# Changing paradigms of rebranding strategies

Business, Company

According to the AMA (American Marketing Association), Brand is a name, term, sign, symbol, design, or a combination of all used to uniquely identify a producer's goods and services and differentiate them from competitors. Specifically, a brand is a name " yahoo. com" logo, jingle ' bus 2 minutes', " Maggie", slogan ' sense and simplicity', " PHILIPS", package design, spokesperson, color Red color," Vodafone" which consumers associate with a specific product. REBRANDING-WHAT IS IT?

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 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, cluster 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 When a brand has been firmly established but may be outdated or needs refreshing due to new products or services, partial Rebranding may be more appropriate.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's 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 in repositioning is to target existing products at new markets or segments. Repositioning may be part of 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.

WHEN SHOULD REBRANDING OCCURS: 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 marketplace to the extent the company's brand may no longer accurately reflect what if offers. In this case, a major brand overhaul is necessary. A large quantity of acquisitions or merging of companies may require Rebranding in order to adequately reflect the new, large company.

When is Rebranding necessary? DRIVERS OF REBRANDING: The two major reasons of rebranding are: corporate restructuring and modifying the external perceptions. The following text highlights more drivers that call for rebranding exercise: • Outliving the usefulness: Sometimes, a brand might outlive the purpose for which it was created. In such a scenario, it is more suitable to change the name of brand and then continue or prune the product depending upon the market requirement. Values change: Sometimes, the value that promoters want to display to the audience through the brands change, and that is why they decide to change the brand name as well. • Mergers and acquisitions: Cases like the merger and acquisitions force the corporates to dawn a new identity for themselves, as it was seen in the case of Air Deccan and Kingfisher. However, while conducting the rebranding exercise, the companies should conduct a thorough analysis of the values and the attributes for which the brand name of the merging companies stand for and then only a new name should be adopted or the old one should be changed. Confused brands: In the case of UTI bank which changed its name to Axis bank, the brand UTI was associated with many other instituted in different streams financial strength, had to go for rebranding. CONSIDERATIONS FOR REBRANDING: • Through analysis of the target market: A company indulging in a rebranding exercise will not like to indulge into the exercise at the cost of its existing customers. Therefore, a thorough analysis of the profile of the existing customers is warranted. The rebranding exercise may attract new segments of the market but should not drive away the existing segments being served by the market. Nature of brand equity: A thorough analysis of brand equity and the nature of its standing in the eyes of its stakeholders should be conducted before going for dropping an already well established name, because if the new name fails to live up to the expectations of the stakeholders, it may result in a huge loss in terms of the sales and goodwill of the firm and through these two elements, on the value of the firm. • Project Management: It is generally the marketing department who takes up theleadershiprole in implementing the rebranding exercise and tries to seek out and surmount the challenges ahead.

However, in many cases, it is the board of directors with the external ad agency who decide upon the rebranding exercise and implement it. • Staff Involvement : The staff involvement is seen at various levels of the organization and they are basically consulted to suggest and brain storm on the new brand name and the like. • Customer Involvement: Though not many organizations go for customer feedback before rebranding themselves, feedback is sought in a more subtle and discreet way from the customers. Since confidentially is a concern for such an exercise, the rebranding campaign was not made more broad based.

OBSTACLES: • Time consuming: Most of the organizations found brand building time consuming and they failed to estimate the exact time for conducting the exercise. • Internal Resistance: Employee morale is greatly affected by the attitudes associated with the organization they work with, so many a times a change in brand name greatly affects theirmotivationand willingness to work for their responses. PREREQUISITES OF A SUCCESSFUL REBRANDING EXERCISE. • Clear Vision: The top management should have a clear vision about the organization and the direction in which it wants to take the organization.

It also should have a fair idea as to what does it want to achieve through the rebranding exercise. • Engagement of staff: The staff should be engaged at all levels across the organization to have a feeling or unanimity and oneness towards the entire exercise. • Thorough Planning: The rebranding exercise should be thoroughly planned and if need be, contingency plans should be prepared for any crisis. Rebranding is a difficult exercise to execute and it requires a lot of planning and a very minute detailed setting ofgoalsand milestones in the execution phase to ensure the smooth implementation of the rebranding exercise. Adequate Resources: Adequate resources should be provided to the organization in terms of manpower, moneyand other resources. The complexity in execution; especially in thecommunicationprocess calls for expert intervention in the entire process and the dispassionateobservationand wide knowledge of the experts becomes a necessary in such projects. • Communication: The communication with the stake holders should be consistent, clear and multilateral to win their confidence towards the entire exercise. Impact on the Financial Markets: A firm exists for the maximization of shareholders wealth and it is therefore very important for the organization, to study the short term impact of the rebranding exercise on the financial markets and the organization should plan as to how it is going to deal with the short term impacts on the stock market prices of the rebranding exercise. TYPES OF REBRANDING EXERCISE: 1) Reiterating: These companies need not change their brand name, their names are strong enough and the brand essence has not changed over a period of years. ) Renaming: Some companies may go for renaming themselves to display the change in the ownership structure and to reflect the new owner’s identity in the name or the logo of the company. 3) Redefining: Some companies may go for redefining the qualities and attributes attached to it. It is done to give the company a new direction and also convey to the stake holders a change in the ownership pattern and the new direction of the company. 4) Restarting: These organizations feel a need not only to change the attributes attached to their brands but also the brand names ltogether. This happens when an existing brand departs from or enters into a new product line. 5) Abstract Brand Name: Companies normally go for an abstract brand name, because their abstraction lends them the flexibility of getting associated with other products also. Moreover, it is also seen that service organizations prefer more abstract names as they want to convey more complex messages than the product based organizations. REBRANDING SUCCESS: Several well-known companies have attempted Rebranding in recent years.

