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## Rebranding: a Case Study Approach

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**Rebranding:  
A Case Study Approach**

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**A thesis presented in fulfilment of the requirement of the award  
of  
MPhil  
(Master of Philosophy)**

**Dublin Institute of Technology  
Aungier Street**

**School of Marketing**

**Supervisor: Gerry Mortimer**

**October 2005**

## Abstract

The primary objective of this study is to explore how and why companies implement rebranding campaigns. The study stemmed from a realisation by the author that the area of rebranding is very much under-researched academically although anecdotal evidence indicates an increase in the occurrence of the phenomenon in recent years. Therefore the purpose of this research is to add to the insufficient body of literature on rebranding through exploring it from a corporate perspective.

The two chapters of the literature review examine the available literature on the topic of rebranding in its holistic sense, and subsequently the possible effects of rebranding on five brand concepts; brand equity, consumer-brand relationship, brand loyalty, brand identity, and brand proposition. A significant result of the literature review is the formulation of an unambiguous definition of rebranding; *'Rebranding is the process of overhauling a brand, through changing the brand name to something different, where there is a clear managerial intent from the outset to cause a revolution of the brand, and which is not part of the natural evolution of the brand over time'*.

The methodology used adheres to the interpretivist paradigm, employing qualitative techniques. The case study research methodology is utilised in presenting the findings, and personal interviews are used in the collection of primary data. Eleven study propositions are identified from the literature review and used in constructing the research design and the analysis and interpretation stages of the study.

The conclusions drawn in the study are grouped into three main themes; conclusions on the nature of rebranding and its use as a strategic option; conclusions on the rebranding and renaming process; and conclusions on the risks and effects of rebranding. The most important result of the study is the provision of a comprehensive rebranding framework which can be applied to the three types of rebranding campaign; corporate, business unit and product rebranding.

## DECLARATION

*I certify that this thesis, which I now submit for examination for the award of MPhil (Master of Philosophy), is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.*

*This thesis was prepared according to the regulations for postgraduate study by research of the Dublin Institute of Technology and has not been submitted in whole or in part for an award in any other Institute or University.*

*The work reported on in this thesis conforms to the principles and requirements of the Institute's guidelines for ethics in research.*

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Signature Marie Gize

Date 16/02/07.

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*Chapter One*

Introduction to the  
Research:  
Rebranding Issues

## **1.1 Introduction**

The purpose of this thesis is broadly to explore and describe the rebranding phenomenon from a corporate perspective. As will be seen in this first chapter of the literature review, there is an apparent lack of any substantial body of academic literature relating to the topic, although interest in the area is growing. It follows that much of this chapter consists of anecdotal evidence reporting both an increase in the occurrence of the practice and the resulting public views on it. The author chose to first introduce the reader to the relevant literature on rebranding so that it may provide a context for the later discussion on the possible effects of rebranding, which constitutes Chapter Two of this thesis.

The overarching research question for this thesis is: *How and why do companies implement rebranding campaigns?* This first chapter aims to introduce the reader to the relevant issues pertaining to this research question. The chapter begins with a general overview of the topic of rebranding, and is followed by a discussion on current definitions and a proposed new definition. Subsequent sections cover rebranding motivations, processes, strategies, rebranded names, and finally the possible risks of rebranding.

## **1.2 Rebranding**

As seen in current academic literature, and as will be seen in the second chapter of this thesis, there currently exists an abundance of material on the subjects of brands and branding, but a distinct shortage in the area of rebranding. Muzellec et al (2003) observe that companies adopting new brand names are frequently reported in the business press and yet this phenomenon has received little academic attention. Delattre (2002) concurs, stating that, despite the growing number of name changes in recent years, there has been no in-depth analysis on the subject. Daly and Maloney (2004) further observe that rebranding is an area that remains under-researched in academia despite much real-world activity in corporate rebranding.

However, there appears to be much anecdotal evidence that the phenomenon is occurring at an increasing rate in marketing practice. Muzellec et al (2003) assert that there has been a marked increase in the number of high-profile companies rebranding their organisations in the past few years. Kettle (2002) refers to the 'rebranding mania' that has turned established institutions such as the UK Post Office into Consignia, and Anderson Consulting into Accenture.

The practice of rebranding would appear to oppose standard marketing and branding theory (Stuart and Muzellec, 2004). According to Muzellec et al (2003), to dispense with an established brand, which is often the culmination of many years of continuous investment, and replace it with a new one, would seem to contradict a century of marketing theory and practice. They assert that choosing to discard a long-held brand name and starting again from scratch, apparently attempting to build a new brand overnight, would seem to run counter to the fundamental axioms of marketing.

Nevertheless, companies continue to engage in the practice. An insight into this apparent conundrum may be gained from considering that businesses are increasingly recognising that their brands are their most valuable assets. Baum (1990, cited in Rooney, 1995) states that the focus of the future will be more on the augmentation of existing brands than on the emergence of new ones. This idea is justified when one considers the impact of globalisation and the increasing consolidation of brands brought about by mergers and acquisitions. Indeed, Melewar et al (2005) note that ongoing trends such as globalisation, mergers and acquisitions, deregulation and privatisation have accelerated the need to coordinate and harmonise companies' disparate global identities and images. Thus the process of rebranding has gained in importance as a marketing tool; it is a method by which firms may augment existing brands so as to retain their asset value.

Many companies undergo rebranding exercises in the belief that the company is misunderstood in the marketplace, and the implementation of a name change is

perceived as a strategy which will herald a new beginning for the organisation (Stuart and Muzellec, 2004). Kaikati and Kaikati (2003, 2004) observe that rebranding is expected to provide a golden opportunity for a complete transformation, and that almost any expenditure on rebranding is considered fully justifiable and in some cases, almost essential to survive.

Two types of rebranding are discussed by Jobber (2004); product level and corporate level rebranding. Muzellec et al (2003) add a third type of rebranding to this classification, asserting that rebranding can occur at three distinct levels in an organisation;

- *Corporate rebranding*: the renaming of a whole corporate entity, often signifying a major strategic change or repositioning.
- *Business unit rebranding*: a situation where a subsidiary or division within a larger corporation is either given a distinctive name to give it an identity separate from the parent, or alternatively given the same name to incorporate coherence throughout all subsidiaries.
- *Product rebranding*: the renaming of individual products, which is usually a tactical move driven by the desire to brand globally and drive economies of scale in packaging and advertising.

All three types of rebranding are considered throughout the remainder of this chapter. Muzellec et al (2003) observe that the most numerous and the most strategically important cases seem to be at the corporate level. This observation is also reflected here; the majority of examples of rebranding campaigns, and the largest both strategically and financially, that the author came across throughout this research project were indeed corporate rebranding campaigns.

### **1.3 Defining Rebranding**

Definitions of the term 'rebranding' are few and far between in the marketing literature, and many of those that do exist lack clarity. For example, Duncan (2004)

*Introduction to the Research: Rebranding Issues*

defines rebranding as 'affecting a change to a brand in order to stimulate a change in consumer attitudes, perceptions and behaviour with the end goal of generating positive market growth', and further states that the scope of this change is in effect any change to the tangible elements of the brand, including brand name, logo, trademark, graphics, slogans or imagery, company livery, packaging or uniforms and advertising. This definition is very broad and is typical of the type of definition found in much of the available literature.

Muzellec et al (2003) provide a slightly tighter definition of rebranding, describing it as 'the practice of building anew a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors'. On closer inspection, however, this definition is merely stating that rebranding is repeating the process of branding to create a new brand name. This may be an oversimplified view. Stuart and Muzellec (2004) disagree with the perception that rebranding through a name change can only be indicative of a brand rebirth, and contend that rebranding can also be associated with less dramatic changes to the logo and slogan.

Similarly, Daly and Maloney (2004) offer not a definition but a description, suggesting that since a brand consists of what may be termed tangible (the physical expression of the brand) and intangible (values, image, feelings) elements, rebranding may consist of some or all of those elements. Again, this description is quite broad and in need of clarification. From this assertion, Daly and Maloney further believe that rebranding may be envisaged as a continuum, from revitalising a current brand to a full name change involving alterations in brand values and promises. This continuum is depicted in table 1.1 below.



Change Category	Change Format	Comment
Minor Changes	Aesthetics	Varies from a simple face lift, to restyling, to revitalising the brand appearance or aesthetics which may have dated and be in need of a change.
Intermediate Changes	Reposition	Use of marketing tactics especially communications and customer service techniques to favourably reposition and existing brand name, thus giving it a new image.
Complete Change	Rebranding	By definition the name is new to stakeholders, so they don't know what the brand stands for. Therefore the values and image of the new brand must be communicated to all stakeholders through an integrated marketing communications campaign.

**Table 1.1** Rebranding Continuum (Daly and Maloney, 2004)

In disagreement with the authors mentioned in this section, Jobber (2004) defines rebranding as the act of changing a brand name. As simple as this definition sounds, it provides a much more specific description of the phenomenon and clearly isolates it from other brand alterations such as repositioning and restyling, as are indicated in table 1.1 above. As will be explained in the remainder of this section, the present author concurs with the opinion of Jobber and contends the view outlined in table 1.1 and those expressed by the other various authors mentioned above.

### **1.3.1 Arriving at a Definition**

The need for an unambiguous definition is clear if one considers that there is an obvious disparity in what is considered a rebranding campaign in the available literature on the subject, the majority of which is anecdotal rather than academic. There appears to be much confusion among academics, journalists, and marketing managers alike as to what exactly constitutes a rebranding campaign. Muzellec et al (2003) note that in business literature and in practice the term 'rebranding' is

variously used to describe three different events; changing brand name, changing brand aesthetics and repositioning.

One possibility for a clear definition is to distinguish between brand 'evolution' and 'revolution'; where intent to change from the outset is the key indicator. Evolution of the brand could be described as the natural progression of the brand over time, and the necessary changes that must occur to the brand in order to maintain its competitive advantage. This can occur through changing the logo, altering but not changing altogether the brand name, or through some sort of repositioning or retargeting. Revolution of the brand, on the other hand, can be thought of as a complete overhaul, where there is a very clear managerial decision to change the brand dramatically. This kind of revolution occurs through changing the brand name, and can be termed 'rebranding'.

Stuart and Muzellec (2004) also refer to the distinction between evolution and revolution of the brand, although in a different context; they contend that revolutionary change incorporates the three elements of name, logo and slogan, while evolutionary change involves the slogan or logo only and can also be termed rebranding. As will be more fully described in the next section, the author argues that, in general, rebranding must incorporate a brand name change. There are exceptions to this; in such cases where the logo or slogan forms the main component of the brand as well as the brand name, for example with the Woolmark logo or the Nike swoosh (illustrated below), a change to this may also be termed rebranding. This idea of the brand evolution-revolution distinction may be more clearly illustrated by considering some real-life examples.



**Figure 1.1** Woolmark logo and Nike swoosh

### **1.3.1.1 Group One: Brand Evolution**

#### **Foster's**

Australian lager brand Foster's was reported to have been involved in a global rebranding initiative called 'Project Angel' in early 2004. This programme, which was driven by an increase in competition in the global beer and spirits sector, involved a revamp of the brands' packaging and brand imagery, as well as a renewed focus on quality in production, marketing and sales. As part of the change, the packaging was altered to ensure a stronger shelf presence by using a deeper blue behind the Fosters emblem, premium gold banding, and an embossed logo (Rodrigues, 2004). The programme also included a redesign of the Foster's multipack packaging, using the significant amount of shelf space that multipacks occupy to the brand's advantage, through using the space as in-store advertising and branding collateral (Design Week, 2004).

#### **Heinz**

New Media Age magazine recently reported that Heinz were planning their first ad campaign for baked beans in ten years, involving an online rebranding of the product. The campaign aimed to reinvigorate the brand with a newer, healthier image, pushing the nutritional value of baked beans, which the company have been working to improve over the past few years, reducing both salt and sugar content. The campaign also included swapping the 's' in the brand name for a 'z', with the intention of integrating the 'Beanz Meanz Heinz' slogan into the redesigned can (Webdale, 2004).

#### **Tizer**

In 2003, several publications described a planned rebranding of Tizer, a soft drink owned by beverages company AG Barr. The company is reported to have spent £1.5m in an effort to appeal to an older age range and to intensify its attack on the big brands that dominate the UK soft drinks market, namely Coca Cola and Pepsi (Tylee, 2003). The campaign included replacing the tagline 'Refresh your Head'

with 'Itz a Red Thing', and a new all-red package design. The revamp came after the decision to switch the focus of Tizer from the nine to eleven age group to the twelve to fifteens (Rogers, 2003).

### **Galaxy**

Marketing Week recently stated that the confectionery giant Masterfoods is planning a second rebranding of the Galaxy brand in 2005, after repackaging failed to boost sales of the chocolate bar in 2003. Alongside a review of the number of product lines under the Galaxy brand, the rebranding is also believed to include a re-examining of its packaging and positioning. This latest review of the brand has been prompted by research carried out by Masterfoods, which indicated that consumers do not understand what the Galaxy brand stands for or where it fits into the confectionery category (*Marketing Week*, 2004).

The above four examples illustrate clear cases of brand evolution, as opposed to revolution. In each case, the brand was altered in some way so as to develop and improve it over time; necessary changes were made in order to maintain its competitive advantage. It is common knowledge in marketing that a brand must evolve and change with the times if it is to survive in the face of increasing competition and changing consumer tastes (De Chernatony and McDonald, 1992, Aaker, 1991). Therefore, it could be said that the changes that were made to the brands in the examples given above were always going to be required, and that there was no clear managerial decision to change the brand dramatically from the outset.

In addition to this, the changes made to the brands mentioned above can all be classed under different marketing headings, and should not therefore come under the heading of 'rebranding'. The Foster's campaign is better described as repackaging, motivated by an increase in competitive activity. Likewise, the case of Heinz illustrates an example of repackaging, along with a slight altering of the brands' positioning as a health food. The change made to the brand name is so minor that it can be put down to the integration of brand name and slogan. The Tizer case is

another example of repositioning and repackaging as a response to increased competition. Likewise for Galaxy, although this campaign was motivated by the need to better inform consumers of the brand's image and position in the market.

Having described what rebranding isn't, it is necessary to clarify what exactly constitutes a rebranding campaign before an attempt at defining the term can be made. The examples given below illustrate the difference between clear-cut cases of rebranding and cases of other marketing activities, such as those described above.

### ***1.3.1.2 Group Two: Brand Revolution***

#### **Opal Fruits and Marathon**

Food giant Mars have been known to adopt the standardisation approach to marketing, rebranding both their Opal Fruits and Marathon brands. Just as Marathon was renamed Snickers in the early 1990's, Opal Fruits too was rebranded as Starburst in 1998, in an attempt to have one global brand name throughout the world. The company spent £10 million on the relaunch, hoping ultimately to save money by having a standardised brand. Mars also opted for a standardised approach because they felt that a single brand name makes it easier for consumers to recognise a particular brand when abroad. Branding Manager of Opal Fruits, Steve Reid, said that globalisation was a consequence of the proliferation of international media, and because national boundaries were no longer recognised by the media, it made more sense to have the same name for an international product in all of its markets (news.bbc.co.uk).

#### **Datsun**

The Datsun automobile brand began in 1932 when the DAT Japanese car company produced a small car, the Type 10, which became known as 'son of DAT', which soon became Datsun. In 1934 the DAT Company merged with Nihon Sangyo to form the Nissan Motor Company. Datsun continued to be the company's leading

brand until 1981 when the decision was made to rebrand it as the company name, Nissan (Cuddeford-Jones, 2004).

### **The UK Post Office**

In March 2001, the Post Office in the UK announced plans to rebrand their corporate activities as “Consignia”, justifying the move on their website by stating that the Post Office name would be both confusing in foreign markets and would also be difficult to protect, and that the name did not efficiently describe the activities of the business (brandchannel.com). The rebrand came after the plc decided that its three arms – Post Office, Royal Mail and Parcel Force – needed to be consolidated under one name. The possibilities of using Post Office or Royal Mail for an umbrella term were dismissed; the first being too generic and the second having the potential to offend in former colonies or countries which have their own royal family (news.bbc.co.uk). Haig (2003) describes how the name change was not welcomed by the British public or the media, however, who hated the new name and didn’t understand the reasons for the rebrand. The name change also coincided with a period of underperformance for the company, which lost over one million pounds a day during one month in 2001. Consequently, the decision was made in 2002 to replace the Consignia brand with the name Royal Mail Group (Kleinman, 2002).

The difference can now be observed between the first four examples and those of Opal Fruits and Snickers, Datsun and the UK Post Office, given above. As mentioned before, the first group demonstrate examples of brand evolution, where the changes made to those brands were merely the most recent in a line of changes that are necessary for the regular updating of a brand. The difference with the second group is in the level of change and with the managerial intent; the level of change is such that a major overhaul of the brand is intended from the outset and is not merely a result of the natural progression of the brand over time.

The key difference, and the one which is most observable, between the two groups is that all of the examples in the second group involve a brand name change. It is well

documented in the branding literature that the brand name is the central component of the brand. Murphy (1990) states that the brand name, because of its complex nature, having both a communications and legal role, is central to the brand personality and thus should not be treated haphazardly. Franzen (1999) describes a Brand Associative Network, a network of brand associations containing representations of brands which can be thought of as spherical spaces, at the centre of which lies the brand name. Many authors (Fan, 2002; Bristow et al, 2002; Keller, 1993) assert that the brand name has a fundamental role to play in the creation of a brand's equity. Furthermore, it is the brand name which is responsible for creating the brand's image, which is necessary for building a consumer-brand relationship and for creating a differential advantage based on symbolic attributes of the brand name where a functional differentiation is no longer sufficient (Dong and Helms, 2001; Tan and Chua, 2003; Kohli and Thakor, 1997).

Thus, it has been established that the second group of examples all involved a major brand overhaul, and all involved a brand name change, and that the brand name is the central component of the brand. Therefore, it follows that a major brand overhaul can only be achieved through changing the brand name to something else, and can be termed 'rebranding'. The components of a proposed definition can now be drawn from this discussion;

- Brand overhaul
- Brand name change
- Managerial intent
- Brand revolution as opposed to evolution

From this, the author proposes the following definition of the term 'rebranding':

*'Rebranding is the process of overhauling a brand, through changing the brand name to something different, where there is a clear managerial intent from the outset to cause a revolution of the brand, and which is not part of the natural evolution of the brand over time'.*

## **1.4 Rebranding Motivations**

There are a multitude of reasons which can prompt companies to begin rebranding campaigns, explaining the apparent increase in the use of the marketing tool. The ultimate motivation for rebranding can be attributed to improving the company's bottom line (Kaikati and Kaikati, 2004). They distinguish between proactive motivations, which describe stimuli for firm-initiated change, where executives implement rebranding campaigns because they want to, and reactive motivations, which describe stimuli that result in a firm's response and adaptation to changes imposed by the outside environment. In these cases, executives resort to rebranding because they have to.

Muzellec et al (2003), in a study of 166 rebranded companies, found the following distribution of rebranding motivations or drivers;

- Merger/acquisition: 33.1 percent
- Spin-off: 19.9 percent
- Brand image: 17.5 percent
- Divestment/refocus: 9.0 percent
- Internationalisation: 7.2 percent
- Diversification: 4.8 percent
- Legal obligation: 2.4 percent
- Sponsorship: 2.4 percent
- Bankruptcy: 1.2 percent
- Going public: 1.2 percent
- Localisation: 1.2 percent

The range of motivations described in the available literature is so diverse that it is more useful here to group them under headings and to relate the most frequently occurring ones. The author suggests that the major motivations for rebranding can be grouped under seven headings; mergers and acquisitions, standardisation, brand



image, simplification, repositioning and retargeting, diversification, and legal reasons.

#### **1.4.1 Mergers and Acquisitions**

Recent years have seen numerous rebrands in both the Irish and UK mobile phone markets. 2001 saw two major acquisitions in the Irish mobile market; Eircell by Vodafone and Digifone by O2, and the rebranding of both brands under the parent names. The Eircell name was initially kept as part of a dual brand name and from October 2001 the service was called 'Eircell Vodafone'. However, the Eircell name was dropped in February 2002 after the dual branding was found to be ineffective. The rebranding campaign cost the company a total of €10 million and was part of Vodafone's aim to become one of the top ten brands in the world by 2004 (ireland.com).

In relation to the Digifone rebrand, Edel O'Leary, head of communications with O2, stated at the time that one of the first steps in the establishment of the O2 brand name was to remove the link with Esat Digifone, the original company, because that company was mainly involved with land-based telecommunications, so the name was changed to O2 in May 2002. The rebranding campaign cost the company an estimated €2 million and was part of an effort by O2 to position their brand as the future of mobile communications in Ireland (ireland.com).

The rebranding of Eircell and Digifone was the subject of an undergraduate dissertation undertaken by the present author, using consumer surveys as the research instrument. The research sought to examine the process of rebranding in an effort to discover its effect on consumer brand attitudes and perceptions. The results of the study showed that the Eircell-Vodafone rebrand was the more effective of the two, excelling over the Digifone rebrand in terms of campaign fluidity, consumer acceptance of the new name and positive perception of fit between the new name and the service. This outcome could be in part attributable to the differing nature of

the two brands, in that Vodafone was already established in the UK before being introduced to the Irish market, while O2 was a completely new brand worldwide (Size, 2003).

While Digifone was acquired by O2, its land-based activities in the form of Esat were acquired by BT in 2002, and rebranded as Esat BT. Subsequently in April 2005 the company announced plans to rebrand again, dropping the Esat part of the name and changing it to BT Ireland. This second rebrand was part of an overall global strategy by BT and has taken three years to complete, costing the company in excess of €3m (Paul, 2005).

In the UK, the mobile phone brands one2one and BT Cellnet were both rebranded in April 2002, to T-Mobile and O2 respectively. These rebrands were almost simultaneously publicised following the acquisition of one2one by Deutsche Telekom and BT Cellnet by mmO2 (Chandiramani, 2002). Both name changes were motivated by the desire to create standardised brands for the companies' worldwide mobile phone operations ([shopping.guardian.co.uk](http://shopping.guardian.co.uk)).

#### **1.4.2 Standardisation**

As will be seen from the examples below, a company may decide to rebrand in order to standardise the brand name across various markets, or sometimes, globally. In 1998 Procter & Gamble announced plans to rebrand its Oil of Ulay range as Oil of Olay, effective from 1999 and in line with a global relaunch of the brand. The rebrand was part of a cost reduction strategy for the company, since having a common name worldwide for the brand would prove more cost effective. Procter & Gamble were also taking a more global approach to marketing, of which standardisation can play an integral part. The brand was already called Oil of Olay in the US, the home country of Procter & Gamble, but had been sold in the rest of the world under three different names – Oil of Ulay or Oil of Olaz throughout Europe and Oil of Ulan in Asia and South Africa. The company hoped that the rebrand

would help increase the strength of the brand by giving it a single identity (*Marketing*, 1998).

The Kellogg's cereal Coco Pops was rebranded as Choco Krispies in February 1998 in an effort to standardise the name across Europe. However, feedback following the renaming indicated that many children were extremely unhappy with the new name, apparently for the most part because the catchy jingle died with the name ([sterlingtimes.co.uk](http://sterlingtimes.co.uk)). Kellogg's actually succeeded in turning this blunder to their advantage, by creating some imaginative advertising and putting the case to a vote in a TV ad. The results of the poll were astounding; over 85% of respondents preferred the original name, and Choco Krispies were promptly rebranded once again as Coco Pops (Vignali, 2001).

### **1.4.3 Brand Image**

Companies can choose to rebrand if they feel that their image is outdated and in need of a revamp, and even sometimes because they need to distance themselves from an unfavourable image. Microsoft announced in 1998 that they would be rebranding their Windows NT package as Windows 2000, in an effort both to inform consumers that the product was year 2000-compliant and to give it a more mainstream, up-to-date image. The company hoped that Windows 2000 would appear considerably newer than 95 or 98, compared to Windows NT (Darrow, 1998).

In 2004 Lite FM, the radio station owned by UTV, spent €1m rebranding as Q102, citing research which showed that the Lite FM brand had negative perceptions which had impacted on performance. Since the change to Q102, the station has changed its music style and programme content, reportedly leading to a 41% rise in listenership and a 60% increase in market share (Paul, 2005).

### *Introduction to the Research: Rebranding Issues*

The advent of the new century caused many firms to fear appearing outdated; those with the words “20<sup>th</sup> Century” or “2000” as part of their names (Casimiro, 1998). In 1998 both *Marketing News* and *Fortune* magazine reported on how small companies like 20<sup>th</sup> Century Fund to huge conglomerates such as 20<sup>th</sup> Century Fox were considering rebranding in an effort to remain contemporary-sounding. Gateway 2000 decided in 1998 to get ahead in the renaming game, shedding the “2000” and rebranding as simply Gateway. As Eileen Glanton reported for *Marketing News*: ‘When the company was founded in 1985, the year 2000 seemed magnificently futuristic, but as it became clear that the company would outlast its name, Gateway dropped the “2000”’ (Glanton, 1998).

In addition to the need for a new image, sometimes a rebrand is required when a company has to make a break from a bad public perception. Perhaps the most high-profile of these rebrands is that of tobacco giant Philip Morris. In 2002 the company decided to change their name to the Altria Group, effective from 2003. Philip Morris executives said that they are planning the rebrand in order to reduce the bad reputation that the brand has earned by being associated with the world’s most famous cigarette maker ([worldsworstweb.com](http://worldsworstweb.com)).

Also in an effort to distance itself from a bad public perception, UK bank Abbey National was renamed Abbey in 2003, following several years of incurring heavy losses and an unsuccessful move into corporate bonds. The campaign, which cost the company £11m, was intended to ‘turn banking on its head’, but reportedly caused confusion to both customers and staff. Abbey has since been taken over by Banco Santander Central Hispano, the Spanish bank, which has spent a further £8m on changes to the logo to incorporate its own colours (Merrell, 2005).

When the integrity of auditing firms came under question early this decade, caused by such debacles as the Enron scandal, where Arthur Andersen produced a flawed audit of energy trading giant Enron Corp, which later collapsed, the ‘Big Five’ accountancy firms were prompted to separate their consultancy from their auditing

divisions (Sacco, 2002). Four of the Big Five rebranded their consultancy arms following the separations in an effort to distance them from the unfavourable image of auditing divisions. Andersen Consulting was the first to rebrand as Accenture in 2001, although this consultancy was also legally obliged to rebrand following its separation from Arthur Andersen. This rebrand is more fully discussed later in this chapter. In June 2002, PwC Consulting, a division of PricewaterhouseCoopers, announced plans to rebrand itself as Monday, costing the company an estimated €7m, although the division was subsequently acquired seven weeks later by IBM and folded into IBM Business Consulting Services. Deloitte Consulting, of Deloitte Touche Tohmatsu, was rebranded as Braxton in July 2002 after its separation from the accounting firm. Finally, KPMG Consultancy was separated from the KPMG auditing arm and rebranded as Bearing Point in 2002. The fifth of the Big Five, Ernst & Young, also divided its consultancy arm from the parent company, but chose to sell it to Cap Gemini SA instead of rebranding (Aman, 2003).

#### **1.4.4 Simplification**

Some companies believe that a rebrand is required if their image is confusing to consumers or needs consolidating. Computing company IBM publicised plans in 2000 to rebrand its line of servers under the common name of “eServer”, in an effort to communicate a more integrated image of its multiple hardware and operating system technologies to users. IBM’s internet division General Manager, Irving Wladawsky-Berger, said that the rebrand was part of a continuing strategy by the company to integrate all of IBM’s different server groups under one common technology, development, marketing and sales effort (computerworld.com). The rebrand also included the renaming of IBM’s individual models, in an attempt to reduce consumer confusion caused by complex names such as RS/6000, which became the P Series, and AS/400, which became the I Series (computeruser.com).

Also in an effort at consolidation, travel company Thomas Cook decided to rebrand **its aircraft** in its own name, in 2002. The company’s 24 planes had previously flown

under the name of JMC, a Thomas Cook subsidiary. The company's UK Chief Executive Alan Stewart said at the time that the Thomas Cook name was equated with quality travel and that they wanted to provide absolute transparency for their customers through offering Thomas Cook-branded holidays through Thomas Cook-branded distribution channels on Thomas Cook-branded planes (ananova.com).

#### **1.4.5 Repositioning and Retargeting**

A company can decide to rebrand to help them in repositioning themselves or in changing their target market. In 2003 RTE began implementing the rebranding of Network 2, deciding to revert to the original name of RTE 2. The campaign, which is reported to be costing the company between €500,000 and €1m, is a bid by the station to appeal to a younger target market and was prompted after TV3 overtook it as the country's second most popular channel after RTE 1. RTE reportedly state that the move was taken in the context of an overall repositioning of the RTE brand, in an effort to re-link all of their brands under the RTE brand (Paul, 2005). The station is planning an updated format with more sports and programming to appeal to the 20 to 34 age group, the main target market of rivals TV3 and Channel 4. Since September 2003 the station has been called RTE Network 2, as part of a dual branding strategy, but the word 'Network' is soon to be dropped in favour of the channels original name, dating back to 1978 (unison.ie).

IT company Borland International Inc. announced in 1998 that it would be rebranding as Inprise Corp. The decision to rebrand was an effort by the company to better describe their new mission of offering enterprisewide products. Lexicon Branding Inc., who created such names as Pentium and PowerBook, were called on to come up with the new name, which is intended to suggest 'integrating the enterprise' (Eddy, 1998).

In July 1998 British Digital Broadcasting (BDB) unveiled plans to rebrand as ONdigital, as part of a repositioning and retargeting strategy. Their new identity was

created for them by Wolff Olins, the design consultancy who devised brands such as Orange, Goldfish and Channel 5. BDB hoped for a name that would embody such brand values as honesty, simplicity and value for money, and that would help communicate their new position as a natural development of existing television, offering simplicity of use and requiring no dish or cable connection (Higham, 1998). The rebranding campaign also included a new target market; the digital service would be pitched at whole families who were as yet unconverted to digital television (Crawford, 1998). According to Haig (2003), the rebranding of BDB was not a success for the company, who made the mistake of trying to compete directly with rival BSkyB. Sales did not reach anywhere near the expected levels, and the decision was made to rebrand the service again, this time as ITV Digital, in an effort to link it with a trusted brand name. The rebranding failed again, however, due to technical problems and the inability to compete with BSkyB, and the company went into liquidation in April 2002 (Haig, 2003).

#### **1.4.6 Diversification**

Another possible reason that a company may rebrand is diversification, that is if they expand into a different area than the one they are already operating in, or indeed if a new division is created in the company. Rebranding can also occur if a company has diversified so much since the creation of the original brand name that they feel that the name no longer accurately describes their business activities.

Telecom Eireann was rebranded as Eircom following an extensive review of the company's business activities in 1997, which found that the range of services provided by the company went far beyond telephony alone, which the original name suggested. The name 'Eircom', derived from the 'eir' of Eireann and the 'com' of Telecom, was chosen so that the company could bring with it some of the heritage and positive values of the old name while still being descriptive of the business that the company is in today (Cradden, 2001).

In 1998 U-bix Communications Technology realised that, after diversifying from their first line of business, which was producing photocopiers, into telecommunications, their customers were still only associating their business with photocopiers and not at all with their new business of telecommunications. The realisation came after the company conducted market research and discovered that the majority of their customer base did not recognise them as a telecommunications player under the U-Bix name. They decided that rebranding the telecommunications division would help them in putting across to their customers what their new business was. The name 'Cogent Communications' was chosen, specifically because it had no connection with the telecommunications market and it was hoped that customers would build their own associations with the name based on the divisions' performance (Colville, 1998).

Although not ultimately ending in a name change, an interesting case in point is that of France Telecom. Melewar et al (2005) describe how the company carried out a survey at the time of updating their logo in order to assess the appropriateness of the France Telecom name. The survey was carried out in response to the company's international development and shift in emphasis from a telecoms to a more internet-oriented firm. The choice was made to retain the original name, however, as the results of the survey showed that the name was an invaluable asset, as well as indicating that the word 'telecom' is also often perceived as having internet connotations.

#### **1.4.7 Legal Reasons**

Sometimes a company may be forced to rebrand for purely legal reasons. The rebranding of Anderson Consulting, mentioned above, was implemented as a result of an arbitration where the decision was made to separate the consultancy arm from its sister company, accountants Arthur Anderson. The motivation for this move was two fold; Anderson Consulting had become so successful by the mid-1990's that it had outgrown its older sister company, and the integrity of audits from accountancy



firms with consultancy arms was under severe concern at that time. On August 7, 2000, an independent arbitrator ruled in favour of Anderson Consulting, which was then formally separated from Arthur Anderson, with the condition that they were required to change their brand name by December 31<sup>st</sup> of that year. The company's name was officially changed to Accenture, a name which was chosen to reflect an 'accent' on the 'future' (Kaikati, 2003). The court-ruled separation and rebranding turned out to be a large stroke of luck for the consultancy; a year later its sister auditing firm Arthur Andersen became embroiled in the Enron scandal and can no longer audit public companies (Wasserman, 2002).

In March 2001 The Minor Food Group, who owned the Pizza Hut franchise in Thailand for 21 years, announced that they would be ending their relations with the Tricon Global International Group, parent company of Pizza Hut. The Minor Food Group was legally obliged to remove Pizza Hut from its portfolio in an out-of-court settlement following a dispute between the two companies over the operation of the franchise in Thailand. The Minor Food Group subsequently decided to rebrand the 116 former Pizza Hut outlets as its own new brand, The Pizza Company, thus going into direct competition with Tricon and Pizza Hut ([siamfuture.com](http://siamfuture.com)).

## **1.5 The Rebranding Process**

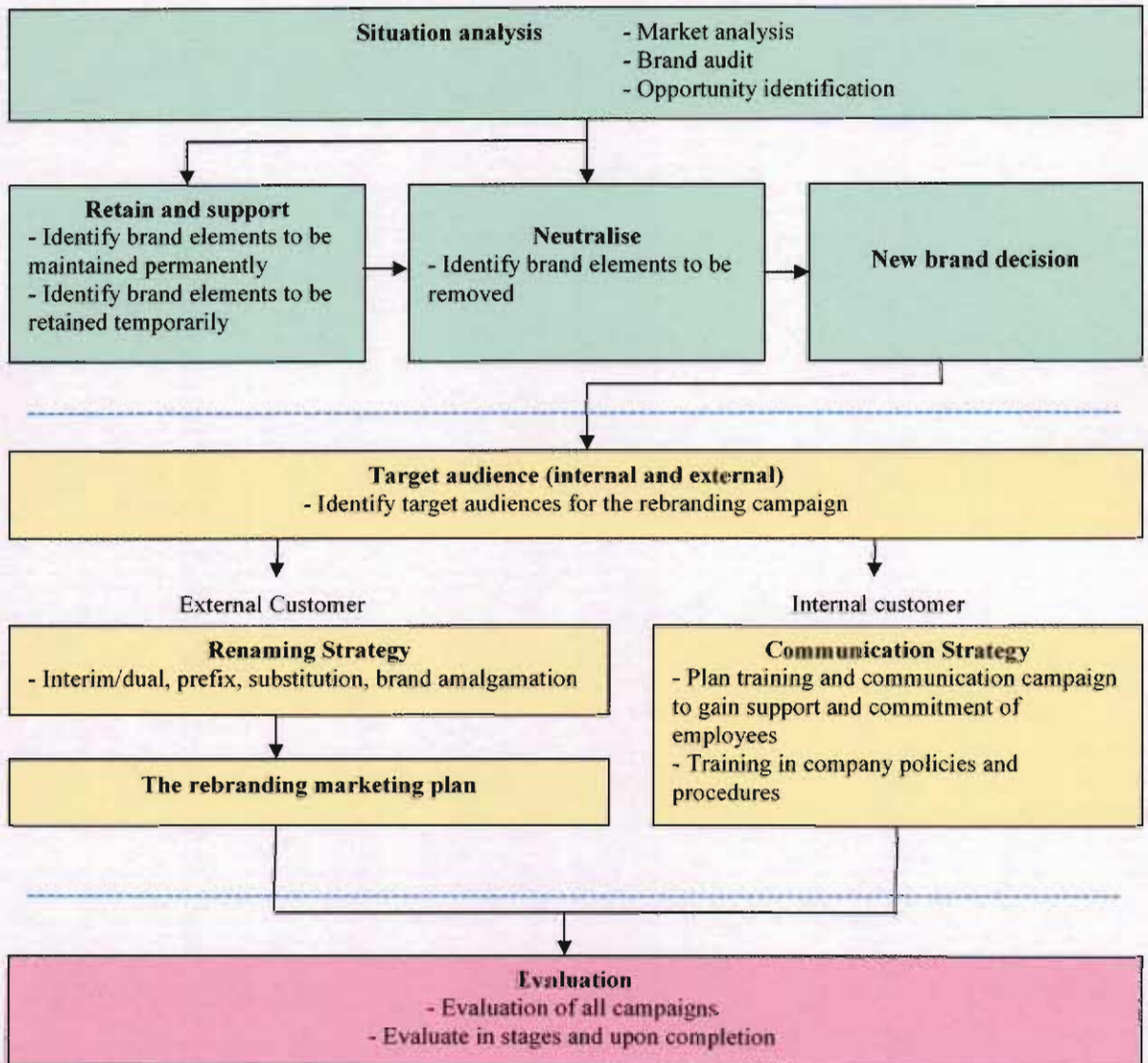
Muzellec et al (2003) propose that the rebranding process is composed of four stages: repositioning, renaming, redesigning and relaunching. Repositioning is required when conditions dictate a radical overhaul of a company's position in terms of both what it is and how it presents itself. Renaming is considered in order to send a strong signal to stakeholders that the company is shifting its strategy, refocusing its activity or changing ownership. According to Muzellec et al the rebranding process also includes the redesigning of such brand elements as logo, stationery, brochures, advertisements, annual reports and delivery trucks; i.e. visible manifestations of the company's desired position. The final stage, as stated by the authors, is the brand

relaunch, which determines how the public at large, such as employees, customers, investors and journalists, may regard the new name.

A seven-stage process is suggested by Jobber (2004), outlined in figure 1.2 below. This framework consists of two key decisions: choosing the new name and implementing the name change. Issues relating to the nature of the new brand name should form the basis of the first step; setting the rebranding objectives. The second step is to generate as many brand names as possible, using sources such as consumers, employees, distributors, specialist brand name consultants and advertising agencies. The third step is to screen the names to remove any with obvious flaws, such as those that are difficult to pronounce, too close to an existing name, have adverse double meanings and do not fit with the rebranding objectives. The fourth step, an information search, is carried out to check that each name does not infringe an existing registered brand name in each country where the brand is, or may be, marketed. The fifth step is to test the remaining names through consumer research. The key criteria chosen in step one will be used to assess the performance of the new names. The final step in selecting the new name is to assess the virtues of each of the shortlisted brand names and come to a conclusion about which one should be chosen and registered.

The seventh and final step in the rebranding process as suggested by Jobber is concerned with implementation. In planning for implementation, Jobber observes that management must realise that name changes can meet considerable resistance from consumers, employees and distributors, because all three groups can feel that their loyalty to a brand has been betrayed. Attention also has to be paid to the media and financial institutions, particularly for corporate name changes. Jobber cautions that careful thought needs to be given to how the name change should be implemented so that all interested parties understand the logic behind the change and support it. He suggest that implementation requires attention to five key issues;

Daly and Maloney (2004) propose a corporate rebranding framework composed of three marketing domains; (1) market analysis, including market auditing, (2) marketing planning, and (3) integrated marketing communications planning. The framework is divided into three sequential but overlapping sections; analysis, planning and evaluation. This framework is illustrated in figure 1.3 below.



**Figure 1.3** Corporate Rebranding Framework (Daly and Maloney, 2004)

The blue dotted lines separate the three stages of implementation: analysis, planning and evaluation respectively. According to Daly and Maloney, all aspects of marketing planning should be anchored in, and be developed from, a situation or market analysis. Issues such as market size and potential, market attitudes and preferences, and competitor strengths and weaknesses should be examined. Brand audits should provide the market's perspective on the brands involved in rebranding, showing their strengths and weaknesses and those of competing brands. This should be accompanied by internal marketing through researching management's and employees' attitudes in the legacy brand company.

In reference to the planning stage of the process, Daly and Maloney explain that this is a three stage process in itself, involving communication to internal customers, the renaming strategy and the rebranding marketing plan. Having discovered the attitudes of internal customers, communicating to internal customers involves developing both communications and training programmes to (a) gain the support and commitment of employees and (b) train employees in the acquiring company's policies and procedures. The renaming strategy can be achieved through implementing one of the renaming strategies of interim/dual, prefix, substitution, and brand amalgamation, which will be described in the next section on rebranding strategies. The 'rebranding marketing plan' stage of planning follows well laid out principles of marketing planning. Decisions must be made about product benefits, product range, pricing, integrated communications, and all other elements of the mix.

The final stage in the process as proposed by Daly and Maloney is evaluation. They state that many opportunities to refine the campaign will have been missed if evaluation is not carried out throughout the planning process. Such staged evaluation allows any aspect of a plan to be altered as the need for such change becomes evident. In addition, a review or overall evaluation should be held at the end to take a more holistic view of the planning process.

## **1.6 Rebranding Strategies**

Six strategic options for the implementation of successful rebranding campaigns are proposed by Kaikati and Kaikati (2003);

- Phase-in/Phase Out
- Combined Branding
- Translucent Warning
- Sudden Eradication
- Counter-Takeover
- Retrobranding

The 'phase-in/phase-out strategy' involves tying the new brand in some way to the existing brand for a specified introductory period. After the transition period, the old brand is phased out. With the 'combined branding strategy', existing brands in a line are combined in some way, for example by using an umbrella brand globally. The third strategic option is the 'translucent warning strategy', where consumers are alerted of a name change before and after the event. With a 'sudden eradication strategy', the old name is dropped almost overnight and immediately replaced with the new one. 'Counter-takeover rebranding' is usually implemented after an acquisition, and involves the acquirers abandoning their own brand name and adopting the name of the acquired brand. Finally, 'retrobranding' occurs where companies have implemented unsuccessful rebranding campaigns and decide to reinstate the original name.

Furthermore, Kaikati and Kaikati (2004) propose several basic requirements which, they suggest, must be met for a successful rebranding campaign to be implemented. These requirements can be summarised as follows;

Companies must;

- Adequately assess customer perceptions
- Ensure to retain a reputable brand consultancy
- Maximise and reward employee input

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- Cultivate a distinctive logo
- Explore the significance of colour
- Promote the new name aggressively
- Monitor and track reactions periodically
- Plan for worst-case scenarios

Daly and Maloney (2004) refer to Kapferer's (1992) four renaming possibilities: interim, fade in/fade out, prefix, and substitution, but contend that the interim and fade in/fade out strategies appear very similar. Their own framework, consisting of interim/dual, prefix, substitution and brand amalgamation builds on that of Kapferer and groups his earlier categories of interim and fade in/fade out under their interim/dual heading. Daly and Maloney describe each of these four strategies as follows;

- *Interim/Dual*: there is some form of interim arrangement before the new name replaces the old name or legacy brand. If brand A is taken over by brand B, an interim arrangement may be that AB comes to identify the interim brand, until eventually brand A is dropped completely and B remains as the new brand name.
- *Prefix*: this is appropriate when two or more brands merge but none of the existing brands will be used as the new brand; the new brand is added as a prefix to the legacy brands and after a period the legacy names are removed and the prefix name remains as the new brand.
- *Substitution*: this involves substituting or switching from the old name to the new name, or to a completely different name.
- *Brand Amalgamation*: this is typically suited to where two strong brands merge. The two names are amalgamated in an attempt to bring the strength and values of the two brands together where the resulting equity may be greater than the sum of the parts.

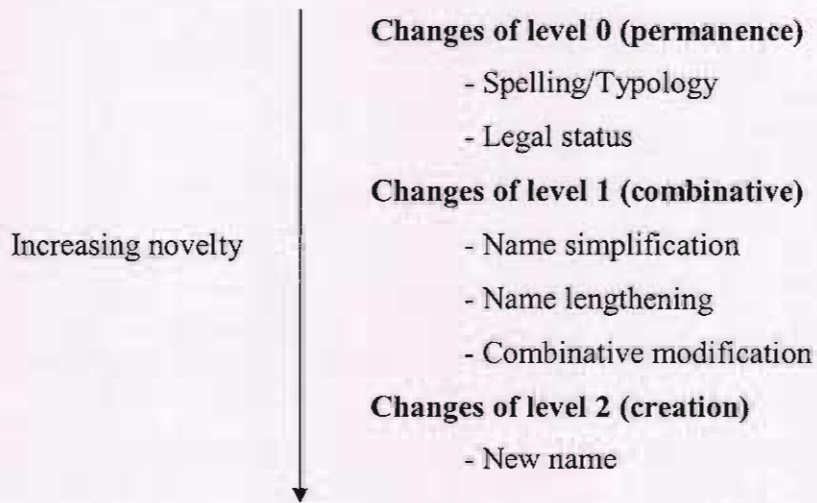
## **1.7 Rebranded Names**

Jobber (2004) suggests that the same issues which are relevant when choosing brand names for new products and companies are also applicable when changing existing brand names. These are that the new name should evoke positive associations, be easy to pronounce and remember, suggest positive benefits, be distinctive, be transferable, not infringe an existing registered brand name, and consideration should be given to the use of numerals when emphasising technology.

