

THE ST. LOUIS AMERICAN MARKETING ASSOCIATION PRESENTS

REBRANDING A COMPANY OR PRODUCT: WHY COMPANIES DO IT AND HOW?

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by Lon Zimmerman, Zimmerman Marketing Research

The St. Louis AMA recently conducted a roundtable discussion with local marketing executives on the topic of Rebranding. This discussion was the fifteenth in a series sponsored by the AMA.

During the session, the marketing executives discussed their experiences with rebranding. Generally, the discussion focused on why they choose to rebrand and their thoughts on how others might be more successful with their own rebranding efforts.

THE EIGHT PARTICIPANTS IN THIS ROUNDTABLE DISCUSSION INCLUDED:

Joan Angevine
Brand Manager, Product Development
Keefe Group

Matt Siemens
VP of Marketing
Appia Communications

Matt Judkins
Director of Marketing
Laird Technologies, Inc.

Matt Staed
Sales and Marketing Director
Nature's Variety, Inc.

Susan Macheca
Brand Manager
Isle of Capri Casinos, Inc.

Mary Sullivan
Director, Global Marketing
Mark Andy Inc.

Elissa Plastino
Brand Manager
Isle of Capri Casinos, Inc.

Simone Valle
Director, Marketing and Communications
Des Peres Hospital

The roundtable was held March 9, 2011, at the John Cook School of Business of St. Louis University. The session was moderated by Lon Zimmerman of Zimmerman Marketing Research.

The Decision to Rebrand

According to Wikipedia, the free online encyclopedia, rebranding is the creation of a new name, term, symbol, design, or a combination of them for an established brand with the intention of developing a differentiated (new) position in the mind of stakeholders and competitors.

While the change may involve changes to the brand's logo, name, image, marketing strategy, and advertising themes, the main reason for a rebrand is to communicate a new message for the company or brand.

Rebranding can be applied to new products, mature products, or even products still in development. The process can also be applied to the corporation as a whole. In fact, corporate rebranding has become something of a fad in recent days. One classic example was that of rebranding Phillip Morris to Altria to help shed the company of a negative image related to tobacco. Other examples of rebranding include:

- VoiceStream became T-Mobile
- KETC, Channel 9 became the Nine Network of Public Media
- The Gap deciding to go a new direction
- Diet Dr. Pepper became Dr. Pepper Light
- Federal Express became FedEx
- Symantec became Norton SystemWorks

During the Roundtable, participants listed a number of triggers that led to their decision to rebrand within their companies. For some, it was an obvious need following an acquisition or purchase or when sales/profits were declining. Others undertook rebranding because the brand/product had become tired and needed to be refreshed or because they wanted to reach out to a different demographic.

I think the perception of the brand being old and tired is probably one. Sometimes there is an, 'Oh my gosh, we are so old looking that we need to improve.'

We just went through a rebranding of the website. The company who had acquired us, had a website that had not been touched since 2004, so it looked rather dated.

I know one of the things that was cited in the invite was the Gap issue. They changed everything. No rhyme or reason for why they did, just hadn't refreshed it in twenty years. Clearly that was a disaster. The approach we took was to stay true to the old visual branding but update it to

make it just a little bit more modern. We made it so that it would pop a little bit more in the web environment.

Our old branding was just poor. It was really old. It didn't fit. We are kind of a natural company but it didn't look that way. So basically it was an opportunity to grow share, especially with the holistic movement and Whole Foods growing and things like that.

Sometimes the decision to rebrand occurs because profits are decreasing or management wants to increase revenue.

Maybe they are wanting to reach out to a different demographic or expand who their demographic group is. So they want to refresh their brand and give it a new look. Update what have you.

Others feel that the decision to rebrand came from employees or customers not having a clear understanding of what the company or brand stood for.

Sometimes the impetus comes from key stakeholders or employees. Our company has had so many names, maybe five in the past ten years. If your employees are saying who are we? If your customers are saying who are you? Then it's really time to take a look at what we are saying out ourselves.

Right now we are totally redeveloping our products and our brands for our personal care products because we didn't have a good reason for our customers to purchase us over the other products that were available.

According to roundtable participants, the decision to rebrand generally came from top management.

In the case of my company, we were formerly owned by a family. They sold us to a private equity company who brought in new management. The first thing that happened was we've got to rebrand this thing. So in our case, it came straight from the top.

We had a total management overhaul and when they came in, they decided we needed to rebrand.

We started down this way and then new management came in and changed everything. It absolutely was a good change. We needed that. It really was to start appealing, not so much to a new demographic, but just appealing more to our current demographic.

Recommendations for Successful Rebranding

While companies seeking to rebrand their company or products face a number of challenges, they can increase their likelihood of success by following these recommendations offered by roundtable participants.

1) Determine Your Mission

Before starting to rebrand, be sure you understand what problem it is that you are trying to solve. Know what you are trying to accomplish.