In some cases the Rebranding effort has been all encompassing for the company and in other cases a few changes were all that were necessary in order to ensure success. Hindustan Unilever limited: Hindustan Lever, a 51. 6 per cent subsidiary of Unilever plc formed in 1956, is the largest FMCG Company in India. It operates in two segments -- home and personal care products such as soaps, detergents, oral care products, hair care products, skin care products, cosmetics, deodorants and fragrances, andfoodand beverages such as tea, coffee, wheat flour, salt, ice creams and culinary products.

With a turnover of over US$ 2200 million in 2003, HLL employs over 40, 000 people across the country. Coca-Cola India: Coca-Cola is a leading player in the Indian beverage market with a 60 per cent share in the carbonated soft drinks segment, 36 per cent share in fruit drinks segment and 33 per cent share in the packaged water segment. In 2004, Coca-Cola sold 7 billion packs of its brands to more than 230 million consumers across 4, 700 towns and 175, 000 villages. The company has doubled its volumes and trebled its profits between 2001 and 2004. Coca-Cola continues to re-affirm its commitment to India through active ‘ Citizenship Efforts. All its plants in India partner with local NGOs to alleviate local community issues in numerous small ways. It boasts of impeccable credentials on quality. Coca-Cola has succeeded in spite of an extremely price-sensitive consumer with entrenched beverage consumption habits – tea, nimbu-paani (lemonade) and a fragmented and geographically dispersed retail market, and a high taxenvironment. Intel India: Intel India was established in 1988 in Bangalore, and has now grown to include the maximum number of Intel divisions in any country outside the United States.

India’s increasing IT and engineering talent pool, has ensured that the majority of work done at Intel India is software and hardware engineering; and has also established the Intel India Design Centre, as Intel’s largest non-manufacturing site internationally. Intel has over 2, 000 employees, of whom 1, 200 work at the development centre. Significant market development groups includeeducationand Intel Capital, which helps Intel make strategic investments intechnologyand online start-ups. Intel has invested US$ 60 million in infrastructure in India. REBRANDING FAILURES:

For every successful Rebranding story, there is at least one correspondingfailure. The example given below outlines some of the reasons why Rebranding does not always succeed. New Coke: One of the most infamous rebranding failure stories in history is that of New Coke. On April 23, 1985, Coca-Cola Company took one of its biggest risks by announcing it was changing the formula for the world’s most popular soft drink. The outcry which followed was heard around the world. The motivation behind the formula change was a shrinking market share which the company believed to be the results of its arch rival Pepsi-Cola.

During the 1970’s, the “ Pepsi Challenge” campaign seemed to erode the coke market even further. The company felt compelled to do something as it appeared consumers; particularly the baby boomer market, had a preference for sweeter drinks. Coke experimented with a new sweeter formula and market tests indicated the new formula was preferred overwhelmingly to both regular Coke and Pepsi. A first hint of pending disaster was when focus groups indicated indignation upon finding out they were tasting a possible new Coca-Cola and threatened to stop drinking coke altogether.

Nevertheless, the company relied heavily on the market analysis and research and launched new coke in April of 1985. Initial results were promising but the backlash that followed almost took the company down. The company did not factor in the rich, cultural history tied to the original coke. Even though taste tests continued to indicate a preference for the sweeter drink, brandloyaltywas staunch for the classic coke and consumers boycotted the new coke as a result. With in 3 months, coca-cola was forced to bring back classic coke, which resulted in a resurgence of sales to bring coca-cola to the fore front once again.

Eventually, New Coke became Coke II and is virtually unavailable in distribution today. So what went wrong? Research was extensive, leadership supported the rebranding and an extensive advertising campaign was launched. Perhaps the company should have listened to that minority segment in the focus groups who were offended that Coca-Cola would even think about changing its formula(which it actually did any way when it changed from a sugar sweetness to a more inexpensive high fructose corn syrup sweetener). This was a hint of the cultural backlash that would result, particularly from the southern U.