In their study of rebranded companies, Muzellec et al (2003) found that discarded names were predominantly descriptive of products or sources while the new names were more inclined to be abstract words, often Latin in origin, intended to symbolise a core corporate value rather than a product category. The results of their study showed the following distribution of rebranded names, increasing in abstraction from *descriptive* to *free-standing*;

- Descriptive (e.g. Rent-A-Car): 18.07 percent
- Geographic (e.g. British Airways) : 1.2 percent
- Person-based (e.g. Philip Morris): 7.83 percent
- Acronym (e.g. AIB): 7.83 percent
- Associative (e.g. Jaguar): 32.53 percent
- Free-standing (e.g. Altria): 32.53 percent

Delattre (2002) provides a typology of name changes, summarised below;



**Figure 1.4** Typology of Name Changes (Delattre, 2002)

Level 0 changes correspond to neutral, indicating permanence of meaning regardless of whether or not the system, or words in the brand name, is modified. This can relate to changes where the spelling of a brand name is altered but the overall meaning is not. These types of changes tend to pass unnoticed. Level 2 change is a creation change in which the system is modified, i.e. new words are introduced into the brand name. This is often considered the real change because of the integration of new elements. Level 1 change is based on group theory, conceptualising the set of words (or word) in the brand name as a group. It is a combinative change, lying somewhere in between the two extremes of permanence (level 0) and creation (level 2). Level 1 change is combinative in that it involves elements of both level 0 and level 2, resulting in the introduction of new words while retaining the original meaning. These tend to be the most common types of name changes (Delattre, 2002). According to the definition proposed earlier in this chapter, only changes of level 1 and 2 could be classed as rebranding; level 0 changes relate to brand *evolution* as opposed to *revolution*, involving mere spelling or typography alterations.



## **1.8 The Risks of Rebranding**

Rebranding campaigns, although common and often attractive solutions to company problems, are not without their risks. Rebranding exercises can alienate employees and customers, provoke a loss of goodwill, and cause consumer confusion (Muzellec et al, 2003). Jobber (2004) concurs, stating that rebranding is risky and the decision should not be taken lightly; the abandonment of a well known and in some cases favourite brand runs the risk of customer confusion and resentment, and a loss of market share. He further warns that rebranding is usually an expensive, time-consuming and risky activity, and should only be undertaken when there is a clear marketing and financial case in its favour and a strong marketing plan in place to support its implementation. Jobber adds that management should recognise that a rebranding exercise cannot of itself rectify more deep-seated marketing problems.

Stuart and Muzellec (2004) caution that the name is the primary means of communication for the organisation; changing it is risky because what is being communicated about the organisation changes dramatically. Duncan (2004) warns that rebranding campaigns are expensive and potentially damaging if done badly, and at best, are disruptive to business. He suggests that, whatever the level of change, careful consideration must be given before embarking on a rebranding campaign. The company must first determine the need for rebranding and base this need on the premise that something has changed in the business mix that dictates a need to overhaul the brand. Duncan also points out that a failure to recognise the need for a rebrand where one is needed can lead to brand stagnation.

Daly and Maloney (2004) refer to the risks associated with substituting one brand name for another, cautioning that it should not be carried out without considerable research, as hasty removal of a name that has positive meanings for stakeholders could result in adverse consequences for the company. Customers and employees in their focus group research showed strong emotional attachment to legacy brands. They recommend well planned communication and reassurance to stakeholders to

minimise confusion and resentment. They further warn that the amalgamation of brand names following merger needs careful management so that the attitudes of stakeholders of the individual brands are assured and reinforced.

Stuart and Muzellec (2004) refer to the high costs of rebranding. They give the example of Bearing Point (formerly KPMG Consulting) to illustrate the possible financial implications. The changes which Bearing Point had to implement as part of their rebranding campaign included; ticker symbol changed to BE on the New York Stock Exchange; a uniform global website and adaptation of local websites; 16,000 email addresses changed; 500 signs replaced in 200 offices; and 20,000 launch announcement packages sent to clients and associates. Altogether, this rebranding initiative is reported to have cost between \$20m and \$35m. Stuart and Muzellec add that it does not just cost to promote the new brand; it also costs to bury the old one. Since the mid 1980's, the concept of brand name equity does not solely appear in academic publications; brand name equity is an actual asset, to which accountants assign a value on the company's balance sheet.

Causon (2003) asserts that, although the rate of rebranding has increased considerably in recent years, few of the companies involved emerge unscathed from their campaigns, whether it is because they admit defeat at the first hurdle or are berated by the media and cynical public. She states that rebranding is a long-term, high risk strategy that must have the buy-in and involvement of the entire organisation before portraying the brand externally, or risk not getting the campaign off the ground at all.

Durman (2001) suggests that the increasing rate of rebranding has led to many clinical, bland and uninspiring new brand names, such as the renaming of British Gas as Centrica, Lattice and BG Group. Durman attributes the emergence of such bland names to the desire for a single identity, for names that are suitable for competing globally. Stuart and Muzellec (2004) explain that the desire to build a global brand has led to the creation of disconnected brand names that represent

values common to any organisation. They suggest that this is paradoxical because corporate brands are supposed to represent a unique selection of attributes and personality. Kettle (2002) reiterates this point, stating that the purpose of rebranding is to mark a break from the past and to blur the specific purpose of the modern corporation, replacing literal names such as the Post Office and replacing them with meaningless ones such as Consignia. Kettle suggests that rebranding provides a sort of 'mental gauze' behind which it becomes easier to change the function of the organisation without the public or competitors understanding or noticing the changes. The mental gauze also helps to isolate institutions, removing all obligations except the obligation to the corporation itself.

Kaikati and Kaikati (2003) discuss four main pitfalls of rebranding campaigns. The first they term the 'heritage rebranding trap', which describes the tendency of some companies to downplay their nationality in an attempt to appear more global, or less connected with one particular country. For example, in the UK, many companies such as British Telecom, British Petroleum and British Gas have all recently removed the word 'British' from their brand names in an effort to appear more global. In 1997, British Airways decided to remove both the 'British' component of the brand name and the Union Jack from its tailfins, in favour of a series of world images. The rebranding campaign was prompted by a desire to create an image which reflected more accurately the customer base of the company, which is 40 percent UK passengers and 60 percent non-British. The rebranding campaign was reversed after only two years, when the company realised that it was the 'Britishness' of the brand which had been the most important brand asset; customers choose British Airways because they are British, who are perceived as responsible, calm in a crisis and in control.

Secondly, Kaikati and Kaikati (2003) warn against 'following the crowd', suggesting that following the global rebranding crowd blindly can be both costly and counterproductive. Companies should not just opt for a rebranding campaign as a

'quick fix' solution to a major problem; each organisation must identify its rebranding motives and objectives concisely.

The third pitfall of rebranding campaigns, as suggested by Kaikati and Kaikati (2003), is the danger of 'merger rebranding', where there is the temptation to attempt to retain the equity of both company names following a merger, by combining them in some way. The authors warn that companies should explore other naming options so that brand equity is not completely lost after a merger. Kaikati and Kaikati (2003) propose that the fourth possible pitfall of rebranding campaigns is 'celebrity rebranding snits', where companies attempt to use the power of celebrity to endorse their rebranding efforts.

Marconi (1993) warns about the potentially disadvantageous consequences of changing the brand name. He states that change for the sake of change is not a valid reason to rebrand, and that managers should examine the performance of their company carefully, looking at statistics such as market share growth, competitors' activities, profit levels, new and old research data and customer satisfaction before making a decision to change the brand name. Temporal and Lee (2001) concur on this point, stating that established brand names have a great deal of brand equity locked up in them in the form of strong emotional associations and loyalty, and changing brand names can lead to unhappy customers and a loss of business.

Marconi gives some examples of rebranding campaigns which were not so successful for the companies involved. When the ill-performing Nash Motors became American Motors the company's sales figures continued to plummet, and even when the company decided to rebrand under the name of their biggest-selling product, Rambler, sales still dropped. The problem, Marconi suggests, was that the rebranding campaign was not backed up by real product improvements. American Motors was later acquired by Chrysler Corporation, and all of their respective products rebranded under the Chrysler brand name. Finally, Marconi describes how, when the two Hollywood film companies Metro-Goldwyn-Mayer and United Artists

merged and rebranded under the name 'MGM-UA', the name was so uninspiring that it quickly disappeared, along with its products.

Boze and Patton (1995) suggest that the future of brands lies in brand extension or brand name replacement as opposed to the creation of new brands, and state that current research is inconclusive as to the level of consumer resistance to a change in established brand names.

Some companies have reported negative responses to brand name changes, such as the afore-mentioned Microsoft. Their decision to rename the Windows NT package as Windows 2000 only caused analysts to believe that the company were trying to draw attention away from the delayed launch of the product (Darrow, 1998), or to think that they were merely opting for name changes over actual improvements on the package (Petreley, 1998).

The issue of brand name changing is referred to by LePla and Parker (1999). They advise against changing the brand name if it can be avoided, but acknowledge that sometimes a name change is necessary, either because of a merger or acquisition or because the brand name may no longer be descriptive of the company mission. LePla and Parker make three suggestions to companies who find that they must change the brand name; firstly, it is advisable not to discard all of the brand equity that has been built up when the brand name is no longer sufficiently descriptive, but rather to change it in such a way that the equity is retained; secondly, companies changing the brand name should educate customers about it over time rather than making a sudden change; thirdly, companies should utilise the brand name change as an opportunity to make 'noise' in the market about the brand.

Perkins (1995) warns that changing a corporate brand name can be extremely costly, confuse consumers, and cause possible anonymity for previously well-known companies. She observes that, despite these risks, brand name changes are still occurring at an increasing rate when the name no longer effectively represents the

company. Perkins states that the two most common trends relating to brand name changes are shortening long names and dropping product references in brand names.

## **1.9 Conclusion**

Despite the shortage of academic literature on the topic of rebranding, the occurrence of the practice continues to increase, due to environmental factors such as the global consolidation of brands and continuing merger and acquisition activity. Rebranding can occur at three distinct levels in a company: corporate, business unit and product. There exists much disparity in what exactly constitutes a rebrand in the literature, however the author defines rebranding as 'the process of overhauling a brand, through changing the brand name to something different, where there is a clear managerial intent from the outset to cause a revolution of the brand, and which is not part of the natural evolution of the brand over time'.

There are a multitude of reasons that explain why companies choose to rebrand, however the author suggests that the major motivations for rebranding can be grouped under seven headings; mergers and acquisitions, standardisation, brand image, simplification, repositioning and retargeting, diversification, and legal reasons. There is a process involved in rebranding, generally involving sequential but overlapping stages such as naming decisions, analysis and implementation. In addition to this, there are various strategic options available to the organisation when implementing a name change, which depend both on the motivation for the rebrand and on the needs of the company.

When brand names are changed, the same issues which relate to the branding of new products and entities are equally applicable. Changing brand names is a strategy fraught with risks; it is an expensive tactic which can confuse and alienate both consumers and employees and can, in some cases, result in bland and uninspiring brand names. Management must ensure that, initially, the need to rebrand is a real

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one, and secondly that a comprehensive internal and external communication plan is in place to inform all stakeholders of the change.

*Chapter Two*

# The Effects of Rebranding



## **2.1 Introduction**

Chapter One of this thesis reviewed the available literature on the topic of rebranding; its nature, processes, strategies and risks. The purpose of this second chapter is to examine the possible, and theoretical, effects of rebranding. The shortage of an academic knowledge base and previous empirical findings means that any claims or conclusions made must effectively be speculative. In lack of previous theory on the effects of rebranding, the author has instead used the abundance of theory on the broader area of branding in an attempt to hypothesize about these possible effects. Therefore, the 'effects' referred to, although not proven, are grounded in academic theory.

In order to achieve this, the author identified five brand concepts that are potentially the most related to the brand name, and thus to rebranding; brand equity, consumer-brand relationship, brand loyalty, brand identity, and brand proposition. The chapter consists of a thorough review of the relevant literature relating to each of the five brand concepts, so that theoretical propositions can be made on the possible effects of rebranding in the context of each concept. Thus each individual literature review is followed by a section in which the author uses the theory to make speculations as to the potential effects of rebranding in the perspective of that brand concept. A further outcome of using general branding theory is that the earlier discussion on rebranding is placed in the context of the fundamental concepts from which it originates. The chapter will begin with an in-depth discussion on brand equity, which will be followed by a section on the potential effects of rebranding on that aspect of the brand.

## **2.2 Brand Equity**

Keller (1993) asserts that there are generally two motivations for the study of brand equity; a finance-based and a strategy-based motivation. He explains that finance-based brand valuation is used in estimating a more precise value of a brand for the

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balance sheet, often for merger, acquisition or divestiture purposes. Keller describes one such method; Simon and Sullivan's (1990) estimation technique is based on the difference between the incremental discounted future cash flows that would be produced as a result of a product having a brand name, and the cash flows from the same product if it were unbranded. Keller states that the primary purpose of the strategy-based motivation for the study of brand equity is to improve marketing productivity, and that the firm must have a good understanding of the knowledge they have created about the brand in the mind of the consumer from previous marketing programmes. Keller is of the opinion that financial brand valuations have little relevance if the firm has not created this brand knowledge or has a poor understanding of it. Firms must have the ability to create and exploit some underlying value for the brand through the development of profitable brand strategies.

Aaker (1992) proposes a model to show how brand equity creates value for the firm, defining brand equity as 'a set of brand assets and liabilities, linked to the brand name and symbol, which can subtract from, as well as add to, the value provided by a product or service, and which provides value to customers as well as to a firm'. The 'assets' referred to in the definition are; brand loyalty, brand name awareness, perceived brand quality, brand associations and other proprietary brand assets such as patents and trademarks.

Aaker provides a rationale for the inclusion of each of these five brand assets. Brand loyalty generates brand equity value by reducing marketing costs, through favouring the retention of existing customers over the acquisition of new ones. Brand awareness provides the brand, and thus the consumer, with a sense of the familiar and communicates substance and commitment. Perceived quality provides brand equity value by giving the consumer a reason to buy, differentiating the brand, attracting channel members, being the basis for line extensions and supporting a higher sale price. Brand associations help consumers to process and retrieve brand information and are also the basis for differentiation and brand extensions. The

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'other proprietary brand assets' category is usually of lesser importance and is included for completeness.

Aaker states that brand equity has value for the consumer, and thus the firm, in three main ways; brand equity assets help the customer to interpret, process, store and retrieve brand information; assets can affect the customer's confidence in the purchase decision; and brand equity assets enhance the customer's satisfaction through the use of the product. Aaker goes on to suggest six main sources of brand equity value to the firm; brand equity enhances efficiency and effectiveness of marketing programmes; awareness, perceived value and associations can strengthen brand loyalty through customer satisfaction; brand equity can provide a platform for growth through brand extensions; brand equity can provide leverage in the distribution channel through strong brand recognition; brand equity assets provide a firm with a significant advantage: a barrier that prevents customers from switching to competitors' brands.

Keller (1993) conceptualises brand equity from the perspective of the consumer and defines this customer-based brand equity as 'the differential effect of brand knowledge on consumer response to the marketing of the brand'. He asserts that customer-based brand equity occurs when the consumer has some familiarity with the brand and holds favourable, strong and unique brand associations in their memory. Keller emphasises the importance of a good comprehension, on behalf of the firm, of the way that their marketing programmes affect consumer learning of brand information, because it is the brand information in consumer memory which will influence all future brand strategies. Keller provides a conceptualisation of this brand knowledge, which he explains as being composed of brand awareness and brand image, and an outline of this conceptualisation is given below.

### **2.2.1 Keller's Conceptualisation of Brand Knowledge**

Basic memory principles can be used to describe the nature of brand knowledge and how it is related to brand equity. The associative network memory model depicts knowledge as a set of nodes and links, where the nodes are stores of information connected by links that can have varying strengths. The degree to which brand information is retrieved from memory is determined by a process of 'spreading activation' (Ratcliff and McKoon, 1988, in Keller, 1993). Nodes become activated either when they are processing external information or retrieving information from the long-term memory, and activation can be spread from this node to other linked nodes. The information contained in a linked node can be recalled by the consumer when activation in that node exceeds a threshold level. Therefore, the extent to which the consumer can recall brand information from memory is determined by the strength of association between the activated node and all linked nodes. Brand knowledge can be thought of as a brand node which is linked to a variety of brand association nodes. In accordance with the associative network memory model, if a consumer is processing information about a particular brand, the brand node becomes activated and subsequently activates linked brand association nodes, and a variety of brand associations will then come to mind as a result.

As mentioned above, Keller asserts that brand knowledge is composed of brand awareness and brand image. Brand awareness is itself composed of brand recall and recognition, and is responsible for activation of the brand node. The perception held by the consumer about the brand is reflected in the brand associations in memory, and results in a brand image. A brief description of these two concepts, and how they relate to brand equity, will be given below.

#### ***2.2.1.1 Brand Awareness***

In discussing brand awareness, Keller draws particular attention to brand name awareness, as this brand identity is generally thought of as the central part of the

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brand. The extent of a consumers' brand awareness can be seen in their ability to identify a particular brand under different circumstances, and this ability is dependent on the strength of the brand node in memory. In relation to the brand name, the ability to identify a name with some ease is an indicator of good brand name awareness. Brand awareness is itself composed of brand recognition and brand recall, where brand recognition is the consumers' ability to indicate a prior exposure to the brand when provided with the brand name, and brand recall is the consumers' ability to indicate a particular brand when provided with the product category or some other similar probe as a cue.

Keller asserts that the importance of brand awareness in consumer decision making is threefold. Firstly, it is important that the brand name comes to mind when the consumer considers the product category, in order to increase the likelihood that the brand will be included in the consideration set, the set of brands that are seriously considered for purchase. Second, the lowest level of brand awareness can have a substantial effect on the consideration set, for example in low-involvement decision situations product choice may be made on the basis of a minimal brand awareness, even when the consumer has no particular attitude towards the product (Bettman and Park, 1980, in Keller, 1993). Finally, the decision making process can be affected by brand awareness in the way that it influences the formation and strength of the brand associations in memory. As previously mentioned, brand awareness is responsible for activation of the brand node, and this in turn is responsible for activation of linked brand association nodes, which results in the creation of a brand image.

#### **2.2.1.2 Brand Image**

Brand image is defined by Keller as the 'perceptions about a brand as reflected by the brand associations held in consumer memory'. Keller proposes that it is the favourability, strength, and uniqueness of the brand associations in memory that create the differential consumer response that in turn makes up brand equity. This differential response is especially important in high involvement purchase situations.

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Keller states that there are three major types of brand associations; attributes, benefits and attitudes, increasing in scope respectively. Attributes can be explained as descriptive features that consumers think a product or service has. Benefits are the personal values that consumers attach to products and services and describe how consumers think they will gain from their consumption. Attitudes can be described as the consumers overall evaluation of the brand.

Park and Srinivasan (1994) propose a survey-based method for the measurement of brand equity in one product category, and for evaluating the extendibility of a brand's equity into another related product category. The authors suggest that the gain in importance of brand equity has been twofold; look-alike advertising and 'me-too' brands have created a world of product parity where short-term price promotions reduces the profitability of brands, and brand managers must find ways to increase consumer brand loyalty; and the increasing power of retailers has led manufacturers to recognise that it is the strength of brands that allows them to retain a position of power against retailers. Park and Srinivasan also point out that the increased interest in the extendibility of a brand's equity into related product categories can be attributed to the rise in new product development costs and the high rate of new product failures, leading companies to acquire, license and extend brand names as an alternative to creating new ones.

Park and Srinivasan refer to Keller's (1993) conceptualisation of brand equity, stating that it views brand associations as underlying brand equity, but the authors argue that brand associations contribute to brand equity in two ways. Brand associations that relate to product attributes create an attribute-based component of brand equity which is based on the difference between consumers' perceptions of product attributes and an objective measurement of product attributes. In addition to this, brand associations create a non-attribute based component of brand equity, which is part of the overall consumer perception of the brand but is unrelated to actual product attributes. Park and Srinivasan explain this with the example of the

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Marlboro Man; his masculine image is a considerable part of the overall brand, however it has nothing to do with the actual product attributes.

In Park and Srinivasan's study, when the approach is applied to toothpaste and mouthwash categories, the non-attribute based component was found to play a more dominant role in determining brand equity in both product categories. Thus it was those brand associations that were unrelated to actual product attributes, such as the brand name, that were more important in shaping a brand's equity. They also found that the brand equity of the brands in the study had a considerable effect on their market share and profitability. In terms of the extendibility of a brand's equity, the authors found that both the attribute-based components and the non-attribute based components of brand equity for mouthwash extensions were positively related to both types of equity for toothpaste brands, confirming that the brand equity of the toothpaste brands could be extended successfully into a related product category.

Abela (2003) notes that the literature generally classifies approaches to the measurement of brand equity into two categories; additive and inclusive interpretations of the brand. The additive interpretation views product and brand as separate, where the brand is simply a mark added to the product. An additive approach would isolate the value that the brand name alone contributes to the overall brand, separate to any contribution from product attributes. With the inclusive interpretation, opposingly, the product is viewed as being part of the brand. This approach is concerned with measuring the total value of the brand equity created by the branded product, and doesn't attempt to separate the various contributions.

Abela observes that most definitions of brand equity are concerned with the incremental effect of the brand name, which implies the additive interpretation. Abela concludes that the inclusive approach has more practical value if one considers brand building to consist of more than just advertising. This approach seeks to measure the total outcome of the branded product rather than isolating the value contributed by the brand name alone. Abela defends this stance by stating that,

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from an inclusive perspective, when the brand name is added to the product, a simple mixture of brand plus product is not created, but instead, the name transforms the product. He argues that once brand equity has been established, the idea of the unbranded equivalent, as mentioned by Keller (1993) before, becomes meaningless.

According to Aaker (1992), even though most managers would agree that brand equity is a key asset, their actions are often inconsistent with their beliefs. This is attributable, in large part, to the pressure on managers to deliver short-term results. This can lead to a cut back on brand building activities because they focus on profitability in the long-term. Furthermore, Aaker observes, declines in brand equity are often not noticed, because there is a lack of adequate systems to measure it. Aaker explains that sales promotions succeed because they have an immediate and measurable effect on profitability, and thus are used more and more, to the point where any declines in product quality may not be detected. Aaker states that the inevitable result of an increased reliance on sales promotions and a reduction of brand building activities is an increase in the role of price and a decrease in the role of brand associations in the consumer purchase decision. If this is taken to the extreme, Aaker observes, the product class can start to resemble a commodity.

In this next section, the author will use the brand equity theory to make inferences on the possible effects of rebranding on a brand's equity.

#### **2.2.2 Rebranding and Brand Equity**

As can be seen from the previous discussion, many authors and managers alike would agree on the fundamentality of building a level of equity for brands. This becomes increasingly important as a method of differentiation where the increasing emergence of me-too brands has led to product parity. Furthermore, high new product development costs prompt managers to find alternative ways to grow the firm, and the extendibility of a brand's equity is a way of securing future growth. Therefore, the question must be asked; if a level of brand equity has been established



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for a brand, why would the decision be made to jeopardise that equity through rebranding, and moreover, to what extent would the brand's equity be affected through changing the brand name?

It is generally understood that the brand name is the central component of the brand, and, as seen in the previous section, the brand name is inherently linked to brand equity. Aaker defines brand equity in terms of the brand name and relates that the brand name is one of the key brand assets that create equity and value for the firm. Keller states that brand name awareness is the central brand identity which is responsible for the creation of brand image, which in turn constructs brand knowledge, the foundation of brand equity. Therefore, it is the brand name that is fundamental in building brand equity. In addition to this, Park and Srinivasan note that it is those brand associations that are unrelated to actual product attributes, such as the brand name, that are more important in shaping a brand's equity.

In view of this intrinsic link between the brand name and brand equity, it can be inferred that changing the brand name through rebranding would have a considerable effect on the level of equity that has been established for the brand. Of course, brand equity does not rely solely on the brand name; other brand attributes such as performance and value for money contribute to equity too. Thus, rebranding would have a substantial effect on a brand's equity but would not lead it to be discarded completely.

This has implications for companies considering rebranding as a strategic option. In view of the brand equity literature reviewed here, rebranding should only be considered in situations where a brand has little or no established brand equity, or where the equity in the brand has diminished beyond the point of resurrection. In this instance, rebranding presents an ideal way of creating new brand equity and value for the firm without resorting to new product development. There is however, another possible scenario with implications for brand equity; if a brand with relatively high equity is rebranded, there is also the prospect of transferring that

equity to the new brand through effectively associating the two brands through communication activities.

The next section examines the literature relating to the relationship between consumers and brands, and is again followed by a section hypothesising on the theoretical effects that rebranding could have on this relationship.

### **2.3 Consumer-Brand Relationship**

Much of the branding literature is concerned with exploring the notion of a reciprocated relationship between consumer and brand, much like an interpersonal relationship between individuals. This concept is discussed and empirically investigated by Fournier (1998), who suggests a holistic conceptual framework which demonstrates utility of the consumer-brand relationship idea as a whole. Fournier draws three key conclusions in constructing this conceptual framework; (1) brands can and do serve as viable relationship partners, (2) consumer-brand relationships are valid at the level of lived experience, and (3) consumer-brand relationships can be specified in many ways.

Fournier identifies fifteen different forms of meaningful brand relationships, under the rubrics of friendship and marriage. She asserts that any given consumer has a portfolio of brand relationships, and that, likewise, any given brand has a portfolio of relationships across individuals. Fournier states that these relationships can be usefully summarised using the fifteen relationship forms, outlined below;

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Relationship Form	Definition
Arranged marriages	Nonvoluntary union imposed by preferences of a third party.
Casual friends/buddies	Friendship low in affect and intimacy, characterised by infrequent engagement, and few expectations for reciprocity.
Marriages of convenience	Long-term, committed relationship precipitated by environmental influence versus deliberate choice, and governed by satisficing rules.
Committed partnerships	Long-term, voluntarily imposed, socially supported union high in love, intimacy, trust and a commitment to stay together despite adverse circumstances.
Best friendships	Voluntary union based on reciprocity principle, the endurance of which is ensured through continued provision of positive rewards.
Compartmentalised friendships	Highly specialised, situationally confined, enduring friendships characterised by lower intimacy than other friendship forms but higher socioemotional rewards and interdependence.
Kinships	Nonvoluntary union with lineage ties (inherited).
Rebounds/avoidance-driven relationships	Union precipitated by desire to move away from prior or available partner, as opposed to attraction to chosen partner per se.
Childhood friendships	Infrequently engaged, affectively laden relation reminiscent of earlier times. Yields comfort and security of past self.
Courtships	Interim relationship state on the road to committed partnership contract.
Dependencies	Obsessive, highly emotional, selfish attractions cemented by feeling that the other is irreplaceable. Separation from the other yields anxiety. High tolerance of others' transgressions.
Flings	Short-term, time-bounded engagements of high emotional reward, but devoid of commitment and reciprocity demands.
Enmities	Intensely involving relationship characterised by negative affect and desire to avoid or inflict pain on the other.
Secret affairs	Highly emotive, privately held relationship considered risky if exposed to others.
Enslavements	Nonvoluntary union governed entirely by desires of the relationship partner. Involves negative feelings but persists because of circumstances.

**Table 2.1** Typology of Consumer-Brand Relationship Forms (adapted from Fournier, 1998)

Fournier concludes that a deep understanding of the consumer-brand relationship can only be obtained through consideration of the larger whole in which that relationship is embedded. She argues that consumer-brand relationships are more a matter of compatibility with consumers' perceived goals than congruence between product attributes and personality traits. She suggests that meaningful brand relationships are qualified by the perceived ego significance of the chosen brands. Fournier goes on to conclude that the holistic character of the consumer-brand relationship dictates that individual relationships make the most sense when

considered at the aggregate level, in that the meaning of a given brand relationship is a function of other relationships in the portfolio. This is because brands cohere into systems that consumers create in order to aid in living and to give meaning to their lives. Fournier also makes conclusions on the active role of the consumer in the production of modern culture. She states that the categories which consumers create for brands are not necessarily the same as the categories imposed on brands by marketers. These categories which consumers create for brands, through using them to add meaning to their lives, are what matters in the construction of brand relationships.

Park and Kim (2001) relate consumer-brand relationship theory to brand extension theory, by proposing and demonstrating that consumers with strong brand relationships react more positively to a brand's extension than those lacking such a relationship. Furthermore, they suggest that the effect of the consumer-brand relationship is above and beyond the effect that the consumer's perception of quality might have on their judgements about the extension. The authors contest current brand extension literature, which states that the effectiveness of a brand's extension depends on the perceived quality of the original brand and the similarity between the original and extension brand categories, showing that the effect of the consumer-brand relationship can be strong enough to influence the purchase decision, beyond the effect of perceived quality, even when the brand is extended into dissimilar product categories.

Park and Kim use interpersonal relationship theory as a framework to explain the nature of the consumer-brand relationship and its underlying processes. Once an interpersonal relationship is developed, it tends to stabilise at a particular level of intimacy, and individuals become increasingly dependent on the relationship to the extent that satisfaction levels are high, the quality of alternatives is poor, and investment size is high (Rusbult, 1983, cited in Park and Kim, 2001). Park and Kim state that commitment to a relationship promotes pro-relationship behaviours, specifically the willingness to sacrifice desired activities for the good of the

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relationship, and the tendency to accommodate rather than retaliate when a partner engages in a potentially destructive behaviour. Furthermore, the authors discuss 'relational schema', or patterns, which tend to create interpretation biases which cast the partners' behaviour in a positive or negative light, depending on the quality of the relationship. Park and Kim assert that consumers engage in relationships with brands in the same way they do with individuals, where the 'partner' in the relationship is the brand, instead of another person.

In this way, according to Park and Kim, some implications are implied for brand extensions, where an extension into a dissimilar category might be viewed as a deviant behaviour. The authors propose, however, that a strong, committed consumer-brand relationship will promote pro-relationship behaviours, such as interpreting the dissimilar extension in light of the existing relational schema, which is positive in nature.

Park and Kim conclude that the quality of the consumer-brand relationship significantly influences judgements about brand extensions and purchase intentions, even when the effects of the original brand quality are controlled, and moreover, that the effect of the relationship increases as the extensions become dissimilar, while the effect of the original brand quality decreases. The authors attribute this effect to the consumer's motivation to bolster the efficacy of the brand extension in situations where they feel it is necessary, i.e. in dissimilar brand extensions, where the extent to which this bolstering occurs is a function of the strength of the consumer-brand relationship.

Morris and Martin (2000) provide a case study of the Beanie Babies phenomenon, in order to illustrate a firm's use of distinguishing product attributes to engineer and build a strong consumer-brand relationship. Beanie Babies were first created by Ty Inc. in 1993 as a toy that children could afford to buy with their own money, priced at \$4.95, but by 1998, rare or hard-to-find bears were selling for \$5,200 on the then-formed secondary collectors market.

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The authors propose ten key product attributes that identify relationship-prone brands; *nostalgic value*, which describes sentimental linkages with the consumers' past; *personification*, where the product's features resemble human characteristics; *uniqueness*, where the product is rare or one-of-a-kind, or there is clear differentiation between brands in the product category; *facilitation*, which is the ability of the product to help users engage in valued behaviours or attain important goals; *engagement*, which describes the extent to which the item engages the user to exert mental or emotional energy to use it; *aesthetic appeal*, which relates to the product's physical attractiveness; *quality/excellence*, which describes the product's overall superiority relative to other products; *association*, which relates to the extent to which the item is linked to other things; *social visibility and image congruence*, which is the extent to which the user is seen by others when using the item and which is also congruent with the user's self identity; and finally *price risk*, which relates to the degree to which the consumer may be concerned about the purchase price, replacement price, or other expenses associated with the item, such as insurance, storage or repair costs.

Having considered some of the most prominent thinking in the area of the consumer-brand relationship, the potential effects that rebranding could have on this relationship will be examined in the next section.

### **2.3.1 Rebranding and the Consumer-Brand Relationship**

Having examined the nature of the consumer-brand relationship, it is now necessary to relate this to the rebranding process; to establish what effect, if any, rebranding would have on the relationship that is formed between consumers and the brands they use.

The case of the consumer-brand relationship in relation to the brand name differs to that of brand equity, discussed before, in that the brand name is not necessarily inherently linked to the consumer-brand relationship. Fournier refers to the holistic

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nature of the consumer-brand relationship, suggesting that it is composed of many aspects, and furthermore, that the relationship is formed more through experiencing the brand. This implies that the formation of the consumer-brand relationship does not rely on the brand name, but is built on many brand aspects. Morris and Martin note that the consumer-brand relationship is based more on actual product attributes such as aesthetic appeal and quality.

As afore-mentioned by Park and Kim, the consumer-brand relationship can be strong enough to influence the purchase decision beyond the effect of product quality. Furthermore, relationships tend to stabilise when they reach a certain level of intimacy, and consumers in strong relationships tend to exhibit pro-relationship behaviours, where deviant actions on the part of the brand are excused.

If the brand name does not play a fundamental role in the creation of the consumer-brand relationship, it can be said that the effect of a brand name change would be limited on this relationship, especially where the relationship is so strong that it surpasses the effect of quality. If a relationship reaches that level where it stabilises to the point where pro-relationship behaviours are exhibited, and a brand name change is thought of as a deviant action, it can be said that the name change would be forgiven by the consumer.

In summary, rebranding should have little effect on the consumer-brand relationship, in instances where this relationship is relatively strong. However, in the case of relationships that have not reached a level of stability, rebranding could have a negative effect, though the extent of this is not likely to be substantial considering that the brand name does not play a central role in the formation of the consumer-brand relationship.

Section 2.4 will describe some of the theories and ideas in relation to the area of brand loyalty, the third brand concept identified by the author as being potentially the most related to rebranding. As in the previous sections of this chapter, the review

of the brand loyalty literature will be followed by a hypothesising on the possible effects of rebranding on a brand's loyalty base. Again, in the absence of any literature specifically on these possible effects, these inferences will be grounded in the relevant brand loyalty literature.

## **2.4 Brand Loyalty**

It is generally accepted that one of the foremost aims of the marketing manager is to create some level of customer loyalty in brands. The retention of loyal customers is crucial to a firm since it has been shown that it is up to five times less expensive to sell to a loyal customer as it is to create a new one (Palumbo and Herbig, 2000). There are many and diverse definitions of brand loyalty in the literature, most incorporating an element of behaviour or attitude, or both. Jacoby and Kyner (1971, cited in Quester and Lim, 2003) provided an early conceptual definition of the term, stating that brand loyalty is 'the biased behavioural response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological processes'.

The importance of building brand loyalty is well documented. Aaker (1991) states that the brand loyalty of the customer base is often the core of the brand's equity. Gounaris and Stathakopoulos (2004) assert that the importance of brand loyalty is attributable to five factors; (1) brand loyal consumers are less expensive to retain, (2) brand extensions are less risky for brands with loyal consumers, (3) brand loyalty is associated with higher return on investment, (4) brand loyal consumers are less likely to switch to alternative products, and (5) brand loyalty is a major determinant of brand equity. Amine (1998) emphasises the need for building brand loyalty, stating that most of today's markets are so segmented and overstocked that, in order to sustain or enhance portfolios, firms are obliged to focus more on existing customers.



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Amine (1998) also comments on the development of consumer brand loyalty, stating that consistent buying behaviour may be due to store loyalty, lower price, narrow product assortment, emotional attachment to the brand, or the consumer's perception of product benefits. Quester and Lim (2003) suggest that brand loyalty implies both a consistent pattern of purchase of a specific brand over time and a favourable attitude towards a brand, and that brand loyalty develops when the brand fits the personality or self-image of the consumer or when the brand offers gratifying and unique benefits that the consumer seeks.

Gounaris and Stathakopoulos (2004) state that brand loyalty can be viewed from three perspectives. The behavioural perspective relates to the actual repeat purchase of the brand; the attitudinal perspective refers to a strong internal disposition towards a brand leading to repeat purchase; and the normative perspective relates to the theory of reasoned action, where behaviour may be influenced by external social pressures. Their paper conceptualises brand loyalty from a combined perspective. The authors propose that there are four different types of brand loyalty;

- No loyalty; no purchase, no emotional attachment and no social influence
- Covetous loyalty; no purchase, but with high emotional attachment and high social influence (the consumer covets the brand but cannot purchase it for whatever reason)
- Inertia loyalty; purchase is made, but with no emotional attachment and low social influence (purchase is made out of habit)
- Premium loyalty; high repeat purchase, with strong emotional attachment and social influence

Amine (1998) distinguishes between true and inertia brand loyalty. True brand loyalty exists mostly in highly involving conditions and relates to the attitudinal dimension of brand loyalty, while inertia repurchasing depends on the decision process followed in the initial purchase.

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The issue of product involvement and its relationship with brand loyalty is greatly discussed in the literature. Knox and Walker (2001) refer both to product involvement and brand risk, stating that product involvement is the extent to which the product class is motivating for the consumer, and brand risk is the risk that is associated with making a poor brand choice. The authors define four types of brand loyal consumers according to their level of involvement;

- Loyals; high involvement and medium risk
- Habituals; low involvement and low risk
- Variety seekers; medium involvement and medium risk
- Switchers; low involvement and low risk

Quester and Lim (2003) note that there is only a tentative relationship between involvement and brand loyalty reported in the literature. The results of their study, which empirically examined the relationship between these two variables, lend some support to previous findings that a relationship exists between product involvement and brand loyalty, but do not show that the former construct precedes the latter. The authors find that a simple relationship does not exist between involvement and brand loyalty, but rather that different facets of involvement have different influences on loyalty.

The brand loyalty concepts reviewed above will now be applied in considering the potential and theoretical effects of changing a brand's name on that brand's loyalty base.

#### **2.4.1 Rebranding and Brand Loyalty**

The importance of building a level of consumer loyalty for brands is unquestioned; it is a method by which firms can establish a solid customer base, facilitate customer retention and discourage switching behaviour. As noted by Aaker (1991) the loyalty of the customer base is often the core of a brand's equity. It must be considered then, what possible effects rebranding could have on brand loyalty, that is, how related is

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brand loyalty to the brand name and what possible consequences could arise from changing that name?

There are some references to the relationship between the brand name and brand loyalty in the literature. Gounaris and Stathakopoulos (2004) observe that brand name reputation is a strong indication of product quality and equity and is necessary for the development of brand loyalty. Selnes (1993) concurs, stating that brand reputation is a perception of quality associated with the brand name, and finds that brand name reputation has a strong effect on brand loyalty. However, Selnes also points out that this outcome can be overestimated, because the effect of experienced quality and satisfaction are excluded. This indicates that the brand name is only necessary for building brand loyalty when consumers have limited ability to evaluate actual product quality, i.e. in instances of first-time purchase. Thus the conclusion can be made that the effect of the brand name on brand loyalty, for brands with an established loyal customer base, is surpassed by the effects of experienced quality and satisfaction.

It is apparent from the literature that the creation of brand loyalty is more to do with actual product benefits than any symbolic brand attributes, and, where brand loyalty has in part been established through symbolic aspects, such as the brand name, this is dominated by the effects of experience and satisfaction. Therefore, it is reasonable to conclude that brand loyalty can be retained even after the brand name has been changed through rebranding.

The fourth brand concept which has been recognised by the author as potentially the most influenced by the process of rebranding is that of brand identity. Some of the most important literature relating to this brand concept will be reviewed below in section 2.5, along with a subsequent section considering the possible effects that rebranding could have on a brand's identity.

## **2.5 Brand Identity**

Much of the current branding literature is concerned with the concept of identity, relating to both product brands and corporate brands, but with the majority of the emphasis on corporate identity. De Chernatony (1999) attributes the increased attention to corporate branding in general to the way in which organisations are linking their brands with their corporate values, in order to incorporate a unique mix of functional and emotional values into their brands.

Despite this increased attention to corporate identity, the actual definition of the term is highly contentious and lacking in agreement (Melewar and Jenkins, 2002). This apparent confusion led the International Corporate Identity Group to issue the Strathclyde Statement, which provides a comprehensive explanation of the term in place of a definition. The statement is as follows;

‘Every organisation has an identity. It articulates the corporate ethos, aims and values and presents a sense of individuality that can help to differentiate the organisation within its competitive environment. When well managed, corporate identity can be a powerful means of integrating the many disciplines and activities essential to an organisation’s success. It can also provide the visual cohesion necessary to ensure that all corporate communications are coherent with each other and result in an image consistent with the organisation’s defining ethos and character.

By effectively managing its corporate identity an organisation can build understanding and commitment among its diverse stakeholders. This can be manifested in an ability to attract and retain customers and employees, achieve strategic alliances, gain the support of financial markets and generate a sense of direction and purpose. Corporate identity is a strategic issue.

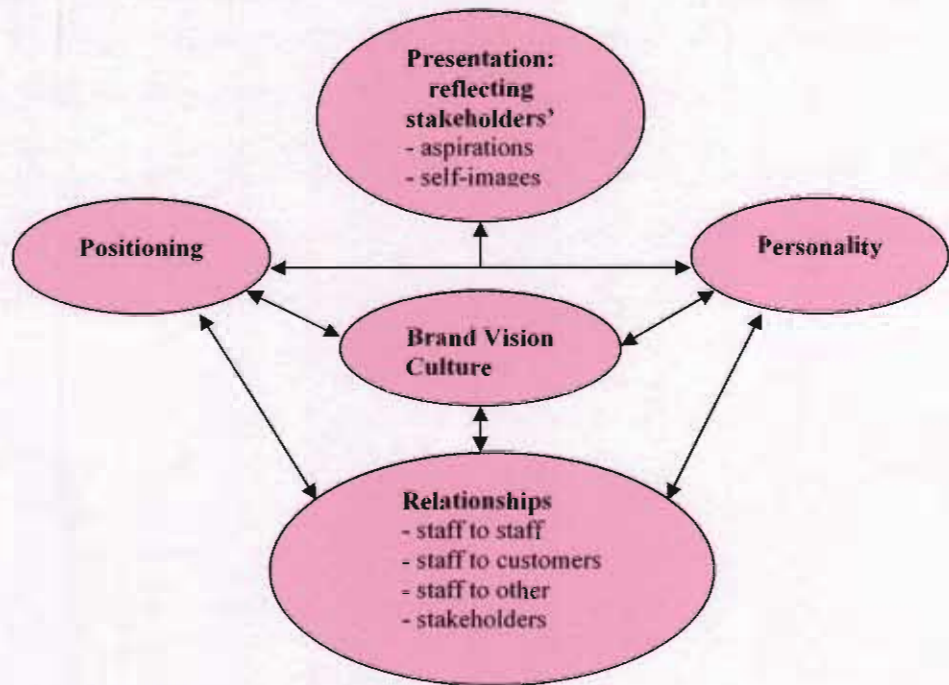
Corporate identity differs from traditional brand marketing since it is concerned with all of an organisation’s stakeholders and the multi-faceted way in which an organisation communicates’ (taken from Van Riel and Balmer, 1997).

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Balmer (1998) asserts that corporate identity has three distinguishing features. First, corporate identity is fundamentally concerned with reality; what the organisation is, its strategy, philosophy, history, business, range and type of products, and its communication. Second, corporate identity is multi-faceted and draws on several disciplines. Third, corporate identity is based on corporate personality, i.e. it is based on the values present within the organisation.

De Chernatony (1999) describes a shift in the corporate branding literature from the importance of image, focusing on consumers' perceptions of brand differentiation, to identity, which is more concerned with how managers and staff make brands unique. He observes that identity is about the ethos, aims and values that present a sense of individuality differentiating the brand, i.e. firm centred, while image is a holistic impression of the relative position of a brand among its perceived competitors, i.e. customer centred. Rosson and Brooks (2004) concede that the focus of corporate branding is more on identity than image, stating that identity is how a company thinks about itself and would like to be viewed by others, while image describes how a company is actually perceived by outsiders; it reflects how the identity that has been created and projected is received. De Chernatony (1999) provides a model of the identity concept, outlined below, conceptualising it in terms of the brand's vision and culture, which drive its desired positioning, personality and the subsequent relationships, all of which are then presented to reflect stakeholders' actual and aspirational self-images.

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**Figure 2.1** The Components of Brand Identity (adapted from De Chernatony, 1999)

Van Riel and Balmer (1997) lend more support to the argument that corporate identity is a multidisciplinary phenomenon. They assert that there are three approaches to identity which have tended to follow a separate line of development and have started to reach maturity in the literature. The graphic design paradigm relates to identity being synonymous with organisational nomenclature, logos, company housestyle and visual identification. The role of symbolism is now assigned a greater role in communicating corporate strategy. The integrated communication paradigm refers to the recognition of the breadth, complexity and importance of corporate communications and the necessity of communicating effectively with all stakeholders. The interdisciplinary paradigm relates to the gradual broadening of the understanding of corporate identity, which is now taken to indicate the way in which an organisation's identity is revealed through behaviour and communications, as well as through symbolism to internal and external audiences. The multidisciplinary approach has emerged from writers increasingly drawing on some or all of the three strands.

