



Rebranding for Success

How can you rebrand your organisation successfully?

Standing still in business means getting left behind. For every firm that is complacent and resting on its laurels, there will be another that is innovating, responding to changes in the operating environment and working hard to satisfy customers' ever-growing expectations. Fundamental changes in an organisations products, services or target audience could dictate a shift in the organisations marketing strategy and even call into question the relevance of its entire brand.



This Blue Paper will look at the issues you need to consider if you believe your corporate identity no longer reflects your organisation effectively and that the time has come for a rebrand. At what point does a rebranding exercise become necessary? What risks might you face and what success stories can you draw upon for inspiration?

Reasons to rebrand

Rebranding can take many forms, from changing your colour scheme or favoured fonts to something bigger such as introducing a new logo or even a completely new name. The fact that rebranding exercises can be so varied reflects the fact that it can be driven by a wide range of factors. Here are some common reasons why firms might wish to revise their corporate image.

- **Broaden company's appeal**
Rebranding can help shift and / or broaden the appeal of your company. Maybe you've decided to enter a new market or have developed a new product or service offering. Rebranding can help you position these new offerings to your target audience.
- **It's not clear what you do**
Your current brand identity might not make it clear what your organisation actually does, while your competitors may have well-established brands. This can seriously undermine your efforts to attract customers and build a loyal consumer base.

- **Change of ownership**

Has your organisation acquired or merged with another business? If so, you may want to rebrand the combined entity to reflect shared values and / or complementary products and services. Rebranding can be necessary both to make it obvious to your customers what has happened, and perhaps even to stay on the right side of the law. While this doesn't mean you have to adopt a completely new brand, it ensures that the change is made known to your customers.



- **New business strategy and company values**

Your strategic direction and ethos can evolve significantly over time, particularly if you operate in a fast-moving industry. Maybe you've decided to sell or close an underperforming part of your business. Maybe you've decided to enter a foreign market or launch an e-commerce site. Rebranding can help reflect this new strategic direction.

- **Restore consumer trust**

If your reputation, or the image of your wider industry, has taken a hit recently, rebranding can help you draw a line under what has happened and move forwards in a positive way. This can go beyond simply changing your name, as positioning a set of values and principles at the heart of your brand could be what is required to dispel bad memories and negative associations.

Case studies

According to brand management specialist VM Group, brands and organisations update their corporate identities an average of every seven to ten years.¹ Here are a few notable examples of successful rebrands that highlight why it can be both necessary and beneficial.

Thomson to TUI

Thomson has been one of the most well-known names in the travel industry for the last 50 years, but the name is being phased out following the merger of the business with German parent TUI. This is a bold move, especially as Thomson

¹ "The top ten reasons for rebranding" VM Group. Web. 22 Dec 2015. www.vim-group.com/en/top-ten-reasons-rebranding/

ranks in a creditable 10th place on YouGov's BrandIndex, ahead of prominent rivals such as Thomas Cook.² Nevertheless, TUI is confident that phasing out such an established and highly regarded brand is the right move and "will really pay off, with the TUI smile becoming an icon for all our markets." Friedrich Jousen, Co-Chief Executive of TUI, said he isn't "a fan of having lots of brands" particularly as global brands are likely to perform better than local ones.³

Furthermore, he pointed out that the changes will stop its local market brands from becoming old-fashioned, as well as aid TUI's efforts to build a more digitally-focused business. "Thomson is a successful power brand and we know people may categorise this as a risk, but this is like renovating a house as once you've done it and see the results, you wonder why you didn't do something earlier." Overtime, the rebranding will see everything from the Thomson website to its planes altered to carry TUI's logo and imagery.

RIM to BlackBerry

Research in Motion (RIM) was once a market leader in the smartphone sector, but with brands such as Google and Apple placing pressure on its BlackBerry brand, it eventually fell behind its rivals. RIM responded by scrapping its name - as it was never widely used among its customers - and adopting the more well-known BlackBerry name for every aspect of the company, at the same time as unveiling a new handset and operating system. The move has allowed the organisation to build on the brand equity it already carried while marking a clear break from the past and embarking on a new chapter in its history. Hayes Roth, Chief Marketing Officer of branding specialist Hayes Roth, noted: "The problem they've had all along is that they've had two names for a product that only had one. Trying to get the world to understand what RIM meant and who they actually were was an uphill battle from the start."⁴