S. where coke was a part of the regional identity. Perhaps the launch was not successfully implemented. Pepsi was able to strategically maneuver advertising by claiming they had won the cola wars prior to the official launch of New Coke. In addition, Coca-Colas CEO was unprepared for the “

launching news conference resulting in alienation of reporters. He could not answer simple questions about the taste change. What ever the reason New Coke is now history and coke classic with other coke products maintain a lead in overall sales.

Volume for the classic brand has risen 24 percent since1984making it the No. 1 soft drink in the land since 1987. It is interesting how loyal consumers can be to a brand once you take it away temporarily. The rebranding failure actually led to revitalization of the existing brand and a newfoundrespectby company leadership for the " culture" surrounding the original Coca-Cola product. MISTAKES MADE WHEN REBRANDING: • Lack of True Change: It is important to remember that rebranding signals change. Your brand is more than your logo or corporate colors.

Simply repacking the goods and providing some new designs will not get results you need. Putting a new cover on an old book doesn't make it new. Brands include every thing from customer perception and experience 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. • 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 currently or the rebranding efforts can take a wrong direction. Coca-cola performed extensive research but discounted a portion of it which ultimately became very important foreshadowing of things to come. • Ignoring Brand Equity: By ignoring existing brand equity when rebranding, a 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 service. • Basing Rebranding on Advertising: Just as rebranding is not simply repacking the product, 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. • Inability to Analyze the Positioning: The literature revealed that ‘ Repositioning’ is one of the most important drivers for rebranding. Positioning is not what company does with the product; it’s all about what they do with the mind of the target audience, and what customers think about the company. So, it is vital for rebranding to clarify and refine the positioning.

Both the present as well as desired positioning of the company should be apparent. • Lack of Top Level Support: Even though the rebranding may be born in the marketing department, it should be owned and supported by the top level managers especially the CEO. The CEO (Chief Executive Officer) is the only authority who can drive change in all the functional areas across the organization. The CEO needs to set the vision and lead rebranding to ensure that Product, Service & People are aligned and determined to deliver the implied promises through rebranding. CONCLUSION:

As branding trends continue to evolve, rebranding success seems to depend on 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 " hot" media to spread the message to younger and techsavvy customers. New methods include blogs, pod casts, mobile phone-based programming, and social networks. However, a balance must be maintained with traditional methods of media in order to reach and retain the existing customer base. 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 fail to address all of the elements of rebranding often make mistakes and succumb to failure. So does rebranding work? Yes, and NO. It works when it is based on quality information, has the support of leadership and employees, is well-planned, provide adequate training, is integrated throughout the whole company, has a well-balanced multi-media advertising campaign that communicates the brand message consistently across multiple platforms, is customer driven, and is evaluated on an on-going basis to determine if alterations are need.

When these elements are not present, the chance of rebranding success diminishes rapidly. EXHIBITS | IBM | | Old | New | |[pic] |[pic] | Hindustan Lever Limited | Hindustan Unilever Limited | | Old | New | |[pic] |[pic] | Indian post | | Old | New | |[pic] |[pic] | [pic] [pic] [pic] PHILIPS | | Old | New | |[pic] |

[pic] | | COMPAQ | | Old | New | |[pic] |[pic] | HUTCH | Vodafone | | Old | New | |[pic] |[pic] | | APPLE | | Old | New | |[pic] |[pic] | KFC | | Old | New | |[pic] |[pic] | | AIWA | | Old | New | |[pic] |[pic] | KODAK | | Old | New | |[pic] |[pic] | | SATYAM | MAHINDRA SATYAM | | Old | New | |[pic] |[pic] | VIDEOCON | | Old | New | |[pic] |[pic] | | CANARA BANK | | Old New | |[pic] |[pic] | | JET AIRWAYS | | Old | New | |[pic] |[pic] | BANK OF BARODA | | Old | New | |[pic] |[pic] | RELIANCE | | Old | New | |[pic] |[pic] | [pic] BIBLIOGRAPHY: • Kotler, Keller, Koshy, Jha. “ Marketing Management”, 13th Edition, Pearson Education. YLR Moorthi, “ Brand Management, The Indian Context”, 2006, Vikas publishing house pvt ltd. • Bhavishya, The journal of futuristic managers, Jan-Mar 2008. • Dr. M. A. Azeem, Prof. T. Venkat Ram Raj, December-2008,” Rebranding – A business imperative”, Indian Journal of Marketing, Page no: 15-21. • M. Saeed, Ravinder vinayek, Narender kumar, September-2008, “ Rebranding: An emerging brand marketing strategy (Trends, Issues and challenges)”, Indian Journal of Marketing, Page no: 3-10.

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