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Balmer and Gray (1999) attribute the increased importance of corporate identity and corporate communications to ten environmental forces;

- Acceleration of product life cycles
- Deregulation
- Privatisation programmes
- Increased competition in the services sector
- Increased competition in the public and non-profit sectors
- Globalisation and the establishment of free trade areas
- Mergers, acquisitions and divestitures
- Shortage of high-calibre personnel
- Public expectations for corporate social responsiveness
- Breakdown of the boundaries between the internal and external aspects of organisations

There are divergent and conflicting views in the literature as to the components or even existence of a corporate identity mix (Illia et al, 2004). However, one such identity mix is proposed by Melewar and Jenkins (2002), who suggest that it is composed of mind, soul and voice. The mind consists of managerial vision, corporate philosophy, strategy, performance, brand architecture, the nature of corporate ownership and organisational history. The soul is composed of subjective elements including the organisation's distinct values, mix of sub cultures, employee affinities and internal images. The voice is the total corporate communication and consists of uncontrolled communication, controllable communication, symbolism, employee and corporate behaviour, and indirect (external/third party) communication.

According to Witkowski et al (2003) identity consists of four major elements; properties, products, presentations and publications, with specific identity elements varying from one industry to another and from parent corporations to their brands. Witkowski et al assert that the management of identity is especially challenging internationally since one or more of the four identity elements typically need to be

adjusted to maximise local consumer response and yet done in such a way as to not sacrifice the advantages of a global image. They state that the goal of marketing management is to create positive identity impressions in the local consumers' minds even if this entails some alteration to the company's global identity expressions.

This review of the brand identity literature will be utilised in the next section to again speculate on the possible consequences of rebranding in this context. Although the lack of rebranding literature and previous research again prevents the author making substantiated claims, a body of literature does exist in the area of corporate visual identity, which relates very much to the rebranding process and aids the author in making more valid assertions.

### **2.5.1 Rebranding and Identity**

As seen from the Strathclyde statement, every organisation has an identity, as does, equally, every product brand. Identity stems from corporate ethos, aims and values, and has moved on from being related to graphic design alone, instead being viewed from a multidisciplinary perspective. Although corporate identity helps to project a certain image, it is seen as a separate phenomenon. Image, as seen in the earlier section on brand equity, has inherent links to the brand name, while identity would appear to have little direct linkage to the brand name.

There is, however, one part of corporate identity that does relate directly to the brand name, and thus to rebranding. Melewar and Saunders (1999) state that corporate visual identity (CVI) is part of the corporate identity that multinational enterprises can use to project their quality, prestige and style to stakeholders, and is composed of name, slogan and graphics. They explain that the internationalisation of products and promotional campaigns leads consumers to use incorporeal brand names and corporate identities to understand and recognise products and services. CVI provides a visual language for projecting a consistent, clear visual structure to a company's publics.



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Delattre (2002) asserts that the name is the main component of any organisation's visual identity, and that any decision of corporate name modification has financial, marketing and strategic effects. Rosson and Brooks (2004) suggest that many mergers and acquisitions fail because they pay inadequate attention to soft issues such as vision and leadership, stakeholder communication, employee morale and retention, corporate culture and integration speed and momentum, and that the establishment of a strong and clear corporate identity can help to mitigate these problems, communicating what the new company stands for to customers and employees. They state that CVI elements include company name, logo or word mark, typeface and colour schemes and these are applied in company facilities, media advertising and various operational areas in order to create awareness, trigger recognition and activate an existing image of the company in peoples minds.

In their study of a number of mergers and acquisitions, Rosson and Brooks conclude that in almost 60 percent of cases, the acquirer's CVI was retained for use by the new identity, with the target company's CVI disappearing totally, and in a further 20 percent of cases, the target's CVI was only used at the subsidiary or brand level, with the acquirer's CVI again being used for the new entity. In the remainder of cases, the target's CVI, a hybrid CVI, a new CVI or both the acquirer's and target's CVIs (as in dual branding) were used as visual representation for the new entity. Rosson and Brooks assert that departing from known identities requires new learning and warn that the spectre of lost corporate equity is raised when dealing with the issue of rebranding.

From the above argument, it can be suggested that rebranding would have a direct effect on the corporate visual identity of a firm, since it is so closely linked to the brand name. This is not a surprising conclusion as a rebrand must ultimately involve changing the visual identity in some way as a result of changing the name. Some authors would consider a visual identity change to be a rebrand in itself, for example Melewar et al (2005) who describe the France Telecom logo change in 2000 as a rebranding programme. As was explained in Chapter One, the author contests this

view on the grounds that logo changes are evolutionary in the context of the growth of organisations, as opposed to the revolutionary changes that characterise rebrands. In articulating the France Telecom logo change, Melewar et al assert that the group felt that its existing visual identity was no longer appropriate to its evolution and future development, further supporting the contention of the present author. Melewar et al further observe that elements of the visual identity mix such as the logo generally only have a shelf life of five to eight years, thus necessitating consistent evolutionary changes.

However, CVI is only one component of brand identity, and, as mentioned earlier, relates only to the graphic design paradigm of identity. Identity is now understood to incorporate much more than just the visual aspects of the brand. In conclusion, while the CVI would be affected by changing the brand name, rebranding would have little effect on the overall identity, considering that it is far more related to the internal aspects of the corporation than the external.

The fifth and final brand concept identified in this thesis as being the most relevant in the context of rebranding is that of the brand proposition. This topic will be examined in the next section in order to again provide a theorising on the possible effects of changing a brand name in the context of the brand proposition.

## **2.6 Brand Proposition**

The term 'brand proposition' is used to describe the combination of a brand's positioning and personality. Hankinson and Cowking (1993) distinguish between brand proposition, positioning and personality, relating the definition of a brand to the latter two terms; 'a brand is a product or service made distinctive by its positioning relative to the competition and by its personality'. They add that the brand proposition often consists of a series of statements. They suggest that one of these statements for Sony might be 'a brand with technological superiority', and that every stage of the branding process must be in synergy with these statements.

They also state that the brand proposition may be summarised in advertising slogans and straplines, as in the 'Pure Genius' slogan of Guinness. The two components of the brand proposition will be examined separately in the next two sections of this chapter.

### **2.6.1 Brand Positioning**

According to Hankinson and Cowking (1993), a brand's positioning is what describes the brand with respect to the relative positions of competitive brands, and this can often be determined by the price of the product or by product usage. Sheinin (1998) defines brand positioning as the process of influencing perceptions by specifying the attributes, benefits or images which represent differentiation. Marsden (2002) states that positioning may be simply defined in terms of how a brand is positioned in the mind of the consumer, with respect to the values with which it is differentially associated or which it owns.

The objective of brand positioning is to place a brand that is clearly distinguishable from competitors' brands on the market, to ensure that that brand occupies a unique position on the market and to endow it with a precisely defined profile with clear-cut contours (Herrmann and Huber, 2000). Marsden (2002) observes that in today's over-communicated and product saturated consumer world, effective positioning can be critical to brand success. He states that the commercial utility of positioning lies in how the imbuing of trademarks with unique, true and compelling values can influence purchasing decisions and impact upon sales. Herrmann and Huber (2000) postulate that it is not so much the utility components of a commodity that determine the purchase decision of a consumer, but rather above all his or her set of values. Marsden (2002) asserts that the entire enterprise of branding itself can be understood as an exercise in positioning; using product experience and marketing initiatives to increase profitability by associating trademarks with compelling consumer values.

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The origin of the positioning concept can be related to the work of economists on market structure, competitive position of the firm and the concepts of substitution and competition among products (Herrmann and Huber, 2000). According to Blankson (2004), the process of positioning is iterative and requires deliberate and proactive involvement of the marketer. He stresses that the development of positioning, which is essentially a statement about what the firm's offering is and stands for, and which the consumer can relate to and understand, is an important and vital part of a marketing communications plan and branding tactics.

Marsden (2002) explains that how an idea is positioned in the associative networks of memory may be seen as describing the meaning of that idea for its holder. Associated pieces of information in memory can be described as 'memes', or genes of memory. These units of memory can be understood as nodes in the associative networks of memory (described earlier in the 'brand equity' section of this chapter). Clusters of memes provide a recipe of meaning, allowing us to imbue objects, including trademarks, with meaning. Marsden states that the relevance of memes to marketers is that they can be mapped and used to audit how brands are positioned in the minds of consumers, providing valuable insight that can inform marketing initiatives. He adds that using this approach to reveal the dominant positive and negative memes that coalesce into overall brand meaning, meme maps identify the adaptive and maladaptive 'genes of meaning' coding for a brand's positioning.

Brand positioning often involves placing various competing brands in a market on a perceptual map relative to each other. This is referred to by Blankson (2004) who states that the application of positioning involves certain related activities, such as defining the dimensions of a particular perceptual space that adequately represents the target audiences' perceptions, measuring objects' locations within that space, and modifying actual characteristics of the object and perceptions of the target audience via a marketing communications strategy. Herrmann and Huber (2000) assert that the basic idea underlying this practice is that consumers' perceptions of the various brands can be conceived as a multidimensional space in which individual brands are

positioned. A product's positioning is determined from its position on the relevant dimensions of the perceptual space, its position on the various product attribute vectors and its position with respect to other brands. Herrmann and Huber stress that this positioning approach suggests that the attributes of a brand are crucial to a consumer's assessment of its usefulness.

Sheinin (1998) writes on brand positioning in relation to brand extensions, stating that extensions can be positioned relative to both the parent brand, which is the brand being extended, and to the extension's category. These different positions may cause consumers to change the extent to which they leverage their parent brand and extension category beliefs, that is, transfer these beliefs to brand extensions. Sheinin suggests that positioning is important with brand extensions because it may change their fit with their two relevant knowledge sources; the parent brand and extension's categories, and thus position fit should be important in understanding knowledge formation about brand extensions.

The results of Sheinin's study indicate that brand positionings (brand extensions positioned relative to the parent brand) display strong brand-derived beliefs and weak category-derived beliefs. The opposite is true for category positionings; these tend to display strong category-derived beliefs and weak brand-derived beliefs. Only brand extensions with brand positionings displayed attitude consistency (i.e. a consistent consumer attitude across parent brands and brand extensions). The findings suggest that positioning brand extensions relative to the parent brand and extension's category changes consumer leveraging of their existing knowledge, and thus their brand extension beliefs and attitudes. In addition, the data of the study indicate that the importance of positioning diminishes under conditions of poor brand-category fit.

Blankson (2004) states that the positioning of services is concerned with the attempt to modify the tangible characteristics and the intangible perceptions of a marketable offering in relation to the competition. He observes that, in services positioning,

tangible product attributes provide more favourable consumer perceptions than intangible attributes, and that when equivalent tangible and intangible attributes are available for advertising positioning purposes, the former can often be expected to be more effective in affecting consumers' perceptions than the latter. This is because, in the case of services advertising, consumers have no tangible point of reference (as with products) and therefore in most cases, advertisers rely on consumer's emotions. For instance, the Marks and Spencer's store card service's positioning activities are built on 'service', 'value for money', and 'the brand name'; and the Harrods store card places emphasis on 'top of the range' and also 'the brand name' (Blankson, 2004).

### **2.6.2 Brand Personality**

Helgeson and Supphellen (2004) describe the three basic categories of brand benefits as functional (relating to the problem-solving capacity of brands), experiential (relating to the sensory pleasure or cognitive arousal derived from using a brand) and symbolic (relating to the signal effect of using a brand). The signal effect describes what the brand says about the consumer to the consumer and to others, and can be based on the image of a generalised or typical user of the brand and/or the personality of the brand itself. Tan (2004) concurs on the symbolic basis of brand personality, stating that human beings have a uniform need for identity, and often search for this through the symbolisms and meanings carried by brands. He notes that these symbolisms and meanings are not necessarily inherent in brands but have been intentionally or sometimes unintentionally added through corporate communications and customer reactions, working to create the brand personality.

Aaker (1997) defines the brand personality as 'the set of human characteristics associated with a brand'. To illustrate this definition, she explains that Absolute vodka personified tends to be described as a cool, hip, contemporary 25-year old, whereas Stoli vodka personified tends to be described as an intellectual, conservative, older man. Aaker also refers to the symbolic roots of brand

personality, pointing out that, in contrast to product-related attributes, which tend to serve a utilitarian function, brand personality tends to serve a symbolic or self-expressive function, and furthermore that the symbolic use of brands is possible because consumers often imbue brands with human personality traits. This act of perceiving non-living objects as human-like is referred to as anthropomorphisation, and consumers use it in order to facilitate interactions with the non-material world (Fournier, 1998, cited in Tan, 2004). Aaker goes on to state that consumers can think about brands as if they were celebrities or famous historical figures, and as they relate to ones own self, which may be due in part to the strategies used by advertisers to imbue a brand with personality traits.

Azoulay and Kapferer (2003) assert that a renewed interest in brand personality signals that the metaphor of brands as people is held as increasingly more pertinent at a time when marketing stresses so much the importance of creating relationships with brands. They contest Aaker's definition of brand personality, proposing that the problem with it is that it is too wide, possibly embracing concepts beyond those of personality. Aaker's definition may mean almost everything related to a human being and applied to brands; in effect any non-physical attribute associated with a brand. Azoulay and Kapferer propose a modified definition of brand personality, describing it as 'the set of human personality traits that are both applicable to and relevant for brands'.

Phau and Cheen (2000) explain that brand personality, like human personality, is both distinctive and enduring. For example, the personality of Coke is seen to be 'real and authentic' while Pepsi is associated with 'youth, spirit and excitement'. These brand personalities endure over time in spite of efforts to augment them. Phau and Cheen add that the personality of a brand encourages consumers to perceive attributes they aspire to in the brand and hence the desire to associate with it. For instance, the authors suggest, Guess and Esprit signify youth, Marlboro evokes images of masculinity, Gucci and BMW signify sophistication, Hewlett Packard conveys competence, Hallmark and Kodak relate sincerity and Nike signifies **fitness**.

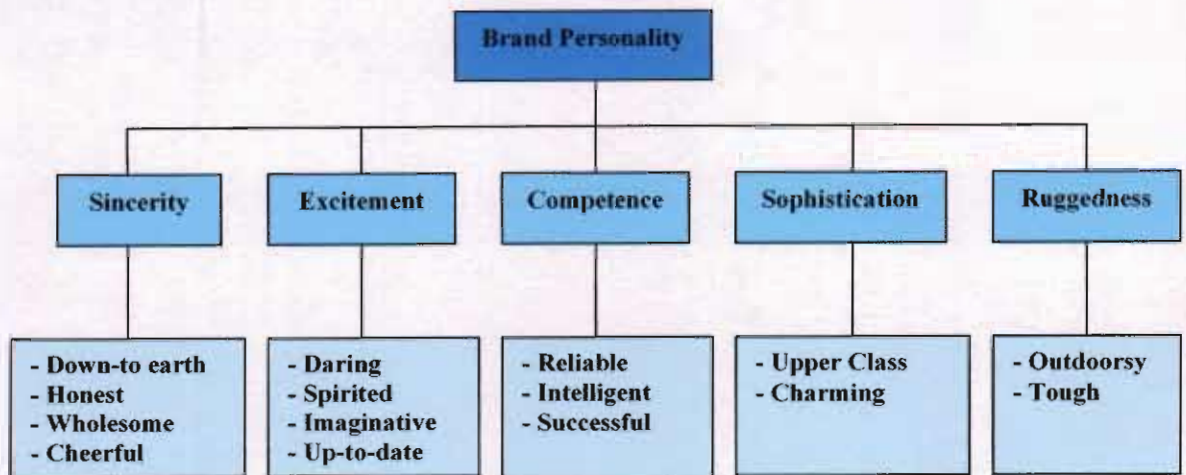
### *The Effects of Rebranding*

Tan (2004) provides an account of the origins and development of brand personality, stating that the roots of the discipline lie in the concepts of human personality. The so-called 'big five' model of human personality reduced the large number of adjectives describing the dimension to only five latent elements; extroversion, agreeableness, conscientiousness, emotional stability and openness. The development of this framework provided a consensual framework for classifying and organising descriptors of human personality. Tan notes that, in terms of advertising strategy, brand personality was built by the manipulation of brand name, signs, symbols, logos, imagery, music, type of endorsers, lay-out or use of humour and provocation.

Aaker (1997) postulates that perceptions of brand personality traits can be formed and influenced by any direct or indirect contact that the consumer has with the brand. Personality traits come to be associated with a brand in a direct way by the people associated with the brand, such as the brand's user imagery (defined as the set of human characteristics associated with the typical user of a brand), the company's CEO, and the brand's product endorsers. In addition, according to Aaker, personality traits come to be associated with a brand in an indirect way through product-related attributes, product category associations, brand name, symbol or logo, advertising style, price and distribution channels.

In order to evaluate brand personality, Aaker (1997) developed a measurement scale called the Brand Personality Scale, building on the knowledge gained from the study of human personality described above. The Brand Personality Scale identifies five brand personality dimensions and 15 facets. Aaker maintains that, even though there might be similarities between the brand personality framework she developed and human personality dimensions, brand personality dimensions might operate in different ways or influence consumer preference for different reasons. The scale is illustrated below.





**Figure 2.2** Brand Personality Framework (Aaker, 1997)

Although thought seminal, there are criticisms of Aaker's conceptualisation of brand personality. As mentioned earlier in this section, Azoulay and Kapferer (2003) contest Aaker's definition of brand personality, proposing that the problem with it is that it is too wide, possibly embracing concepts beyond those of personality. The authors also put forth criticisms of the components of the Brand Personality Scale. They suggest that the item 'competence' is questionable, considering that most psychologists exclude intelligence, as a cognitive ability, from their personality tests. They contest the items related to gender, social class and age, which Aaker added in the item-generation step of her research, stating that including these facets is confounding the personality of the brand itself and the personality of the purported receiver or target, as portrayed in the brand's advertising. In a study which tested the two personality characteristics of stability over time and stability in association with other brands, Tan (2004) found that these characteristics appear to be inherent in brands as much as in human beings. Unlike Aaker, Tan maintains that brand personality does in fact function in much the same way as it does for humans.

Helgeson and Supphellen (2004) note that there are two streams of research regarding symbolic brand benefits; brand personality research, which has already been described, and self-congruity research, which refers to the degree to which a

### *The Effects of Rebranding*

consumers self-concept matches the personality of a typical user of a brand. Phau and Cheen (2001) insist that self-congruity is not developed just by positioning the personality dimensions of the brand to fit those of consumers, but that it could also be developed via the relationship between the user and the brand. Hence, the authors note, consumers and their preferred brand would end up being more and more similar to each other as the relationship between them grows favourably. Phau and Cheen (2001) add that the development of self-congruity using brand personality is a dynamic two-way process; consumers who have a strong preference for a particular brand can in fact endow and influence its perceived personality with their self-concept, and the stronger the relationship that is built with a brand, the more one is able to achieve congruity between the brand and the self.

Tan (2004) asserts that there should be congruity between the brand personality and the consumer's self-concept because consumers aim to express themselves in brand choices and prefer products that match their self-concept since purchases offer a vehicle for self-expression. Aaker (1997) maintains that self congruity research, although popular, yields weak findings, and that this flaw is attributable to the asymmetric relationship in the structure of brand versus human personality. She adds that brand personality research is a broader, more inclusive concept than the image of a typical user that is employed in self-congruity assessment.

The importance and the role of the development of brand personality is noted by Phau and Cheen (2000, 2001), who write that the concept of brand personality can provide various avenues for brand marketing strategists to enhance their comprehension of consumer perceptions and attitudes towards the brand. It can also contribute to differentiating brand identity, to guiding communication efforts and to building brand equity. Furthermore, for many product classes, the brand personality is the key element in understanding brand choice (Plummer, 1984, cited in Phau and Cheen, 2001).

In this final section the above literature on the brand proposition will again be utilised in order to speculate on the possible effects of rebranding on this element of the brand.

### **2.6.3 Rebranding and the Brand Proposition**

The brand proposition is an integral component of any brand, comprised of the brand's positioning, which describes the brand with respect to the relative positions of competitive brands, and the personality, which refers to the set of human characteristics associated with a brand. As in the previous sections of this chapter, the practice of rebranding and its effects will now be related to the brand proposition, by considering, to what extent, the concept of brand proposition is connected to the brand name.

Taking brand positioning into consideration firstly, it can be said that this is a firm-centred concept. The objective of brand positioning is to place a differentiated brand on the market, through imbuing trademarks with certain intended values, in order to influence consumer perceptions about that brand. Positioning is also described as the position of the brand in the mind, or memory, of the consumer. However, since the positioning of the brand is determined at the discretion of the firm, it can be said that the brand is positioned intentionally, in a certain manner, in the mind of the consumer, by the firm.

It was stated in the first chapter of this literature review that rebranding can be used as a repositioning strategy. In this case rebranding plays an intentional role in altering the positioning of a brand through changing the brand name. Such a strategy would be implemented where the brand name is so integral to the brand's positioning that it must be changed in order to reposition (see Chapter One for examples of this strategy). If a decision to rebrand was made with the intention of retaining the current brand positioning, the degree to which the positioning is attached to the brand name would need to be determined by the firm in order to

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assess the possible level of change that rebranding could bring about. For example, the brand name may not be so essential to the positioning of an FMCG brand as it is for a prestige brand. If assessed accurately, the effects of rebranding on the positioning of such brands should be within the control of the firm. Thus it can be concluded that brand positioning decisions are firm centred and intentional; positioning is placed in the mind of the consumer by the firm and any modifications that could occur through rebranding are generally planned and strategic.

With reference to the brand personality, this concept has inherent links to the signal effect of using brands; brand personality serves a symbolic or self-expressive function because consumers tend to imbue brands with personality traits through anthropomorphisation. These symbolisms are intentionally or unintentionally added through corporate communications and customer reactions, working to create the brand personality. However, Tan (2004) contends that personality can be seen from two angles: (1) how a brand presents itself to the world and (2) how the world interprets the brand after it is put through the many filters of experience, perceptions, misconceptions and values and cultural systems of individuals that make up the world. This suggests that marketers can control only about half of the fate of their brands (Plummer, 1984, cited in Tan, 2004). This point illustrates the difference between the brand positioning, described above, and the brand personality, in relation to the level of managerial control; where positioning is largely firm-centred and strategically designed, the construction of personality is dependent, in large part, on consumer values.

The symbolic, as opposed to functional, basis of brand personality suggests that this concept has strong links to the brand name (since the brand name serves no actual functional benefit). As mentioned before, Tan (2004) notes that the brand name is one of the attributes that the brand personality is built on, and Aaker (1997) states that personality traits come to be associated with a brand in an indirect way through the brand name, symbol or logo. This observation, together with the above argument that brand personality is, in large part, consumer-centred, provides some insight into

the influence that rebranding could have on the brand personality; it can be said that the brand personality is significantly connected to the brand name and the implementation of a rebranding campaign could have a considerable affect on it, which would be largely beyond the control of the firm.

## **2.7 Conclusion**

This second chapter of the literature review examined the possible effects of rebranding on five brand concepts; brand equity, consumer-brand relationship, brand loyalty, brand identity, and brand proposition. These five brand concepts were chosen because it was thought that these, above others, would be potentially the most connected to the brand name, and thus to rebranding. This method of selection was derived from the literature in Chapter One which suggested that, because the brand name is the central component of the brand, and rebranding was theorised to require a brand name change, issues which affect the brand name would by default be the most influential in the context of rebranding.

First a thorough review of the relevant literature on each of the five brand concepts was presented, followed by a hypothesising on the possible and theoretical effects of rebranding in the context of that concept. In the lack of any substantial body of evidence on the effects of rebranding, the author chose to make theoretical suppositions, but ones which were grounded in accepted research.

It was hypothesised that rebranding should have a considerable effect on brand equity, unless it is transferred, and on brand personality, but little significant effect on the consumer brand relationship, brand loyalty, brand identity and brand positioning. These possible effects will form part of the enquiry of the primary research, the details of which are outlined in the next three chapters.

*Chapter Three*

**Research Methodology**

### **3.1 Introduction**

The previous two chapters examined the relevant literature on the topic of rebranding and its possible effects. The purpose of this third chapter is to detail the methodological procedures employed in the conduct of the primary research for the study. These methods must be described in order to provide a justification for the paradigms and research instruments used in obtaining primary data.

A further purpose of this chapter is to select the appropriate data collection, analysis and interpretation methods which will satisfy the primary research question for the study, which is; how and why do companies implement rebranding campaigns? The nature of the research question will guide the type of primary research employed.

### **3.2 The Scientific Method**

Epistemology, or the study of knowledge, has generally been grounded in four distinct modes of enquiry; the scientific mode, the authoritarian mode, the mystical mode, and the rationalistic mode. Research methodology concerns itself with the scientific mode, which is the acquisition of knowledge through scientific means (Nachmias and Nachmias, 1996). The scientific method itself is grounded on a set of basic assumptions that are unproven and unprovable, and it is through these assumptions that the scientific mode can make a claim of superiority over other approaches to knowledge. Nachmias and Nachmias (1996) outline these assumptions as follows;

1. *Nature is orderly*: there is a recognisable regularity and order in the natural world. A degree of order and structure exists and change is patterned and can be understood.
2. *We can know nature*: human beings are just as much a part of nature as other objects, conditions, and events. We can be understood and explained by the same methods by which we study other natural phenomena.

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3. *All natural phenomena have natural causes*: beliefs, such as those found in fundamentalist religion, that forces other than those found in nature operate to cause natural events, are rejected by the scientific method. Rather, science seeks to discover empirical regularities and order that underlie natural phenomena. Such regularities can serve as evidence for cause-and-effect relationships.
4. *Nothing is self-evident*: claims for truth must be demonstrated objectively. Scientific thinking is sceptical and critical.
5. *Knowledge is derived from the acquisition of experience*: science must be empirical, that is, it must rely on perceptions, experience, and observations.
6. *Knowledge is superior to ignorance*: knowledge should be pursued both for its own sake and for the sake of improving the human condition.

Within the scientific method, a distinction is made between the natural sciences, such as medicine and physics, and the social sciences, such as psychology and marketing. This thesis is concerned with social science, a branch of science that studies society and the relationships of individuals within a society (Miller and Brewer, 2003). Smith (1990) explains how, due to its nature, social science is inherently problematic in that it involves a human attempt to explain human phenomena. This is problematic because it is doubtful as to whether method can ever annihilate the individual scientist's viewpoint. Smith adds that social sciences, like all sciences, aspire to make objective meaning claims, but in the case of social sciences these have to be in the context of the human activity which has created them and which cannot be understood apart this scheme of action. This observation poses the basic epistemological problem of social science; how can the human world be objectively known in subjective, human, terms? The issue of objectivity is a recurring one in social science research and will be discussed more fully later in this chapter.

Although the sciences are differentiated by their subject matter, they are united by their methodology. Nachmias and Nachmias (1996) define the scientific methodology as 'a system of explicit rules and procedures upon which research is



based and against which claims for knowledge are evaluated', and add that this system is neither unchangeable nor infallible; rather the rules and procedures are constantly being improved upon. Nachmias and Nachmias further state that methodology has three major roles;

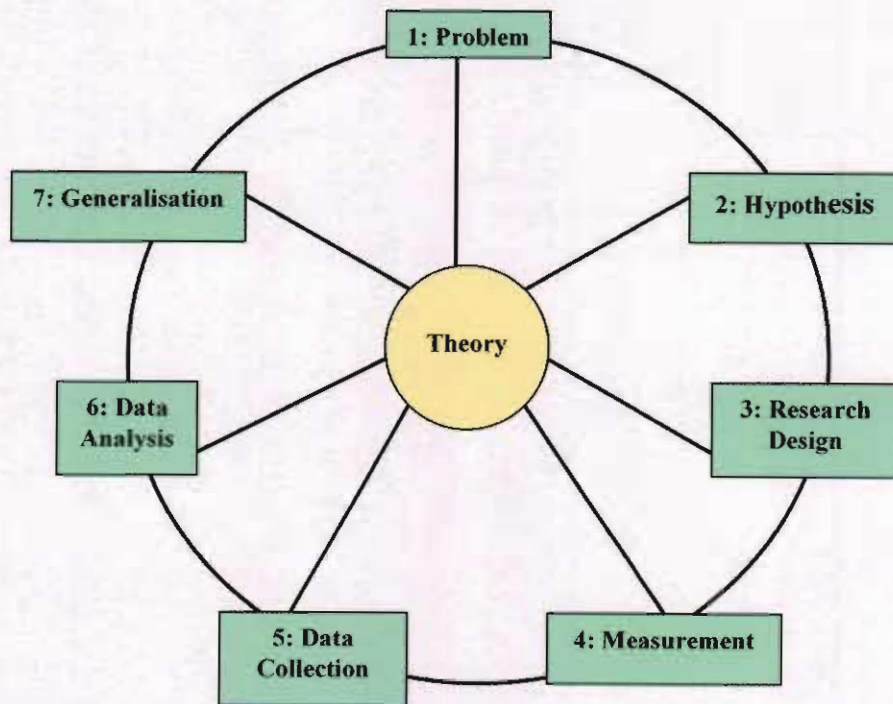
- *Methodology provides rules for communication:* communication is facilitated between researchers who either have shared or want to share a common experience. Furthermore, by making the rules of methodology explicit, public, and accessible, a framework for replication and constructive criticism is set forth.
- *Methodology provides rules for reasoning:* empirical observations do not speak for themselves; they must be ordered and related into systematic, logical structures. Logic, along with factual observations, is the essential tool of scientific methodology.
- *Methodology provides rules for intersubjectivity:* objectivity and validation are highly interdependent; scientists cannot make claims for objectivity until other scientists have verified their findings. Intersubjectivity, which involves the sharing of observations and factual information among scientists, is indispensable because logical reasoning alone does not guarantee empirical objectivity.

### **3.3 The Research Process**

Most of the major texts on the subject of research methodology list the various stages of the research process, though these stages often vary (e.g. Brannick and Roche, 1997; Aaker et al., 2001; Malhotra, 2002). The research process is the overall scheme of activities in which scientists engage in order **to produce knowledge; it is** the paradigm of scientific inquiry (Nachmias and Nachmias, 1996). According to Saunders et al (2000), the precise number of stages varies but they usually include formulating and clarifying a topic, reviewing the literature, choosing a strategy, collecting data, analysing data and writing up. They also state that, though the research process appears logical and systematic, in practice this is rarely true,

arguing that even though each of the stages must be dealt with, some or all of them may have to be revisited.

For the study at hand the author adhered to the seven-stage process proposed by Nachmias and Nachmias (1996), depicted below. Each stage affects theory and is affected by it. The process is cyclical in nature; it starts with a problem and ends with a tentative empirical generalisation, which in turn presents a new research problem. This cyclic process continues indefinitely, reflecting the progress of a scientific discipline. The research process is also self-correcting. Scientists test hypotheses logically and empirically, and if they are rejected, new ones are formulated and tested. Nachmias and Nachmias stress that the research process is somewhat idealised. In practice, the research process can deviate much from the model.



**Figure 3.1** The Research Process (Nachmias and Nachmias, 1996)

### **3.4 Research Paradigms**

Discussion on opposing paradigms, or theories, in social science research pervades the methodology literature. Paradigms are ways of breaking down the complexity of the real world that tell their adherents what to do (Blaxter et al, 2001). Creswell (1994) explains that paradigms in the social sciences help us understand phenomena through advancing assumptions about the social world, how science should be conducted, and what constitutes legitimate problems, solutions and criteria of proof. He adds that, as such, paradigms encompass both theories and methods. Spiggle (1994) notes that challenges to dominant paradigms in the social sciences result in crises of representation in which debate centres on the questions of how we can know and represent what we know about reality.

Several authors (Hudson and Ozanne, 1988; Donnellan, 1995; Easterby-Smith et al., 1991) note the distinction between the two prominent approaches to research methodology; positivism and interpretivism. Hudson and Ozanne (1988) state that the positivist approach is more concerned with the strict adherence to scientific protocol and is objective in nature, while the interpretivist approach is based around symbolism and phenomenology and is more subjective in nature.

The positivist and interpretivist paradigms in the social sciences are generally associated with quantitative and qualitative methodologies, respectively. Creswell (1994) defines the quantitative approach as a form of inquiry into a social or human problem, based on testing a theory composed of variables, measured with numbers, and analysed with statistical procedures, in order to determine whether the predictive generalisations of the theory hold true. He further defines the qualitative approach as an inquiry process of understanding a social or human problem, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting.

Donnellan (1995) also distinguishes between the positivist and interpretivist approaches to research. Positivism is described as being an objective method of research where cause-and-effect relationships are examined. This method is said to produce hard data as a result of the research being viewed as a scientific process. Donnellan adds that the positivist approach lends itself to quantitative techniques, because the researcher is independent from the study and the results are deduced from obtained information over which the researcher has no direct influence. Opposingly, the interpretivist approach is more of a subjective method than positivism, due to its need for a more in-depth understanding of the factors which influence behaviour. The interpretivist approach is more concerned with the interrelationships between the researcher and the methodology, where the researcher can have a bearing on the construction of the data, and thus lends itself more to the qualitative techniques of research. Easterby-Smith et al (1991) summarise the key features of both approaches in table 3.1 below.

	<b>Positivist Paradigm</b>	<b>Interpretivist Paradigm</b>
Basic Beliefs:	<ul style="list-style-type: none"> <li>- The world is external and objective</li> <li>- Observer is independent</li> <li>- Science is value-free</li> </ul>	<ul style="list-style-type: none"> <li>- The world is socially constructed and subjective</li> <li>- Observer is part of what is observed</li> <li>- Science is driven by human interests</li> </ul>
Researcher should:	<ul style="list-style-type: none"> <li>- Focus on facts</li> <li>- Look for causality and fundamental laws</li> <li>- Reduce phenomena to simplest elements</li> <li>- Formulate hypotheses and test them</li> </ul>	<ul style="list-style-type: none"> <li>- Focus on meanings</li> <li>- Try to understand what is happening</li> <li>- Look at the totality of the situation</li> <li>- Develop ideas of each induction from data</li> </ul>
Preferred methods include:	<ul style="list-style-type: none"> <li>- Operationalising concepts so that they can be measured</li> <li>- Taking large samples</li> </ul>	<ul style="list-style-type: none"> <li>- Using multiple methods to establish different views of phenomena</li> <li>- Small samples investigated in depth or over time</li> </ul>

**Table 3.1** Research Paradigms (Easterby-Smith et al., 1991)

Blaxter et al (2001) describe three further research paradigms; post-positivism, critical and postmodern. These paradigms can be summarised as follows;

- *Post-positivism*: this is a response to the criticisms that have been made about positivism. Post-positivists argue that we can only know social reality imperfectly and probabilistically. While objectivity remains an ideal, there is an increased use of qualitative techniques in order to check the validity of findings.
- *Critical*: critical social paradigms critique both positivism and interpretivism. Included in this category would be feminist, neo-marxist, and anti-racist approaches.
- *Postmodern*: while other paradigms offer grand theories for understanding the social world, advocates of the postmodern approach argue that locally, temporally and situationally limited narratives are required. Postmodernist approaches seek to overcome the boundaries that are placed between art and social science. They do not offer a view of rational progression to a better world; rather they expect that social life will be in some ways different.

According to Smith (1990), within social science generally there has long been criticism of positivist research orientations, and this opinion is gradually being acknowledged within the general management literature. Smith takes the position that qualitative approaches are often more appropriate for tackling the important research problems of management. He adds that positivism, in extreme cases, amounts to an ignorance of epistemological issues, in that to operate within a positivist framework allows the researcher the luxury of not having to question whether the research is meaningful. Valentin (1996) asserts that qualitative research is needed because large sample surveys, econometric studies, experiments and other quantitative methods cannot, alone, provide all the knowledge required to advance managerial theory and practice proficiently.

Holliday (2002) thinks that qualitative research does not pretend to solve the problems of quantitative research, but does not see them as constraints. Rather than

find ways to reduce the effect of uncontrollable social variables, it investigates them directly. Qualitative studies are open-ended and set up research opportunities designed to lead the researcher into unforeseen areas of discovery within the lives of the people they are investigating. Also, they look deeply into behaviour within specific social settings rather than at broad populations.

For the purposes of this study, the researcher deemed the interpretivist approach as appropriate in light of the exploratory nature of the primary research question. Indeed, Hakim (2000) notes that the interpretivist approach is often used for exploratory research in areas where relatively little is known, as is very much the case in the area of rebranding, as seen from the first chapter of the literature review of this thesis. The choice to adhere to the interpretivist paradigm was made due to the desire on the part of the researcher to understand the phenomenon of rebranding in its holistic form and in its natural setting, as observed by Creswell above. Also, with reference to table 3.1 above, the researcher was not looking for causality but rather for totality of the situation, thus further suggesting the use of the interpretivist approach.

Once the choice of paradigm is made, appropriate methodological procedures must also be justified. As stated above by Donnellan, the interpretivist approach lends itself more to qualitative techniques. Smith (1990) further contends that qualitative methods are more appropriate for researching management situations. Like Hakim above, Creswell (1994) states that qualitative research is exploratory and researchers use it to explore a topic when the variables and theory base are unknown, and further that the characteristics of a qualitative research problem are (a) the concept is immature due to a conspicuous lack of theory and previous research, (b) a notion that the available theory may be inaccurate, inappropriate, incorrect, or biased, (c) a need exists to explore and describe the phenomena and to develop theory, and (d) the nature of the phenomenon may not be suited to quantitative measures. The fact that each of these four **characteristics** is relevant in the context of the present study

provides additional justification for the use of qualitative procedures. These methods will be more fully discussed in the next section.

### **3.5 Qualitative Research**

Qualitative research, as a method of data collection and analysis, derives from the Verstehen tradition, which contends that the natural and social sciences are distinctive bodies of knowledge because of a divergence in the nature of their subject matter. Adherents to this tradition argue that natural and social scientists must employ different methods of research, and furthermore that the social scientist must understand both the historical dimension of human behaviour and the subjective aspects of human experience. The interpretive approach, for which qualitative research generally forms the methodology, emerged as an offspring of the Verstehen tradition (Nachmias and Nachmias, 1996).

Hakim (2000) describes qualitative research as being concerned with individuals' own accounts of their attitudes, motivations and behaviour. She adds that qualitative research offers richly descriptive reports of individuals' perceptions, attitudes, beliefs, views and feelings, the meanings and interpretations given to events and things, as well as their behaviour; it displays how these are put together into frameworks which make sense of experiences; and it illuminates the motivations which connect attitudes and behaviour, the discontinuities between attitudes and behaviour, or how conflicting attitudes and motivations are resolved. Hakim also states that qualitative research tends to be used most heavily in disciplines where the emphasis is on description and explanation, for example in psychology, sociology and social anthropology, rather than on prediction, such as in economics for example.

The assumptions of qualitative research are outlined by Creswell (1994);

1. Qualitative researchers are concerned primarily with process, rather than outcomes or products.
2. Qualitative researchers are interested in meaning – how people make sense of their lives, experiences, and their structures of the world.
3. The qualitative researcher is the primary instrument for data collection and analysis. Data are mediated through this human instrument, rather than through inventories, questionnaires, or machines.
4. Qualitative research involves fieldwork. The researcher physically goes to the people, setting, site, or institution to observe or record behaviour in its natural setting.
5. Qualitative research is descriptive in that the researcher is interested in process, meaning, and understanding gained through words or pictures.
6. The process of qualitative research is inductive in that the researcher builds abstractions, concepts, hypotheses, and theories from details.

Various strategies are available to the qualitative researcher. These are summarised, along with the various qualitative paradigms and methods, by Holliday (2002) in table 3.2 below.



Paradigms and Perspectives	Strategies of Enquiry	Methods of Collecting and Analysing Data
<p><b>Naturalist Qualitative</b></p> <p><b>Postpositivism, realism</b></p> <p>a. Reality is still quite plain to see                      b. Deeper social reality needs qualitative enquiry                      c. Probable truth is supported by extensive, substantiated record of real settings                      d. researchers must not interfere with real settings</p> <p><b>Progressive Qualitative</b></p> <p><b>Critical theory, constructivism, postmodernism, feminism</b></p> <p>i. reality and science are socially constructed                      ii. researchers are part of research settings                      iii. investigation must be in reflexive, self-critical, creative dialogue                      iv. aims to problematise, reveal hidden realities, initiate discussions</p>	<p><b>Case Study</b>                      Study of a specific bounded system, e.g. a person or an institution</p> <p><b>Ethnography</b>                      Explores the nature of a specific social phenomenon.                      Unstructured data.                      A small number of cases.                      Interpretation of the meanings and functions.                      Participant observation.</p> <p><b>Ethnomethodology</b>                      Investigates peoples practical everyday procedures for creating, sustaining and managing a sense of objective reality involving rules, values and motives.</p> <p><b>Phenomenology</b>                      Focus on the way the life world (the experiential world every person takes for granted) is produced and experienced by members.</p> <p><b>Grounded Theory</b>                      Theory that is grounded in data systematically gathered and analysed.                      Continuous interplay between analysis and data collection.</p> <p><b>Participatory Action Research</b>                      Emphasises the political aspects of knowledge production.                      Involves the individual practitioner in continually reflecting on their behaviour-in-action so that other members of the community do the same.</p>	<p><b>Interviewing</b></p> <p><b>Observational techniques</b></p> <p><b>Interpreting documents</b></p> <p><b>Content analysis</b></p> <p><b>Semiotic analysis</b></p>

**Table 3.2** Qualitative Paradigms, strategies and methods (adapted from Holliday, 2002)

With reference to the table above, Holliday stresses that there are no tight categories when it comes to research strategies. For example, the researcher does not have to choose between case study, ethnography and grounded theory; case studies can be ethnographic or not, and do not even have to be qualitative; although ethnography is

often closely associated with participant observation, it can be argued that in a sense all social research is a form of participant observation. Holliday also points out that there is significant overlapping and commonality between the columns in the table, with the items in each column fully available to each other.

The chosen methodology for this thesis is the case study method. With reference to table 3.2 above, the nature of the case as a study of a specific bounded system such as an organisation is appropriate here in exploring and describing the process of rebranding in the chosen companies. Further examination of the case study method and justification for its use in the context of this study will be given in the next section.

## **3.6 Case Studies**

### **3.6.1 The Case Study Method**

Defined most generally, a case study is a description of a management situation (Bonoma, 1985). Hakim (2000) contends that case studies are the most flexible of all research designs and, at the simplest level, provide descriptive accounts of one or more cases. She adds that case studies take as their subject one or more selected examples of a social entity, and, when used in an intellectually rigorous manner to achieve experimental isolation of selected social factors, offer the strengths of experimental research within natural settings.

Valentin (1996) notes that case studies tend to be concrete, vivid, accessible and highly capable of contributing simultaneously to the advancement of managerial marketing pedagogy, practice and theoretical knowledge. Brown (1998) explains that a case study is many things; systematic story-telling, a way of writing or talking about seeing, a tool for teaching, a philosophy for approaching research, a technique for researching, a reason or excuse for taking seriously investigations into vague,

blurred or fuzzy topics, and a rigorous vehicle which sits comfortably and equally alongside more quantitative-based research.

Leenders et al (2001) define a case study as a description of an actual situation, commonly involving a decision, a challenge, an opportunity, a problem or an issue faced by a person or persons in an organisation. Yin (2003b) defines a case study as an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. The case study method is used when the researcher deliberately wants to cover contextual conditions, believing that they might be highly pertinent to the phenomenon of study. In this way, case studies differ from other methodologies. For example, experiments deliberately divorce phenomena from their contexts, so that attention can be focussed on only a few variables. Histories do deal with the entanglement of phenomenon and context, but with noncontemporary events. Surveys can try to deal with phenomenon and context, but their ability to investigate the context is extremely limited.

Yin adds that the case study inquiry

- Copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result
- Relies on multiple sources of evidence with data needing to converge in a triangulating fashion, and as another result
- Benefits from the prior development of theoretical propositions to guide data collection and analysis.

Yin (2003b) insists that the case study method contains four spheres of activity comprising:

- *Consider the theory*: the initial step in designing a case study must consist of theory development, and so one must be clear about the theoretical propositions which lie at the foundation of the proposed research.

- *Define and design*: select the case or cases to be studied and then design a data collection protocol.
- *Collect and analyse*: conduct the case study or case studies and write them up in an individual case report.
- *Conclude, modify and develop*: here one draws within-case or cross-case conclusions, then modifies the theory with which one started out, and develops policy implications.