Thorsten Heins, Chief Executive of BlackBerry, added: "We have reinvented the company, and we want to represent this in our brand. One brand. One promise. Our customers use a BlackBerry, our employees work for BlackBerry, and our shareholders are owners of BlackBerry."⁵



² "Brand health scores suggest Thomson's reported rebrand to TUI could be a risk" Marketing Week. Web. 22 Dec 2015. www.marketingweek.com/2015/05/11/brand-health-scores-suggest-thomsons-reported-rebrand-to-tui-could-be-a-risk

³ "TUI's CEO compares Thomson rebranding to 'renovating a house' as it repositions business" Marketing Week. Web. 22 Dec 2015. www.marketingweek.com/2015/05/13/tuis-ceo-compares-thomson-rebranding-to-renovating-a-house/

⁴ "RIM's BlackBerry Rebranding Is Much More Than a Name Change" Wired.com. Web. 22 Dec 2015. www.wired.com/2013/01/rim-blackberry-rebranding

⁵ "Research In Motion rebrands itself as BlackBerry" The Verge. Web. 22 Dec 2015. www.theverge.com/2013/11/30/3932046/rim-changes-name-to-blackberry

Northern Rock to Virgin Money

Back in 2007 The Northern Rock brand was irreparably tainted at the onset of the financial crisis when it suffered a bank run and had to be bailed out by the government. It was eventually purchased by the Virgin Group and became part of its efforts to create a genuine challenger to the major banks dominating the industry. With Virgin being a popular, successful and established brand among the wider public, it carried enough brand equity to win over sceptical customers who would otherwise have gone nowhere near Northern Rock.

Speaking after the deal was struck, Jayne-Anne Gadhia, Chief Executive Officer at Virgin Money, commented: "We plan to create a major new competitor in UK retail banking as we bring together Northern Rock and Virgin Money. The two businesses complement each other well and together they will create a strong bank with over four million customers. It is the outstanding fit between the two businesses that will allow us to create a strong, stable, growing and profitable business for the future. We are aiming to build a true banking alternative for the UK consumer, one centred around our ambition to make everyone better off."⁶



The risks of rebranding

While there are countless examples of successful rebranding, it is often the failures that stick in people's minds. For instance, when in 2001 the Post Office Group set itself up as a PLC, it seemed sensible to bring its various brands, such as Royal Mail and Parcelforce, together under a single and more distinctive name. The name chosen was Consignia, which is defined in the dictionary as "to entrust to the care of." So far, so good, but the British public reacted with bemusement and criticised and ridiculed the new name in equal measure.

Although there are a number of risks associated with rebranding, there are some precautionary steps organisations can take ...

- **Don't confuse customers**

A rebranding should be carried out with very specific goals in mind, so it conveys a very clear and precise message. The Post Office rebranding failed because consumers found the name 'Consignia' confusing and the reasons behind the changes were not made clear.

⁶ "Virgin Money acquires Northern Rock" Virgin. Web. 22 Dec 2015. www.virgin.com/news/virgin-money-acquires-northern-rock

- **Consider wider business performance**

One of the problems with the Post Office rebrand stemmed from the fact it coincided with a period of underperformance. While the underperformance was not directly linked to its new identity, it seriously undermined the credibility of the Consignia name at a critical moment. According to Keith Wells of consultancy Dragon Brands, which was involved in the Post Office rebranding: "The name has got muddled with the comments that business is doing appallingly - this idea that nothing has been the same since the name change. It is a soft target."⁷

- **Ask how much it will cost**

Rebranding can be a costly exercise, as it encompasses every aspect of your operations, from door signage and business cards to promotional literature and letterhead. The costs of replacing all these with items that reflect the new brand can swiftly add up. If your marketing budget is consumed by rolling out a new name or logo, you may struggle to promote your core products, services and special offers.

- **Ask stakeholders what they want**

Rebranding isn't an instant fix to underlying commercial issues, such as intense competition in a core market. Make time and take care to gauge the views of your customers and other key stakeholders.



