name change

Rebranding also helped the Bank to communicate their Global aspirations along with the change in name.

Also this may have lead to a negative impact on clients who have had a bad experience with UTI bank. Since the Tagline suggested that “ Everything is same” , it would not attract new customers or the old dissatisfied customers.

The promotional Strategies include :

15 Days prior to name change, New name was flashed all over 2500 ATMs all over India reaching about 5 Lac people a day

1, 00, 000 SMS alerts a day

Whatsinaname. in website created and was promoted through Viral Campaign

Extensive Outdoor Publicity worth 10 crores in initial week

Agency placed text advertisements in 128 websites wherever UTI was present

New Television Commercials with twins campaign

Sports events Sponsorships

Net Banking Services

It seems that UTI has invested lots of hard work & detailing in implementing this change which has definitely proved useful for it.

UTI bank's investment : 50 crores

METHODOLOGY

This paper has been written with the help of secondary data available from literature in the books, the journals & magazines & the internet.

Also various reference papers on the above subject were reviewed and a great deal of understanding has been gained from them.

References have been made from various news articles which are present on the Internet which describe the path taken by various companies for Re-branding.

ANALYSIS

Cost for Implementation by the companies for Rebranding (In Crores)

Before

Now

Date

Cost Incurred

Airtel

Airtel

November '10

300

Videocon

Videocon

July '09

200

Star Plus

Star Plus

June '10

18

HLL

HUL

June '07

1273

UTI

AXIS

Jan '08

50

Hutch

Vodafone

Sep '07

200

Birla Plus

UltraTech

Oct '07

200

BSNL

BSNL

Oct '07

90

Thus, a Rebranding exercise runs into Crores for a company & hence much of detailing is required to get it right. Sometimes it may happen that the

company has to get back to its original brand if it is not well received by the people which happened in the case of GAP garments.

C: Documents and SettingsManan MehtaDesktop6_newgap_560x375. jpgC:

Documents and SettingsManan MehtaDesktopGap-logo. jpg

Now, most of the companies who have gone for Rebranding have benefitted.

A company's growth or a research survey could be the only two options how you can find out whether Brand Revamping was a success or not

Profit Statements for some companies before & after Rebranding

Company

Earlier

After Rebranding

Videocon (Quarterly Result)

808

977

HUL

1890

1914

AXIS (Quarterly Result)

500

581

UltraTech

783

1008

BSNL

7800

9939

Now, from these statistics we can see that most of the Companies have always posted profits in green after this exercise and the increase in profits is more than the average growth rate over the years or for that quarter.

For a Service like STAR PLUS , Rebranding proved very useful since it regained its No. 1 position amongst on-air shows with significant media exposures. (over 83 articles a day!)

For June '10

Analysis of turnover of the Rebranded Companies

Year

Videocon

HUL

<https://assignbuster.com/what-are-the-potential-benefits-of-rebranding-marketing-essay/>

AXIS

Vodafone

BSNL

Ultratech

2005-06

5, 664

12, 108

2888

—

36, 090

3, 299

2006-07

7, 580

13, 189

4560

—

40, 176

4, 911

2007-08

8, 710

14, 937

7005

14, 322

34, 616

5, 501

2008-09

10, 105

17. 547

10835

18, 260

33, 702

6, 383

2009-10

9, 381

18, 462

11638

20, 151

32, 045

7, 050

Figures in different colors show the Revenues before & after Rebranding.

Except for BSNL, all the other companies have posted growth rate almost above average. While for BSNL, rebranding somehow was a failed endeavor.

Investment vs. Turnover Difference (before the Rebranding & after it)

Thus from the above chart we can see that almost for all Rebranding efforts, there has been a positive outcome & a good Return on Investment.

CONCLUSION

Clarification of the positioning strategy

Rebranding should always clarify and refine its position. Company's goal in rebranding

should be easy for customers and prospects to understand exactly why it should look forward to the new feel and why the Company should be their first choice - though there are some options in market which are reliable. Reinforcement of the focus, to better define and support the company's expertise in a strong manner.

Doing so, company will be required to draw tighter boundaries around their stated expertise-and that's likely to take them to a task. Conventional wisdom is that more generalized placing gives a company more opportunities.

•

Deciding whether to go for Rebranding or not

Many options are available to marketers against rebranding, some more costly some extensive.

However, so many cases show that if rebranding is undertaken without any detailed research then it backfires. A great amount of company goodwill maybe at stake.

Besides, it is also an expensive and laborious process, tough to execute and implement, and

the final result does not always please everybody.

India Inc evidently does not share that view. There have been so many, eminent name

changes in the past 4-5 years and remarkably, many of these have been corporate re-brandings,

than product or service rebrandings.

“ Rebranding is not just about putting up hoardings and posters to communicate a new

brand name or a logo. The brand needs to convey its new identity at every interface.”

Ensuring customers with the brand living up to its new promises, should be given the main attention by the employees.

RECOMMENDATIONS

Any Rebranding Exercise needs a thorough Primary Research before the transition

This is to ensure that what the customers would feel about the same. Also focus group studies can be conducted to decide on the new themes and the new designs for the brands which will ensure that the Rebranding exercise does not end up being a failure.

Should only be carried out if there is a proven need to modify course

Brand Revamping should be all carried out at once. Also, it needs a right strategy which backs it up and it should not come up with just an organizational fatigue. It may be crucial for some markets and it may serve as a strong comeback opportunity for the dying out companies.

Trade-off between losing existing customers & gaining new customers should be worked out

Some customers may alienate with the company or the Product/Service with the dramatic change in its strategy while some customers may seem interested and associate themselves with the new feel of the brand. This ratio has to be worked out and then a decision has to be made.