### 3.6.2 Characteristics of Case Studies

According to Bonoma (1985) there are four main characteristics of case studies. First, a problem focus is not always required; although case studies frequently focus on some problem of high currency to management, cases without any problem focus can be constructed to learn about the operation of a healthy management or marketing organisation. Second, case construction implies multiple data sources; like other qualitative methods, cases often rely heavily on verbal reports (personal interviews) and unobtrusive observation as primary data sources. However, the case method involves numerous other data sources, some of which are quantitative. Third, cases should reflect and be sensitive to the context within which management's acts occur and to the temporal dimension through which events unfold: they go beyond providing a static snapshot of events, and cut across the temporal and contextual gestalt of situations. Finally, cases require direct observation of management behaviour by a trained observer who applies their own construal of the ongoing events, while also trying to understand the construal of the actors: case method requires skilled clinical judgements about what to watch and what it means.

Furthermore, Yin (2003b) suggests that there are five main characteristics of an exemplary case study;

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1. *The case study must be significant:* the individual case is unusual and of general public interest and/or the underlying issues are nationally important, either in theoretical terms or in policy or practical terms.
2. *The case study must be complete:* the complete case is one in which the boundaries of the case are explicit; the researcher demonstrates convincingly that all the relevant evidence has been collected.
3. *The case study must consider alternative perspectives:* the researcher must consider rival propositions and perspectives and should analyse the evidence in terms of these rivals.
4. *The case study must display sufficient evidence:* evidence must be presented neutrally, with both supporting and challenging data, so that the reader can reach an independent judgement regarding the merits of the analysis.
5. *The case study must be composed in an engaging manner:* for written reports this means a clear writing style that entices the reader to continue reading.

A further characteristic of case studies is that they need not be limited to a qualitative design. Although the use of case studies is often considered synonymous with qualitative methods, as is the case in the present study, this does not prohibit the use of cases in partly or even purely quantitative research studies. This view is advocated by Yin (1981) who states that the case study does not imply the use of a particular type of evidence; the method can be used through the collection of either qualitative or quantitative evidence. He adds that this evidence may come from fieldwork, archival records, verbal reports, observations, or any combination of these.

Yin (2003b) argues that the contrast between quantitative and qualitative evidence does not distinguish the various research strategies, and therefore does not dictate that the case study technique is a purely qualitative methodology. Instead, case studies can be based on any mix of quantitative and qualitative evidence.

In support of this observation, Brown (1998) agrees that the use of surveys or other quantitative methods are as applicable to case study research as to other research strategies. He assents that the case study method, with its accent on theory, provides a strong justification for positivistically-inclined researchers.

### **3.6.3 A Classification of Case Studies**

In discussing the various types of case study a researcher can undertake, Hakim (2000) describes five different designs. *Individual case histories* provide an enormously detailed and substantiated account of one person's history with reference to some specific personal characteristic or series of events they have experienced. *Community studies* are case studies of a single local community or town which seek to describe and analyse the pattern of, and relationships between, the main aspects of community life. *Case studies of social groups* examine both small groups in direct contact with each other, such as families and work teams, and larger groups with a shared identity, common activities, or interests, such as occupational groups. *Case studies of organisations and institutions*, in both the private and public sectors, encompass studies of firms, workplaces, schools, trade unions, bureaucracies, studies of best practice, policy implementation and evaluation, industrial relations, management and organisation issues, organisational cultures, processes of change and adaptation, extending to comparative studies of nations, governments and multinationals. Finally, Hakim describes *case studies of events, roles and relationships*, which overlaps partially with the previous two designs. This type of study can explore specific events in society, interpersonal relationship types, role stereotypes, and social formations.

Smith (1990) classifies case studies into three categories of increasing complexity;

- *Apt illustration*: a description of some fairly simple event or occurrence in which the operation of some general principle is clearly illustrated.

- *Social situation*: some restricted and limited (bounded) set of events is analysed so as to reveal the way in which general principals of social organisation manifest themselves in some particular specified context.
- *Extended case study*: typically dealing with a sequence of events over a long period of time and where the same actors are involved in a series of situations in which their structural positions must continually be re-specified and the flow of actors through different social positions specified. The emphasis here is on a process.

Yin (2003a) also describes three different types of case study; exploratory, descriptive and causal (or explanatory). These three types of case study can be summarised as follows;

- *Exploratory*: a type of case study aimed at defining the questions and hypotheses of a subsequent study or at determining the feasibility of the desired research procedures. Fieldwork and data collection are conducted prior to the final definition of study questions and hypotheses. The goal is to discover theory by directly observing a social phenomenon in its raw form.
- *Descriptive*: a complete description of a phenomenon within its context is presented. Theory is important for descriptive case studies; a descriptive theory is not an expression of a cause-effect relationship, rather a descriptive theory covers the scope and depth of the case being described. Criteria used to answer questions of what should be included and excluded, and where the description should begin and end, represent the theory of what needs to be described.
- *Causal/explanatory*: data bearing on cause-effect relationships is presented, explaining how events happened. Factor theory can be used to assemble a list of independent variables and determines those that are most highly correlated with the dependent variable. In contrast, explanatory theories are more suited to the designing and conduct of causal case

studies. This is a multivariate analysis which uses pattern-matching techniques.

Hakim (2000) suggests that descriptive case studies can be exploratory if relatively little previous research exists on the topic, or they may be illustrative portraits of social entities or patterns thought to be typical, representative or average. She adds another type of case study to Yin's classification; *selective case studies* can focus on particular aspects, or issues to refine knowledge once a body of research evidence has accumulated on a topic. Brown (1998) also adds to Yin's classification by describing the *teaching case study*, a case used as a teaching tool in areas such as law, business, accounting, medicine and public policy.

The cases conducted for this thesis are predominantly descriptive. As stated by Hakim above, descriptive cases can be exploratory if the existing knowledge base is poor. As this is very much the case within the context of rebranding, the observation made by Hakim indeed applies to this study. Therefore, as the cases essentially represent descriptions of company situations and activities in relation to the process of rebranding, they constitute descriptive case studies, although with an exploratory nature, especially with regard to the development of theory and study propositions. This exploratory characteristic will be more fully described later in this chapter in subsequent sections on theory development and research design.

#### **3.6.4 Case Study Designs**

Further to the classification of case studies described above, there are various options available to the researcher in terms of the design or structure of the case study project. The researcher can employ either a single or a multiple case design, depending on different design situations, and further to this dichotomy, can also choose between an embedded and a holistic design, reflecting unitary or multiple units of analysis within the case or cases.



#### **3.6.4.1 Single Case Designs**

Yin (2003b) asserts that the single case study is analogous to the single experiment, and that many of the same conditions that justify a single experiment also justify a single case study. Hakim (2000) notes that single case designs often form the basis for research on typical, deviant, or critical cases. This observation is further explained by Yin (2003b) who states that having only one case is unusual but can be justified if it meets at least one of five criteria. Firstly, the use of a single case design is justified if it represents the *critical case* in testing a well-formulated theory. The single case can be used to confirm, challenge or extend existing theory. A second rationale for a single case design is when the case represents an *extreme or unique case*, where the occurrence of the phenomenon is so rare that conducting a single case is highly defensible. Conversely, a third justification for using a single case study is the *representative or typical case*, where the objective is to capture the circumstances and conditions of an everyday or commonplace situation. A fourth rationale is the *revelatory case*, which occurs when the researcher has the opportunity to observe and analyse a situation previously inaccessible to scientific investigation. A final justification for choosing a single case design is the *longitudinal case*, where the researcher studies the same single case at two or more different points in time.

A single case design was originally considered for the present study, however this was ruled out following some preliminary primary research. It was decided that there was insufficient depth in the chosen case to merit pursuance of the design. Instead, a multiple case design was used, opting for breadth of results over depth.

#### **3.6.4.2 Multiple Case Designs**

As observed by Valentin (1996), while single case studies can contribute significantly toward managerial phenomena, their potential becomes magnified as they accumulate and thus provide a basis for comparative analyses. Multiple case

designs can be limited to two or three settings or extend to dozens of cases, either to achieve replication of the same study in different settings or to compare and contrast different cases (Hakim, 2000).

Yin (2003b) observes that, in some fields, multiple and single case studies have been considered different methodologies, however he argues that the two designs are variants within the same methodological framework. Yin adds that multiple case designs have distinct advantages and disadvantages in comparison to single case designs. He, like Herriott and Firestone (1983), contends that the evidence from multiple cases is often considered more compelling and the overall study is therefore regarded as being more robust; however the rationale for single case designs usually cannot be satisfied by multiple cases.

Yin (2003b) cautions that the decision to undertake multiple case studies cannot be taken lightly and that every case should serve a specific purpose within the overall scope of inquiry. As such, he suggests that the same logic that is used for multiple experiments should be used for multiple case studies, that is, to follow a replication logic as opposed to a sampling logic, as is the case with multiple respondents in a survey. Each case therefore must be carefully selected so that it either (a) predicts similar results; a literal replication or (b) predicts contrasting results but for predictable reasons; a theoretical replication. The development of a rich theoretical framework is an important step in replication procedures. The framework is needed to state the conditions under which a particular phenomenon is likely to be found (literal replication) as well as the conditions under which it is not likely to be found (theoretical replication). Yin states that the theoretical framework later becomes the vehicle for generalising to new cases, again similar to the role played in experimental designs.

Eisenhardt (1989) states that the sampling of cases from a chosen population is unusual when building theory from case studies. She supports the view of Yin that a multiple case methodology should follow a replication logic, asserting that cases

may be chosen to replicate previous cases or extend emergent theory, or they may be chosen to fill theoretical categories and provide examples of polar types.

Hakim (2000) suggests that multiple case studies provide an important alternative to the sample survey for certain research questions where there is a need to provide broad generalisation as well as to take account of the complexity of the subject matter. She adds that confidence in the generalisability of the results of case studies increases with the number of cases covered, with the greatest proportional gains being achieved when the number of cases is increased from one to two, three or more.

#### ***3.6.4.3 Embedded and Holistic Case Designs***

Further to the single case/multiple case dichotomy, Yin (2003b) describes an additional classification of case study designs; embedded and holistic designs. This classification relates to the level of analysis within the case or cases. Thus, Yin's typology of case designs results in a 2 x 2 matrix composed of single case embedded designs, single case holistic designs, multiple case embedded designs and multiple case holistic designs.

In relation to single case designs, the same case study may involve more than one unit of analysis and thus constitutes an embedded design. This occurs when attention is also given to a subunit or subunits within one case. If a case study is about a single organisation, such as a hospital, an embedded design might yield outcomes about the clinical services and the staff employed. In contrast, if the case study examined only the global nature of an organisation or of a program in the organisation, a holistic design would have been used.

Multiple case study designs may also be either embedded or holistic; the fact that a design calls for multiple case studies does not eliminate this variation. The difference between the two variants depends on the type of phenomenon being

studied and the research question. A multiple case design may consist of multiple embedded case studies or multiple holistic case studies. When an embedded design is used, each individual case study may include the collection and analysis of highly quantitative data, including the use of surveys within each case.

This study reflects a multiple case holistic design, since it is the study of multiple organisations involved in the rebranding process, and furthermore is an exploration of the global nature of this process within those organisations. The study does not likely constitute an embedded design since no subunits are included in the research, and, as indicated by Yin, does not involve any quantitative analysis.

### **3.6.5 Sampling for Case Studies**

One of the cited limitations of qualitative research is that there is an apparent lack of rigour in its sampling procedures as compared to quantitative methods. In describing the difference between these two approaches to sampling, Potter (1996) asserts that quantitative sampling is concerned with how elements are selected from a population so that each element is given an equal chance of being selected, with the aim of generalising to the larger population, whereas on the other hand, qualitative sampling is concerned more with gaining access to relevant evidence about the phenomenon. He adds that it is rare within qualitative research to see a researcher follow the quantitative method of sampling; instead qualitative researchers will select a sample based on convenience, or what is available, and purpose.

Sykes (1991) notes that sample sizes for qualitative studies are generally small and limited, due mainly to the large amounts of dense data that are generated. She consents that sampling for qualitative research can be generally be described as purposive, meaning that they are non-probability selected. This type of sampling ensures that a wider variety of data is generated, covering the range of issues, phenomena, and types of individuals that are the topic of the study. She adds

however that this does not dictate a haphazard sample; current information and expectations for the available data are used to select potential respondents.

In describing further the gap between quantitative and qualitative sampling, Eisenhardt (1989) states that qualitative research, and more specifically case research, relies on theoretical sampling, i.e. cases are chosen for theoretical, not statistical, reasons. The cases may be chosen to replicate previous cases or extend emergent theory, or they may be chosen to fill theoretical categories and provide examples of polar types. She maintains that while the cases may be chosen randomly, random selection is neither necessary nor even preferable.

Once the decision has been made to follow a multiple case design, the number of cases to be included is an additional issue to be addressed in case study sampling. Perry (2001) notes that there are no precise guides to the number of cases to be included and this decision is largely left to the researcher. Patton (1990) agrees that there are no rules for sample size in qualitative research, arguing that the validity, meaningfulness and insights generated from qualitative inquiry have more to do with the information-richness of the cases selected and the observational and analytical capabilities of the researcher than with the actual sample size.

However, some loose guidelines are given in the literature; Eisenhardt (1989) recommends that cases should be added until 'theoretical saturation' is reached, and Lincoln and Guba (1985) recommend sampling to the point of 'redundancy'; both statements meaning that cases should be added until the further value of including one more case would be marginal. There are conflicting views as to the actual recommended number of cases that should be included; Eisenhardt advocates the use of four to ten cases, while some authors such as Yin (2003a, 2003b) maintain that the inclusion of two or more cases will serve to make the entire study more robust than if it was based on only one case. The idea of theoretical saturation was employed in this study when deciding how many cases to use. After conducting five case studies the author felt that this point of saturation had been reached as

respondents had begun to provide virtually the same data as each other and thus the further value that could have been attained from the inclusion of an additional case would have been marginal.

In discussing the types of individuals to be included, Wallace (1984) suggests that samples can be based on the respondents' knowledge and willingness to co-operate. Therefore it follows that the ideal candidates for a qualitative study are knowledgeable people who are willing to share their experiences and opinions with the researcher. The sampling for this study followed this logic and that of the authors mentioned above. Access, as mentioned by Potter, to potential companies proved difficult, therefore a convenience sample was used, utilising what was available. The view of Wallace, described above, was taken into account when selecting respondents for the interviews; the researcher ensured that all respondents were willing interviewees and most importantly were sufficiently knowledgeable in their company's rebranding activities to be able to provide useful data.

### **3.6.6 Limitations of Case Study Research**

The case study method, like all research methodologies, has its limitations which may be encountered by the researcher. These limitations must be acknowledged by the researcher in order for the choice of methodology to be truly justified.

Brown (1998) describes several of these problems which the case study researcher may encounter during the research. It is possible for the researcher to become so involved in the issues, events or situations under study that perspective may be lost; however this could be true for all qualitative methodologies. There sometimes arises a problem concerning confidentiality of data. Although this is a relevant issue, this problem could arise in any type of research project and can be overcome through changing person or company names and ensuring confidentiality. Brown also notes that problems can stem from competition from different interest groups for access to, and control over, the data. Again, this could potentially be a problem in any research

project. There are possible problems concerning publication, in relation to preserving the anonymity of subjects; problems arising from the audience being unable to distinguish the data from the researchers interpretation of the data; and finally, potentially the most difficult of the problems: how to gain access to the data in the first place. Once again, these last three possible problems could be encountered by the researcher in any research project, and are all limitations which can be overcome.

Yin (1981) notes that the typical case study report is a lengthy narrative that follows no predictable structure and is hard to write and hard to read. However, Yin contends that this pitfall may be avoided if a study is built on a clear conceptual framework. Yin (2003b) also observes three traditional prejudices against the case study strategy. Firstly, he states that the greatest concern has been over the lack of rigour of case study research. This view results from too many case study investigators failing to follow systematic procedures, or allowing equivocal evidence or biased views to influence the direction of the findings and conclusions. Yin adds that the possibility also exists that case study teaching has been confused with case study research. In teaching, case study materials may be deliberately altered to demonstrate a particular point more effectively, whereas in research, any such step would be strictly forbidden. He also points out that bias can enter into the conduct of experiments, the design of questionnaires and the conduct of historical research.

A second traditional concern with case studies is that they provide little basis for scientific generalisation. Yin states that the answer is not simple, but that the argument can be countered through realising that case studies are generalisable to theoretical propositions and not to populations or universes. The issue of generalisability is a critical one in case study literature and will be more fully discussed later in this chapter.

The third traditional prejudice against case study research as observed by Yin is that they take too long and result in massive, unreadable documents. He argues, however,

that this incorrectly confuses the case study method with a specific method of data collection such ethnography or participant observation. Ethnographies usually require long periods of time in the field and participant observation assumes a heavy investment of field efforts. Yin contends that, in contrast, case studies are a form of inquiry that does not depend solely on ethnographic or participant observer data. Case studies could potentially be carried out without leaving the library, telephone or internet.

### **3.7 The Role of Theory**

#### **3.7.1 Inductive and Deductive Approaches**

Some debate exists as to the role of theory in social science research. Nachmias and Nachmias (1996) note that, according to one school of thought, theory should be developed first, to be followed by research. The proponents of this strategy argue that scientific knowledge advances most rapidly when scientists develop ideas and then attempt to refute them through empirical research. In sharp contrast to this idea, the opposing school of thought argue that theory should be developed through empirical research, and furthermore that empirical research suggests new problems for theory, calls for new theoretical formulations, leads to the refinement of existing theories, and serves the function of verification.

In this regard, Creswell (1994) adds that the development of theory prior to conducting research is commonly referred to as deduction, while the opposing view of developing theory through and subsequent to the conduction of research is called induction. He states that qualitative studies use the inductive or theory-building approach, where, instead of beginning with a theory to test or verify, a theory may emerge during the data collection and analysis phase of the research. Conversely, the deductive or theory-testing approach is more suited to the conduct of quantitative studies.

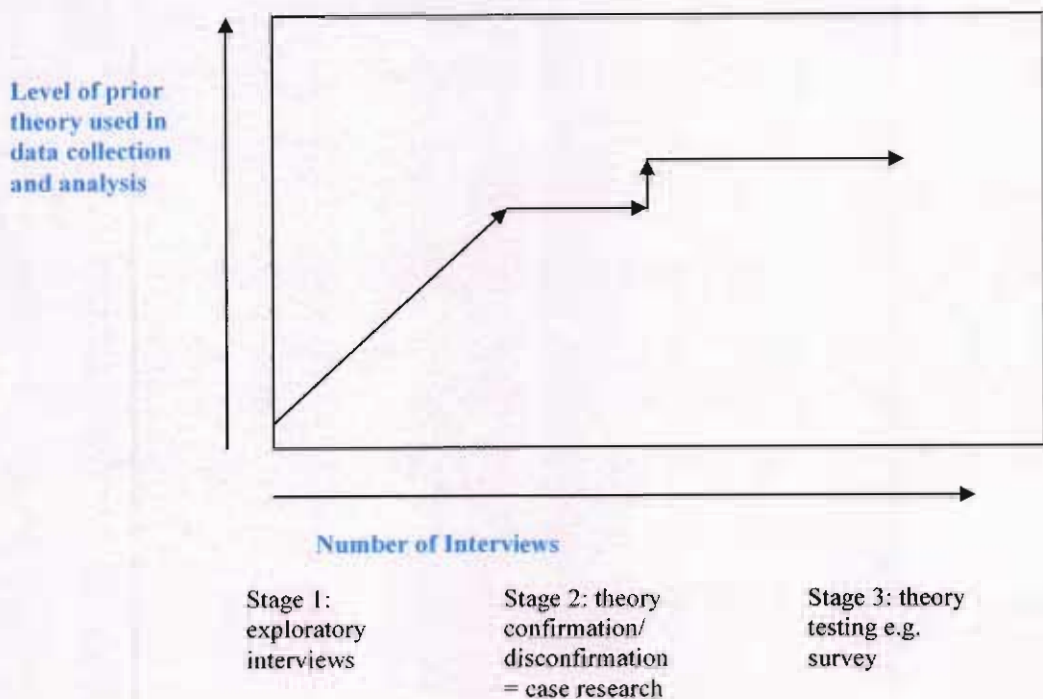


Perry (1998) asserts that the use of the inductive approach in qualitative research, as in this research project, can be divided into three sub-paradigms; critical theory, constructivism and realism. Perry states that realism is the preferred paradigm for case study research for several reasons. First, case study research areas are usually contemporary and pre-paradigmatic, that is the research areas usually require inductive theory building. Second, realism is a more objective form of research than constructivism and critical theory since it holds that there is an external reality. Third, case study researchers expect that their knowledge claims can and will be evaluated through some common measures, like reliability and validity issues, which will be more fully discussed later in this chapter.

### **3.7.2 Combining Induction and Deduction**

Although the preceding argument described induction and deduction as opposing strategies, Perry (2001) proposes a combinatory approach to theory development. He views the inductive and deductive strategies as a continuum, illustrated in figure 3.2 below.

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**Figure 3.2** Induction-deduction continuum (Perry, 2001)

At the extreme left of the diagram is the pure theory building or induction view. At this left hand point, grounded theory develops a theory from the data alone, without any reference to prior theory. Case studies, according to Perry, lie closer to the middle, at the theory confirming and/or disconfirming part of the continuum. This view is supportive of Yin's (2003a, 2003b) view of case studies, which have a very tight structure set up before interviews are begun, using theory and reviews of previous research to construct study propositions prior to conducting primary research.

Perry proposes a combination of the two exploratory and confirmatory/disconfirmatory approaches, because pure induction without prior theory might prevent the researcher from benefiting from existing theory, just as pure deduction might prevent the development of new and useful theory. He suggests that this blending can be done through conducting preliminary exploratory research and pilot studies with practitioners while the prior theory from the literature is being

reviewed. This preliminary data can then be used to construct the interviewer's guide for the major study. The present author adhered to this combinatory approach as proposed by Perry and, as will be described later in this chapter, conducted preliminary exploratory research with a practitioner in the field prior to conducting the major study. This data, along with the theory gathered in the literature review stage of the project, was used to construct the study propositions which then guided the subsequent interview stage.

### **3.7.3 The Role of Theory in Case Studies**

The role of theory in case studies is one defining characteristic that distinguishes it from other methodologies such as ethnography and grounded theory. Yin (2003b) explains that this distinction lies in the development of theory prior to the conduct of any data collection. Conversely, ethnography and grounded theory deliberately avoid specifying any theoretical propositions at the outset of an inquiry.

Yin (2003b) contends that, for case studies, theory development as part of the design phase is essential, whether the ensuing case study's purpose is to develop or test theory. In this regard, the purpose of the present study is to develop theory, since little prior knowledge exists on the topic. This does not dictate that the researcher can neglect to develop theory prior to data collection; Yin (2003b) states that this particular type of study, for which the existing knowledge base is poor and the available literature will provide no conceptual framework or hypotheses of note, is likely to assume the characteristics of an exploratory-type study. He adds that, nevertheless, such case studies should be preceded by statements about what is to be explored, the purpose of the exploration, and the criteria by which the exploration will be judged successful. As described earlier in this chapter, the present study uses descriptive case studies, however with, as observed by Hakim (2000), exploratory characteristics, due to the lack of a substantial knowledge base. Therefore, as will be described later in this chapter, the study propositions developed for this research will have an exploratory nature rather than a typically descriptive, hypothesis-type style.

## **3.8 Data Collection**

### **3.8.1 Sources of Evidence**

As observed by Hakim (2000), case studies use a variety of data collection techniques and methods; this allows a more rounded, holistic study than with any other design. Yin (2003b) concurs, stating that the use of multiple sources of evidence allows case studies to present more comprehensive accounts of social issues and processes. Both Hakim and Yin suggest six sources of evidence for case study data collection; documents, archival records, interviews, direct observation, participant observation and physical artefacts.

In using these multiple evidence sources, Yin (2003b) further advocates the use of several guidelines. First, a process of triangulation should be employed, where multiple sources of evidence are used in data collection but which converge on the same set of facts. Second, a case study database should be created in order to organise and document the data collected for case studies. Here the database of collected evidence should be kept separate to the final case report. Third, the researcher should maintain a chain of evidence that links the questions asked, the data collected, and the conclusions drawn.

All three of Yin's guidelines have been followed in this research project. Three of the cited evidence sources were used; interviews were conducted on-site for each of the chosen case studies; documentary evidence was collected, in the form of relevant information obtained from the internet, newspaper articles, academic articles, and documents obtained from respondents themselves; and archival records, in the form of survey data and organisational charts. A computerised case study database was created where all transcripts and online documentary evidence was catalogued and kept separate to the final case reports. Finally, in order to maintain a chain of evidence from the questions to the conclusions, a rigorous methodology is followed in which the study propositions are drawn from theory, and used to structure first the

interview guide and subsequently the analysis phase of the research. The data for each of the chosen cases is analysed under each of the study propositions and later related back to the theory from which they were drawn. Finally, conclusions are made under each proposition from an interpretation of the data as compared to the theory obtained in the literature review.

As personal interviews were the major instrument used in this study, the next section of this chapter deals with their nature and methods.

### **3.8.2 Interviews**

The personal interview is a face-to-face, interpersonal role situation in which an interviewer asks respondents questions designed to elicit answers pertinent to the research hypotheses, in which the questions, their wording and their sequence define the structure of the interview (Nachmias and Nachmias, 1996). The purpose of the personal interview is to discover and collect the pertinent facts and opinions about the case as efficiently and unobtrusively as possible (Leenders et al, 2001). Blaxter et al (2001) assert that the interview can be a very useful technique for collecting data which would probably not be accessible using techniques such as observations or questionnaires. In the case of this research project, questionnaire use was ruled out at the early stages due to the exploratory nature of the study, and observations were deemed inappropriate as the data involved is historical and therefore cannot be observed.

Nachmias and Nachmias (1996) highlight three types of personal interview, varying in their degree of structure. The least flexible form is the *schedule-structured interview*, in which the number of questions, their structure and the wording of the questions are identical for all of the respondents. The *focused interview* has four characteristics: (a) it takes place with respondents known to have been involved in a particular experience, (b) it refers to situations that have been analysed prior to the interview, (c) it proceeds on the basis of an interview guide specifying topics related

to the research hypotheses, and (d) it is focussed on the subjects' experiences regarding the situations under study. Thirdly, the *nondirective interview* is the most flexible form of personal interviewing; here the researcher does not employ a schedule to ask a prespecified set of questions, nor are the questions asked in a specified order.

Similarly, Blaxter et al (2001) affirm that, at one extreme, the interview may be tightly structured, with a set of questions requiring specific answers, much like the structured questionnaire used in typically quantitative research studies. Oppositely, interviews may be very open-ended, taking the form of a discussion, where the purpose of the interviewer may simply be to facilitate the subject talking at length. Like Nachmias and Nachmias above, Blaxter et al state that semi-structured interviews lie between these two positions. Accordingly, the type of interviewing employed in this study corresponds to the semi-structured interview, or the focused interview, as identified by Nachmias and Nachmias, as each of the four characteristics listed above (a-d) are evident in the methodology used here.

Blaxter et al (2001) make two further observations of note on the subject of interviewing. First, they assert that the interviewee may be given advanced warning of the topics or issues to be discussed, in order to allow the subject to gather together any necessary detailed information. This was employed in the present study; all informants requested a brief overview of the topics under scrutiny and they were duly provided with this prior to conducting the interviews. This action was deemed appropriate due to the historic nature of the data and the difficulty of retrieving such information from memory had the overview not been provided beforehand. The provision of this overview also allowed informants to collect a variety of documents which were then given to the interviewer and proved invaluable in the case writing phase of the project.

Secondly, Blaxter et al note that interviews may be followed up by sending further questions to the subject in writing. Lenders et al (2001) concur, affirming that it is

good practice for the case researcher to ask permission to call back or use email to fill in possible gaps. This also occurred with the study at hand; following transcription of the interviews it was found that some answers were inadequate and consequently supplementary information was sought from respondents through email correspondence. All respondents were co-operative in this regard and provided valuable information subsequent to the initial interviews.

Six rules for interviewing are suggested by Leenders et al (2001);

- *Select the appropriate interviewee:* normally key decision makers and top managers are the best sources to provide overall views of the organisation.
- *Establish a rapport with the interviewee:* it is important to create a climate where the case writer feels comfortable in asking questions and the respondent is keen to provide answers.
- *Explain or clarify the case writers role:* it is important not only to explain the purpose of the interview but also to specify the researchers role as a case writer; it should be explained that the objective is to collect facts and opinions about a situation for research purposes, not to assess the management views or past decisions.
- *Listen carefully to the interviewee:* concentrated listening benefits not only the listener but also the speaker. A case writer who does not pay full attention to what the manager is saying will impact negatively on the quality of the data.
- *Remain objective:* the researcher must refrain from expressing feelings, thoughts or opinions, from giving advice and from arguing. The case writer must also clearly understand and be able to distinguish the difference between facts and opinions.
- *Assess data accuracy, completeness and consistency:* the case writer must constantly evaluate the adequacy of the information received for fulfilling the objectives of the case.

The author made every effort to follow these suggested rules during the conduct of the primary research for this study.

Flick (1998) observes that the main characteristic of the semi-structured interview is that they involve more or less open ended questions that are brought to the interview in the form of an interview guide. Such an interview guide was used to structure the questioning for this study and can be viewed in the appendix at the end of this thesis. This guide, or theme sheet, was constructed using the study propositions, which will be described later in this chapter. Each theme in the interview guide relates specifically to the study propositions. The guide was used merely as an aid to the researcher and did not represent a rigid plan; many further questions arose as the discussions developed, and equally, some questions did not need to be asked as they had already been answered throughout the conversation.

Leenders et al (2001) insist that effective interviewing comprises more than just asking questions and securing answers; good interviewing requires the case writer to be there in person because the answer to a question may be unexpected or incomplete, requiring additional probing or clarification. They further state that probing is a good tactic for obtaining needed elaboration or clarification of information. Similarly, Perry (2001) suggests that, as the analysis of the interview data will involve deduction or confirmation/disconfirmation of prior theory, some probe questions about the research issues, or in this case, study propositions, must be prepared in case the interviewee does not raise them unprompted. Nachmias and Nachmias (1996) assert that probes have two major functions: they motivate the respondent to elaborate on or clarify an answer or to explain the reasons behind the answer, and they help focus the conversation on the specific topic of the interview. They add that in general, the less structured the interview, the more important probing becomes as an instrument for eliciting and encouraging information. Probes were an important part of the interview process for this study and some such foreseen probes are included in the interview guide in the appendix.



### **3.8.3 Interview Procedure**

Prior to conducting the formal interview stage of this study, the researcher carried out an informal, exploratory interview with a company manager, in which no interview guide was used; thus this constituted an unstructured interview. Various topics were discussed including general company structure, operations and competitive situation, brands and branding, and more specifically, rebranding and issues surrounding it. The intention here was threefold; to aid in the formulation of the interview guide in addition to the study propositions, to gain an understanding of the way companies function generally and more so in relation to branding and rebranding, and also to prepare the researcher for the formal interview stage, through ensuring that any difficulties with the recording of the interviews occurred in this preliminary stage and could be rectified.

In addition to this, a further informal consultation was held with a Marketing and Management Consultant known to the researcher, in order to assess the logic and relevancy of the questions on the theme sheet. This consultation formed a lengthy discussion in which the questioning was revised and amended in order for it to be more conducive to interviewing management in practice, so as not to appear overly academic.

The formal interview stage consisted of one lengthy interview with either a key decision maker or a marketing manager in each of the five companies researched; Bostik, Evotia, Enterprise IG, Unilever and Allianz. In each case it was independently decided by the respondents that it was more appropriate and convenient to conduct one long interview as opposed to several shorter ones. This was due in large part to the preparation required on the part of the respondents. The same basic theme sheet was used for each interview, although alterations had to be made in order to fit better with each specific company. This was done so that the researcher could investigate respondents' opinions consistent with the study propositions, and also so that the data would follow some logical structure in order

to assist in the case write-up, analysis, and conclusion stages of the study. Details of all interviews, both informal and formal, as regards length can be viewed in table 3.3 below.

Interview Type	Number	Time (Hours)	Pages of Transcript (Approx.)
Informal	2	4	65
Formal	5	12 ½	137
Total	7	16 ½	202

Table 3.3 Table of Interviews

### 3.9 Research Design

Three different types of research design are identified by many authors on the subject (e.g. Aaker et al, 2001; Malhotra, 2002; Domegan and Fleming, 1999). Aaker et al (2001) describe these three types of research design in detail. *Exploratory research* is described as being flexible, unstructured and qualitative in nature and is suitable when the researcher has no preconceptions about the outcomes of the study and is seeking insights into the general nature of a research problem. If hypotheses exist at all they are not well defined. They go on to discuss the nature of *descriptive research*, which is said to be useful in providing a snapshot of a chosen part of a market or company operations. Hypotheses often exist in this type of research, though they may be more speculative than conclusive, and the real focus is on the study of relationships between variables, though these relationships may be affective rather than causal. Finally, the authors describe the nature of causal research, which is said to go one step further than descriptive research, in that where descriptive research shows that two variables are related, causal research demonstrates that one variable actually determines the values of other variables. Hypotheses generally do exist in this type of research and they tend to be very specific and detailed. Some authors (Chisnall, 1996; Malhotra, 2002) group descriptive and causal research under the heading of 'conclusive research'.

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Domegan and Fleming (1999) describe the three types of research design in a similar manner, and provide a summary of the various elements of each type which may be seen in table 3.4 below. They add that the three types are not totally separate but are complementary to each other, that exploratory research is often carried out before descriptive or causal work and that the difference between descriptive and causal research is not clearly defined, as causal research is more of an extension of descriptive research.

In emphasising the importance of the correct choice of research design, Domegan and Fleming (1999) warn that the selection of an inappropriate design will result in systematic errors for the remainder of the study. As explained earlier in this chapter, the type of case studies employed for the purposes of this thesis are consistent with the descriptive case study, although, as noted by Hakim (2000), with exploratory characteristics. Consequently, the research design adhered to is predominantly descriptive, as the case studies are, in essence, descriptions of company activities, however, in reference to table 3.4 below, the variables are more undocumented than known, and the purpose is more to generate theory than test it. It follows that the design for this thesis could be described as exploratory-descriptive.

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	<b>Exploratory Research</b>	<b>Descriptive Research</b>	<b>Causal Research</b>
<i>Data type</i>	Qualitative	Qualitative or quantitative	Quantitative
<i>Aims</i>	To explore, chart, identify	To describe, quantify	To establish cause and effect
<i>Nature of variables</i>	Unknown, undocumented	Known associations and documented	Known exactly, clearly supported
<i>Degree of formality</i>	Relatively little	Some to extensive	High mathematical content
<i>Data</i>	Literature review Expert survey Focus groups In-depth interviews Projective Techniques	Literature review Expert survey Surveys Observation Panels (Focus Groups)	Literature review Expert survey Experiments (Surveys) (Observation)
<i>Sample size</i>	Small	Small to large	Large
<i>Question types</i>	Probing, response driven	Some probing, interviewer driven	No probing
<i>Hypotheses</i>	Generates, develops	Tests and/or generates, develops	Tests

**Table 3.4** Marketing Research Designs (Domegan and Fleming, 1999)

Yin (2003b) highlights five essential components of the research design specifically for case studies. Each of these five essential criteria will be examined individually in the following sections. Yin asserts that case study designs must include:

- Research question(s)
- Study propositions, if any
- Unit(s) of analysis
- The logic linking the data to the propositions, and
- The criteria for interpreting the findings.

### **3.9.1 Research Question**

A research question or problem is an intellectual stimulus calling for a response in the form of scientific inquiry; they must be clearly and specifically articulated to ensure that the researcher does not risk producing ambiguous findings that can be interpreted in contradictory ways (Nachmias and Nachmias, 1996). Creswell (1994) states that typically, research questions are found in place of objectives or hypotheses in qualitative studies. Creswell also notes that the primary research question, or 'grand tour' question, is a statement of the question being examined in the study in its most general form. This question, consistent with the emerging methodology of qualitative designs, is posed as a general issue so as not to limit the inquiry.

In discussing the research questions addressed in case study research, Perry (1998, 2001) notes that these questions tend to be more descriptive than prescriptive, that is, the research problem is usually a 'how do?' issue rather than a 'how should?' one. This contrast captures the positive versus normative dichotomy, for case study research is concerned with describing real world phenomena rather than developing normative decision models. On a similar note, Yin (2003b) adds that in general, case studies are the preferred strategy when 'how' or 'why' questions are being posed.

The primary research question for this study is: *How and why do companies implement rebranding campaigns?*

### **3.9.2 Study Propositions**

While the research question describes, in the most general way, what the broad topic under investigation is, and shows that the choice of case studies as the research instrument was an appropriate one, it does not provide sufficient guidance for the researcher as regards the specific areas under scrutiny. As emphasised by Yin

(2003b) it is only when the researcher is forced to state some propositions that the study can begin to move in the right direction.

As noted earlier by Aaker et al (2001), hypotheses, or in this case study propositions, often exist in descriptive research, though they may be more speculative than conclusive, and the real focus is on the study of relationships between variables, though these relationships may be affective rather than causal. In this light, the study propositions formulated for this study indeed have an exploratory and speculative appearance.

Yin (2003b) explains that each proposition directs attention to something that should be examined within the scope of study; they reflect important theoretical issues and begin to tell the researcher where to look for relevant evidence. Eleven study propositions were formulated for this thesis. This process of formulation involved several stages;

- A thorough examination of the two literature review chapters from which was drawn the key themes and subsequently an initial draft of study propositions
- Preliminary exploratory research (described earlier) with a practitioner in the field so as to assess the suitability of the drafted propositions and to develop and amend them as needed
- Discussion with the research supervisor of the study in order to finalise the list of eleven study propositions.

The final list of study propositions which the researcher arrived at are as follows:

**Proposition One:** Rebranding is a revolutionary change to the brand name, separate to evolutionary changes to other brand attributes.

**Proposition Two:** Rebranding is a strategy which is distinct from, and more radical than other marketing activities such as repositioning, repackaging and refreshing.

**Proposition Three:** Rebranding is an unusual activity which contradicts standard marketing and branding practice.

**Proposition Four:** Three types of rebranding campaigns exist; corporate rebranding, business unit rebranding, and product rebranding.

**Proposition Five:** The motivation for rebranding stems from one or more of seven driving forces; mergers and acquisitions, standardisation, brand image, simplification, repositioning and retargeting, diversification, and legal reasons.

**Proposition Six:** Multiple strategic options are available to companies who wish to rebrand, according to the needs of the firm, i.e. there are various ways of implementing rebranding campaigns.

**Proposition Seven:** Rebranding is a sequential process involving certain stages such as renaming, redesigning, repositioning, and relaunching.

**Proposition Eight:** Rebranding involves the strategic selection of a new brand name.

**Proposition Nine:** Rebranding is seen by companies as a risky and costly strategy.

**Proposition Ten:** The risks of rebranding can be overcome by first adequately assessing the need for the name change and following this with a comprehensive rebranding plan which considers communication of the name change.

**Proposition Eleven:** The possible effects of rebranding are largely undetermined and speculative. It can be speculated that rebranding has a profound, though recoverable, effect on brand equity and brand personality, while having little significant effect on the consumer-brand relationship, brand loyalty, brand identity and brand positioning.

### **3.9.3 Unit of Analysis**

Having decided on the primary research question, and in the case of this study, the research propositions, Perry (2001) suggests that the next step in the research design

is to decide on the unit of analysis, that is, what constitutes a case. Perry observes that case research has been done about the relationship between two businesses, the relationship between two individuals, about decisions, programs, organisational change, laws and neighbourhoods. Nachmias and Nachmias (1996) concur that once the research problem has been formulated, the researcher must give serious consideration to the unit of analysis, which they describe as the most elementary part of the phenomenon to be studied. As was described earlier in this chapter, the primary research question or problem for this study is to explore how and why companies implement rebranding campaigns, and also that a multiple case design has been chosen. Therefore it follows that the unit of analysis will be companies that have been through or are currently in the process of rebranding. As already stated, the companies chosen were Evotia, Allianz, Enterprise IG, Unilever and Bostik.

#### **3.9.4 Linking Data to Propositions and Criteria for Interpreting the Findings**

Yin (2003b) describes how the fourth and fifth components of research designs, linking the data to the study propositions and the criteria for interpreting the findings, indicate the procedures for the data analysis stage of the research. He adds that, although the analysis of qualitative research is the least well developed area in the literature, a well structured research design should lay a solid foundation for analysis. The procedures for analysing and interpreting the data will be discussed in the next section.

#### **3.10 Data Analysis and Interpretation**

Although analysis and interpretation in qualitative research is apparently the least well documented part of the literature, there is nevertheless a substantial body of evidence from which the researcher can draw suitable analysis and interpretation procedures. Patton (1987) insists that analysis and interpretation are distinct processes, describing analysis as organising the data into categories, patterns and basic descriptive units, and interpretation as the process of attaching meaning and



significance and looking for relationships. Creswell (1994) maintains that there is no 'right way' of conducting qualitative analysis and interpretation; data analysis requires that the researcher be comfortable with developing categories and making comparisons and contrasts. It also requires that the researcher be open to possibilities and see contrary or alternative explanations for the findings.

Three general strategies for case study analysis are suggested by Yin (2003b). First, he states that the most preferred strategy is to rely on the theoretical propositions that led to the case study or studies. The rationale for this strategy is that the propositions would have shaped the data collection plan and therefore help to focus attention on certain data and to ignore other data. Propositions also help to organise the entire case study and to define alternative explanations to be examined. Second, Yin suggests thinking about rival explanations. This strategy can be related to the first, in that the original theoretical propositions might have included rival hypotheses. The third general analytical strategy which Yin proposes is developing a case description, in which the researcher produces a descriptive framework for organising the case study. He adds that this strategy is less preferable than either of the previously described techniques, but serves as an alternative when the researcher is having difficulty making either of the approaches work.

Another method of data analysis, content analysis, is suggested by Perry (2001) who states that most qualitative researchers use this technique to initially analyse their data, whereby groups of words in the transcripts are coded into categories. These categories can be determined from the study's propositions. The coded segments of the transcripts could be phrases, sentences or paragraphs. Perry asserts that the use of prior theory to provide codes shows that prior theory is emphasised again in the data analysis part of the report of case research, where it is also used to provide a tight structure to categorise the interviews into sub-sections. The use of content analysis is also advocated by Patton (1987) who believes that there is a state of chaos in the data unless it is classified into categories.

Data reduction and interpretation are described by Creswell (1994) as a method of data analysis and interpretation where the researcher takes a voluminous amount of information and reduces it to certain patterns, categories or themes, and then interprets this information by using some schema. Griggs (1987) also recommends that the starting point for case study analysis should be data reduction, describing the process as: summarising and paraphrasing, selecting some things and excluding others, subsuming specific instances into larger patterns and quantification into numbers and ranks. On a similar note, Blaxter et al (2001) propose that the analysis of data involves two closely related processes; (a) managing the data, by reducing their size and scope, so that they can be reported upon adequately and usefully, and (b) analysing the managed set of data, by abstracting from it and drawing attention to what you feel is of particular importance or significance.

Eisenhardt (1989) suggests that overlapping data analysis with data collection will not only give the researcher a head start in analysis but, more importantly, allows researchers to take advantage of flexible data collection. In agreement with this technique, Creswell (1994) states that, in this respect, qualitative data analysis clearly differs from the quantitative approach of separating the various data collection, analysis and interpretation procedures. One way of implementing this technique is suggested by Nachmias and Nachmias (1996) who recommend developing simple categories in the early stages of data collection based on the characteristics of the people being observed and the events that occur. As data collection progresses, researchers may use what they have learned to refine and sometimes redefine their categories.

Seven data analysis operations are identified by Spiggle (1994), which can be summarised as follows;

- *Categorisation*: the process of classifying or labelling units of data, which is facilitated through coding schemes. The essence is in identifying a chunk or unit of data as representing some more general phenomenon.

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- *Abstraction*: surpasses categorisation in that it collapses more empirically grounded categories into higher-order conceptual constructs by grouping previously identified categories into more general, conceptual classes.
- *Comparison*: explores differences and similarities across incidents within the data currently collected and provides guidelines for collecting additional data. Comparison begins in the initial stages of analysis as one categorises and abstracts the data.
- *Dimensionalisation*: involves identifying properties of categories and constructs. Once a category has been defined, the analyst may explore its attributes or characteristics along continua or dimensions.
- *Integration*: the construction of theory takes the analyst beyond the identification of themes or propositions, to producing complex, conceptually woven integrated theory.
- *Iteration*: involves moving through data collection and analysis in such a way that preceding operations shape subsequent ones. Iteration implies that investigators do not perform specific research stages in a sequential manner but move back and forth between stages.
- *Refutation*: involves deliberately subjecting one's emerging inferences – categories, constructs, propositions, or conceptual framework – to empirical scrutiny.

Spiggle emphasises that these seven analytical operations are neither discreet activities, nor do they occur in an ordered sequential fashion. It is through these operations that researchers organise data, extract meaning, arrive at conclusions, and generate or confirm conceptual schemes and theories that describe the data. Although data manipulation can be described as a series of operations, Spiggle adds that this is not the case for interpretation; the intuitive, subjective, particularistic nature of interpretation renders it difficult to model or present in a linear way. Rather, interpretation occurs as a gestalt shift and represents a synthetic, holistic, and illuminating grasp of meaning, as in deciphering a code.