Understand the reason why. Don't do it just to do it.

2) Base Rebranding Efforts On Solid Research

Roundtable participants agree that it is important to devote sufficient time and money to understanding the industry, the brand, the customer and the competition. Talk to customers, employees, your distribution channel and industry experts about what they like and don't like about company: its products, services and brand.

What is important is focusing on what the consumers want the brand to be, not what the senior executives want. So we go out and talk to our customers to really understand what things are missing from the products that we are developing right now and what we can do to differentiate ourselves.

We go out and do focus groups on everything down to the music. We test everything, music, creative, menu items.

We are also interested in what our sales channel perceptions are. A lot of the time their perceptions can be way off. That can show gaps where you may have to educate or communicate to your channel because if they don't get it, then delivering on your promise is going to be difficult.

We do surveys all the time among our physicians, our patients. We just finished some surveys of our EMS partners. They are all starting to mesh and say that there is a little bit of confusion within our healthcare community about what we can do and what we can't.

3) Understand That Rebranding Is More Than Changing the Logo

Successful rebranding means becoming a different company, not just changing a name or logo. It involves overhauling a company's goals, message and culture. The marketing executives agree that if what you are communicating as part of your rebranding effort is not what your customers experience, the effort is doomed to fail.

Who are we? To me that is where the branding starts. It's not the pretty pictures and the logos. It's your line staff being able to articulate who you are as a company.

One of the biggest issues that we have is making sure that the internal folks and the partners that I have on the management team are actually singing from the same songbook.

However you are communicating, on TV or radio or whatever, it all comes down to trust. You can say whatever you want, but if customers get there and they don't have that experience, you are done.

4) Educate the Staff About the Brand and Company

Roundtable participants agree that smart marketers need to allocate significant resources towards communicating the brand promise to employees and to motivating them to deliver on that promise.

We have also changed our corporate culture, pushing more out to the line level employees about who we are as an organization. That is critical, especially in a service industry. For us, it's critical to communicate with them who we are and what we expect and how valuable they are to the brand.

We have utilized webinars a lot. Through the webinar tool we go in and we deal with the sales organization to educate them on the values and what they are supposed to be taking to the market.

We are letting our employees know, along with our customers, that we did market research and that our customers told us this is the type of (organization) that they want. We just got tasked yesterday with going to our properties and doing a road show. It's going to be: What does this mean to you? This is who we are. This is what it means.

In each presentation (at each location) ... we are going to have to explain the brand.

5) Utilize Metrics to Make Sure that Rebranding is Successful

All of the roundtable participants stress the importance of employing metrics to evaluate their rebranding efforts. The type of metric used varies from company to company and by what makes the most sense in their industry.

The metrics we use are revenue and lead generation. If we are impacting something through a communication's plan or program that is directly tied to the rebrand or refresh, then I will watch how many more leads we are getting, how much more interest I'm gaining.

The number one metric we use is to track the number of days in our sales cycle. If we are successful, that number becomes smaller. So we go from 75 days to 72 to 69 to 64.

6) Make Adjustments When Necessary But Don't Panic if You Get Pushback

When mistakes are discovered, make adjustments until you get it right but don't panic. In discussing the rebranding efforts at the Gap, many participants felt that Gap executives had panicked prematurely.

Somebody is always going to complain. The difference now is that the social media outlets give those people, with that voice, a lot bigger stake. So that's a problem. As you look at the Gap plan, one thing that the Gap didn't do is give it time. They flipped it in a week and said we are going back. They hadn't measured against whether or not their sales dropped off and they didn't.

They didn't give it time to measure. I think undoing the rebranding efforts was a mistake due to a lot of squeaky wheels. I think there are some problems in using the Gap example.

Kraft completely redid their logo. And they got some flak for it. But they kept it. So what is the difference between their experience and the Gap. It's probably an emotional response versus a rational response.

Don't be afraid to be bold. You don't need the approval of every person. Sometimes you have to take chances. If it becomes watered down to the point where everybody is ok with it, chances are that you are going to have a poor result.

7) Reach out to Bloggers and Other Influentials

Social media are becoming ever more important. Therefore, some of the roundtable participants feel that it is important to also test your rebranding efforts among bloggers and other market influentials. They also suggest focusing special efforts on these influentials to get them on your side prior to the launch.

Test your rebranding efforts with the people that are influencing your bloggers. Test it with these people first. Get it in front of them. You have these people that are influencers in your marketplace that are out there. 'Hey, I just saw this thing. It's really awesome.' It's amazing how they can influence so many people's opinions.

For More information about this or future AMA St. Louis Roundtable Discussions, contact either of the Roundtable Co-Chairs:

*Dan Diveley, ddiveley@geileon.com
314-727-5850*

*Lon Zimmerman, lon@zimmresearch.com
314-961-1131*

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