In recent times, this approach has prevented HSBC from pressing ahead with a rebrand of its UK business, as it had been considering reviving the defunct Midland name for its ring-fenced retail banking operation. However, research involving both customers and employees led to it deciding the best option is to retain its established name and trade as HSBC UK to distinguish it from its non ring-fenced banking divisions. A memo sent out to HSBC employees said: "It soon became obvious that everyone preferred a name that maintains a strong connection to HSBC, and a clear commitment to the UK. Our customers told us the HSBC brand represents strength and connectivity; they said our global network can help them realise both their domestic and international ambitions and that's what differentiates us from other UK banks."⁸

⁷ "Consignia: Nine letters that spelled fiasco" BBC News. Web. 22 Dec 2015. <http://news.bbc.co.uk/1/hi/business/2002480.stm>

⁸ "HSBC Adds UK To Name As Ring-Fencing Looms" Sky News. Web. 22 Dec 2015. <http://news.sky.com/story/1546034/hsbc-adds-uk-to-name-as-ring-fencing-looms>

So weigh up the potential risks before deciding upon a plan of action and what form the rebranding should take. It could be critical for your company's future performance and reputation.

Don't change for change's sake

Rebranding is a big step and one that can be difficult to reverse. It might be the case you could market your brand differently, rather than undertake a full rebranding.



In 2010 US clothes retailer Gap abandoned its new logo after just a week and reverted back to the old one. Customers reacted negatively to the rebranding, with Gap's Facebook page in particular getting more than 2,000 critical posts. The company ultimately yielded to the pressure, with President of Gap Brand North America Marka Hansen saying: "We've been listening to and watching all of the comments this past week. We heard them say over and over again they are passionate about our blue box logo, and they want it back. So we've made the decision to do just that - we will bring it back across all channels."⁹ Ms Hansen candidly acknowledged that Gap might not have gone about rebranding in the right way and that it "missed the opportunity to engage with the online community." As a result, she did not rule out changing the logo again in the future, but promised that "when that time comes, we'll handle it in a different way."

Similarly in the case of HSBC thinking of resurrecting the Midland name, some have suggested it might have been an overcomplicated way to deal with a situation that was actually quite manageable. Nir Wegrzyn, Chief Executive of BrandOpus, a strategic design agency that specialises in branding, suggested that companies facing similar issues to HSBC should look to the FMCG sector for inspiration on how to address certain problems. For instance, he noted that Twinings (the tea manufacturer) responded to a decline in sales by re-educating consumers about tea and updating its packaging - which resulted in a double-digit increase in sales. "The chips category has also suffered due to healthy eating trends yet McCain's shift to family-based messaging has helped it beat the slump," he said.¹⁰

⁹ "Gap scraps new logo after online outcry" BBC News. Web. 22 Dec 2015. www.bbc.co.uk/news/business-11520930

¹⁰ "Three things brands must consider before pursuing a full rebrand" Marketing Week. Web. 22 Dec 2015. www.marketingweek.com/2015/06/15/what-brands-must-consider-before-pursuing-a-full-rebrand/

rebrands

And Finally ...

GetVoIP published an infographic that features the following handy tips to make sure your rebrand is successful ...¹¹

- 1. Tell a strong brand story**

What makes your product or service resonate with your audience?

- 2. Make the most of the brand equity you already have**

A steady brand is often seen as a reliable brand, so ask if it worth rocking the boat?

- 3. Don't use too many different brand names**

Too many names are confusing, hard to remember and lead to a cluttered brand image.

- 4. Be relevant**

What pain points do your customers have? What drives and motivates them? Understanding these issues can help you revitalise your image and present a relevant and targeted brand.

- 5. Don't change the name if the business remains the same**

If you are adopting a new name, it must reflect an actual change in business strategy.

- 6. Reach out to a wider audience**

Actively search for groups where opportunities for growth might exist and design your branding with them in mind.

And finally, make sure that any rebranding is reflected across every aspect of your marketing and advertising. If you do not put across a consistent message at this critical time on each promotional platform, such as in-store displays and social media channels, it's unlikely to have the desired effect and could actually end up harming your business.



¹¹ "To Rebrand Or Not? 8 Crucial Laws of Rebranding [Infographic]" GetVOIP. Web. 22 Dec 2015. <http://getvoip.com/blog/2015/02/10/to-rebrand-or-not-8-crucial-laws-of-rebranding-infographic/>

Rebranding

History has proved that a successful rebrand depends on many factors. Knowing what you want to achieve and designing a rebrand around these goals is crucial - and getting stakeholders and customers involved in the process can engender goodwill and potentially prevent an adverse reaction.



Don't pursue a rebrand as a kneejerk reaction to one problem that can be solved in countless other ways. It must be a carefully costed and thought-out project that leads to a clear and consistent message being conveyed across all platforms. If you can accomplish this successfully, you will have little trouble getting your target audience to buy into your brand image and ethos and establishing yourself as a credible player in your industry.

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