Yin (2003b) describes five specific techniques for the analysis of case studies. One such analysis procedure is *pattern matching*, whereby several pieces of information from the same case may be related to a particular study proposition; findings are compared to the theory from which the propositions were drawn and the propositions are either supported or refuted. In this way the data is linked to the study propositions. Secondly, *explanation building* is a special type of pattern matching, where the goal is to analyse the case study data by building an explanation about the case. This procedure is mainly relevant to explanatory case studies. A third strategy is to conduct a *time-series analysis*, in which the researcher tracks a series of changes over a period of time. Yin describes the fourth method, *logic models*, as a technique consisting of matching empirically observed events to theoretically predicted events. This differs to pattern matching in that logic models are staged in sequential phases. Finally, Yin describes a fifth technique, *cross-case synthesis*, as applying specifically to the analysis of multiple cases. This technique treats each individual case as a separate study and the findings are subsequently aggregated across the series of cases.

A review of the various available analysis and interpretation procedures led the researcher in this study to draw on the experience of the experts mentioned in this section and utilise a variety of methods for the analysis and interpretation stages of this thesis. Where possible, data collection and data analysis were overlapped, as advocated by several authors earlier in this section. This was achieved through the development of simple categories in the early stages of data collection. Transcripts of the interview tapes were prepared subsequently, followed by a process of data reduction, where certain information that the researcher felt was unnecessary was omitted. The technique of content analysis was applied next, where the study propositions were used to code the transcript data into categories.

Once the data were presented in a more manageable form, two of the general analysis strategies advocated by Yin (2003b), described earlier, were deemed suitable for the remainder of the analysis stage of this study; relying on study

propositions and thinking about rival explanations. In addition to these general strategies, two more specific techniques, also advocated by Yin, were employed; pattern matching, whereby several pieces of information from the same case were related to a particular study proposition, and cross-case synthesis, where findings were aggregated across the series of cases. The data were thus analysed proposition by proposition, where each proposition was either supported, or some rival explanation was accepted instead. This involved describing the actual activities of each of the five companies in question, and comparing this to the theory from which the propositions were drawn. This analysis is constructed purely with the data obtained from the interviews and does not involve any interpretation or personal views of the researcher. The data are presented in this systematic way in order to ensure ease of readability for any audience and transparency on the part of the researcher.

The final chapter of this thesis, Conclusions and Recommendations, describes the interpretation stage of the study. In this chapter, the technique of cross-case synthesis is employed, where the findings from the previous chapter are aggregated and a process of interpretation follows, where the researcher attempts to attach meaning and significance to the analysis findings. The chapter finishes with the researcher's recommendations both to companies involved in and considering the rebranding process, and also for further research on the topic.

### **3.11 Judging the Quality of Research Designs**

Yin (2003b) asserts that the quality of any qualitative research design can be evaluated according to certain logical tests. He describes four such tests that have been commonly used to establish the worth of any empirical social research; construct validity, internal validity, external validity, and reliability. Each of these four tests will be described separately below. He also identifies several tactics for dealing with these four tests when conducting case studies, which are summarised in table 3.5 at the end of this section.

### **3.11.1 Construct Validity**

The first test, construct validity, refers to the necessity on the part of the researcher to establish correct operational measures for the concepts being studied. A common criticism of case study research is that the investigator fails to develop a sufficiently operational set of measures and that subjective judgements are used to collect the data. Nachmias and Nachmias (1996) state that researchers establish construct validity by relating a measuring instrument to a general theoretical framework in order to determine whether the instrument is tied to the concepts and theoretical assumptions they are employing.

In order to meet the test of construct validity, Yin insists that the investigator must be sure first to select the specific types of changes that are to be studied and relate them to the original objectives of the study, and to demonstrate that the selected measures of these changes do indeed reflect the specific types of change that have been selected. More specifically, he recommends the use of three tactics to increase construct validity; (a) use multiple sources of evidence, (b) establish a chain of evidence and (c) have key informants review the draft case study report. All three tactics were utilised in the conduct of this study; the first two have already been described earlier in this chapter. The researcher also fulfilled the third tactic through having each case study reviewed for completeness and accuracy by the respective respondents for each case.

### **3.11.2 Internal Validity**

This second test is concerned with establishing causal relationships, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships. The test of internal validity is therefore only a concern for causal or explanatory case studies and is not relevant for descriptive or exploratory case studies (Brown 1998). Identifying specific tactics for achieving this are difficult however Yin advises that the causal or explanatory case study should contain pattern

matching, explanation building and time-series analysis. As was already described earlier in this chapter the case studies that form the primary research for this thesis are primarily descriptive, thus the test of internal validity is not a concern for this study.

### **3.11.3 External Validity**

Perry (2001) explains that the test of external validity is concerned with the generalisability of research findings beyond the scope of the cases, to the population. Brown (1998) adds that the external validity problem has been a major barrier in doing case study research as it concerns knowing whether a study's findings are generalisable beyond the immediate case study. Yin further notes that critics typically state that single cases offer a poor basis for generalisation, but that this criticism is based on implicitly contrasting case studies to surveys, an analogy which he believes is incorrect when dealing with case studies. Yin supports this claim through observing that survey research relies on statistical generalisation, in which a sample readily generalises to a larger universe, whereas case studies rely on analytical generalisation, where the investigator is striving to generalise a particular set of results to some broader theory. In concurrence with this view, Brown (1998) maintains that external validity is possible in case research if the theory is tested through replications of the findings in further cases where the theory which underpins the initial case study has specified that the same results should occur.

### **3.11.4 Reliability**

In describing the fourth and final commonly used test of research design quality, Yin states that the objective of the test of reliability is to be sure that if a later investigator followed the same procedures as described by an earlier investigator and conducted the same case study again, the later investigator should arrive at the same findings and conclusions. He adds that the goal of reliability is to minimise the errors and biases in a study. In order to achieve reliability, Yin recommends that one

general way of approaching the problem is to make as many steps as operational as possible and to conduct research as if someone were always looking over your shoulder, and more specifically the use of a case study protocol or a case study database. Brown (1998) concurs, stating that the reliability issue stresses the importance of transparency of method and full documentation of evidence. As the purpose of this chapter is to ensure complete transparency of method on the part of the researcher, reliability is achieved through the careful documentation of methodologies and rationales that make up the chapter. As described earlier in this chapter, as a further measure to ensure reliability, the author kept a computerised case study database, where all transcripts and online documentary evidence was catalogued and kept separate to the final case reports.

Tests	Case Study Tactic	Phase of Research in which Tactic Occurs
<b>Construct Validity</b>	- Use multiple sources of evidence	Data collection
	- Establish chain of evidence	Data collection
	- Have key informants review draft case study report	Composition
<b>Internal Validity</b>	- Do pattern matching	Data analysis
	- Do explanation building	Data analysis
	- Address rival explanations	Data analysis
	- Use logic models	Data analysis
<b>External Validity</b>	- Use theory in single case studies	Research design
	- Use replication logic in multiple case studies	Research design
<b>Reliability</b>	- Use case study protocol	Data collection
	- Develop case study database	Data collection

**Table 3.5** Case Study Tactics for Four Designs Tests (Yin, 2003b)



### **3.12 Generalisability in Case Studies**

As mentioned several times throughout this chapter, the issue of generalisability with regards to the case study method is one of concern to the researcher. It is worth noting, then, the main ideas and thinking on the topic in more detail. Blaxter et al (2001) explain that the concept of generalisability, or representativeness, has particular relevance to small-scale research; it relates to whether a study's findings are likely to have broader applicability beyond the focus of the study itself.

A common criticism of case studies is that they provide little basis for scientific generalisation, however Yin (2003b) contends that case studies, like experiments, are generalisable to theoretical propositions and not to populations or universes. In this sense the case study does not represent a sample and in doing case studies, the goal is to expand and generalise theories, i.e. analytical generalisation, and not to enumerate frequencies, i.e. statistical generalisation. The basic premise of analytical generalisation according to Yin is that a previously developed theory is used as a template with which to compare the empirical results of the case study. Brown (1998) adds that what Yin is suggesting is that, because case study research concerns itself with theoretical propositions, it can be as rigorous as research undertaken to establish statistical generalisations, and the resulting generalisability is unlike that provided by statistical inference. Brown thinks that comparing the two types of generalisability is analogous to comparing apples with oranges.

In support of the view expressed by Yin, Burton (2000) argues that the most frequently cited objection to the use of case studies in social science research is the issue of representativeness. She suggests that there are two approaches to deal with this. Either one can accept the criticism and modify the case study research accordingly, or defend the research design as being a legitimate research strategy on philosophical grounds. This defence, she argues, would focus on the fact that the principal use of case studies is to test theoretical propositions.

Also in disagreement with this criticism of case studies, Potter (1996) quotes Pauly (1991) in maintaining that discourse is not randomly distributed, so sampling in any scientific manner is not possible, and thus without this random sample, it is not possible to generalise in a scientific manner. Pauly took the burden of generalisability away from the researcher and placed it with the reader when he said that qualitative research is also generalisable to the extent that some community of readers considers a particular study representative of a wider set of concerns.

Smith (1990) states that the principle criticism of case studies in research is that they are unrepresentative, explaining that this is because theoretical conclusions derived from case studies are not considered to be valid unless the cases can be demonstrated to be typical of the phenomena under investigation. He argues that the very word representative implies recourse to survey research methods to demonstrate, via quantitative procedures, that the theoretical conclusions derived from the cases are applicable to the population as a whole. Smith suggests two ways of dealing with representativeness; either argue that the issue is absolutely irrelevant, which will be further explained below, or contend that it is temporarily irrelevant and that it will have to be attended to eventually if generalisations are to be made. This latter argument can be achieved in two ways; either by choosing to view case studies as appropriate to exploratory work only, or by making them representative through the application of quantitative procedures.

There are also two reasons for choosing to view the issue of representativeness as absolutely irrelevant in case study research. Firstly, Smith maintains that one may have different intentions when using case studies as opposed to survey research, for example, it may be with description rather than with correlation, as is the case with this study. Secondly, and according to Smith, most importantly, there is the possibility of arguing that representativeness is irrelevant because it can be an illegitimate basis for claiming validity. The rationale for this contention is based on the distinction between statistical inference, which results from quantitative research, and logical inference, which is the basis for making claims from case

research. He argues that the general validity of the analysis does not depend on whether the case being analysed is representative of other cases of its kind, but rather upon the plausibility of the logic of the analysis.

Smith centres his argument on the earlier views of Mitchell (1983), who argues that even statistical inference must still be logical if it is to be believed; statistical analysis merely permits the inference that characteristics within the sample may be expected within the population, but if this theorised relationship is not logical, it will not appear plausible. Mitchell observes that the inference about this logical relationship is not based upon the representativeness of the sample, but rather upon the plausibility of the relationship. Thus, logic is essential in quantitative research and logical conclusions are not based upon the representativeness of the sample. Therefore it follows that, since case study research makes only logical and not statistical conclusions, representativeness can be claimed irrelevant. Smith concludes that the selection of case studies should not, as a consequence, rest on how typical the case may be, but on its explanatory power.

### **3.13 Objectivity in Case Research**

It was mentioned earlier in this chapter that the issue of objectivity is a recurring one in social science. As described before by Smith (1990), due to its nature, social science is inherently problematic in that it involves a human attempt to explain human phenomena. As noted earlier, Smith explains that this is problematic because any attempt to make objective meaning claims have to be in the context of the human activity which has created them. Thus objectivity can only be achieved through subjective means. Although this observation illustrates the basic epistemological problem of social science, **Smith contends that it also highlights the principle weakness of positivist methods. He observes that the superiority of positivist methods stems from whether the researcher was able to 'stand back a bit' from the phenomenon in order to achieve some measure of objectivity, but argues that this ignores the inevitable act of interpretation by the researcher. Moreover,**

because of this artificial distancing, the researcher is not sufficiently close to the phenomenon under investigation to understand it. He concludes that, just as there is a requirement to stand back from the phenomenon, there is an equal requirement not to stand back so far that the findings are distorted by distance as well as by the act of interpretation.

In describing the epistemological gap between quantitative and qualitative procedures, Holliday (2002) explains that the positivist method is normative in that it maintains that there is a normality that we can fathom and understand through the use of statistics and experiment, and therefore that with the correct use of technique it is possible to reveal objective facts. However the qualitative belief that the realities of the research setting and the people in it are mysterious and can only be superficially touched by research which tries to make sense of it is interpretive. Qualitative research represents a broad view that to understand human affairs it is insufficient to rely on surveys and statistics, and necessary instead to delve deep into the subjective qualities that govern behaviour.

Holliday observes that there is the problematic burden of how to manage subjectivity in such a way that scientific rigour is preserved. He suggests that one way of doing this is to develop rigour through writing. He asserts that, in quantitative research, the sequence of steps is prescribed, and it is thus difficult to respond to uncontrolled variables, whereas in qualitative research, decisions about research instruments are made in gradual response to the nature of the social setting being investigated as its nature is revealed. Thus rigour in quantitative research is in the disciplined application of prescribed rules for instrument design, but rigour in qualitative research is in the principled development of strategy to suit the scenario being studied. In this way, Holliday highlights a major way in which the qualitative researcher may develop rigour through writing; whereas in quantitative research the source of validity is known, qualitative research has to consistently show its workings. The researcher must justify every move, demonstrating particularly how

the overall strategy is appropriate to the social setting and the researcher-subject relationships within it.

Brown (1998) also discusses the issue of objectivity and subjectivity, relating these concepts to what Merton (1972) calls outsider and insider knowledge. Brown states that the Yin-type case study approaches the case from the outside inwards, having theoretical concepts which contributed to the research design from the early stages, while the ethnographic type of case study would approach the case from the inside out, attempting to extract theoretical concepts from the facts and findings of the case. Either way, the research process begins with an insight or conjecture which fuels the intellectual motivation to undertake the research. Brown views organisational research as studies of the separate realities that coexist in a given social context, and from this perspective, asserts that the case study as a research vehicle contains nine facets relating to its stance on objectivity;

1. The body of knowledge that constitutes organisational theory is socially constructed.
2. Empirical observations are governed by theoretical preconceptions.
3. Our knowledge of organisations is inescapably shaped by the world view through which we perceive our data.
4. There is therefore no totally objective knowledge defining objective truth.
5. Thus, knowledge of organisations is not built from objective truth but is the product of social definitions, and results from *a priori* constructs of predefined theoretical models.
6. Knowledge about organisations is defined in terms of theoretical constructs through the use of conceptual language.
7. These theoretical constructs and the conceptual language underlie our examination of organisational phenomena. Our theories determine what will count as data in the first place.
8. Before a fact enters our knowledge, it is already viewed in a certain way, and is thus an ideational construct. Hence, the chief product of research is

theoretical language rather than objective data, objective knowledge, or objective truth.

9. This theoretical language provides us with social definitions of reality which are regarded as legitimate, authentic, and real by means of an institutionalised consensus of organisational theoreticians and researchers.

While every attempt was made by the researcher of this study to remain objective throughout the research process, the views of the authors mentioned above were also taken into account. In particular the assertion made by Holliday, that one way in which to achieve some level of objectivity in case research is to develop rigour through writing, was adhered to in the conduct of this thesis, principally in the completion of this chapter. The researcher ensured that each methodological choice was carefully considered and justified, and that the overall strategy was appropriate to the social setting and the researcher-subject relationships within it.

### **3.14 Conclusion**

This chapter reviewed the relevant research methodology literature in order to choose the appropriate methods for satisfying the research question. The exploratory nature of the study resulted in the choice of the interpretivist paradigm, which dictated the use of qualitative methods. The case study research methodology was deemed the most appropriate framework for the collection and analysis of the primary data. A multiple case design was chosen, in order to research a broad range of processes, incorporating five separate case studies; Allianz, Bostik, Unilever, Evotia and Enterprise IG. The instrument employed in the collection of data for the case studies is personal interviewing.

The next chapter will present the main findings of the research, first with the five case study reports, and second with a detailed analysis of the data according to the eleven study propositions.

*Chapter Four*

**Analysis and Findings**

## **4.1 Introduction**

While Chapter Three examined the methodological procedures adhered to in conducting the primary research for the study, the purpose of this chapter is to document the findings and analyse them in line with the study propositions. Accordingly, this chapter is composed of two main sections. First, the five case studies are presented in order to show the main findings of the primary research. The case studies contain a description of the practice of each company in relation to rebranding. They are generally structured according to four main themes; the company and its operations, their experience with rebranding, their use of process, and the outcomes of rebranding.

The second part of this chapter is an analysis of all obtained data, which is itself broken down into sub-sections under each of the eleven study propositions detailed in the last chapter. Each of the five case studies and the interview data, including verbatim quotes, are analysed in the sequence in which they are presented in sections 4.2 to 4.6. This analysis explores, not only the practices of each company, but also the opinions, feelings and beliefs of each of the respondents. The purpose of this analysis is to determine whether the study propositions are supported or refuted, or if some alternative explanation can be found. In this way, the author can ascertain whether or not the data of this study are comparable to the literature from which the study propositions were drawn.

No conclusions will be made in this chapter; the findings will be merely presented in a structured manner and analysed according to previously constructed propositions. It is in the next chapter, *Conclusions and Recommendations*, that the author will consider the findings and interpret them in light of the literature.

The next five sections present the final case study reports in the following order; Allianz Ireland, Bostik, Unilever, Evotia and Enterprise IG.



## **4.2 Allianz Ireland**

*'A lot of people think rebranding is voodooism and it's the appliance of science; it's not really, it's common sense'*

– Respondent, Allianz.

### **The Company Today**

Allianz Ireland is a company of the Allianz Group, Europe's leading global insurer and provider of financial services. The Group, with a turnover of €96.9 billion in 2004, employs close to 162,000 people in over 70 countries worldwide. Allianz Ireland itself, herein referred to as Allianz, is this county's third largest indigenous general (non-life) insurance company, with a turnover of €700.1 million in 2004 and employing over 900 people in offices located throughout the country, operating on a 32-county basis. The shareholdings of the company are made up of 66.3% from the Allianz Group, 30.4% from Irish Life & Permanent, and the remainder, 3.3%, is owned by the Irish Catholic Church.

The company's activities are divided into three areas; personal insurance, business insurance and community. The personal insurance division itself is made up of home, motor and pleasure craft insurance. Business insurance products in Allianz include commercial motor, property, liability, transit, credit and global risks, as well as providing insurance to many Irish hospitals and healthcare institutions. The third division of Allianz, community, consists firstly of religious and social insurance, which provides policies to the majority of churches, religious orders and schools in Ireland, and secondly of sponsorship activities. Allianz is a major supporter of Gaelic Games in Ireland, with its sponsorship of Comortas Náisiúnta Allianz (Allianz Leagues) at senior level and the Cumann na mBunscol (National School Association) programme at primary school level. Allianz also sponsors the annual Helmsmans' Sailing Championship, Ryder Cup Golfer Paul McGinley and Irish ballerina Monica Loughman.

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The company also has a separate direct insurance business in Northern Ireland called Allianz Direct. Direct insurance is a service whereby customers can contact the company directly, without the need for brokers or other intermediaries, either by phone or online. The products provided by Allianz Direct in the North include motor, home, pet and pleasure craft insurance. A direct service is also operated in the Republic but, since 2004, is part of the Allianz company and does not operate as a separate entity.

### **Company History**

Allianz has had a long and diverse company history, beginning in 1902. At that time, Ireland was yet to claim its independence from British occupation to become the Republic that it is today. No funded educational or healthcare system existed then until the Church intervened and instated both. In order to provide these services the Church invested in properties around the country, thus creating liabilities. In this way the Church recognised a need for insurance to protect themselves should anything detrimental occur in any of these buildings, either to the property or to the people within it. This need for insurance led the Church to found their own company called the Irish Catholic Church Property Insurance Company.

Initially, the company provided property insurance cover only but gradually, over the following fifty years or so, additional covers became available. By the mid-sixties, the company had begun to underwrite mainstream commercial and personal business and in 1976 changed its name to Church and General in order to more accurately reflect the nature of its expanding portfolio. Church and General continued to grow over the years and in 1989 it merged with Insurance Corporation of Ireland, which had been established in 1935. Insurance Corporation later formed two direct insurance subsidiaries, First Call and First Rate Direct.

At that time in Ireland insurance was traded much like a commodity; it was unbranded and no product differentiation existed. It was Insurance Corporation that

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was first to take the commodity nature of insurance and break it up into differentiated and branded products in an Irish context. They pioneered the creation of a branded suite of insurance products such as Construction Master, Retail Master and Office Master.

Over the course of the five years that followed the merged companies acquired two other small insurance companies; Cornhill and NEMI. Meanwhile, in 1991, Church and General and Insurance Corporation were brought under the ownership of AGFIL, itself the result of a merger between French company Assurances Générales de France and Irish Life. These mergers and takeovers resulted in five different entities under the umbrella of AGFIL. Subsequently, in 1998, AGF was the subject of a takeover by German company Allianz, thus creating a new entity, Allianz Irish Life Holdings. Since that time, Church and General continued to trade as a product brand of Allianz.

This plethora of merger and acquisition activity led to a bewildering array of entities and trade names for the group in the 1990s, thus the decision was made to consolidate them under the dominant brand, Church and General, which at that time had become the third best recognised insurance brand in Ireland. Although this did not involve any brand changes as such, all of the other companies were brought under the umbrella of Church and General and became subservient to it. By the mid 90s the whole group consisted of ten separate brands. This was the case until 1999 when Church and General, Insurance Corporation, its two direct subsidiaries and several other small inherited brands were rebranded as Allianz.

#### **Rebranding in Allianz**

It is clear from its history of mergers and acquisitions that rebranding has become a major part of the growth of Allianz. Rebranding in Allianz has occurred at the corporate and business unit level. The series of rebrands began in 1976 when the Irish Catholic Church Property Insurance Company was renamed Church and

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General. This move was motivated by a shift in the Irish business environment to a more marketing oriented mind frame, where the name of the company had begun to appear excessively long in the face of increasing competition. A new name was needed that conveyed the company's growing portfolio of activities in a more concise and yet descriptive way. The choice of Church and General was essentially a simple configuration in that the company wanted to keep the context with the Church, as it was then an integral part of the business, and they also wanted to include the word 'general' in order to express that they were now in the business of general, i.e. non Church related, insurance. A new logo was created for the brand made up of two overlapping red and blue birds, signifying the two main activities of the company.

The new entity continued to grow and develop to become the third most recognised brand in the Irish insurance market at consumer level. This position was attained through devoting significant incremental investments to the brand over the course of its life cycle, and increasing these throughout the 70s, 80s and 90s. Awareness of the Church and General brand was so strong, in fact, that even five years after the name was changed, the brand still now commands a certain amount of mind share. The result of these continuing investments was a very well respected and liked brand which had developed the personality traits of a warm and motherly old lady.

Although this personality was what was intended and was appropriate to both the needs of the company and consumer perceptions at the time and throughout the brand's development, the image of Church and General became restrictive in the late 1990s in terms of where it could take the company in the future. There were positional and value difficulties with the Church and General brand which meant that, although it remained appropriate to the personal insurance side of the business, it was unsuitable for expansion into commercial insurance. It was felt that the matriarchal, middle aged lady personality of Church and General would not lend itself to convincing corporate Ireland to entrust large risks to the company. The company needed to convert to something else, a new identity with a different set of

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values, a different personality and a different positioning to allow them to use this new brand to transact business across the entire insurance spectrum, and also to create a platform from which they could move not just into general insurance but into life assurance, asset management and banking.

Thus the decision was made in 1999 to rebrand Church and General as Allianz. The Allianz name was chosen over any other due to the previous takeover of Church and General's biggest shareholder, AGF, by the Allianz Group. The rebrand was not the result of a takeover as such, but rather the availability of a suitable name in the company's existing portfolio. The Allianz name provided an excellent opportunity for Church and General and their needs; the Allianz Group was the second largest group in the world and thus provided obvious benefits in terms of scale; it had a vast array of expertise which Church and General were enthusiastic to take advantage of; and in particular the personality and the positioning of Allianz fit with what the company were seeking in terms of broadening their activities. Implementing a completely new name was not considered as the Allianz name presented the ideal opportunity. While the typical persona of Church and General was seen as primarily female, elderly, and very maternal and caring, the personality of Allianz was shown through consumer research to be perceived as typically Germanic; a male with blonde hair and blue eyes; characteristically Arian.

While the primary motivation for the rebrand was the inappropriateness of the Church and General brand personality and image, an additional motivation was the opportunity for greater efficiency through reducing the large number of brands which had been accumulated over the years. Thus rebranding the group's ten brands to the Allianz name provided the company with the opportunity to rationalise their portfolio and consolidate it under one single brand name, thus creating dramatically greater marketing expenditure efficiencies. It also eliminated the effect of brand cannibalisation; where before the group's ten brands were effectively competing with each other, now they were all under one name and required only one consolidated advertising spend.

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The rebranding programme involved an initial transition period where a dual brand name, Allianz Church and General, was used. The company traded for a year and a half under this dual brand name. At that time, there was a temporary change of Marketing Director where the new Director made the decision to treat this transition period as an end in itself, with no intention to rebrand completely to Allianz. Once the original Marketing Director returned, however, this decision was reviewed. Consumer research on the dual name indicated that the juxtaposition of the two personalities was not working and was not achieving the original rebranding objectives. Consumers saw the name as having a schizophrenic personality and also felt that its expression was excessively long. Thus the decision was made to begin changing the name completely to Allianz.

The Allianz name had very little awareness in Ireland prior to the rebrand. On a consumer level, there was virtually zero awareness as Allianz was not operational in Ireland at the time. There was however substantial awareness of the name in terms of distribution channels; brokers and banks knew Allianz as a well respected, multi financial services brand on a global basis, since 1989. In that sense the company had the opportunity to build a brand from scratch and saw this as an advantage.

Despite the decision to start from a zero position with their new brand, the company were careful to ensure that, as part of the rebranding exercise, they would not lose the embedded positive attributes of the Church and General name, but transfer them across to the Allianz brand. This was achieved in two ways; first throughout the transition period where the dual brand name was used, and also through an effective communication strategy. The full transition from Church and General to Allianz took two years in total.

Through the use of the dual brand name, consumers were made aware that there was now a relationship between Allianz and Church and General, and during this time advertising was used in which there was first a greater emphasis placed on Church and General and a lesser one on Allianz, and eventually the Allianz name was given

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far greater prominence than the Church and General brand, until finally the legacy brand was removed completely. In this way, the new name gradually replaced the old while consistently adopting the previous brands' positive attributes, and also building its own personality and image. One advertisement which the company used to achieve this featured an embrace between a father and his daughter, where the girl typified Church and General and her father Allianz. In this way the Church and General brand was used to introduce its replacement, to migrate to the Allianz name.

One major concern of introducing the Allianz name into Ireland was that of pronunciation. The word itself seemed unusual in an Irish context, particularly because of the letter 'z' in the name. The company had concerns that people would mispronounce the name and refer to it as 'alliance' either with an English or French pronunciation. It was important that the name was articulated in a manner that was truly representative of what the company wanted to express, because they felt that the distinctiveness of the name came equally in how it sounded as much as in how it looked. In order to overcome this obstacle, the company used its already well-established sponsorship activities to communicate the correct pronunciation.

Sponsorship of the Allianz Leagues began, which are hurling and Gaelic football leagues, consisting of 17 continuous weeks of play each year. Throughout that 17 week period there are 442 matches played on Saturdays and Sundays throughout the country. In order to ensure that the Allianz name was correctly expressed throughout this period, the company brought the newscasters, broadcasters and sportspeople together and taught them how to pronounce the name, even giving them prizes when they got it right. Thus, right from start of the Allianz launch, the name was being broadcast and pronounced correctly an average of 1,400 times every weekend throughout the country during that period. The sponsorship was also seen as the ideal opportunity to weave the brand into the fabric of society through associating it with Gaelic Games, and consequently Ireland's heritage.

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In addition to the Allianz Leagues, the company also sponsor the Cumann na mBunscol games, which is a competitive league played at Primary School level. In this way the Allianz name has become quite synonymous with community activity; it has raised awareness in every National School in the country and every year 700,000 school children play Gaelic Games under the Allianz brand.

The rebranding programme also involved the renaming of the two direct brands; First Call Direct in the Republic and First Rate Direct in the North. These two companies were formed by Insurance Corporation in 1995, post merger with Church and General. These subsidiaries were created when it became evident in the early to mid 90s that more insurance consumers were engaging in self-determination, i.e. they were becoming more educated and realising that purchasing insurance through an intermediary, where a five to ten percent premium is charged, was not necessary if they could go direct to the insurance company. The company then realised two things; first that self determining consumers would no longer go through brokers and so Insurance Corporation would lose their business, and second that these consumers could not be accommodated with the facilities that they had in place then.

First Call and First Rate Direct continued to trade until 2003, by which time they had become the best known direct brands in the Irish insurance market, when the decision was made to convert them to Allianz along with the rest of the portfolio. This was done by first renaming them both Allianz Direct. In 2004 the word 'direct' was dropped in the case of the Republic, and the subsidiary was folded into the Allianz company so that the direct business is no longer a subsidiary in the Republic but now trades as Allianz. In the case of the North, the migration from First Rate Direct to Allianz began a year later than in the Republic, so the Northern direct business will continue to trade as Allianz Direct until the end of 2005, when the rebranding as Allianz will be completed. Therefore, as of January 2006, all business written by the company on a 32 county basis will be under a single brand name; a stark contrast to ten years previous when they were supporting ten.



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The decision to rebrand the portfolio to the Allianz name was not one that was taken lightly. Many in the board of directors originally opposed the change, suggesting instead that they invest more in their current brands to try to rectify their image problem. The reality was that the Church and General brand had too long a history for this to be feasible, and also that there was the secondary issue of an excessively large and inefficient portfolio which had to be rationalised. The proposal to rebrand was hard to accept too as the Church and General brand was only two years off its centenary, which created obvious emotional upset. The rebrand was also staunchly opposed by Irish Life, their 30.4% shareholder, because the Allianz Group was perceived by them to be a fully fledged financial services provider globally. Irish Life saw the rebrand as holding the door open to a potential competitor. The reason Irish Life eventually agreed to the rebrand is that they doubted the potential success of Allianz in Ireland. As it turned out, Allianz has now become more dominant in the market than Irish Life.

In order to convince both the board of directors and shareholders of the move, Church and General, as it was then, carried out extensive consumer and market research to substantiate the proposal. All research in Allianz is outsourced to research houses. Initial consumer research was carried out to assess the personality traits of the Church and General brand, so that the company could first determine that their image was unsuitable for where they wanted to take the company in the future, and secondly so that they could ensure that they transferred those benefits over to the Allianz name. Research was also undertaken at consumer, broker and business and trade level, while the dual brand was in operation to gauge its relative efficiency, or as it turned out, inefficiency. Extensive pre-testing of the Allianz name was also implemented; this was carried out through the use of focus groups with key influential decision makers such as the Bishops of Ireland and brokers and other intermediaries, and also with consumers. By and large the results of this research indicated that the move would be supported, thus providing sufficient evidence to convince the board of directors and shareholders that the rebrand was the best option going forward.

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### **Process in Allianz**

Having a definite process helped Allianz through their numerous rebranding programmes. The first stage to them is working out a timeframe for the entire project. Once the particular opportunity or threat has been identified, a timeframe is determined and then the project becomes a walk back exercise. Allianz use the Microsoft Project package to determine their timeframes.

Once the timeframe has been established, the second stage in Allianz is legal, where all legal issues must be addressed before any changes can be made to a brand. This is especially important in a company such as Allianz for which growth has been largely due to merger and acquisition activity, and complicated legal issues surround who actually owns which entity and in what amounts. There are also legal issues around the selection of a new name, a situation which has become increasingly complicated because IFSRA (Irish Financial Services Regulatory Authority) is the governing body for all financial services players and so any proposed changes have to be validated by them. This validation can prove difficult to achieve as IFSRA have a reputation for being extremely prescriptive about what a company can and cannot communicate to the marketplace. Another issue within the Legal stage is brand title searches, where companies are now legally obliged by EU legislation to search current brand names across the EU as opposed to just Ireland as it was previously. Brand title searches are necessary to ensure that a brand name is not in use in any other country.

Once the legal stage has been completed, the next stage is communication. This involves communicating the brand change both internally and externally. Internal communication was especially important in Allianz as it was felt that a situation of cultural conflict had developed due to the bringing together of diverse organisational cultures through the company's previous merger and acquisition activity. The rebrand was seen as an opportunity to unite the company's employees with a renewed organisational ethos. Thus internal communication was used in order to

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create this new culture, to explain to employees what was happening and why it was happening, and to ensure that all employees understood the new company vision and could be ambassadors for the new entity. The external communication programme involved the advertising strategy, described before, and also communication with brokers, distributors, and business to business customers.

The fourth stage in the rebranding process in Allianz is implementation. This involves issues surrounding the brand name, such as logo and typestyle design. It also involves changing building facias and all internal and external signage. A substantial part of implementation in Allianz is changing all literature that the company uses. In order to do this as efficiently as possible, existing stocks must be run down before the new stock is introduced. Changing literature in a company like Allianz is a considerable task; there are 144 products each with an individual policy document and an individual proposal, with each of those containing an average of 60 pages. Additional literature such as statements, invoices and endorsements for brokers also exist and all have to be changed.

The fifth and final stage of the rebranding process in Allianz is post implementation research, in which all elements of the rebrand are tested and assessed in order to ensure efficiency and satisfaction.

The importance of the transfer of positive attributes and equity from the old brand to the new has already been described. Allianz also has a process of assessing a brand's equity in order to be aware of what it is they need to transfer. This process, called Funnelling, is used to chart brand awareness, and the propensity to create reputation, consideration, purchase and loyalty. These key indices, when mapped in that order, will produce an inverted funnel-shaped graph. The wide part of the funnel is created by mapping the brand awareness variable, which is generally the highest index polled. Awareness gives rise to brand reputation, which then converts to consideration where consumers will consider purchase. This in turn leads to potential purchase, and eventual loyalty. As each index decreases in potential, the

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funnel shape is created. It is through this process of brand funnelling that Allianz assess brands and ultimately decide if they require action, whether it is rebranding, increased investment, or sometimes, termination.

### **The Results**

Rebranding proved to be a cost effective and successful exercise in Allianz. As already described, the costs involved in changing the literature alone were substantial. In order to manage the cost of rebranding, Allianz decided to take the marketing budget for the year and, rather than using any of it on the Church and General brand, devoted it instead to the rebranding campaign. In this way, rebranding did not present any additional costs to the company. This was easily attained in Allianz because they had the luxury of using one year cycles to complete the rebranding. This is because, in insurance, when policies are taken out, it is generally a full year before customers have to interact with the company again. In this way, every customer could be informed of the name change within a one year cycle through the post, and the cost of this could also be kept within the normal budgets. Therefore the cost was rolled out concurrent with the business carried out in that year. At the time of the final name change to Allianz, the marketing budget was .9% of GWP (gross written premium), which made it approximately €4m. Thus this was the final cost of rebranding Church and General as Allianz. Incidentally, the marketing budget has now been reduced to .4% of GWP; this is a direct result of the increased efficiencies brought about by rationalising the portfolio of brands from ten to one.

Allianz has now become the third best known brand in the Irish insurance market, taking the place of Church and General. The company believe that rebranding has been extremely effective for them in correcting their inefficient and unsuitable previous image and in dramatically reducing their complexity and marketing expenditure through brand rationalisation. They have lost no business through the move and are now working in a more efficient way than ever before, both in terms

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of employee interaction and in output. They have diminished confusion through having only one brand in place of ten, thus expressing a more consolidated and unambiguous message to the marketplace. Finally, internal research has shown that, where previously under the Church and General brand employee satisfaction levels weighted around the low 50s, employees would now weight their satisfaction levels at over 90%. In spite of its early difficulties, the rebranding programme in Allianz has since won the support of the CEO, who now regards the choice to rebrand as perhaps the best commercial decision that the group has undertaken in almost a hundred years of existence.

### 4.3 Bostik

*'Ok, go ahead and rebrand, as long as you don't touch my local brands!'*

– Sentiment of the local teams, Bostik.

#### The Company and its Market

Bostik, an adhesives and sealant company, has developed a result of a series of mergers and acquisitions. In 2001 a merger occurred between France's largest oil and gas company, Total Fina, and Elf Aquitaine, and their two adhesives companies, Bostik and Ato Findley respectively. The result was a new entity called Bostik Findley. Bostik trades in Ireland as Evode Industries, an adhesive and sealant manufacturer which was owned by Ato Findley pre merger with Bostik. Evode Industries have been manufacturing in Ireland since 1955. The new company continued to trade as Bostik Findley until October 2004 when the name was changed to Bostik.



**Figure 4.1** Creation of **Bostik Findley** through Merger

The Bostik Group is a worldwide company of 4,200 employees with 48 production facilities and sales operations in 45 countries across five continents. They are the global leader in the adhesives and sealants marketplace, with sales of €1.1 billion in 2003. The company operate in three segments of the market; industrial, construction and consumer. Each ~~segment is further segregate~~ segment is further segregated into various divisions, illustrated in the table below;

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Consumer	Construction	Industry
Repair & Assembly (e.g. super glues)	Tiling	Automotive & Transportation
Home Improvement /Decoration	Flooring	Packaging
Tiling	Waterproofing	Nonwovens (e.g. baby nappies), Tissue & Towel
Flooring	Renovation & Construction	Assembly (e.g. laminating, footwear, furniture)
Weatherproofing	Decoration	
Stationary	Specialist Assembly (e.g. high performance glues)	

**Table 4.1** Markets and Divisions of Bostik

Bostik in Ireland, although operational in all three divisions, concentrates the majority of its business in the Construction and Industry divisions; thus the bulk of the company's activities are centred around professional users, such as builders and engineers, and business to business customers, such as builders merchants and DIY (Do It Yourself) retailers such as B&Q. Consumer products are also distributed through DIY retailers and other outlets such as supermarkets and stationary stores.

The Bostik company worldwide is organised along geographic lines with three regions; Europe, The Americas and Asia/Pacific, of which Europe is by far the biggest. The Irish site is one of the smallest in the European region, along with other plants of similar size in Belgium and the Netherlands. Some of the bigger plants include Stafford and Leicester in the UK, with the largest European plant being France. France is also the home of the Bostik Headquarters, called Bostik SA (Société Anonyme – Limited Company). Each of the different regions and countries has its own relative strengths, for example, while Ireland and the UK are strong in professional and industrial products while also operating to some degree in the consumer market, some countries like the Netherlands have no presence in the

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consumer market whatsoever. Germany, on the other hand, are extremely strong in consumer products, while France are strong in both.

The result of the merger and acquisition activity from which Bostik has evolved is an overly large portfolio of products and brands. Ireland alone, one of the smallest operations, has over 1,000 SKUs (stock keeping units). A detrimental effect of this kind of excess is the possibility of cannibalisation, which occurs quite frequently in the Bostik portfolio. As the Group continue to acquire and merge with more companies they obtain more brands as a result, and many of those brands also bring with them sub brands, thus making the growth of the portfolio rapid. The company have found themselves in a situation where many products in the portfolio have essentially the same use and are under different branding. This creates obvious inefficiencies in relation to marketing and packaging spend. This seems to be the case for many companies in the adhesives and sealants market as the choice available to the consumer is large and in some cases excessive to the point of confusion. One way in which Bostik have tried to combat this confusion is to train the point of sale personnel in both the product ranges and in how to display them.

This problem with an excess of products and ranges has motivated Bostik to implement a major brand rationalisation exercise, which has ultimately led to product rebranding. This exercise has been implemented from Ireland as the MD of Bostik Ireland is also the European Coordinator.

One major influential market force for Bostik is the increasing authority of the retailers such as B&Q. Private label brands in this market are becoming increasingly powerful to the point where the retailers are beginning to question the importance of manufacturer brands. Retailers and also builders merchants are rapidly becoming more advanced in terms of the lower priced own-label products they can provide to the customer, thus placing increasing pressure on manufacturers like Bostik to supply products at a competitive price with superior product benefits. Bostik strive to overcome this challenge by making compelling presentations to retailers in order



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to retain their own shelf space. These efforts are futile, however, in some retailers, such as Wickes in the UK, which now only stock their own private labels.

Another major market force influencing Bostik and their branding strategies is the conservative nature of the market and its professional consumers. The gap between the DIY and professional consumer is large in this market, in that professionals would be reluctant to use a brand which was perceived as DIY. The result of this perception is that Bostik must ensure to use distinctly professional branding on the products targeted at these consumers, or risk losing them to the competition. The company have also found that professional consumers are quite resistant to change in terms of both branding and product formulations, thus restricting the company considerably.

#### **Rebranding in Bostik**

Bostik have been involved in three types of rebranding; corporate, product, and to a lesser extent, business unit rebranding. Business unit rebranding occurred in the Group when Total, parent company of Bostik, spun off several of its SBUs (strategic business units) under the name of Arkema, a new name for that group.

As was mentioned already, the corporate name was changed from Bostik Findley to Bostik in 2004. Although this does not immediately appear to be a major change, it was significant to the company in terms of internal issues. When the merger occurred between Bostik and Ato Findley, the combination of the names was implemented in order to facilitate the merger and to convey a sense of the coming together of equals. The parent companies wanted to avoid alienating the employees of either entity. Thus the names were combined in as fair a way as possible. When it became apparent, however, that it was highly desirable to shorten the name to only the first word, internal concerns had to be considered. The company could now have been in a situation where there was the potential to offend the former personnel of

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Ato Findley, thus making the name change quite a significant one internally for Bostik.

Despite internal concerns, the decision was made to go ahead with the rebrand. The company saw benefits in shortening and simplifying the name as this would convey a clearer and more concise message to the marketplace. They saw it as strengthening their corporate identity, conveying that they are a major player, and also saw it as an opportunity to make noise in the marketplace. In addition to this, the company found through casual enquiry that the name Findley did not have much meaning in the marketplace. Bostik was the obvious name of choice for the rebrand, for three main reasons. First Bostik was the more significant company pre merger, as its parent, Total Fina, is the largest company of the whole group. Thus Bostik was already the front name of the company. Secondly, the Bostik product brand, the most significant brand in the Bostik portfolio pre merger, is the only worldwide brand of the whole group. Finally, the Bostik name was the most suitable as it is short, easy to memorise, and can be pronounced with little difficulty in all of the company's markets. An added advantage of the name is that it is highly descriptive in the context of an adhesives company, containing the word 'stick'.

In order to ensure complete internal acceptance of the name change, especially in light of the potential for employee alienation, Bostik were careful to communicate the name change effectively and well in advance, while also explaining the reason for the elimination of the Findley element from the name.

The name change became effective in most countries, with only a few exceptions. Plants in Morocco, Italy, Germany and Evode Industries in Ireland were permitted to retain their trading names as they were all related very strongly to their most successful brands. It was the strength of the Evo-Stick brand in Ireland, Evode's biggest brand, which allowed the Irish plant to continue trading under that name, although the external signage has been updated as Bostik – Evode Industries.

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Part of the corporate rebranding involved a new company logo design. Where, before the rebrand, various different versions of the corporate logo existed, the company felt that the rebrand could be better supported through having one standardised logo for the whole company. In this way, the scale of the company could be better leveraged through corporate communications and sponsorship activities. Bostik are quite active in the area of sponsorship, supporting the Paris Raleigh and also some motor racing and sailing events.

Bostik subsequently decided to extend the standardising of the corporate logo to their products, so that they could further leverage the scale of the Bostik brand and tie their portfolio of brands together with a common logo. This decision was backed up by internal research which indicated overwhelming support. Bostik began to position the logo on the back of all Bostik packages and also the packages of some other brands. In this way the company hoped to associate the current brands with the corporate name, both for corporate communication purposes and also to facilitate the possibility of future changes, even complete rebranding to the Bostik name. There is also the possibility of gradually increasing the size of the Bostik logo on the packages in order to promote the corporate name further. Bostik's biggest competitor, Henkel, operates in this way, placing their corporate logo on the back of all packages thus creating an umbrella brand.

This decision could not be enforced completely from the top down, however, as the local teams have a great amount of autonomy and ultimately have far more knowledge about their own brands and markets than headquarters would. There was also the major issue that the Bostik brand has completely different meanings across markets; for example Bostik is very well known in most of the European market as a stationary brand because of its strongest sub-brand, Blu-tack, whereas in France and Germany Bostik is perceived very much as a professional brand. This means that the French team, for example, could not conceive positioning the Bostik logo on their consumer products, for instance on Sader, a general-use DIY adhesive. The French team have very different branding strategies for their consumer and professional

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products and felt that these markets would be confused by associating a consumer product like Sader with the Bostik name, which has extremely strong professional connotations.

Thus the standard logo was suggested for use on product packages to the local teams, who then had the option to implement it or not. Part of this project was communicating to local teams on what could and could not be used in this regard. Bostik decided to be stringent in its decision to use one standard logo, with very few exceptions. One of these exceptions is in the French market where they have a variation on the standard logo for their professional range, which is a tagline of the word 'pro'. As this is highly effective in differentiating their consumer products from their professional products, the decision was made to allow this variation.

Product rebranding has also occurred in Bostik, where their Serious Stuff brand, a super glue substitute, has been renamed Serious Glue. This is one result of the ongoing brand rationalisation in Bostik, where brand audits show issues with certain brands which may lead to rebranding. Serious Stuff had been successful following its launch in France, however this was not the case in the UK where sales had been marginal since its launch. The decision to change the name was motivated by two factors; first there was a great amount of confusion surrounding the actual purpose of the product, and second the product was not getting the correct positioning in store, being wrongly placed with the No More Nails type products, which are adhesive nailing substitutes. This was due to retailers not fully understanding the product and its intended use. This incorrect positioning in store led to customer confusion, which in turn led to the product failing to achieve sufficient sales. A more long term effect of this problem was also the danger of becoming D-listed in store because the product wasn't selling; this would lead to a loss of space in store and ultimately the possibility of future difficulties securing shelf space.

The name was changed to Serious Glue in order to clarify its positioning as a super glue and thus achieve correct placing in store. While not an automatic choice by any

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means, the word glue was chosen in order to make the brand name more descriptive of its actual use, and this was aided by a tagline underneath saying 'repair adhesive', in order to ensure both retailer and consumer comprehension. The process involved in the change was relatively extensive, incorporating thorough name searches, brainstorming sessions and mock ups of varying package design ideas. The choice in the end was to retain the original black packaging as it was felt that this was quite differentiated in comparison to the competition, but to change the wording on the package in order to explain the product usages and benefits in simple language. Serious Glue is now due for launch in Ireland following its rebrand.

Rebranding decisions in Bostik are made by and large without the support of research, based mainly on experience. The company feel that they have experienced employees who have extensive knowledge of the marketplace and that if they were to carry out research projects, they would most likely result in the same conclusions. This is not to say that no research is carried out in the company; the local teams frequently carry out small scale brand strength audits, and the decision to position the standardised corporate logo on the product packages was based on an internal survey.

#### **Process in Bostik**

The rebranding process in Bostik involves only two stages; preparation and implementation. Preparation involves communicating to all personnel that a change will take place, up to six months in advance of commencement. The reason for this is two fold; first the company want to ensure that they have the comprehension and cooperation of all staff before a change is made, and second, Bostik believe that preparation is key to a smooth changeover with as little wastage as possible. Internal communication is a key element of this preparation stage. In the case of product and business unit rebranding, this incorporates consistent communications with all staff in order to update them with changes and more importantly, the reasons for those changes. In terms of corporate rebranding, internal communication is more

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extensive, with each staff member being given a comprehensive pack and brochure to explain what was happening and why.

An important part of this preparation stage is also assessing literature and packaging stock levels and making sure that these are run down before the changeover to the new name. In this way, Bostik ensure that the changeover is made as cost efficiently as possible. In the case of product rebranding, preparation involves the name search, brainstorming and package design sessions that were described before. Legal obligations are an additional part of the preparation stage where the name change has to be registered legally with governing bodies. This is the case for all three types of rebranding in Bostik.

The second stage of the process is implementation of the name change. In the case of the corporate rebrand, this involves changing company facias and all internal and external signage. It also involves changing all literature such as letterheads, business cards and invoices. An essential part of the implementation stage in Bostik is the distribution of standards booklets to all employees, which detail the accepted uses of the corporate logo, both in corporate communications and on the product packages. Following these decisions, new package cards are produced and the product is distributed. The implementation stage also includes external communication. Business to business customers are informed of the change, the reasons for the change, and the implications for them and their business through mail contact. Bostik do not communicate name changes to consumers as they feel that, as they operate in a fairly low involvement category, consumers are not concerned with these types of changes.

### **The Results**

As the rebranding projects carried out in Bostik are still in an early stage, the company are yet to assess the long term effects of the changes they have made. The company appear to have managed rebranding in a very cost effective manner,

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however. The costs of the corporate rebranding were mainly logistical, covering such changes as literature and signage. The website was also updated, contributing to the cost. Other costs included communication and legal requirements. Bostik estimate the cost of their corporate rebranding at around €1 million. The company managed the costs of rebranding Serious Stuff through ensuring the running down of packaging stocks, and also the fact that the product had not been retailing for an extended period meant that there was little support material produced in the old name, and thus there were no destruction costs. The majority of the cost of rebranding Serious Stuff was made up of design costs and set up costs for producing the new packaging. This resulted in a figure of around €20,000 for the whole project.

The result of the corporate and product rebranding in Bostik is a strengthened brand which is the same for the company and many of their products. Rebranding has meant that corporate communications are now closely tied in with local communications as a result of having one common logo. The incorporation of the standardised logo on the product packages has helped Bostik to leverage the scale of their company and to facilitate any future rebranding. Internal feedback has indicated that employees are supportive of the changes that have been made and consider the effects to be positive. Marketing and production expenditures are more efficient now due to the standardised logo, and the company hope to increase these efficiencies through further product rationalisation.

The future in terms of rebranding in Bostik holds many possibilities. The positioning of the corporate logo on product packaging is opening the door to rebranding some product ranges as Bostik. Although this is not a current intention, it is a consideration for the future in Bostik. Some rebranding would never be considered, however; although the company see the benefits of having a standardised brand for all of their product ranges, it would be inconceivable to rebrand Evo-stick, Evode Industries' strongest and best known brand, for example. The conservative nature of the company's professional consumers dictates that such changes would be met with

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severe detrimental effects. Localised brands are the driving force of Bostik and are very much treated as such.



## 4.4 Unilever

*'We pick our winners; we know that we're not going to rebrand every single one. There has to be a strategic brand that we get behind'*

– Respondent, Unilever.

### **The Company Today and its Development**

The history of Unilever, one of the world's largest fast moving consumer goods (FMCG) companies, dates back to the 1880s when William Hesketh Lever set up his company, Lever & Co., and began producing Sunlight Soap, his revolutionary new product that helped popularise cleanliness and hygiene in Victorian England. It was soon to become a limited company, Lever Brothers Ltd, and later a publicly quoted company in the mid 1890s. Around the turn of the century Lever Brothers began producing Sunlight Flakes, a product intended to make housework easier than with traditional hard soap bars. Sunlight Flakes were later renamed Lux Flakes; thus providing an early example of a rebrand.

In 1922 Lever Brothers acquired Wall's, a popular sausage company which had begun to produce ice cream to sell in the summer months when demand for sausage fell. Lever Brothers continued to grow and develop through acquisitions until 1929 when they signed an agreement with Margarine Unie (the Margarine Union) to create Unilever. These two businesses originally aimed to negotiate an arrangement not to interfere in each others principal interests of soap and margarine production, but ultimately decided on an amalgamation instead. Unilever was officially established on January 1<sup>st</sup> 1930. That same year, one of Unilever's largest rivals, Procter and Gamble, entered the UK market.

Currently Unilever operate in one hundred countries around the world and employ over 234,000 personnel. Their turnover in 2003 was €42,942 million. The global reach of Unilever is so broad, in fact, that every day 150 million people choose a

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Unilever brand. The company operate three divisions: food, personal care and home care, with over half of the company's turnover coming from the food division. Unilever's biggest brands are Knorr in the food division, Cif and Comfort in home care, and Lynx and Dove in personal care. Manufacturing facilities in Unilever are made up of 114 sites around the world.

The company also have a number of innovation centres situated around the globe which focus on particular product categories; for example the global innovation centre for deodorants is in London, hair care is in Paris, oral care is in Milan, and skin care is in New York. There are also regional innovation centres in addition to the global centres; for example the regional innovation centre for Latin America is based in Buenos Aires. The main role of the innovation centres is in new product development (NPD), which constitutes 10-15% of Unilever's turnover each year. New products, or indeed altered products, are very often test marketed in Ireland before being launched worldwide, as the Irish market is small enough that any unsuccessful launches can be easily recovered from, and yet developed and affluent enough to be considered as a test market.

Unilever today has just come through a major strategy entitled the Path to Growth; a five year strategy intended to transform the business by focussing on leading brands, improving operating margins and increasing top line growth. This strategy was implemented through a major brand rationalisation where the portfolio has been reduced from 1,600 brands to 400. Unilever felt that concentrating on 400 leading brands would give them the opportunity to focus resources where they could be most effective, reduce overheads and streamline the entire business through dramatically reducing complexity.

Within this reduced portfolio of 400 brands are a number of 'powerbrands' which have worldwide reach, such as Cif, Dove and Flora. This rationalisation programme involved the divestment of under-performing businesses, the discontinuation of certain brands, the amalgamation of certain brands into families and sub-brands, and

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the migration of some brands into others through rebranding, with the result that leading brands now represent 93% of sales. As a result of the Path to Growth strategy, the majority of Unilever's 400 brands are number one or two in their own markets. Protecting this position is paramount to Unilever, both from a profit point of view and in retaining their eye-level position on shelf, which is generally reserved for brand leaders.

One major concern with the Path to Growth strategy was that top line turnover would not be affected. This was mainly due to Unilever's status as a publicly quoted company; while making the bold statement that they intended to rationalise their portfolio of brands from 1,600 to only 400, they wanted to avoid displeasing shareholders who may have justly believed that this would result in a loss of turnover, which in turn would have a direct effect on share price. Rebranding was one solution to this conundrum, where, instead of merely disposing of 1,200 brands, some of these could be migrated into other brands.

One major challenge for Unilever as regards the markets in which they operate is in relation to product parity. This is a situation where a product category is saturated with extremely similar products with undifferentiated branding strategies that make them difficult to distinguish from each other, especially for consumers. This happens frequently in FMCG categories. In the case of Unilever, this has happened in their deodorants category where products like Sanex have very similar packaging and branding to their deodorant brand, Sure, and Nivea deodorants have a similar parity with Unilever's Dove brand. This is one challenge which motivates Unilever to continually assess brands and their performance, which can ultimately lead to rebranding as a strategic option.

#### **Rebranding in Unilever**

Unilever, in its modern incarnation, have been involved only in product rebranding. The most significant brand change to come out of the Path to Growth strategy was

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the rebranding of the household cleaner, Jif, as it was known in Ireland and the UK, where the name was changed to Cif. Jif was first launched in France in 1969 and later rolled out in 51 countries. The product was sold under five different names before the rebrand; Jif, Cif, Vim, Viss and Handy Andy, of which Cif was the most used. Having the same product under five different brand names was proving inefficient for Unilever in terms of production and marketing costs. Thus the decision was made in 2001 to rebrand Jif and to standardise its brand name across markets so as to increase efficiency. The rebrand was also seen as the perfect opportunity to make noise about a previously unexciting brand.

The inefficiency of the five brand names was a major concern for Unilever. As it was, the production line had to be set up independently for each of the five brand names, with stoppages in between each. This was significant in terms of costs because each stoppage cost Unilever in excess of one day. This becomes a major issue when there is a requirement for millions of bottles and labels to be produced every day. Standardising the name meant that these stoppages could be eliminated and production could be increased significantly, saving Unilever both time and money. The reduction of production costs in Unilever is a constant issue as a way of increasing product margins, as they find that there is very little scope for increasing profits through price increases, particularly with current low inflation levels.

The Cif name was the obvious choice for the rebrand as it was the one that was used in most markets already. This did not rule out the consideration of alternative names; several combinations of names and packages were concept tested with consumer groups to support the choice of the Cif name. In order to ensure that the Jif brand could be migrated to the Cif name in such a way that consumers would recognise it as the same product, all the visual cues apart from the brand name were retained, i.e. the logo, typestyle and packaging. This was not difficult as the new name was not a far departure from the original name, essentially involving the change of only one letter.

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Unilever were careful to ensure that the equity of the Jif name was transferred to the Cif brand. This was achieved through communicating to consumers in a new advertising campaign that Jif was changing to Cif, in order to guarantee that consumers were aware that it was still the same product under a different name. Unilever utilised the advertising campaign to create some humour around the rebrand, where they claimed that the reason for the name change was that other nationalities had a problem in pronouncing the Jif name. This claim was actually bought into, especially in the UK, where research showed that consumers did not mind the name changing because it made other nationalities look foolish and made themselves feel superior.

Another rebrand which Unilever have carried out is that of the ice-cream brand HB, which was also known as Wall's in the UK and Igloo in Spain. This rebrand did not actually involve a name change as such, but rather a name elimination. This was motivated by the same factors as the Jif rebrand; a need for greater efficiency through having one standardised brand. Unilever achieved this through actually removing the brand names completely and replacing them with a new logo, a red heart design. The brand names were first associated with the new logo before being removed completely from the packages. This was implemented in line with the launch of the new Magnum product line. Thus the old HB, Wall's and Igloo brand names no longer exist; Unilever now refer to the line only as 'heartbrand'.

Unilever view rebranding as both a threat and as an opportunity; rebranding is threatening in that it can mean losing a local brand which may have developed a substantial heritage and consumer base, but it is an opportunity in that it presents the prospect of making noise in the market about a brand. Unilever consider rebranding as a strategic option when they want to make a change to a brand that is just enough for the consumer to notice, but is not enough to turn them away. Their objectives in rebranding are to make the change in such a way that the core consumers are retained, and to carry out the change with the minimum disruption.

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One way in which Unilever assess their brands in order to gauge if they are in need of change, or even rebranding, is the use of a brand key, which is a collection of factors which describe where the brand is and where it is intended to be taken. These factors include competitive position of the brand, target markets, core users, brand personality and the brand vision, which describes the intended future of the brand. The brand key also includes several words which summarise the brand; Unilever refer to this as the brand essence. It is through regular assessment of each brand's key that Unilever make decisions on any brand changes that need to be made.

Unilever avoid rebranding unless it is absolutely necessary, as they believe that replacing a brand name in FMCG markets, where involvement is low, can mean losing consumers who fail to recognise that a product is essentially the same but is under a different brand name. For example, the Lynx deodorant brand is called Axe in Continental Europe. There was one incident where the UK supermarket ASDA bought a truckload of Axe because it was available at a cheaper price than Lynx. The result was that consumers did not purchase Axe because they believed it to be a copy of Lynx, failing to recognise it as the same product under a different name. Unilever researched this with consumers in order to learn from the incident.

There are several restraints to rebranding in Unilever which prevent them pursuing the strategy on a regular basis. First, any brand changes have to be accompanied by a barcode change, each of which requires a payment. Barcode changes are also complicated and create extra disruption in the company which is highly undesirable. A second restraint is the payback period that is required if a rebrand uses capital expenditure. The payback period is the time it takes for a brand to make a return, to pay back the expenditure it has used. Generally the longer the payback period, the higher the risk involved. For these two reasons, rebranding decisions are hard to accept for some of Unilever's regional businesses; they do not want to accept change for the sake of change and require brand changes to be big and few, as opposed to small and incremental.

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The decision to rebrand is made in Unilever's innovation centres, where all of the brand assessments described before are used to gauge whether a brand needs to be altered or not. Once this decision is made, the small business units such as Unilever Ireland generally cannot oppose it, as they have very little autonomy. Bigger plants like the UK have more sway with corporate decisions. However there are some exceptions to this; sometimes corporate decisions have to be opposed and backed up by research where the implementation of a new brand or a brand change is almost guaranteed to be unsuccessful in the Irish market. For example, in the deodorants market in Ireland aerosols are the market leaders, while dry sticks and roll-ons prevail in Continental Europe. Unilever Ireland frequently resist corporate attempts to introduce more dry stick and roll-on ranges into the Irish market, as research shows that this would be unsuccessful.

Research is a major supporting factor for rebranding in Unilever. All brand changes, no matter how small, are backed up by research, generally carried out by external research companies. Benchmarking is an important outcome of this research, where Unilever can compare brand changes against each other in order to assess their effectiveness. If Unilever decide to rebrand, they concept test various ideas with consumers, and if the outcome is unsatisfactory, the rebranding is discontinued. Unilever also carry out brand audits every second year; this involves examining indicators such as sales and market share. Market analysis is also conducted every quarter. Although consumer research is heavily relied on in Unilever, care has to be taken as the company often encounter rogue groups in focus group studies, which is a situation where a group decide to give false results for no apparent reason. This occurs an average of one in twenty times.

#### **Process in Unilever**

The rebranding process in Unilever is a six stage activity. The first of these stages is **idea** generation, which uses consumer insight from research. The consumer research **is used** to identify a gap between perception and where the company want the brand

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to be. Once that gap is identified, ideas are generated to come up with a solution to the problem. These ideas are then concept tested with consumers in order to decide on the best and most promising option.

The second stage is feasibility, where Unilever assess if it is feasible to implement the rebrand. This involves examination of the brand to ensure that the proposed changes will fit with the brand's current personality. Unilever believe that if brand changes do not fit with the brand's personality, there is the risk of consumers disconnecting with the brand and turning away from it. This stage also involves assessment of feasibility in terms of consumer acceptance of the rebrand. This is done through further consumer research. Feasibility in relation to costs and capital requirement is a further consideration at this stage, involving a full financial assessment, from production to on the shelf, to compare expenditure with the potential return. The next stage, capability, involves evaluation of the capability of the production facilities to implement the proposed changes.

The fourth stage is launch preparation. This involves both internal and external preparation. Internally, factories and production facilities must be prepared to begin manufacturing. Internal preparation also involves communicating the rebrand and the reasons for the change internally. Externally, all launch communications must be prepared. This involves deciding on and creating advertising creatives with advertising and design agencies. This leads into the fifth stage, the actual launch, where all the changes and communications are implemented. Rebranded products are distributed, and advertising communications strategies are employed.

The sixth and final stage is post launch review, which can last for three to six months. This involves thorough brand and sales assessments, as well as further consumer research in order to fully evaluate effectiveness.



## **The Results**

Rebranding in Unilever has been relatively costly. The costs in changing the Jif brand to Cif included a payback element, which made the project more risky, a major advertising campaign, and the cost of having downtime in production facilities. There were also listing fees involved because of the requirement to change the barcode. These costs amounted to around €8 million in total. Unilever try to control costs through having a comprehensive process where the rebranding exercise can be stopped at any stage.

Rebranding success in Unilever is generally based on sales levels, but more so on whether these sales were profitable, i.e. if they were attained without the use of promotions. Consumer research is also used but sales levels provide a much more instant indication of success. Unilever believe that to learn from a launch is as valuable as preparing for the launch itself. The Cif rebranding has certainly been successful for Unilever; it has resulted in substantial marketing and production efficiencies and a strengthened brand; Cif has now attained the number one position in the kitchen cleaner market where its predecessor, Jif, had been at number two. The campaign also gave the brand an element of appeal for a previously uninteresting brand. The HB rebrand has resulted in similar results; increased production and marketing efficiencies and a more contemporary image. These results must ultimately be viewed in light of the scale of the company, however; Unilever is a global corporation with vast financial resources, capable of absorbing the cost of potentially unsuccessful rebranding campaigns.

## 4.5 Evotia

*'Unless there's a raison d'être, I think companies really shouldn't waste their time rebranding'*

– Respondent, Evotia.

### **The Company**

Evotia Strategy and Planning is a branding and design agency and marketing consultancy set up from the merger of two consultancies; French-Grant Associates and Tony Brophy Brand Building. Evotia operate through working with clients, on a project or an ongoing basis, to develop strategic solutions and to help embed those skills within the organisation. Evotia's belief is that great brands are driven by a deep understanding of the consumer and by a brand vision which inspires the organisation and engages the consumer.

Evotia operate in four main areas of expertise. The first is *marketing and brand planning*. This involves assessment of clients' existing marketing or brand plans and the development of new ones. The second area is *brand development*, itself composed of six sub-categories. Brand audits are carried out in order to understand how brands are perceived by consumers in terms of core values, benefits, and associations, and also to evaluate brand strengths, weaknesses and issues. Brand proposition development identifies the single brand benefit which can be leveraged to attract consumers. Branding and communications strategies are devised to deliver the brand message to consumers. Brand rollout involves bringing the brand values and proposition to life both externally, through communications strategies, and internally within the organisation. Portfolio planning and brand architecture development creates frameworks and strategies for the effective marketing of all brands and sub-brands. Finally, new product planning and development helps in the creation of new brands or the reinventing of existing ones.

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The third area, *marketing learning*, comprises the consultancy part of the business, where Evotia works to mentor clients' marketing teams through running workshops. This includes consultancy in marketing planning, consumer insight generation and proposition development, and communications planning. Finally, the fourth area of expertise is *consumer research*, where Evotia identify consumer insight, which is the one compelling element of a brand which differentiates it from the competition. Consumer insight explains why consumers use a particular brand. This is implemented through qualitative research, and workshops and training with personnel.

#### **Rebranding in Evotia**

It is through the brand development programme, described above, that Evotia evaluate brands and subsequently decide if a rebranding exercise is required. Root and branch analysis is used in this evaluation, where the brand roots, the most central elements of the brand, lead into the branches, or all of the other elements that are associated with the brand. From this analysis, Evotia can determine the consumer insight, which is central to the entire strategy of the business. Evotia believe that rebranding should be avoided unless the client has a compelling reason for the change, that there has to be something that the consumer connects with. Otherwise, consumers will not understand the change and may oppose it.

Evotia also believe that repositioning through rebranding is the most fundamental change that a company can make to a brand. This is because it does not only involve a name change, but a complete change in direction for the brand as well. This changes the connection a brand has with its consumers, which may lead to them feeling marginalised and turning away from the brand. Rebranding in order to reposition changes the core target market of the brand, thus excluding some loyal consumers and concentrating on new ones, which Evotia believe is the most radical decision that can be made in terms of branding because establishing loyalty in these consumers is not guaranteed. The company also consider rebranding to be an

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extremely risky strategy because it is essentially telling people that there was something very wrong with the brand, which, if not explained and justified sufficiently, will lead to consumers questioning the change. Evotia generally consider rebranding as a strategic option for focus and clarity reasons, i.e. if there is an element of consumer confusion around the brand.

Evotia have been involved in several rebranding campaigns. The most recent of these was for An Post, in which rebranding was suggested for several of their service brands, essentially constituting product rebranding. This was motivated by a surplus of brands in An Post which, to the consumer, had no apparent connection. For example, research carried out by Evotia indicated that consumers were, by and large, unaware that the package delivery brand, SDS, was an An Post brand. Thus it was a simplification motivation; An Post needed to create a union between its brands in order to increase consumer comprehension. The problem was that An Post had lost sight of their parent brand and their core business which was postage. Evotia tackled this problem through proposing a name change for some of An Post's products and introducing a descriptive element. For example, the name An Post Payment was suggested for the current BillPay service, in order to leverage the strength of the An Post brand and bring the individual service brands under its umbrella. This strategy is as yet in its infancy and is due for implementation.

One instance where rebranding was considered but ultimately ruled out at the last minute was the case of Cooley Distillery, a whiskey manufacturer which sought guidance from Evotia when they discovered that their sales were slowing. Evotia found a similar problem in this case as with An Post, where the company had lost their focus with their core brand and their portfolio had become disjointed. A change of brand name was considered in this case but eventually discarded as it was found through consumer research that the name had no negative connotations, thus discarding it would have been imprudent. The exercise ultimately resulted in a simple repackaging.

### *Analysis and Findings*

One of the partners of Evotia was previously involved in the implementation of a major rebranding campaign for Ryan Hotels, prior to joining Evotia. This exercise has now become part of the Evotia portfolio of projects, however, since this partner was so closely involved in the rebrand. Ryan Hotels was originally founded as Ryan's Car Hire Ltd in 1949 by Dermot Ryan who was then a student at UCD. The company grew and developed into a large car hire business until the 1960s when they began to trade in caravan holidays and was renamed Ryan's Tourist Holidays.

In 1969 Ryan's entered the hotel market with their purchase of a site in Killarney on which the Killarney Ryan was built. This same year the Ardhu House Hotel in Limerick was purchased, to become the Limerick Ryan, and a new hotel, the Galway Ryan, was built. In 1978 the company purchased the Gresham Hotel in Dublin's O'Connell Street, and by 1980 had become entirely a hotel operation and the name was changed again to Ryan Hotels. The late 80s saw the acquisitions of the Belson Hotel in Brussels and the Memphis Hotel in Amsterdam. Throughout the 1990s, Ryan's concentrated on developing two key markets; the city centre hotels with year-round trade and the lower priced, leisure-orientated hotels. In 1999 two more of these city centre hotels were added to the portfolio; the Metropole Hotel in Cork and the Hyde Park Hotel in London. In 2001 the company announced plans to rebrand both the group and several of its hotel brands.

This was motivated by a blurred image which had resulted from having two distinctly different products under one brand name. There was no consistency in the group; it was portraying a confused image to consumers through having part of the group centred around 3-star family leisure holidays, and the other part focussed towards a quality 4-star business service. There was no apparent distinction between these two markets, with a common booking system where, if a consumer made a booking for the Gresham in Dublin for example, they received correspondence from Ryan Hotels. As the Gresham was the flagship hotel of the group up to this point, the decision was made to use this brand to give credence and clarity to the whole group.

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Research had also shown that the Gresham name held a great amount of latent equity which the group wanted to transfer to its other products.

Thus the corporate name was changed from Ryan Hotels to the Gresham Hotel Group, in an effort to upgrade the image of the whole group using the already 4-star image of the Gresham. Three leisure hotels were retained under the Ryan name; the Killarney Ryan, the Limerick Ryan and the Galway Ryan, and continued to operate under the Ryan Hotels name. A distinct identity with a new logo and a differentiated positioning were created for these hotels in order to separate them from the rest of the group. The rebrand also included a name change for the city centre 4-star hotels, which would operate under the name of Gresham Hotels. The London Hyde Park was changed to the Gresham Hyde Park, the Memphis Hotel in Amsterdam became the Gresham Memphis, the Belson in Brussels was changed to the Gresham Belson, and the Metropole Hotel in Cork became the Gresham Metropole. The rebrand was accompanied by a refurbishment of the 4-star hotels in order to upgrade them to a common standard. In this way a completely different and distinguished identity was created for the two product brands, Ryan Hotels and Gresham Hotels, under the new corporate name of the Gresham Hotel Group.

### **Process in Evotia**

Evotia work off a five stage process, composed of issues, objectives, strategies, action plans, and insight. This is actually a process borrowed and adapted from drinks company Diageo, as one Evotia director is also a worldwide Diageo director. Evotia have modified the process so that it is suitable for small indigenous companies in Ireland as it was originally developed for the activities of a multinational corporation.

The first stage, issues, examines all aspects of the brand in order to determine the main areas of concern. This is done through carrying out brand audits and consumer research in order to understand how brands are perceived by consumers in terms of

### *Analysis and Findings*

core values, benefits, and associations, and also to evaluate brand strengths and weaknesses.

These issues are used in the second stage, objectives, where realistic goals are set for the rebranding campaign. This dictates what changes are to be made, the timeframe for the project, and expected achievements in terms of sales improvements, increased awareness and operational efficiencies.

The third stage, strategies, involves all of the required marketing and branding planning for the rebrand. All elements of the campaign are planned, from legal requirements to design changes to the implementation of internal and external communications.

The fourth stage of the process in Evotia is action plans, where strategies and planning are put into practice. Names are legally changed, facias and signage are updated, rebranded products are distributed and both internal and external communications strategies are implemented. Internal communication is always a part of the Evotia process as they believe it to be as important to interact with employees as it is with external audiences. External communications are implemented in the form of mail contact, or radio, billboard or television advertising depending on the needs and budget of the client. Evotia believe that external communication is paramount in rebranding, no matter how small the change may seem or how little involvement there appears to be in the product or service category. They believe that even a small change can be enough to disenfranchise consumers unless it is clearly explained to them.

At the centre of these four stages is insight, which was described before as the one compelling reason that consumers use a brand that is differentiated from the competition; the one benefit that a brand offers and which is not offered by its competitors. Insight is determined through both consumer research and brand audits, and is used to shape and drive the whole rebranding process.

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### **The Results**

Rebranding is only considered for clients of Evotia as a last resort, in fact, the agency often find that only a simple refreshment of the brand is required, perhaps through updating the logo or the packaging, even when clients come to them thinking that they need to change their brand name. Rebranding is avoided because Evotia consider it to be a risky and expensive strategy, and are reluctant to suggest it as a solution unless the brand has a very fundamental issue with its name. In spite of these risks, Evotia believe that these obstacles can be overcome through following a sequential process where the issues and concerns are highlighted at an early stage, and also through ensuring that the change is effectively communicated to all audiences.

The expenditure involved in rebranding in the experience of Evotia include research, design and marketing communications costs. The actual name change cost itself is not substantially expensive; in the case of Ryan Hotels this cost around half a million euro. If this is put into the context of a multinational corporation, however, which may have 20,000 pieces of signage or other reference points, this cost becomes massively expensive. However, as Evotia believe that a name change must be accompanied by product improvements, this is not an accurate reflection of the real cost of rebranding. In this sense, the Ryan Hotels rebrand actually amounted to around €6 million after product improvements.

The An Post rebrand is as yet ongoing, thus the real results remain to be seen. It is hoped that the rebrand will bring a sense of synergy and unity to the brand portfolio through associating the company's product brands with its core brand, An Post. The Ryan Hotels rebrand has proved successful in that there are now two differentiated brands under the Gresham Hotel Group name, whereas before there was confusion and a lack of clarity. The Gresham hotels abroad are now enjoying an increase in the number of Irish customers, suggesting that awareness has been improved and that the benefits of the Gresham name have been transferred. This rebrand was not



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supported by all however; it was highly criticised in the press as many analysts felt that if Ryan's were going to rebrand, they should have implemented the strategy across the entire group, rather than excluding the three leisure hotels. Incidentally, these three hotels have now been acquired by Choice Hotels, who operate the Quality chain of hotels, and are due to rebranded, once again, under the Quality name.

## **4.6 Enterprise IG**

*'Rebranding has to have some substance to it, rather than just treating it as marketing glitz'*

– Respondent, Enterprise IG.

### **The Company**

Enterprise IG is a global brand agency and consultancy with 23 offices around the world. The company operate in four geographic regions; Asia Pacific, USA, Africa & the Middle East, and Europe, of which Enterprise IG Ireland is a part. The principle on which they work is based around a belief that a brand which is built on an idea that is highly compelling and truthful inspires employees, engages customers, and creates value and commercial advantage for shareholders.

Enterprise IG have three main areas of expertise; strategy, design and engagement. Strategy involves creating a strategic focus for a brand through consumer and organisational research, and competitor and market analysis. This analysis is used to discover what Enterprise IG call the compelling truth and to develop a brand idea according to the client's objectives. Design incorporates building creatives for packaging, point-of-sale, marketing communications, live events and interactive media. The third area, engagement, is where employees are incorporated into all aspects of the branding exercise so that they can deliver effectively on the brand promise.

### **Rebranding in Enterprise IG**

In the experience of Enterprise IG, many companies feel motivated to rebrand due to what the agency term 'sectoral promiscuity'; a situation where companies are increasingly diversifying away from their core business into alternative sectors, thus augmenting competition in that sector. This leads to rebranding as a consideration

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for both the company which has diversified and the other companies in that sector in response to this increased competition. Enterprise IG also find that rebranding is generally a means to repositioning for a company in this situation; therefore it is a consequence of a decision to reposition rather than a decision in itself.

Enterprise IG consider rebranding to be a substantial move, motivated by a desire to make a statement and a big impact in the market. The reason this move is so substantial is that first, if a company has shareholders, a name change has to be approved by them, which then creates a real fiduciary responsibility, and second, people will question the rebrand and want to know the reasons behind it, therefore the company must have a justification for the change. This becomes a risky strategy if people then do not believe the new brand promise and there is then the possibility of being ridiculed in the press. Enterprise IG try to overcome these risks through first having a sequential process where all concerns and responsibilities can be addressed at an early stage, and also through a comprehensive communications strategy in which the name change can be explained to internal and external audiences in order to increase acceptance of the new brand promise.

Enterprise IG believe in treating the cause of a problem rather than just the symptom, and this is where rebranding becomes a consideration. Even so, rebranding is only considered if a brand has a major problem that cannot be rectified in any other way. Very often clients of the company have aspirations to rebrand, but alternative strategies are ultimately devised in order to avoid such a radical move. Frequently this involves only a new communications strategy or a fresh logo design.

Enterprise IG believe that the most important component of a rebranding campaign is not the new name but what is behind that name. A rebrand must be accompanied by actual product or service improvements because a rebrand on its own rarely has any inherent value for customers and employees. What does have value is if there is some extra benefit for them after the rebrand, which they will then associate with the new brand name.

### *Analysis and Findings*

Enterprise IG have been involved in two large scale rebranding exercises in Ireland. The first was that of Telecom Eireann which was renamed Eircom in 1999. Telecom Eireann was established in 1984 as a semi-state company, and in 1999 was floated on the Irish, London and New York stock exchanges. The company were also preparing for full deregulation, new communication technologies and a demand for improved customer service in the increasingly competitive environment. Telecom Eireann sought the assistance of Enterprise IG in devising a new communications strategy in preparation for their floatation and their new technologies.

Research internally and externally indicated that there was an inherent problem with the Telecom Eireann brand name. There were three main reasons for this. First, Enterprise IG found that, although the name was, at that time, the best recognised brand in Ireland, it also carried with it negative connotations. Secondly, while the name was highly descriptive of the services offered by the company up to this point, it was no longer suitable as the company were preparing to extend their business from landline telephony to broadband internet and mobile communications. The third issue with the name was that it was expressed in the Irish language, which raised a problem in light of the floatation on the London and New York stock exchanges, and also posed a problem as the company had begun to operate in Northern Ireland where the Irish language would not be viewed in a positive light in certain areas.

When Telecom Eireann came to Enterprise IG with their branding problem they were unaware of the necessity to change their brand name and were reluctant to do so until Enterprise IG presented the company with a report detailing the issues with their current brand name. It was this report, along with a desire to accompany the floatation with something new, that persuaded them to make the change. An additional motivation for Telecom Eireann to rebrand was that they had come out of a monopoly situation where they were the only telephony service providers in Ireland to a situation where there was now new competition entering the market.

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Telecom Eireann originally had an objective of aligning the implementation of the rebrand with the floatation in April of that year, in order to take advantage of the media spend which was being funded by the government, and also so that they could be publicly quoted with the new name. Enterprise IG advised against this, however, as there were only five weeks until the floatation and it was felt that this was an insufficient amount of time to communicate the name change internally. As internal engagement is considered an essential part of the rebranding process in Enterprise IG, they persuaded Telecom Eireann to wait until September, post floatation, to implement the name change.

Preparation for the rebrand launch took six months in total. A phased launch and execution over a period of several weeks were used to ensure that the new identity was well-received by customers, and that it was understood throughout the organisation from the junior levels to the most senior.

When it came to finding a suitable name for the rebrand, Enterprise IG held brainstorming sessions to produce a portfolio of new names. They also reviewed Telecom Eireann's portfolio of brand names that they had registered since their foundation. Large companies such as Telecom Eireann often register various brand names that they may have the opportunity to use in the future, or names that come close to their own so that they can prevent other companies choosing similar brand names. One of these previously registered names was Eircom, which had been trademarked when Telecom Eireann created their mobile phone business, Eircell. At the time the company had felt that they had multiple options around Eircell and so registered the Eircom name in anticipation of this.

Both the new names and the previously registered names were compared against certain criteria in order to choose the most advantageous one. The chosen name would have to be short, easily pronounced in all markets, descriptive of the new positioning as a broad communications company, and in addition to this, the .ie website address would have to be available. The Eircom name fit all of these criteria

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and had the added advantage of ownership, so trademarking issues could be ruled out of the rebranding process. The name also seemed like a shortened version of Telecom Eireann; it contained elements of both words while still remaining descriptive of the company's activities. This meant that it was more likely to be accepted by both internal and external audiences as it seemed more of a natural transition than if a very different name had been chosen.

The second rebranding campaign that Enterprise IG were involved in was that of Permanent TSB, which was a new entity formed from the merger of Irish Permanent and TSB bank in 2002 to become the retail banking division of Irish Life and Permanent. Irish Life and Permanent had acquired TSB in a €430 million takeover in 2000. Although completely new names were considered as part of the naming process, it was seen as much more advantageous to retain elements of both names in the new identity. The reason for this was twofold. First it was felt that people's level of acceptance for the identities of banks was quite low because of trust issues, so the introduction of a completely new name would make this acceptance even harder to achieve. Secondly, a new name conveys a certain message to the marketplace; it says that a completely new entity has been formed which is unrelated to the old ones. This is dangerous because it risks disenfranchising consumers who have invested financially.

Irish Permanent and TSB wanted to convey a sense of unity to the marketplace, a sense that this was not a completely new entity but rather an amalgamation of existing ones. Consumer research also indicated that both names were strong; it wasn't a case that one was stronger than the other. They also saw strength in migrating the consumer base of both entities together, which would be easier to achieve if both names were retained. They believed that if one name had been discarded, the consumers of that former entity would feel marginalised or they may think that their bank had failed somehow.

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For the visual identity design, Permanent TSB wanted a logo that would convey their positioning as the modern young bank of the future that was going to reinvent banking. To achieve this, Enterprise IG had to audit all competitors in order to review the messages they were conveying in terms of visual identity, so that they could design a differentiated logo for Permanent TSB. Reports detailing the objectives of the new entity were also reviewed in order to make a list of relevant phrases which described the vision of the company. This list was then used to tangibilise this vision into typestyle, colour and graphics.

The logo which Enterprise IG devised used all lowercase lettering, so that the two names could be brought together in an equal way, and also to soften the appearance of the long name. The lowercase lettering was also used to give the logo a contemporary, young appearance while retaining a balance between the informal and professional. The rebrand also incorporated the design of new stationary, chequebooks, and ATM, Laser and credit cards.

### **Process in Enterprise IG**

Enterprise IG have a three stage process for implementing rebranding campaigns. The first of these stages, called focus, is what Enterprise IG call the 'finding out' stage. This involves a review of any previous research that has been done and the implementation of further research to add to these findings. This involves organisational research, usually with senior executives, but sometimes parallel within the organisation from the frontline to middle management to senior management. This stage also involves consumer research and external market research with influencers and industry experts, and full market and sector analysis. The focus stage also incorporates a visual audit, where the client's current visual identity is examined in terms of what it is conveying and what it is the client wants to convey. From this analysis, Enterprise IG make conclusions and suggestions as to the recommended action, and also detail the likely consequences of those actions. If the client agrees at this point, they move on to the second stage of the process.

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This second stage is what Enterprise IG call ignite. This is where the new brand is created, incorporating all aspects of design for the new name, the new logo, the redesigned packaging or facias, and the new communications strategy. Several options in terms of the visual manifestation of the new brand are created so that the client can compare them against one another and against what they currently have. Further research is conducted at this stage to support the final decision.

This leads into the third stage; action. This is the rollout and implementation stage of the process. The first element of this stage is to determine realistic timelines for the rollout. All costs and budgets are also determined at this stage. An important element of the action phase is deciding on communications strategies. This depends on whether a low or high key launch is required. The communications strategy also includes internal communications decisions, which Enterprise IG consider essential in engaging employees in the rebranding process and bringing them into ownership of the brand.

### **The Results**

The costs of the two rebranding campaigns proved to be substantial. These costs included research, design, facia changeover, legal and advertising expenditures. The costs of these two campaigns were also augmented because they had to be implemented in a relatively short space of time. This resulted in a total cost of around €8 million for the Eircom rebrand and €10 million for the rebranding of Permanent TSB.

Following the Eircom rebrand, research indicated a high level of acceptance and support for the name and positional change. The rebranding campaign achieved 97% brand name recognition levels within one week of the name change. The company now have a distinct and simplified identity which has helped them to diversify into broader areas of the communications market. In relation to the Permanent TSB rebrand, this company is now Ireland's largest residential mortgage provider with a



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market share of 19%. The new visual identity has provided the company with a young and contemporary image which is differentiated from its competitors in the banking and financial services sector. The new name and identity has allowed Permanent TSB to fulfil their brand promise in reinventing banking; pioneering free banking, uncomplicated switching, and current account mortgages. Nevertheless, rebranding will continue to be considered only as a last resort in Enterprise IG who believe that every effort should be made to salvage existing brands rather than discarding them.

## **4.7 Case Study and Interview Data Analysis**

In this section, both the case study findings and the interview data will be analysed according to the eleven study propositions which were devised in Chapter Three. Each study proposition will first be stated and will be followed by a rationale explaining its origin from the literature. A description of the company practice, and opinions, beliefs and feelings of the respondents in each of the five cases researched will then be presented. In order to protect the identity of respondents, they will be referred to as R1 – R5 in the following order;

- Allianz: R1
- Bostik: R2
- Unilever: R3
- Evotia: R4
- Enterprise IG: R5

As noted in the introduction to this chapter, the purpose is not to draw conclusions but to analyse the data according to the study propositions, and thus according to the literature. The findings described here will be interpreted and conclusions will be made in Chapter Five.

### **4.7.1 The Nature of Rebranding**

**Proposition One:** *Rebranding is a revolutionary change to the brand name, separate to evolutionary changes to other brand attributes.*

#### **Rationale:**

As was seen in Chapter One of the literature review, there is much confusion surrounding the actual nature of rebranding, with no apparent agreement on what the practice constitutes. The author proposes that a distinction may be made between renaming and other brand alterations such as logo and slogan changes through

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considering the difference between evolutionary changes and revolutionary changes. Brand evolution is the natural progression of a brand over time and the incremental changes that must occur in order to retain the condition of that brand, whereas brand revolution is an intentional and dramatic change to a brand which is not part of the normal upkeep of the brand. Changing the brand name can be considered revolutionary and thus synonymous with rebranding, whereas other brand changes are evolutionary and do not characterise rebranding. This proposition seeks to analyse the opinions of the respondents in relation to the nature of rebranding, brand evolution and brand revolution.

#### **Allianz**

R1 has definite views on which brand activities constitute rebranding and which do not. As he puts it *'I think classically rebranding must involve a name change; if you move away from the issue of name and into the other areas of logos and slogans, that's something altogether different'*. Here R1 has clearly distinguished between name changes and logo and slogan changes, asserting that rebranding must involve a name change in order to be classified as such. R1 also stresses that it is the brand name that is the most central part of the brand, so renaming is the most fundamental change that can be made to a brand; *'the name cuts right to the quick; you cannot have a bigger change than altering that. You cannot have a rebranding exercise without changing the name'*. R1 also explains the centrality of the brand name by describing it as the DNA of the brand; *'the name is like the brand's DNA, and the logo and slogan are like the packaging... if you change the DNA you're rebranding, if you just change the packaging, that's just a visual change, that's just not as significant'*.

Rebranding in Allianz involved not only renaming but also logo and slogan changes, however R1 considers the latter two alterations to be part of the rebranding process and not rebranding in themselves; *'in our case and in our experience it has been all of those, all of them were changed; we effectively moved away from everything we*

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*had by the way of the emblem, name and slogan... but they were part of the renaming and rebranding process, not rebranding in themselves'. Independent logo changes are not rebranding but something different; 'if you change the way an individual name is visually expressed, that's a design change, that's not rebranding'.*

R1 refers to the evolutionary nature of changing logos and slogans when he says *'you can change your logo or your slogan quite easily and not change your brand... you can change them as quick as you can change your coat, it won't make an awful lot of difference'*. He considers name changes to be far more significant, likening them to human name changes; *'it's a pretty significant step for a person to change their name, so too for an organisation, and that is the essence of rebranding'*. R1 refers to the revolutionary nature of rebranding in saying *'it's something that is very dramatic, it doesn't just happen flippantly like changing a logo. You would almost expect regular logo and slogan changes; you certainly wouldn't expect name changes'*.

Although R1 clearly defines rebranding as revolutionary name changes, he also thinks that renaming without other brand alterations is pointless; *'if you just change your name it begs the question 'why?', it will bring about questioning... unless you back that up with some new value proposition or whatever, which I assume you would because you've gone for a new name... people will question it'*. R1 sees risks in rebranding with only a name change; he believes that the new name must be accompanied by some other difference in order to increase people's acceptance. He thinks that rebranding must involve more than just a name change in order to be believable.

### **Bostik**

The responses of R2 illustrate the apparent confusion identified in Chapter One of this thesis in relation to the nature of rebranding. When asked which changes could

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constitute a rebrand, R2 does not make any distinction between brand alterations; *'I would say it's any kind of change, I think it's anything that a consumer or a target audience perceive as different'*. This perception is typical of anecdotal opinion such as that mentioned in Chapter One and is the result of a lack of an unambiguous definition and empirical research.

In spite of this perception, R2 does consider there to be a difference in the level of change between a name change and other brand alterations; *'definitely there's a difference, a major difference in the scale... changing the name is a much bigger change and would have to be very well thought out and planned'*. Therefore, although R2 does not distinguish between changing brand names and changing other brand attributes under the heading of rebranding, he does consider the former to be much more fundamental than the latter. He adds *'I guess changing a brand name is rebranding in the true sense of the word'*. The distinction is there, although under a different name.

R2 also uses the evolution/revolution distinction to describe the difference between name changes and other changes; *'the name is the critical part of the brand; changing that is pretty fundamental, I mean there's no coming back from that...changing a logo or something else small is kind of normal, it's not that big a deal and I guess happens a lot'*. This view is concurrent with the argument expressed in this thesis and shows that R2 is in agreement that, while brand name changes are revolutionary, other changes are part of the natural evolution of a brand over time and are not as dramatic.

#### **Unilever**

In a similar sense to R2, R3 thinks that brand name, logo and slogan changes are *'all part of rebranding'*, making no distinction between them under the banner of rebranding. However, he does see a distinction between them in relation to the scale of the change, *'yes there's a major difference, changing a brand name is really*

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*major, changing the other things is pretty minor and not very significant*'. So according to R3 there is a major distinction between these changes, although in lack of actual academic definitions he groups them all under the title of rebranding.

R3 also asserts that *'brands are always evolving, and usually the change that's made is pretty incremental... lots of incremental changes on a regular basis as opposed to a revolutionary change like a new brand name'*. Here R3 describes the evolutionary/revolutionary argument and further distances renaming to other brand changes. He adds that *'I mean renaming is really the only way you can change your brand in a revolutionary way, everything else is easier and a lot less dramatic and pretty much happens on a regular basis'*. R3 elaborates on this point by explaining that the brand name is the most central part of the brand, stating that *'the brand name is the most prominent part of the brand so changing that must be the biggest change'*. Again, R3 is in agreement with the contention of the present author, albeit under a different classification.

### **Evotia**

R4 gives similar responses to R2 and R3 when asked which brand changes can constitute rebranding, stating that *'it can mean changing a logo or a slogan, which is fairly basic, but it can also mean a complete overhaul of the brand through changing the name'*. Here R4 states that he sees a definite difference in the level of change between renaming and other brand alterations, although he again groups them all under rebranding. On a similar note, R4 thinks that *'people view rebranding as a visual identity changeover, but it can be much more dramatic than that'*, indicating that visual identity changes or logo changes are not dramatic but name changes are.

R4 contradicts his first contention that name, logo, and slogan changes can be classified as rebranding when he says *'most people say 'oh they changed their logo or they changed their slogan so they rebranded', that's not rebranding, that's just*

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*peripheral, you have to do more than that to call it rebranding*'. In saying this, R4 is arguing that logo and slogan changes are actually not rebranding at all, rather they are peripheral changes. He further adds; *'I think changing the logo is much more secondary than changing the name. Sometimes you see a logo change and then when you ask people they say they never even noticed. Name changes are much more fundamental'*, indicating again that logo changes are less significant than name changes. R4 also thinks *'rebranding is pretty dramatic, it's a fundamental change to a brand, it's not like changing the logo from red to blue or whatever'*, again contradicting his first contention and actually agreeing with the argument of the present author.

In explaining the difference between rebranding and other brand alterations, as he understands it, R4 states that *'rebranding is saying that something major has changed about your brand, that's completely different to care and maintenance branding'*, making reference to the distinction between revolutionary changes and evolutionary updating of a brand. He even uses these terms in further explaining his point; *'I mean making those small changes that happen all the time... that's fairly evolutionary, that's not revolutionary like changing the name'*. R4 clearly makes the distinction between revolutionary changes which characterise rebranding, and evolutionary changes which constitute other brand changes.

R4 makes a similar point to R1 from Allianz, in that he considers rebranding to be changes to the brand DNA, which is contained in the brand name; *'a brand's name is its DNA, changing that is rebranding; anything other than that is just peripheral'*. He also refers to the confusion surrounding the nature of rebranding in marketing practice; *'to a lot of people the visual identity stuff is rebranding, but to me that's just graphic stuff, that's just refreshing rather than rebranding...I just think that word is so badly used'*. This reflects the view that rebranding is not clearly understood in marketing practice and is not defined unambiguously. R4 also illustrated this confusion himself through having two contradictory views on the nature of rebranding.

## **Enterprise IG**

Although R5 acknowledges that *'rebranding is popularised as being any sort of change to a brand, people like the word because it looks like they've done something significant and important'*, he is clear on his own views about what constitutes a rebrand; *'you can call logo and slogan changes rebranding but is it really doing anything significant? I would say no, I would say the closer you get to fundamental change the closer you get to rebranding'*. R5 also thinks that the most fundamental change is altering the brand name, stating that *'if you change the name you are changing something really fundamental; everything stems from the brand name'*. He also distinguishes between changing the name and changing the logo or slogan in terms of the level of difficulty when he says that *'it is very difficult to change a name as opposed to just changing a logo or slogan'*.

R5 thinks that rebranding is characterised by the original objectives of the company when the decision was made to change the brand. As he puts it *'it goes back to the original objectives; if the intent was there to reinvent and to make a big impact and a significant change, then that's rebranding. If that intent was not there, if there were just sort of refreshment objectives, that's not rebranding, that's just normal refreshment'*. He adds that *'brands cannot or will find it very difficult to survive without refreshment, but most brands can survive fine without rebranding'*. This reflects the evolution/revolution distinction proposed by the present author and also the element of managerial intent to change the brand dramatically from the outset that was described in Chapter One. R5 adds that *'changes that occur as a result of rebranding are generally manifestations of an objective to change dramatically'*, further stressing his belief that rebranding is characterised by an intent to cause radical change.

R5 further distinguishes between brand evolution and revolution in saying *'brand refreshment should be thought of as housekeeping activities, that should be going on all the time. But when you talk about rebranding, that's a **purposeful change** of*



*something to create a more impactful end result*'. R5 has similar beliefs as R1 above, in relation to rebranding with only a name change. R5 thinks that a name change is not sufficient to convince people of the brand promise; rebranding must be supported by actual product or service improvements in order to appear justified; *'for clients and customers themselves a rebrand rarely has any inherent value...they're not looking for the visual manifestations, they're looking for the substance'*. Therefore, while a name change does constitute a rebrand, failing to support it with real improvements may risk appearing unimpressive to end user audiences. He further explains this view by saying *'changing the symbol doesn't change the meaning, but changing the meaning can change the symbol'*, indicating that a name change on its own will not necessarily change the perception of the offering, but making real product or service improvements can attribute additional meaning to a new brand name.

#### **4.7.2 Rebranding as a Distinct Strategy**

**Proposition Two:** *Rebranding is a strategy which is distinct from, and more radical than other marketing activities such as repositioning, repackaging and refreshing.*

##### **Rationale:**

It was noted in Chapter One that marketing activities such as repositioning, repackaging and general brand refreshment are frequently referred to in both academic and anecdotal literature as rebranding. The author contends that, although these activities can provide motivations for rebranding, and can indeed be incorporated into rebranding campaigns, they do not constitute rebranding in themselves. In addition to this, these types of brand changes can all be classed under different marketing headings, and should not therefore come under the heading of 'rebranding'. Rebranding should be considered a distinct marketing strategy separate to these activities. This is an extension of the argument that rebranding must involve

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a brand name change, for if there is no change of name, repositioning, repackaging and refreshment cannot constitute rebranding. In this way propositions one and two are interrelated.

#### **Allianz**

R1 is again very definite in his views on the nature of rebranding as a distinct strategy; *'changing positioning is repositioning, changing packaging is repackaging, changing other little things is just keeping your brand up to date; that's not rebranding to me'*. He also refers to the confusion surrounding the nature of rebranding when he says *'I believe rebranding is a different strategy but I can also see how they can be simply confused'*. When asked what distinguishes rebranding from other brand alteration activities he explains that *'you can have a repositioning or a repackaging or whatever and not go for a rebrand, but rebranding can and usually does involve those other things'*. He adds that *'if it's repositioned, that's an exercise which is reaching a new market, but that doesn't necessarily mean that the brand has to change'*. Specifically in reference to repackaging R1 thinks that *'it's too much of a normal, everyday thing you do with a brand, I wouldn't see that as rebranding at all'*. This also highlights the evolutionary nature of repackaging as opposed to the revolutionary nature of rebranding.

R1 also considers rebranding to be a more radical strategy than other brand alterations; *'very definitely it's more radical; rebranding can be the demise of a brand. I would find it hard to imagine repositioning or repackaging to be the demise of a brand, you can always come back from them'*. However, R1 believes that the most radical form of rebranding is when it is accompanied by repositioning; *'if you change both the name and the positioning you are really doing something major because not only are you creating a different identity system, you are aiming that at different people...that's essentially a different brand'*. So, although rebranding is more radical than repositioning, the combination of the two strategies is, according to R1, the most dramatic change that can be made to a brand.

**Bostik**

When asked if there was a distinction between rebranding and repositioning in the experience of Bostik, R2 responds by saying *'we use repositioning all the time with new products, but that's not rebranding as such'*. In relation to repackaging and other brand refreshing, R2 thinks that *'rebranding is only making changes to the brand itself, I wouldn't say per se that changing your package is rebranding. Packaging is just that, it's just what's on the outside, it's not a major part of the brand'*. Here R2 refers to the peripheral nature of packaging in the context of the overall brand.

Like R1 above, R2 thinks that rebranding can and often does contain repositioning, repackaging and general refreshment of the brand; *'you can take the opportunity to do all those things when you rebrand, it's the perfect opportunity because you are making such a big change anyway...you might as well take advantage of the scale of the change'*. R2 also thinks that rebranding is a more radical change than repositioning, repackaging and refreshment; *'I would definitely say it's more radical...in general I would say that rebranding is more radical than anything, certainly in our experience'*.

**Unilever**

R3 demonstrates essentially the same views as R1 and R2 on the nature of rebranding as a distinct strategy, separate to other brand alteration activities. He states that *'rebranding is separate because it's more substantial and so requires substantial decision making... the other things are substantial too but can always be rectified... in other words they can be pretty easily fixed if they go wrong. A mistake with a new name is extremely hard to rectify because of the fuss it makes'*. R3 sees the distinction between the strategies in the level of decision making and in the difficulty in rectifying mistakes. Specifically referring to repositioning, R3 thinks that *'repositioning is not rebranding in itself, that's a very run-of-the-mill strategy*

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*used in marketing, rebranding is a separate and more dramatic way of creating something new out of an existing brand*'. Thus R3 considers rebranding to be separate to and more radical than repositioning, which he thinks is a normal occurrence.

With reference to repackaging, R3 states that *'repackaging is a constant consideration for packaged goods companies, you have to think about new packages all the time so that you don't look dated...but that doesn't necessarily change the brand per se'*, indicating that packaging changes are necessary in order to remain contemporary but do not constitute rebranding as they do not change the brand itself. This is concurrent with the evolution/revolution argument expressed in this thesis. R3 adds that *'there's a difference between keeping a brand contemporary and deciding to completely overhaul it...that's the difference between incremental changes and a big change like renaming'*. This again refers to the distinction between brand evolution and revolution in the context of brand name changes and other brand attribute alterations. Like R1 and R2, R3 also thinks that rebranding often involves repositioning and repackaging as part of the process; *'depending on the rebranding objectives, of course it can include those changes, and generally does so that the new name can be better expressed with a new look and a new position'*.

#### **Evotia**

R4 has less clear views on the nature of rebranding as a distinct strategy. He states that rebranding *'can mean repackaging fundamentally...it can also mean just refreshing the brand in terms of the way you do business'*. However he also says that *'generally if you're going to rebrand you've got to have something that the consumer gets and connects with, they're not really going to care or even notice to a great extent if you change your packaging or do some other sort of refreshment. They will however notice and connect with a new name if you explain it properly'*. Although R4 initially states that rebranding can be repackaging or refreshing, he

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later contends that these brand alterations are not sufficient to connect with the consumer, which he thinks is a necessary element of rebranding. Therefore he is arguing that repackaging and refreshing in fact do not constitute rebranding, although renaming does. Again, his apparent lack of clarity could be due to the shortage of academic and practical literature defining rebranding.

This confusion is further portrayed with R4 stating that *'rebranding is entangled up in repositioning, repackaging and refreshing, those terms are frequently interchanged and sometimes for no good reason'*, referring to the casual way in which the term 'rebranding' is used in both academia and practice, and including himself in this observation. However, R4 also states that *'people say 'we've changed our packaging, we took out the white and put in the red, we've rebranded'; to me that's just graphic stuff, to me that's just refreshing rather than rebranding'*. Here R4 clearly sees a distinction between repackaging and rebranding, even though his earlier observations were contrary to this. He further adds that *'refreshment is just cleaning up the brand, that's what good brands do all the time, it's not rebranding. I think that word is so badly used'*. R4 clearly describes refreshment as evolutionary and necessary over time, and isolates rebranding from this classification. He also expresses his opinion on the casual use of the word 'rebranding', even though he also uses the term flippantly in his earlier statements.

R4 agrees with R1 in that the most dramatic brand change is rebranding which also involves repositioning; *'rebranding with a repositioning is completely different to just renaming, repositioning is saying that the intended consumer base is changing, that you want to exclude certain consumers and include new ones, and doing that along with a new name is extremely radical, you can really disenfranchise a lot of people'*. R4 thinks that while renaming is a radical strategy, implementing that along with repositioning is effectively twice as dramatic because, not only is the brand name changing, the brand will be targeted at a different group which risks marginalising people.

## **Enterprise IG**

Referring to the distinction between rebranding and repositioning, R5 states that *'I think they are different things and I think they have to be kept separate or they will get confused'*, indicating that he sees some potential for confusion with these two terms. R5 thinks that repositioning decisions can be made regularly and without resulting in excessive change for the brand; *'repositioning is something that can be decided on quite easily and occurs quite regularly because you can reposition and still have the same brand, it just has a different meaning to some people'*. He has differing views on rebranding however; *rebranding decisions are generally harder to make because the effects can be extensive'*. R5 also stresses that repositioning does not constitute rebranding on its own; *'repositioning doesn't assume and should never assume that you are rebranding'*.

R5 also thinks that rebranding tends to be used by companies as a means to repositioning, rather than constituting a decision in itself; *'rebranding tends to result from a decision to reposition; companies often use rebranding as a way of claiming a certain position'*. This is consistent with the observation expressed in Chapter One that repositioning is a motivation for rebranding. R5 further distinguishes rebranding from repositioning when he says *'rather than assuming that they are the same thing, two sides of the same coin, I think repositioning comes first, and then you must decide how to attain that position, and that's when rebranding comes into consideration'*. Therefore rebranding can result from a decision to reposition, rather than being a decision in itself.

In relation to repackaging and refreshment, R5 states that *'those sorts of changes are what you could call housekeeping, they are an essential part of brand management over an extended period of time. I wouldn't call that rebranding'*. When asked to explain this view, R5 says *'rebranding has to be more substantial than that, repackaging and refreshing are minor changes'*. Clearly R5 considers rebranding to be a more radical move than repackaging and other brand refreshment. In line with

the other respondents, R5 agrees that rebranding can, however, incorporate these other changes; *'depending on the objectives, it can include all of those, and very often does'*.

#### **4.7.3 Rebranding as an Atypical Strategy**

**Proposition Three:** *Rebranding is an unusual activity which contradicts standard marketing and branding practice.*

##### **Rationale:**

This proposition stems from the observation expressed in Chapter One that rebranding would seem to challenge fundamental marketing and branding theory and practice. The marketing and branding literature stresses the importance of building strong brands and brand names through continuous investment over extended periods of time. The decision to dispense with this name and start from scratch with a new one would appear to negate this investment and run contrary to standard practice. Therefore, it is hypothesised that it should be an unusual activity.

##### **Allianz**

R1 thinks that rebranding should never be a normal branding activity and should happen on a rare occasion with good reason; *'rebranding should never be considered normal or done for the sake of fashion, you should never do it just for the hell of it'*. He further explains his point through stating *'rebranding, because it goes to the core of the entity, should be considered almost at your peril'*. When asked if he thinks rebranding contradicts standard theory and practice, R1 responds through saying *'it definitely does, everything in marketing is geared towards building up a reputation and a name and a proposition for yourself, to go and reverse all that by changing your name is certainly contradictory'*.

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R1 thinks, however that rebranding has become a regular consideration for companies faced with branding problems; *'although I think it should be rare, unfortunately it's not, it has become somewhat of a scapegoat for a range of branding issues. People are rebranding left, right and centre these days! And very often that's without due cause'*. Thus, although rebranding is a rare consideration in Allianz because it opposes their standard practice, R1 concedes that it is a regular occurrence in the greater population.

#### **Bostik**

Although R2 does think that rebranding is in contradiction to standard theory and practice, he considers it to be a strategy that has become quite normal; *'I guess it does contradict what we would have thought was normal in terms of theory and practice, but I think what we consider normal is being redefined all the time, and rebranding is one of those things that redefines the way we think about marketing'*. R2 thinks that rebranding is something that would have been considered abnormal but now is changing the way we view marketing so that it has now become part of normal theory and practice.

He further thinks that *'rebranding is part of the whole marketing mix when you're looking at changing brands, I don't think it's ever out there on its own and untouchable, I think it could be part of any marketing professional's remit if a brand is in decline. It should be in the consideration set anyway'*. R2 clearly thinks that rebranding has become a normal consideration for marketers as a way of changing brands, especially brands in decline. Although he believes that rebranding is unusual in the context of standard marketing theory and practice, he thinks that it should now be a consideration in the marketing mix.



## **Unilever**

According to R3, major changes like rebranding occur on an infrequent basis in Unilever, because *'the majority of changes we make tend to be slow build rather than anything particularly major'*. Brand changes in Unilever tend to involve evolutionary changes such as repositioning and repackaging. R3 agrees with the view of R2 in that rebranding has become a part of normal marketing and branding theory and strategy, although only relatively recently; *'I think because there has been a lot of talk about rebranding over the last few years...where it would have seemed contradictory and unusual up until quite recently, it has now become integrated into accepted marketing practice'*.

R2 also considers rebranding to be an essential consideration for marketers in the management of brands; *'it's something we're always looking at, it's something that is important to keep as an option in brand management'*. He adds that *'it's not something that we would actually implement on a regular basis, but it's always there as a consideration'*. R2 explains that the reason that rebranding is seldom a real option is that *'some of our brands have been in the marketplace for 15 years, you don't just change those, that doesn't just happen, you can't really mess around with those brands too much'*. A further reason for this is the constraints that prevent Unilever from pursuing the strategy on a regular basis, which were described in the Unilever case study report.

## **Evotia**

As indicated in the case study report, Evotia avoid pursuing rebranding as a strategy unless the client has a compelling reason for the change; *'we advise against it as a strategic option in general; to change a brand name, you have to have some serious reasons to do that if you have an established brand'*. Therefore, rebranding is an unusual occurrence in Evotia and is only considered as a last resort; *'we would only suggest a rebrand when we have been through all of the other options and decided*

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*that they will not work in that situation*'. R4 thinks that rebranding does contradict the normal view of marketing and branding; *'the normal brand strategy for a company is about knowing your position and managing your position, but when you rebrand you are doing something that is in opposition to that process'*, although it is not considered unusual to include rebranding in the list of options when Evotia are devising brand strategies; *'it's there in the background, it's always a possibility, but it would rarely turn into a real consideration or action'*.

#### **Enterprise IG**

In a similar way to Evotia, rebranding is only a consideration in Enterprise IG when all other strategies are implausible; *'we would go through all the other options and if they do not have the potential to treat the cause of the problem, only then would rebranding come to the top of the list'*. When asked if rebranding contradicts standard marketing and branding theory and practice, R5 has definite views; *'I wouldn't say so at all, marketing and branding is about retaining a competitive position, in whatever means may be required. Rebranding is simply one of those means'*.

R5 also thinks that, although rebranding should be reserved for the most extreme cases, it is not an abnormal strategy to pursue; *'it shouldn't be happening on a regular basis because then there is really something wrong, but if the need arises, it should certainly be an option. It should be the last option, but an option all the same'*. In reference to the frequency of rebranding campaigns in recent years, R5 says *'it has just become so common now that it's not contradictory to standard theory or practice anymore, it's very much part and parcel nowadays'*. R5 agrees with some of the other respondents that rebranding has now become integrated into theory and practice and is not the atypical strategy that it once would have been.

#### **4.7.4 Types of Rebranding**

**Proposition Four:** Three types of rebranding campaigns exist; corporate rebranding, business unit rebranding, and product rebranding.

##### **Rationale:**

Three types of rebranding were identified in Chapter One; product, business unit and corporate level rebranding. The purpose of this proposition is to ascertain if this classification holds true in the context of the five companies researched for this study.

##### **Allianz**

As was seen in the case study report, rebranding in Allianz has occurred at the corporate and business unit level. The first of the corporate rebrands was the renaming of the Irish Catholic Church Property Insurance Company, when it was changed to Church and General. As R1 explains; *'the corporate name had become a bit of a mouthful so we decided to change it to Church and General'*. This was followed 23 years later by a second corporate rebrand, when the company was again renamed as Allianz; *'we decided to change the corporate name once again, this time to Allianz'*.

Allianz have implemented business unit rebranding with the name change of their two direct subsidiaries, First Rate Direct and First Call Direct. R1 states that *'we knew that the subsidiaries had to be converted to Allianz along with the rest of the portfolio'*. The rebrand resulted in the subsidiary in the Republic being renamed Allianz Direct for a transition period of a year before being folded into Allianz Ireland, while the subsidiary in the North will continue to trade as Allianz Direct until the end of 2005 when the word 'Direct' will be dropped.

## **Bostik**

Bostik have implemented corporate, product, and to a lesser extent, business unit rebranding. As described in the case study report, the company name was changed from Bostik Findley to Bostik, constituting corporate rebranding. As R2 explains; *'we changed the company name back in 2004 and sort of shortened it and tidied it up'*. The initial merger of Bostik and Ato Findley also gave rise to corporate rebranding in order to bring the two names together appropriate for a merger; *'there had to be some initial corporate rebranding involved in the merger because Bostik Ato Findley or Ato Findley Bostik really seems clumsy and long and appears as if no effort was made to consolidate the two companies, but joining them together as was done conveys a better sense of unity'*.

Product rebranding has been a recent development in Bostik, with the renaming of Serious Stuff as Serious Glue; *'we have had product rebranding with Serious Stuff, we have just changed that to Serious Glue'*. Product rebranding continues to be a consideration for the future in Bostik; *'we will be looking at rebranding some other products in the near future and as a long term option, especially with the brand rationalisation'*. Business unit rebranding has also occurred in the Bostik Group, as R2 explains; *'we have also had some experience with business unit rebranding because our parent company Total has spun off some subsidiaries under the new name of Arkema'*.

## **Unilever**

In a historical sense, Unilever have been through several corporate rebrands; first Lever & Co. was renamed Lever Brothers Ltd and later merged with Margarine Unie to form Unilever. The company today only implement product rebranding; *'rebranding in Unilever is all about making changes to products, we haven't renamed any subsidiaries or changed our corporate name for a very long time'*.

### *Analysis and Findings*

As seen from the case study report, the two recent product rebrands in Unilever have been the renaming of Jif as Cif and the rebranding of the HB/Wall's/Igloo brand where the names have been removed completely to be replaced by a heart logo. As R3 puts it; *'the most major product rebrand we have implemented was the renaming of Jif'*, and in relation to the ice-cream brands; *'the brand names have actually been completely removed from the products, we only refer to them as 'heartbrand' now'*.

#### **Evotia**

Evotia have implemented both product and corporate rebranding for their clients. Their work for An Post constitutes product rebranding; according to R4 *'their products are all over the place, you name it they have a different brand for it! We have advised product rebranding there, like instead of Bill Pay, have An Post Payment'*.

The rebranding of Ryan Hotels constitutes both corporate and product rebranding, incorporating both a group name change and the renaming of several of their product brands. In relation to the corporate rebrand, R4 states that *'we changed the name of the whole group to the Gresham Hotel Group to take advantage of the Gresham name'*, and referring to the product rebrand, R4 explains; *'we changed some of the product brands then, like the Metropole in Cork became the Gresham Metropole, the London Hyde Park became the Gresham Hyde Park, the Memphis in Amsterdam became the Gresham Memphis'*.

#### **Enterprise IG**

R5 states that Enterprise IG have only implemented corporate rebranding; *'we have only been involved in renaming companies, we haven't done a product renaming yet'*. The first of these was Telecom Eireann, which Enterprise IG helped to rename as Eircom; *'we saw that the company name wasn't right for where they wanted to go so we suggested changing it'*. The second corporate rebrand in **Enterprise IG** was

that of Permanent TSB, which was the result of the merger of Irish Permanent and TSB. R5 explains that *'corporate rebranding had to be implemented there, I mean what other way is there to bring two names together?'* This is the same situation as that described in the Bostik case study when Bostik and Ato Findley merged to form Bostik Findley.

#### **4.7.5 Rebranding Motivations**

**Proposition Five:** *The motivation for rebranding stems from one or more of seven driving forces; mergers and acquisitions, standardisation, brand image, simplification, repositioning and retargeting, diversification, and legal reasons.*

##### **Rationale:**

Part of Chapter One examined the various motivational forces which prompt companies to implement rebranding strategies. This was done through reviewing anecdotal evidence of rebranding campaigns in order to group them under headings according to the major motivational factor in each case. This review resulted in seven categories; mergers and acquisitions, standardisation, brand image, simplification, repositioning and retargeting, diversification and legal reasons. The purpose of this proposition is to determine the major driving force of the rebranding campaigns in each of the five companies researched in this study in order to ascertain the validity of these seven categories, with the possibility of finding new ones.

##### **Allianz**

In describing the motivation for the rebranding of the Irish Catholic Church Property Insurance Company as Church and General, R1 states *'a new name was needed that would be more appropriate for the company as they were moving into the general insurance market...their activities were growing beyond church and property*

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*related insurance so the name was becoming a hinderance*'. Therefore, the name was changed in order to better reflect the company's new activities. This constitutes a diversification motivation. This was not the only motivation for the rebrand however; *'the name had begun to look like quite a mouthful especially since competition was increasing and that competition was becoming more and more marketing related with nice concise brand names...a snappier name was needed that was concise and yet still descriptive'*. Thus although the major motivation was diversification of the business, a secondary issue was simplification of an excessively long brand name.

With reference to the rebranding of Church and General, R1 explains that *'there were image difficulties with the Church and General name which meant it wasn't working for our commercial business and therefore we knew that if we were to continue with that name we would have difficulty trying to convince corporate Ireland to do business with us'*. The Church and General name had an image which was not suitable for the company in terms of the direction in which they wanted to take the business. Changing to the Allianz name provided the company with the image they needed to improve the commercial side of the business; *'the image of Allianz was what we were after, it would already have been very well respected in both commercial and personal circles'*. Thus the major motivation for rebranding Church and General as Allianz was to improve their brand image.

There was however another motivation for this name change, and indeed the renaming of the whole group, including the two direct subsidiaries. As R1 explains; *'another reason was ten brands in a very small marketplace puts a very heavy demand on your marketing spend, and therefore to rationalise meant greater efficiency from our expenditure. Obviously one brand is more efficient than ten'*. This means that the rebranding of the group of brands was brought about by a rationalisation motivation; the rebranding stemmed out of a need to reduce the portfolio of brands so as to increase marketing efficiency.

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### **Bostik**

The motivation for the initial rebrand which occurred with the creation of Bostik Findley is self explanatory; the merger of the two companies necessitated a rebrand in order to bring the two names together. As noted in the last section, R2 explains this by saying *'there had to be some initial corporate rebranding involved in the merger because Bostik Ato Findley or Ato Findley Bostik really seems clumsy and long and appears as if no effort was made to consolidate the two companies, but joining them together as was done conveys a better sense of unity'*. Therefore the motivation for this rebrand falls under the category of mergers and acquisitions.

The second rebrand in which the name was shortened to Bostik is described by R2 as *'a simplification of the name'*, because *'the name Findley really didn't mean anything to people here and regardless, everyone just called us Bostik anyway'*. R2 also states that *'it was to strengthen the brand too; the Bostik name was strong already and we wanted to leverage that. The Findley part was perhaps diluting the effect. Just the one word is a lot neater and more striking and memorable'*. Therefore the motivation for this second rebrand was consistent with the simplification categorisation.

In describing the motivation for the Serious Stuff product rebranding, R2 says that *'it wasn't selling because there was confusion about what it actually did; consumers didn't realise that it was a repair adhesive, retailers thought it should be put with the 'no more nails' stuff, and then not only did consumers not understand it, it was also in the wrong position in store'*. R2 explains that the name was changed to Serious Glue in order to *'clarify the purpose of the product by having a more descriptive name'*. Thus the major motivation for the rebranding of Serious Stuff was also a simplification one.

As in the case of Allianz above, product rationalisation **has been an** additional motivation for product rebranding in Bostik. According to R2; *'we have been trying*



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*to rationalise our portfolio and one result of the audits that came out of that rationalisation was the problem with Serious Stuff, that's how that rebrand first came about*'. So, like in the case of Allianz, rationalisation provided an additional motivation for rebranding in Bostik.

#### **Unilever**

Like Allianz and Bostik, brand portfolio rationalisation has also been a major driving force in the decision to rebrand in Unilever. As R3 explains; *'our Path to Growth strategy has led us to rationalise our portfolio of brands from 1,600 to 400, and this has involved some product rebranding, the most significant of which was Cif'*. Again, the decision to rebrand was initially brought about by rationalisation.

A more specific motivation for the rebranding of Jif was standardisation; *'it was for standardisation and efficiency reasons, having five different names for the same product has massive marketing and production inefficiencies. Standardising the name across markets dramatically improved those efficiencies'*. This corresponds with the standardisation category identified in this thesis.

#### **Evotia**

The motivation for the An Post rebrand was a simplification one; *'they have some serious problems with their product brands, they have all these different brands and no apparent connection between them. There's absolutely no clarity there from a consumer viewpoint'*. Consumers are apparently confused by the large number of brands in the An Post portfolio, and product rebranding has been suggested as a way of simplifying the portfolio to increase consumer understanding.

The rebranding of Ryan Hotels was prompted by two major motivations. The first was again a simplification motivation; *'people didn't understand the brand, they were heading down to Ryan Hotels in Galway with their family and then they were*

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*going to stay in the Gresham on business, that's a totally different product'. Therefore the rebrand was implemented in order to consolidate and clarify the group's brands for consumers. The second motivation was consistent with the brand image category. As described by R4; 'we gave the group and the business branded hotels the Gresham name so that they could take advantage of the 4-star image of the Gresham in Dublin. We were trying to transfer the image over'. Therefore the rebrand was also motivated by a desire to improve the image of the group and the business hotels.*

### **Enterprise IG**

In describing the main driving force behind the rebranding of Telecom Eireann as Eircom, R5 asserts that *'the Telecom Eireann name was only about landline telecoms, it was insufficient for the company as they were moving into broader areas of communications, it was totally inappropriate for the move into internet for example'. Therefore the rebrand was primarily driven by a diversification motivation. There were also secondary motivations in relation to the connotations of the name; 'we found that it had negative connotations among consumers...it was also inherently attached to the Irish language which posed a pronunciation problem in foreign markets and also operational difficulties in Northern Ireland'.*

As with the merger of Bostik and Ato Findley described earlier, the rebranding motivation in the creation of Permanent TSB is somewhat self explanatory. R5 explains that *'they could have kept the whole Irish Permanent name and put it with TSB but that just wouldn't have worked, it sends a totally different message to the marketplace, it looks like it's still two separate entities rather than a merger. Mergers generally involve rebranding where the names are harmonised somehow'. Therefore this rebrand corresponds with the merger and acquisition category identified in Chapter One of this thesis.*

#### **4.7.6 Rebranding Strategies**

**Proposition Six:** Multiple strategic options are available to companies who wish to rebrand, according to the needs of the firm, i.e. there are various ways of implementing rebranding campaigns.

##### **Rationale:**

In Chapter One various strategies for implementing rebranding campaigns were discussed. These strategies vary according to the way in which the brand name was changed. The choice of strategy will depend on the branding needs and objectives of the firm. The purpose of this proposition is to ascertain the kind of name changing strategy used by each of the five companies in this study.

##### **Allianz**

Describing the renaming strategy used in the change from the Irish Catholic Church Property Insurance Company to Church and General, R1 states that *'the new name simply replaced the old, but there would have been communications about that before it actually happened'*. Therefore, while the renaming was a simple switching of one name to the other, prior communications were made to ensure that the new name would be better accepted.

In relation to the change from Church and General to Allianz, R1 explains; *'we initially joined the two names together to form Allianz Church and General and we traded for a year and a half under that name...the Church and General name was later dropped and we made the full transition to Allianz'*. He adds that *'we associated the two names through communications where first the Church and General name had greater prominence but we gradually increased the size of the Allianz name...we used the old name to introduce its successor'*. Therefore, a transition period was used where the two names were associated through external

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communications and the prominence of the Allianz name was gradually increased before completely replacing the legacy brand.

A similar strategy was used for the rebranding of the two direct subsidiaries; *'we initially changed them to Allianz Direct so that people would know the direct service was still there, but the long term plan was to make them part of the Allianz company. Now the direct service in the Republic is just one service offered by Allianz the company, and that will be the case in North at the end of this year'*. In this case, a transition period was again employed in order to gradually change the brand name of the direct subsidiaries.

#### **Bostik**

R2 explains that the joint Bostik Findley name was a final decision at the time of the merger but later revised; *'joining the names together was ideal for the merger at the time because it joined the companies together in a fair way, but it was after that the decision was made to drop the Findley name'*. This essentially involves two rebrands; the first to join the names together and the second to shorten and simplify the corporate brand.

In terms of the merger renaming, R2 explains that *'the joint name replaced the two former names, so there would have been two sets of communications there; one to the Bostik people and one to the Ato Findley people'*. Thus while the joint name replaced the two legacy names, communications were sent out to inform people of the change prior to the rebrand. With regard to the second rebrand where the name was shortened, R2 states *'again the name would just have been dropped but with plenty of warning before it happened'*.

R2 describes the renaming of Serious Stuff as Serious Glue in saying that *'we are essentially swapping one for the other, it's as simple as that. The retailers will have to be told so that they know where to display it this time!'* Thus the new name is

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simply replacing the old one with no transition period, although with some communication to retailers.

#### **Unilever**

The strategy employed in renaming Jif as Cif is referred to by R3 when he says *'we gave plenty of notice that we were changing it, both to make sure that people knew it was the same product and to make some noise about it'*. He adds that *'the names were just substituted, there was no 'Cif formerly Jif' or anything like that'*. Thus the names were simply swapped but with prior warning.

In describing the HB/Wall's/Igloo rebrand and the strategy involved, R3 explains; *'the name replacement, i.e. the logo, was gradually introduced onto the packages, first we put the new logo on with the brand name still underneath, that stayed for several months, and then we took the names away completely and left the logo'*. Therefore the logo which was the name replacement was gradually introduced through first associating it with the existing names before finally replacing the legacy brands completely.

#### **Evotia**

The An Post rebrand is yet to materialise thus no renaming strategies can be referred to here. In relation to the Ryan Hotels rebrand, R4 refers to the renaming strategy in saying; *'it was a straightforward changeover from one to the other, there were no intermediate names or anything'*. He further explains that *'there would have been press releases telling people of the change, and on the website there was something about it, but we didn't go to extraordinary lengths to inform people, we pretty much just did it'*. The renaming strategy employed here was essentially a straight swap with little prior warning.

## **Enterprise IG**

R5 explains that prior warning was essential in the renaming of Telecom Eireann; *'we did a lot of telling people before we made the change, the brand was so well known that we couldn't possibly consider changing it without informing people'*. R5 further explains how the new name was implemented; *'it was a case of the Eircom name simply replacing the Telecom Eireann name, we didn't do an endorsement-type exercise on it at all, although everyone knew in advance what was happening so that wasn't necessary. It had to be done relatively quickly and cleanly anyway because it was publicly quoted, we couldn't have a joint name in that sense'*. Thus the floatation prevented the use of any dual brand name or transitory period, although the renaming was preceded by a considerable amount of prior warning.

With reference to the Permanent TSB renaming strategy, R5 explains; *'it was a straightforward merger renaming where the two names were joined together, that's what generally happens when two fairly equal companies merge'*. With reference to the type of prior warning that was given before the change, R5 states that *'it was communicated to a certain extent, there were a lot of press releases so it was known that it was happening, but there wasn't any communication on the renaming as such in advertising, it was just that the old adverts were stopped and the new ones started'*. He adds however that *'customers knew about the change well before it happened, it was really important to tell them'*. Therefore the renaming strategy employed in this case was an amalgamation of the two names with some degree of warning, but no name association tactics were employed prior to the change.

#### **4.7.7 The Rebranding Process**

**Proposition Seven:** *Rebranding is a sequential process involving certain stages such as renaming, redesigning, repositioning, and relaunching.*

##### **Rationale:**

Several differing rebranding processes were outlined in Chapter One, all involving sequential but overlapping stages. The purpose of this proposition is to determine the stages involved in rebranding in each of the five case studies so that their individual processes can be ascertained and illustrated visually. These stages have already been described in each of the case study reports, therefore they will merely be summarised and illustrated in this section. In Chapter Five these processes will be compared with those outlined in Chapter One and lead to the author establishing a common process.

##### **Allianz**

Allianz have a five stage process for implementing rebranding campaigns;

- *Timeframe:* Once the particular opportunity or threat has been identified, a timeframe is determined and then the project becomes a walk back exercise.
- *Legal:* All legal issues must be addressed before any changes can be made to a brand, including determining who actually owns which entity and in what amounts, selection of a new name, and brand title searches.
- *Communication:* This involves communicating the brand change both internally and externally.
- *Implementation:* This involves issues surrounding the brand name, such as logo and typestyle design, changing building facias and all internal and external signage and changing all literature that the company uses.
- *Post Implementation:* All elements of the rebrand are tested and assessed in order to ensure efficiency and satisfaction.

This process could be visually illustrated as in the diagram below;

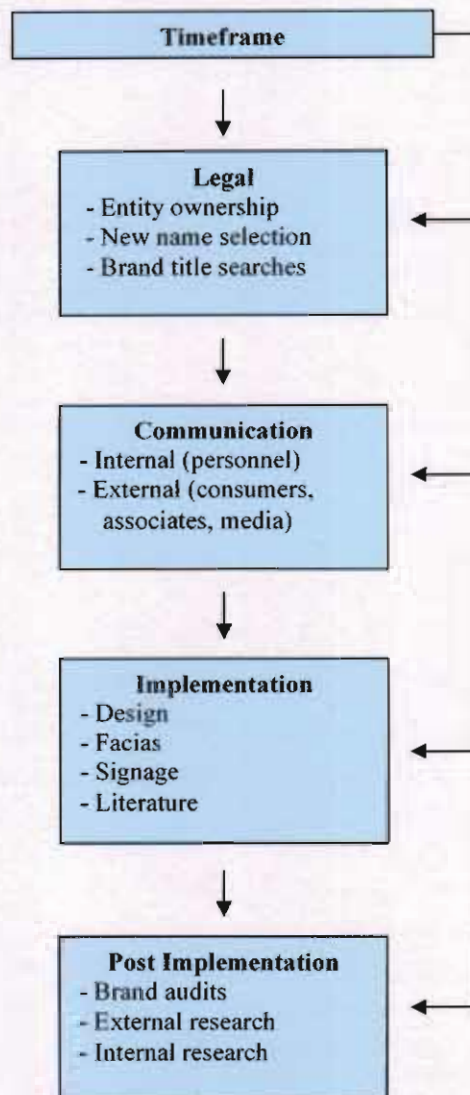


Figure 4.2 The Rebranding Process in Allianz

### Bostik

The rebranding process in Bostik was described in the case study report as involving two stages; preparation and implementation;

- *Preparation:* This involves communicating to all personnel that a change will take place. In the case of product and business unit (BU) rebranding, this



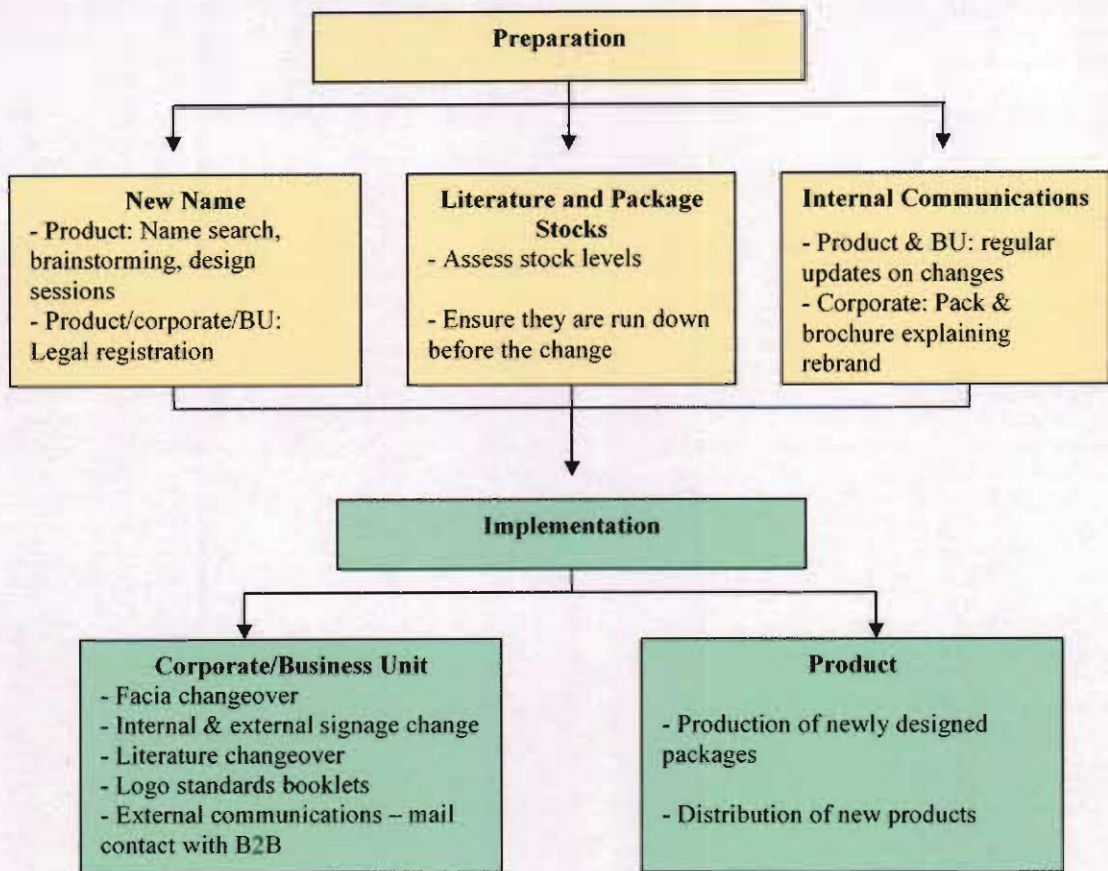
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incorporates consistent communications with all staff in order to update them with changes and the reasons for those changes. In terms of corporate rebranding, internal communication is more extensive, with each staff member being given a comprehensive pack and brochure to explain what was happening and why. Preparation also incorporates assessing literature and packaging stock levels and making sure that these are run down before the changeover to the new name. In terms of product rebranding, preparation involves name search, brainstorming and package design sessions. Legal obligations are an additional part of the preparation stage where the name change has to be registered legally with governing bodies

- *Implementation:* This second stage involves changing company facias and all internal and external signage and changing all literature. It also incorporates distribution of logo standards booklets to all employees. External communication involves mail contact with business to business customers to inform them of the change. New package cards are produced and the product is distributed.

The rebranding process as utilised in Bostik can be visualised as in the diagram below;

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**Figure 4.3** The Rebranding Process in Bostik

### Unilever

The rebranding process in Unilever is a six stage activity, summarised as follows;

- *Idea generation:* Consumer research is used to identify a gap between perception and where the company want the brand to be. Once that gap is identified, ideas are generated to come up with a solution to the problem. These ideas are then concept tested with consumers in order to decide on the best and most promising option.
- *Feasibility:* This is where Unilever assess if it is feasible to implement the rebrand. This involves examination of the brand to ensure that the proposed changes will fit with the brand's current personality. This stage also involves assessment of feasibility in terms of consumer acceptance of the rebrand

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through further consumer research. Feasibility in relation to costs and capital requirement is a further consideration at this stage, involving a full financial assessment, from production to on the shelf, to compare expenditure with the potential return.

- *Capability*: Involves evaluation of the capability of the production facilities to implement the proposed changes.
- *Launch preparation*: This involves both internal and external preparation. Internally, factories and production facilities must be prepared to begin manufacturing. Internal preparation also involves communicating the rebrand and the reasons for the change internally. Externally, all launch communications must be prepared. This involves deciding on and creating advertising creatives with advertising and design agencies.
- *Launch*: All changes and communications are implemented. Rebranded products are distributed, and advertising communications strategies are employed.
- *Post launch review*: This involves thorough brand and sales assessments, as well as further consumer research in order to fully evaluate effectiveness.

This six stage process can be illustrated diagrammatically as follows;

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**Figure 4.4** The Rebranding Process in Unilever

## **Evotia**

Evotia work off a five stage process, composed of issues, objectives, strategies, action plans, and insight, which can be summarised as follows;

- *Issues:* examines all aspects of the brand in order to determine the main areas of concern. This is done through carrying out brand audits and consumer research in order to understand how brands are perceived by consumers in terms of core values, benefits, and associations, and also to evaluate brand strengths and weaknesses.
- *Objectives:* realistic goals are set for the rebranding campaign. This dictates what changes are to be made, the timeframe for the project, and expected achievements in terms of sales improvements, increased awareness and operational efficiencies.
- *Strategies:* involves all of the required marketing and branding planning for the rebrand. All elements of the campaign are planned, from legal requirements to design changes to the implementation of internal and external communications.
- *Action plans:* Strategies and planning are put into practice. Names are legally changed, facias and signage are updated, rebranded products are distributed and both internal and external communications strategies are implemented.
- *Insight:* this finds the one compelling reason that consumers use a brand that is differentiated from the competition; the one benefit that a brand offers and which is not offered by its competitors. Insight is determined through both consumer research and brand audits, and is used to shape and drive the whole rebranding process.

This process as used in Evotia can be illustrated as follows;

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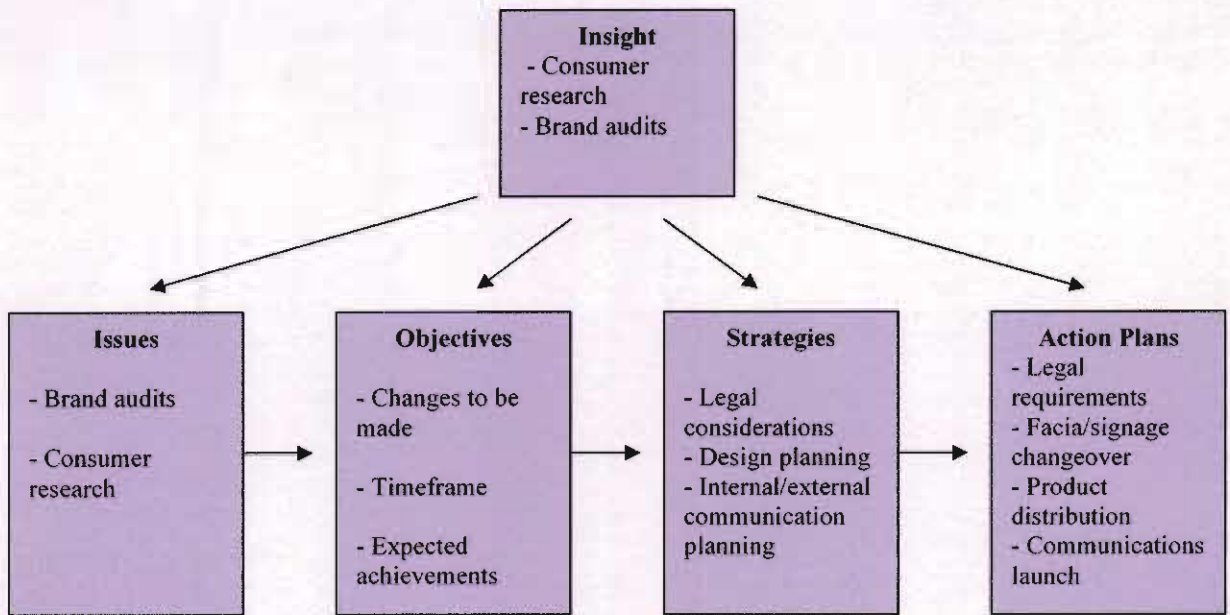


Figure 4.5 The Rebranding Process in Evotia

### Enterprise IG

Enterprise IG have a three stage process for implementing rebranding campaigns;

- *Focus*: This involves a review of any previous research that has been done and the implementation of further research to add to these findings. This involves organisational research, usually with senior executives, but sometimes parallel within the organisation from the frontline to middle management to senior management. This stage also involves consumer research and external market research with influencers and industry experts, and full market and sector analysis. The focus stage also incorporates a visual audit, where the client's current visual identity is examined in terms of what it is conveying and what it is the client wants to convey. From this analysis, Enterprise IG make conclusions and suggestions as to the recommended action, and also detail the likely consequences of those actions.
- *Ignite*: This is where the new brand is created, incorporating all aspects of design for the new name, the new logo, the redesigned packaging or facias,

and the new communications strategy. Several options in terms of the visual manifestation of the new brand are created so that the client can compare them against one another and against what they currently have. Further research is conducted at this stage to support the final decision.

- **Action:** This is the rollout and implementation stage of the process. The first element of this stage is to determine realistic timelines for the rollout. All costs and budgets are also determined at this stage. An important element of the action phase is deciding on communications strategies. This depends on whether a low or high key launch is required. The communications strategy also includes internal communications decisions.

This three stage process can be visualised as in the diagram below;



**Figure 4.6** The Rebranding Process in Enterprise IG

#### 4.7.8 Renaming

**Proposition Eight:** *Rebranding involves the strategic selection of a new brand name.*

**Rationale:**

In light of the contention by the author that a rebrand necessitates a name change, it follows that rebranding must involve the selection of a new brand name. The purpose of this proposition is to explore the process involved in the selection of this

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new brand name in each of the five case studies and also the reasons and intentions behind that choice.

### **Allianz**

R1 explains the reasons for the choice of the Church and General name in saying *'it was essentially a simple configuration, they wanted to keep the reference to the Church and they also wanted to convey that they were now moving into general, i.e. non-Church related insurance'*. He further illustrates this point through stating *'it was a fairly automatic choice, it was just that they felt they had to have the word 'Church' in the name because the Church was a big part of the company then and the brand would have been heavily associated with the Church in the consumer's mind, and then they added the word 'general' to better describe their new business activities. There would have been very little debate there'*. Thus the name selection process in this case was quite straightforward with very little involvement.

In terms of the Allianz name, R1 describes this choice as similarly automatic; *'it was purely automatic, there was consensus from the start'*. He explains the reasons for the simplicity in choosing this name through saying *'first of all it was what we were looking for, it had the personality we needed to transfer to in order to grow the commercial side of the business. Second of all we already had ownership of the name because Allianz had taken over our largest shareholder, and ownership is a big deal. Thirdly the name was already known and respected by brokers, banks and intermediaries'*. A new name was not considered for the rebrand as the Allianz name fit all of the criteria that the company had set for the changeover. Thus in both cases the name selection process was extremely straightforward and automatic, involving only one consideration.



## **Bostik**

According to R2, the choice of Bostik Findley for the new company post merger was similarly automatic; *'it was fairly automatic and a simple decision because it wouldn't really have been plausible to call it Findley Bostik or Ato Findley Bostik because Bostik was the more prominent of the two companies, so Bostik was always going to be first, and the Ato part was dropped because it would have been too long'*. Thus the choice of Bostik Findley was very much an automatic one with no alternatives considered.

In relation to the second corporate rebrand where the name was shortened to Bostik, R2 explains that *'that was an automatic choice too because again Bostik was the more prominent of the two and the name Findley really didn't mean anything, so there was no process involved at all really'*. Therefore the second part of the corporate rebranding was again automatic in relation to the name choice, with no real process of note involved.

In contrast, R2 states that the name selection process for the product rebrand was far from automatic; *'it was anything but automatic, this is something that we spent an awful lot of time getting right. We had extensive brainstorming and name generation sessions where we tried out a lot of different variations and possibilities. At one stage we had 25 different mock-ups'*. In explaining the final choice of Serious Glue R2 says; *'we chose 'glue' in the end because we wanted to clarify what exactly the product was, and it's a glue so that was the best choice. We could have had 'adhesive' but that wasn't as clear as 'glue'. We thought about moving away from 'serious' too but we found out from the French team that consumers liked that part of the name, it just needed to be more descriptive'*. Thus the choice of Serious Glue was preceded by an extensive process of name generation and some research, with many alternatives considered before the final choice was made.

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### **Unilever**

R3 describes the choice of the Cif name as an automatic one when he says *'it was automatic because the objective was to standardise the name, and when you standardise you generally choose the name that is used in most of your markets, which was the case with Cif'*. However this did not rule out the consideration of alternative names for the rebrand; *'we concept tested some of the other names, i.e. Vim, Viss etc, so that the choice of the Cif name would be backed up by research. I mean we were fairly sure that Cif would be chosen but we concept tested the others just to be sure. Cif was an easier transition anyway because it was so similar to Jif'*. Thus although the choice of Cif was automatic at first, this did not prevent Unilever from considering alternatives.

The case of the ice-cream brand is an unusual one in rebranding terms where the rebrand did not involve the selection of a new name but rather a new logo. R3 explains this choice through stating *'we wanted to standardise there too for efficiency reasons so we knew something had to be done to bring the names together. It was a case where the logo had already been designed to freshen up the packs and we just thought that the names were no longer necessary for recognition purposes, and this was an ideal way to standardise the brands. We had found that the logo had excellent recognition levels on its own'*.

### **Evotia**

Again the An Post rebrand is yet to be implemented so the name selection process cannot be explored here, as Evotia have merely made suggestions which may or may not be followed. In relation to the Ryan Hotels rebrand however, R4 states that this was an automatic choice with no process involved; *'it was automatic because the objective from the start was to change to the Gresham name, it wasn't just that it had to be changed and we then had to search for a name, we knew it was the Gresham'*. R4 explains that there were other reasons for the choice of the name; *'it*

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*was ideal because it had already built up a reputation for excellence which we felt we could transfer, and also because we had the legal rights already'. Therefore the choice of the Gresham name was automatic due to the original rebranding objectives and because it already had benefits which could be transferred.*

In addition to this, R4 refers specifically to the rebranding of the product brands, i.e. the hotels themselves, in saying; *'we could just have rebranded them as the Gresham on its own but we wanted to retain the original hotel names after the rebrand because they had a considerable amount of awareness themselves. It was just less radical that way'*. Thus this decision too was an automatic one with no alternatives considered.

### **Enterprise IG**

The name choice in the Eircom rebrand was not an automatic one according to R5; *'we had quite a long and comprehensive selection process for that exercise where we drew up a fairly long list of possible names. The Eircom name actually popped up quite early in that process but we went ahead with the selection process anyway because a company won't accept the first name you pull out of their portfolio'*. As was described in the case study report the Eircom name was one that Telecom Eireann had previously registered when they had launched Eircell because they had options around the Eircell name in terms of diversification.

R5 further explains that *'we had an idea that the Eircom name would win out but that can't be assumed until you go through the whole name selection process. It won in the end because it satisfied all the criteria not because it was convenient or anything. We ended up with about five finalists which were all compared to each other on mock-ups'*. Thus the selection process in this case involved many possibilities where the final selection was based on the suitability of the name when it was compared to certain selection criteria.

In relation to the choice of the Permanent TSB name, R5 describes this selection process as *'fairly straightforward because it was a merger so they wanted to keep elements of both names'*. He further explains that this did not mean that it was an automatic choice; *'completely new names were considered but didn't go beyond the consideration stage because it was felt that people's acceptance of banks' identities was quite low so changing to a completely new name would have been fairly high risk. There was also the issue of what a new name says to the marketplace, it says that a new entity has been formed but that's not what they wanted, they wanted to look like a merger of equals'*.

In explaining the configuration of the name R5 states *'Irish Permanent TSB would have been too long and TSB Permanent just doesn't have the same ring to it, so it was a fairly simple decision. They had to keep elements of both names because they had done research which showed that both were strong. It was also to avoid marginalising customers of either bank'*. Thus the selection process for Permanent TSB involved some consideration of alternatives but resulted in a reasonably uncomplicated choice of brand name.

#### **4.7.9 The Risks and Costs of Rebranding**

**Proposition Nine:** *Rebranding is seen by companies as a risky and costly strategy.*

**Rationale:**

One outcome of the review of rebranding literature in Chapter One was a realisation that rebranding is viewed as a risky and costly strategy. Some of the risks identified include the possibility of alienating and confusing employees and consumers, a loss in market share, disruption in business activities, internal resistance and media criticism due to mismanagement of the process or external communications. Rebranding is also considered a costly strategy due to the scale of the change and the

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preparation that is involved to ensure acceptance of the new name. This proposition was devised in order to explore the associated risks and costs of rebranding in the context of the five companies researched for the study.

#### **Allianz**

The decision to rebrand in Allianz is not taken lightly, because as R1 puts it; *'it's an extremely high risk strategy so convincing the board of directors is no easy task'*. Asked what sort of risk are involved in the experience of Allianz, R1 says *'it's risky because it can be the demise of the brand if it's mismanaged, the board expressed huge concern that we didn't take this lightly because it's do or die, if you get it wrong you're gone'*. R1 further explains that the reason rebranding is so high risk is because *'you literally put your entire house on it. First of all it has to be assumed you're doing it for good reason. Second you're not just changing your name but also how you want people to perceive you. You can really break the line of contact with the customer'*.

R1 also thinks rebranding is risky because it can alienate employees and confuse customers; *'if you don't get it right internally you can end up with a workforce that have no faith in your brand, and if you don't communicate it right to the general public you can really end up confusing and annoying people. Sometimes that's a fatal mistake'*. Allianz considered the strategy so risky in fact that many people within the company resisted the decision stringently and proposed alternatives; *'they didn't want to do it, it was extremely hard to convince them. They were suggesting throwing more money at the Church and General brand to see if the problem went away, but I told them we couldn't make a sow's ear into a silk purse'*.

R1 considers rebranding to be a costly strategy in general, however he believes this cost can be managed if it can be spread over a sufficient length of time; *'it is a very expensive strategy definitely, the costs can be colossal. We were lucky though that we had the luxury of time so we could spread the cost over a whole financial year,*

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*we could actually use the whole marketing budget that year for the rebrand so it ended up not costing us anything extra'. He thinks that this would not have been the case if they had not had so much time; 'if we had had to do it in a shorter space of time like many companies do it would have cost us a substantial amount extra'.*

#### **Bostik**

Although R2 does consider rebranding to be a risky strategy, he thinks this was not the case in the experience of Bostik; *'it is certainly risky because you are changing the most evident part of your brand so there's always the risk that people won't recognise it as the same company or the same product, but we didn't really think it was that risky in our case because we're a low profile company in a fairly low involvement market, so I guess brand isn't as important in our case as it would be in a more high profile company'.* Thus R2 thinks that the being a low profile company in a market where involvement is quite low reduces the risks of rebranding. He also thinks this applies to the product rebranding of Serious Stuff; *'again the risk was low because it's so low involvement and because it really hadn't taken off yet. We are willing to risk losing the few customers that know the brand in order to gain a much bigger customer base for it. The chances are those few will recognise it as the same product anyway because the packaging is the same'.*

He thinks that risk in the case of Bostik was more evident internally; *'there's a bigger risk in terms of internal to the company because if our people don't understand our brands and they're going out to retailers trying to make the sell, that could really cause some problems'.* He also thinks this was a risk in terms of merger rebranding; *'there was a risk with the merger because there were two companies involved each with its own employees, that had to be managed carefully to avoid upsetting the people of either company. There was an added risk there when we decided to drop the Findley part, that could really have upset people. That was difficult to manage'.*

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However R2 does think that there would be a huge risk in rebranding certain products; *'we couldn't even consider rebranding Evo-stick or Sader, we would almost certainly lose a massive proportion of our customer base and market share if we did that. The market is just so conservative that any change to those brands could lead to people not realising that it's the same product and going for a different one. The local teams would have heart attacks too!'* Thus risk is considered a major barrier to rebranding in the context of the company's well established brands, both in terms of customers and employees.

Rebranding has not been substantially costly in Bostik, as R2 explains; *'it could have been very expensive but again because we're low profile we didn't go into advertising or anything like that, we kept the costs of the corporate rebrand pretty low in that way. In terms of the product rebranding, again we kept the costs low just by being sensible and running down stocks and not ordering too much when we knew the change was coming. It was pretty easy to manage the costs I think'*.

### **Unilever**

Unilever avoid rebranding unless it absolutely necessary, because as R3 explains; *'it's especially risky in FMCG markets I think because there's a huge risk that consumers won't recognise it as the same product under a different name. We battle with that all the time; constantly having to reaffirm with the consumer that we're still offering the same product'*. He also thinks that there is the risk of disconnecting with consumers if the rebrand does not fit with the brand personality; *'we can't just do something that doesn't fit with the existing personality of the brand because consumers will not believe in the change and can disconnect with the brand altogether. Everything comes back to sales and market share at the end of the day so if you **repel** your customers in any way that's going to have an effect on the **bottom line'***. Therefore is important in Unilever that changes which occur through rebranding are consistent with the existing brand personality in order to reduce risk and avoid a loss in sales and market share.

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R3 also thinks there is a risk in terms of employees; *'there is an internal risk as well that people may have been working on a brand for how ever many years and a change of that scale can really undermine their work. We always try to get the employees behind any changes we make so that they can be better ambassadors for the brands'*. R3 also thinks that rebranding is disruptive to business; *'it's avoided as a strategy because of the hassle that's involved internally. The regional businesses don't want to accept it unless it's absolutely necessary and a big change rather than several incremental ones'*. Thus the risks of rebranding extend to inside the organisation as well as with consumers.

In relation to the costs of rebranding, R3 states that the changes in Unilever have been relatively costly; *'it's a very expensive strategy especially in a packaged company like ours where changes have to be backed up by advertising'*. As described in the case study report, the risks are escalated when there are capital costs and a payback period involved; *'if the cost is going to include capital expenditure, then it gets really risky because there is a payback period. Generally the longer the payback the riskier the change'*.

### **Evotia**

R4 thinks that rebranding can confuse and disenfranchise both employees and consumers if they do not see that there is not a compelling reason for the change; *'if they don't believe that there is a very good reason for the change they will just think that it was pointless and they won't connect with it. That's how people end up with brands that employees have no belief in and consumers are confused by. That doesn't make for good business'*.

R4 also thinks that rebranding is risky because it causes a dramatic change to what is being communicated by the company, especially if this involves repositioning; *'if you rebrand and you reposition you are totally changing what you are saying to the market, not only do you have a different name but you are also trying to ignore*



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*certain people and talk to new ones. That's very dangerous because you are essentially throwing away some loyal customers and trying to get new ones which you are not guaranteed to get'. According to R4 this is also risky because 'you are telling people that there was something very wrong with your previous brand and if you don't explain that sufficiently people will question it'.*

With reference to the costs of rebranding, R4 asserts that it not the actual cost of changing the name that is substantial, it is the product or service improvements which he believes must accompany the change if it is to be believed; *'it's not very expensive to change brand names, unless you're a multinational company with 20,000 pieces of signage or a very high profile company that would require a lot of advertising to inform people. It's the improvements to the product or service that costs money, and I think in general you shouldn't have one without the other. So the real cost of rebranding includes those improvements too. It can get massively expensive if you include that'.*

### **Enterprise IG**

R5 thinks the biggest risk of rebranding is the potential to alienate employees; *'rebranding has to start with the people on the inside, because if they don't get it and connect with it, no one will. That's especially important in a service company where the people are the brand as opposed to a packaged goods company where the people are almost incidental to the delivery. It's important there too because you want your people to live the brand so that consumers will too'.*

R5 also thinks a risk of rebranding is being publicly ridiculed due to mismanagement of the campaign or if people do not understand the change; *'if you get it wrong or manage it wrong or don't tell people enough you can really get a backlash of derision in the press, which happens a lot these days, and that will really escalate any problems with the campaign. That can break a company'.* R5 agrees with R4 in saying that rebranding campaigns must be backed up by actual

improvements or added benefits that the customer can see; *'if the name change is not accompanied by some extra benefit to the customer, they will not believe in what you are communicating to them and you end up confusing people and distancing them from your brand'*.

R5 further points out that rebranding can be risky to implement because companies often assume it will rectify deeper problems in the company; *'it's dodgy because companies often use it as a plaster thinking that it will cure all of their issues. We only consider rebranding if we think it will treat the cause of the problem, not just the symptoms'*. In relation to the costs of rebranding, R5 considers these to be quite substantial; *'it is an extremely expensive road to go down, especially if they have to be implemented in a relatively short space of time. Telling people and reassuring them so that they understand the change is terribly expensive, and generally there is a lot of that involved'*.

#### **4.7.10 Overcoming Risk and Cost**

**Proposition Ten:** *The risks of rebranding can be overcome by first adequately assessing the need for the name change and following this with a comprehensive rebranding plan which considers communication of the name change.*

#### **Rationale:**

While the risks of rebranding were discussed in Chapter One, the literature also identified several ways of overcoming risk and cost. The need for adequate identification of the requirement for rebranding in the first place was one way, and an additional recommendation was supporting the decision to rebrand with a well thought out plan which considers communication of the name change. Therefore the purpose of this proposition is to explore the ways in which the five companies manage and overcome risk and cost, and to determine if this is indeed achieved

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through first assessing the need for the rebrand and following this with comprehensive plans and communication strategies.

#### **Allianz**

As already described, Allianz were able to manage the cost of rebranding through spreading the cost over a relatively long period of time. With reference to the risks of rebranding, R1 explains that these can be managed through *'having a process which assesses the brand to establish what exactly the problem is, and then having a process to implement the change which everyone understands from the start'*. He further describes this process of assessment as *'extensive research right at the beginning which will identify the issues with the brand so that the decision to rebrand is justified'*. He adds that the rebranding process must be backed up by both internal and external communications; *'you have to communicate it internally so that everyone understands the process and the reasons, and it's absolutely paramount to communicate it externally so that people understand it, know it's happening, and can connect with the new brand'*.

#### **Bostik**

In the context of Bostik, the costs were managed through ensuring that packaging and literature stock levels were run down before the change; *'it was just being sensible about literature and packaging stocks, you have to be sensible about that to ensure there's no great amount of wastage'*. Bostik ensured this was possible through giving plenty of prior warning internally; *'we were given plenty of notice so that we could prepare, that's all part of the process too. I think having a clear process that everyone understands is very important in reducing risk and cost'*. Thus having a comprehensive process which included internal communication ensured that risk and cost could be managed in Bostik.

**Unilever**

R3 asserts that the first consideration in rebranding should be adequate identification of the need for the rebrand; *'you have to do all your brand audits and consumer research first so that you can be sure that the problem cannot be rectified in any other way. You don't just decide to rebrand unless you have a solid reason for it which is backed up by research'*. R3 adds that this need identification must be followed by a definite process which will identify any further issues throughout the rebrand; *'establishing a process is essential so that any issues can be ironed out, and so that the project can be stopped at any stage when serious issues arise'*. R3 thinks that the single most effective way of overcoming risk is communication, both internally and externally; *'if you tell people enough and explain the why, you will be giving yourself the best shot at success'*. He further states that communication costs can be managed through getting it right the first time; *'if you do it well initially, you can phase out the 'explaining' communications fairly soon, whereas if you mismanage it you will end up doing a lot of explaining for a long time in order to convince people'*.

**Evotia**

R4 thinks successful rebranding campaigns start with substantial brand evaluation which will determine the need for the rebrand; *'it's always a root and branch analysis to start with so we can be sure that it's rebranding that is needed. We would also do a lot of brand auditing and consumer research to back that up. We wouldn't just suggest rebranding without substantiating it first'*. R4 also thinks that the risks and costs of rebranding can be overcome by following a definite process; *'process is essential so that all the issues can be addressed and leave no surprises'*. R4 concurs with R3 in asserting that the most effective way of reducing risk and cost is to have a comprehensive communication strategy in place; *'people must understand what you are doing and why, and they must see that you have a very good reason for the*

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*change. They have to see that it's justified. And that's not just consumers, that's employees too. You have to have their support'.*

#### **Enterprise IG**

R5 has the opinion that internal communication issues are the most important to address in order to reduce risk; *'employees must be engaged in the process and in the change, you have to incorporate them into the rebrand so that they can be messengers for your new brand. If you don't get that engagement, I think the whole process is much more prone to risk, which inevitably leads to increased costs in order to rectify the problem'*. Once that internal engagement has been achieved, R5 thinks that effective planning is essential to overcome risk and cost; *'you must plan every step of the way so that you know exactly what the risks are in the first place...you can do that through research...and in terms of costs you can be prepared for it and you can budget for it'*. R5 also thinks that external communication is paramount in overcoming the risks of rebranding; *'again if people don't know you are making the change and then suddenly the brand they knew is gone, you can have a major problem there. Not so much because they won't recognise it, because they eventually will, it's more so that you may lose that connection they had with the brand. That may seem tenuous but I've seen it happen and it can turn people away'*.

#### **4.7.11 The Effects of Rebranding**

**Proposition Eleven:** The possible effects of rebranding are largely undetermined and speculative. It can be speculated that rebranding has a profound, though recoverable, effect on brand equity and brand personality, while having little significant effect on the consumer-brand relationship, brand loyalty, brand identity and brand positioning.

#### **Rationale:**

This proposition stems from Chapter Two which examined branding literature in order to speculate on the possible effects of rebranding, as these effects are as yet unknown and unsubstantiated. Five brand concepts were identified as being the most connected to the brand name, and thus to rebranding; brand equity, consumer-brand relationship, brand loyalty, brand identity and brand proposition, composed of brand personality and positioning. In considering the literature and theories relating to these brand concepts, inferences were made on the possible effects of rebranding in the context of each brand concept. It was suggested that rebranding would have a profound, though recoverable, effect on brand equity and brand personality, while having little significant effect on the consumer-brand relationship, brand loyalty, brand identity and brand positioning. The purpose of this final proposition is to explore the effects of rebranding in the experience of each of the five companies researched. Due to unsubstantiated nature of these effects however, in many cases the respondents merely speculate as to these possible effects rather than give corroborated answers.

#### **Allianz**

When asked about the possible effects of rebranding on brand equity, R1 responds through saying; *'we have a definite way of assessing brand equity (brand funnelling, described in the case study report) so we can determine relatively accurately the*

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*equity of our brands. I would say that that assessment process is very strongly linked to the brand name so it follows that changing that name would in theory destroy it'. In the experience of Allianz however, the transfer of brand equity has been an essential element of the process; 'instead of discarding brand equity, we have made every effort to retain it and transfer it over to the new brand. So I would say that if you didn't make that transfer, the equity would be lost, most certainly, but I think rebranding is all about transferring that equity over. You just wouldn't rebrand without doing that, unless of course you think the previous brand had no equity'.*

In relation to the consumer-brand relationship, R1 thinks that this can be retained after rebranding; *'people form relationships through more than just the brand name. It's also about the quality of the service, or the quality of the product. So I think that if you have a good relationship there already that can be kept and again can be transferred over if you tell people that it is the same product or service and you can offer them the same relationship'. He has a similar opinion on brand loyalty; 'again I think it's more than the name that creates loyalty, it's the service and the product and the benefits you get from them that makes you want to keep using them. If you can convince people that those same benefits will remain after the rebrand, then the loyalty will remain too'.*

On the topic of the effect of rebranding on corporate identity, R1 thinks that *'I guess it can be retained but I don't see why you would want to. If you are changing your company name you are saying that something has really changed and surely you would want to project a different corporate identity? If not I suppose it can be retained if your company values are the same'. He also refers to visual identity in the context of rebranding; 'that would most certainly change because the name is the visual identity so you can't rebrand without changing the visual identity'.*

When asked about the possible effects of rebranding on the brand personality, R1 thinks that *'in our experience that was the reason for the rebrand, so our brand personality changed dramatically. I don't really think the same personality could be*

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*kept for the new brand because names are what create personality, a new name would have a new personality'. He has different views on brand positioning however; 'again I don't see why you would want to keep the same positioning if you are making such a big change. I think generally rebranding is about repositioning as well. If you really wanted to keep the same positioning I guess you could because at the end of the day companies determine the positioning of brands, so you could just promote the same positioning for the new brand. People may question the purpose of the rebrand in that case though.*

#### **Bostik**

R2 also thinks that brand equity can be transferred to the new brand; *'I think the whole idea of rebranding is to retain whatever you can from the old name and transfer it to the new one, not just throw everything away and start from scratch. If you don't do that I think the equity will be thrown away, but why would you do that?'* In relation to the consumer-brand relationship, R2 has definite view in the context of Bostik; *'well I know for a fact from research that some of our customers form very strong relationships with our brands, like the professional customers become very attached to certain brands because they know it works and maybe their father used them too. A brand change could really affect the relationship in that sense. Then again, if we had to change one of those brands for whatever reason, we would make sure that those customers knew that it was the same product that will give the same performance, so that they will form that relationship again with the new brand'.*

He has a similar opinion on brand loyalty; *'again I think if you reassure them that it's the same product, they will transfer their loyalty over. There's no reason that they wouldn't if they know for sure it's the same product'. On the topic of visual identity, R2 says 'yeah you would be changing the visual identity but isn't that the point of the rebrand? I guess if you had the same colours and the same logo it can be partly kept'.*



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When asked about the effects of rebranding on brand personality, R2 relates this to a person's personality in saying *'well I guess if a person changed their name they would still have the same personality, so it might be the same for brands. If it was still the same type of product, like say a fun product or a serious product, it would still have that personality after the name was changed. Again it all depends if you transfer the benefits over'*. He thinks that for the most part brand positioning can be retained, but like R1, thinks that rebranding generally involves a change of positioning; *'well if we rebranded something we could certainly keep the positioning because we would intentionally position it a certain way, but in general I think you rebrand in order to get a different positioning, so normally the positioning is intentionally changed'*.

#### **Unilever**

R3 thinks that brand equity is a major concern when rebranding decisions are made because there is the issue of how to salvage the equity of the old brand; *'equity is always a major concern, we put a lot of investment into building brand equity so we have to be very careful not to throw that away. We would always try to use the equity of the old brand to build the new one'*. He thinks the same in relation to the consumer-brand relationship; *'again we would make sure that we keep that relationship, we would use it to create an even better relationship with the new brand'*.

In relation to brand loyalty, R3 thinks that this has many more influencing than the brand name; *'it's not all to do with the brand name, our consumers become loyal because they like the product and it works for them, not because it has a certain name. I think loyal consumers will remain loyal as long as they know their favourite product is still there'*. R3 thinks that in the context of Unilever, visual identity can be retained after rebranding; *'in the case of Cif it was kept because all the visual cues are the same, it's only one letter that's different. For HB it was kept too*

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*because that logo already existed for that brand and had good recognition, so the visual identity was kept there too'.*

R3 refers to brand personality in saying *'that's one thing that I think would be changed through renaming, because I think that every brand has its own personality so a new brand name would have its own personality traits. Of course you could choose a name that had similar personality traits if you wanted to have the same personality'*. With reference to the positioning of the brand, R3 thinks that this can certainly be retained after rebranding; *'positioning can definitely be retained, Cif has the same positioning and so does HB. It's the company who ultimately decide where their brand is positioned'*.

### **Evotia**

R4 thinks that rebranding generally shouldn't be implemented if a brand has strong brand equity; *'if it has strong equity, why reinvent the wheel?'* However he also thinks that rebranding is a good way of reinventing if a brand has diminishing equity; *'rebranding is often used where a brands equity has diminished because you can start from scratch with a new one'*. In relation to the consumer-brand relationship, R4 states *'I think the brand name is less important there, I mean it's not the be all and end all of branding! People will form a good relationship with your brand if what you're offering is good, it's as simple as that. So if what you're offering is the same or better following the rebrand, that relationship will still be there'*. He has a similar view on brand loyalty; *'again it's like the relationship, there's more to it than the name. That will remain as long as you still offer the same level of service or the same product quality'*.

R4 thinks that corporate identity is not necessarily altered by rebranding; *'identity in relation to the corporation has more to do with what kind of company you are, what kind of ethics you have, that's not necessarily changed through rebranding'*. R4 also refers to the visual identity of a brand in the context of rebranding; *'rebranding can*

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*be about changing the visual identity alone, i.e. the name, logo, slogans, but I think it's often more than just that. The visual identity would be automatically changed through rebranding because you're changing the visual manifestations'.*

In describing the effects of rebranding on brand personality, R4 states that *'the personality has a lot to do with how the consumer views the brand, so in a sense that's out of your control. Consumers will form their own perceptions of brand personality. The best you can do is try to embed the kind of traits you want into the brand, through advertising and promotions'*. R4 thinks that the positioning of a brand is often changed intentionally through rebranding; *'companies generally use rebranding as a road to repositioning, so in that sense it's changed. But that's an intentional change and I suppose equally you could have the same positioning after rebranding, although I don't think that's done very often'*.

### **Enterprise IG**

R5 has very similar views to the other four respondents on brand equity in relation to rebranding; *'you ideally try to keep the equity of the old name and build on that for the new name. If you don't make that effort yes it will be lost'*. When asked about the consumer-brand relationship, R5 again has very similar views; *'in the same way you ideally want to keep it and build on it, to make the relationship stronger in the new brand'*. With reference to the effect of rebranding on brand loyalty, R5 says; *'again it's the same objective generally; if you have loyal consumers of course that's a concern, but the objective would be to rebrand and retain that loyal customer base'*.

On the topic of corporate identity, R5 agrees with R4 in that it is more related to the company internally than the brand name; *'the corporate identity would be changed if you wanted it to be changed as part of the rebrand, but then you would have to change what the company is about'*. In relation to visual identity, R5 thinks that it is inherently linked to rebranding; *'very often rebranding is all about changing the*

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*look of the brand as well as changing the name, so in that sense to rebrand means to change the visual identity'.*

R5 again has very similar views to some of the other respondents in relation to brand personality in the context of rebranding; *'personalities are just that, they're personal, so they're personal to brands too. In theory the personality of the new brand would be different to the personality of the old brand'*. Finally in relation to the positioning of a brand, R5 again thinks that changes are controllable and intentional; *'you have a certain positioning and you decide if you want to keep that or go for a different one, that's as simple as it is'*.

## **4.8 Conclusion**

This chapter detailed the results and findings of the primary research of the study. First the five case study reports were presented, forming a description of the main findings with regard to their actual practice, and this was followed by an analysis of the primary data according to each of the eleven study propositions devised in Chapter Three. No conclusions have as yet been made on these propositions; the next and final chapter of this thesis will interpret the findings and draw conclusions in light of the literature from which the propositions originally came.

*Chapter Five*

# Conclusions and Recommendations

## 5.1 Introduction

In this fifth and final chapter of the thesis the findings from the previous chapter will be interpreted in the light of the literature from which the study propositions were drawn. In this way, conclusions can be made both on the findings and on the respective study propositions. For the purposes of clarity and brevity the author has grouped the study propositions into three main themes, as follows;

Study Proposition	Theme
1.The Nature of Rebranding	<b>The Nature of Rebranding and its use as a Strategic Option</b>
2.Rebranding as a Distinct Strategy	
3.Rebranding as an Atypical Strategy	
4.Types of Rebranding	
5.Rebranding Motivations	
6.Rebranding Strategies	
7.The Rebranding Process	<b>The Rebranding and Renaming Process</b>
8.Rebranded Names	
9.The Risks and Costs of Rebranding	<b>The Risks and Effects of Rebranding</b>
10.Overcoming Risk and Cost	
11.The Effects of Rebranding	

**Table 5.1** Themes for Inferring Conclusions

Thus the first part of the chapter will be composed of three sections where conclusions will be made relating to the eleven study propositions. Subsequently, the author will make appropriate recommendations under two headings. First, suggestions will be made for companies who are considering rebranding as a strategic option. These suggestions will be based on the findings and conclusions from this study. Second, suggestions will be made for future research on this topic,

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considering alternative methodological procedures, further research areas, and further possibilities in light of the limitations of this research.

## **5.2 Conclusions on the Nature of Rebranding and its use as a Strategic Option**

Proposition One suggested that rebranding is a revolutionary change to the brand name, separate to evolutionary changes to other brand attributes. This was in contention with the views of several authors cited in Chapter One, for example Stuart and Muzellec (2004) and Daly and Maloney (2004) who argue that rebranding can be characterised by changes to the logo and slogan. The author contests this view on the grounds that logo and slogan alterations are evolutionary changes that must occur to the brand in order for it to remain contemporary, while name changes are revolutionary brand activities which are not part of the normal evolution of the brand over time. Jobber (2004) supports the view that rebranding is a change to the brand name.

The data suggest that this proposition is supported in the context of this study. Although only R1 and R5, from Allianz and Enterprise IG respectively, actually use the word 'rebranding' in the same context as the present author, all five respondents perceive a major difference in the level of change between altering the brand name and changing the logo or slogan. They all think that the name is a more central part of the brand and that making changes to brand names is considerably more dramatic than other brand alterations. In addition to this, all five respondents distinguish clearly between evolutionary and revolutionary activities, characterising logo and slogan changes as evolutionary and commonplace and name changes as revolutionary and considerably more dramatic.

Thus it can be concluded that the five respondents all have essentially the same view as the author, although they use different terminology. The use of this terminology can be attributed to the lack of any substantial body of research on rebranding which

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leads to the lack of an unambiguous definition. Several of the respondents observe this apparent confusion in relation to the nature of rebranding, and also demonstrate this confusion through responding with contradictory answers. R5 from Enterprise IG also refers to the level of managerial intent which is required to change the brand dramatically as opposed to making incremental changes. This is also in agreement with the contention of the present author that there is a major difference in the level of intent between making rebranding decisions and making other brand alteration decisions. Therefore this first study proposition holds true and is supported in the context of this study. However, several of the respondents also think that rebranding should incorporate more than just a name change if it is to be believed both internally and externally. Rebranding should have some other added benefit that is perceptible because name changes have no real value in themselves other than to the firm.

The second proposition inferred that rebranding is a strategy which is distinct from, and more radical than other marketing activities such as repositioning, repackaging and refreshing. This proposition resulted from the same ambiguity in the literature which led to Proposition One. Several authors, for example Muzellec et al (2003) and Daly and Maloney (2004) argue that repositioning, repackaging and refreshing can all be classed as rebranding. However the present author contends that these marketing activities are evolutionary as opposed to revolutionary and thus rebranding is a distinct and more radical strategy, as opposed to the same one.

Again the data suggest that this proposition is supported, as all five respondents identify major differences in the scale of the change involved in rebranding as compared to other brand alteration strategies. In general they assert that rebranding is a distinct strategy. Several of the respondents initially classify repositioning, repackaging and refreshing as rebranding, but later contradict themselves through asserting that the former three strategies are evolutionary and peripheral and occur frequently, while rebranding is revolutionary and considerably more radical. Again



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this demonstrates the apparent confusion surrounding the nature of rebranding due to a lack of research.

There is a general consensus among the respondents that rebranding campaigns can and generally do involve these other brand alteration strategies, but they do not constitute rebranding in themselves. Several of the respondents also express that the most radical rebranding campaign is one which also involves repositioning, as this not only changes the most prominent part of the brand but also the consumer base at which it is targeted. There is also the observation that rebranding is often used as a means to reposition rather than being a decision in itself. Thus this second proposition is also supported in the context of the five cases studied in this thesis.

Proposition Three posited that rebranding is an unusual or atypical activity which contradicts standard marketing and branding practice. This proposition stems from the observation expressed in Chapter One that rebranding would seem to challenge fundamental marketing and branding theory and practice (Stuart and Muzellec, 2004; Muzellec at al, 2003). The marketing and branding literature stresses the importance of building strong brands and brand names through continuous investment over extended periods of time. The decision to dispense with this name and start from scratch with a new one would appear to negate this investment and run contrary to standard practice. Therefore, it is hypothesised that it should be an unusual activity.

The evidence from the primary data imply that this proposition is only partially supported. Rather than rebranding being considered an atypical strategy because it opposes standard thinking and practice, the respondents generally think that it has become part of what is considered acceptable. Although they agree that rebranding would appear to contradict standard marketing theory and practice, the general consensus is that this would have been the case until relatively recently, however rebranding has now become an accepted part of marketing and branding. They do however consider it to be a strategy which should only be used in extreme

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circumstances where no other strategy will suffice, and should never be used for fashion's sake. Nevertheless the respondents think that rebranding should always be an option, although used on rare occasions. In this sense this proposition was not supported but an alternative conclusion was found, and furthermore the observation from the literature was opposed.

Proposition Four suggested that three types of rebranding campaigns exist; corporate rebranding, business unit rebranding, and product rebranding. This resulted from observations made in Chapter One by Jobber (2004) and Muzellec et al (2003). The results in the context of this proposition are quite straightforward, supporting the proposition in its totality. Rebranding occurred in Allianz at the corporate and business level, in Bostik on all three levels, in Unilever at the product level, in Evotia at the corporate and product level and in Enterprise IG at the corporate level only. No further types of rebranding campaigns were discovered in this study, thus supporting both the proposition and the literature.

The fifth proposition related to the motivations for rebranding campaigns, which were identified in Chapter One. It was proposed that the motivation for rebranding stems from one or more of seven driving forces; mergers and acquisitions, standardisation, brand image, simplification, repositioning and retargeting, diversification, and legal reasons. The results of this proposition are similarly straightforward, requiring only the determination of the motivations behind rebranding in each of the five companies researched.

The results indicate that in many cases there is more than one motivation for rebranding. In the case of Allianz, the initial change to Church and General was motivated by both diversification and simplification. The change to Allianz was motivated primarily by a brand image issue but also by a major brand rationalisation exercise. Rebranding in Bostik was motivated first by a merger and secondly by a simplification motivation. The product rebranding was prompted by two driving forces; first by simplification and secondly by portfolio rationalisation. Product

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rebranding in Unilever was again motivated by a rationalisation exercise and also by standardisation. In Evotia, the An Post rebrand was driven again by a simplification motivation, while the Ryan Hotels rebrand was driven by both simplification and brand image issues. Finally, rebranding in Enterprise IG was motivated by diversification in relation to Eircom, and by a merger in the context of Permanent TSB.

It follows that this fifth proposition is not fully supported. While the seven rebranding motivations identified in Chapter One do correspond with those found in the analysis, there was also an eighth motivation discovered; that of brand portfolio rationalisation. It was found that this was a major driving force of rebranding decisions in the context of this study. The act of rationalising portfolios leads companies to audit brands and sometimes results in the decision to rebrand.

The sixth proposition implied that multiple strategic options are available to companies who wish to rebrand, according to the needs of the firm, i.e. there are various ways of implementing rebranding campaigns. This proposition resulted from the research of Kaikati and Kaikati (2003) and Daly and Maloney (2004) who propose various rebranding strategies. Again satisfying this proposition was relatively straightforward as it required only an assessment of the type of rebranding strategy used in each of the five cases.

In the context of Allianz, the initial Church and General rebrand involved a straight swap of brand names with some prior warning of the event. The same is true of the product rebranding in Bostik, where the Serious Stuff brand is simply being replaced by the new name, with some communications to retailers. Similarly the case of the Cif brand in Unilever, An Post in Evotia and Eircom in Enterprise IG all involved a simple swap of one name for the other with no association tactics used, but with some prior warning of the change. All of these strategies correspond with Kaikati and Kaikati's translucent warning strategy or Daly and Maloney's substitution category.

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The rebranding of Church and General as Allianz involved a transition period where a joint name was used before the legacy brand was dropped completely; the same was true of the two direct subsidiaries and also of the Bostik corporate rebrand. These rebranding campaigns relate to the phase-in/phase-out strategy as described by Kaikati and Kaikati, and also the interim/dual strategy as proposed by Daly and Maloney. The rebranding of the HB/Wall's/Igloo brand where the logo gradually replaced the names also corresponds to these two strategies. Finally, the rebranding of Permanent TSB, where the renaming involved a merger of the two companies' names, relates to Daly and Maloney's brand amalgamation strategy. In summary this sixth proposition is supported in the context of this study as it has been shown that there are indeed various ways of implementing rebranding campaigns, and these also correspond to the observations made in the literature.

### **5.3 Conclusions on the Rebranding and Renaming Process**

Proposition Seven described the rebranding process as sequential involving certain stages such as renaming, redesigning, repositioning, and relaunching. This stemmed from observations in Chapter One where several authors proposed rebranding frameworks. Muzellec et al (2003) propose that the rebranding process is composed of four stages: repositioning, renaming, redesigning and relaunching. A seven-stage process is suggested by Jobber (2004) consisting of rebranding objectives, name generation, screening, information search, consumer research, new name choice, and implementation. A third rebranding framework, although focussed only on corporate rebranding, is suggested by Daly and Maloney (2004), composed of three sections; analysis, containing market and brand analysis to identify an opportunity and make the new brand decision, planning, composed of the rebranding marketing plan and internal and external communications strategies, and finally evaluation, involving analysis of the process in stages and after completion.

The purpose of this proposition was to determine the process used by each of the five companies and to illustrate them visually. A further intention was to use these five processes to establish a common framework for rebranding campaigns, building

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both on them and on the processes proposed by the three authors mentioned above. The four stage process suggested by Muzellec et al is quite narrow, focussing only on the changes to be made to the actual brand itself, and ignoring any preparation or post process evaluation. The same can be said for the framework proposed by Jobber, as this process is oriented for the most part around the name selection, and again disregarding prior analysis or preparation, or indeed any post implementation analysis. The third framework is, in the opinion of the author, the most comprehensive of the suggested processes, however it focuses only on corporate rebranding. Therefore the author intends to build on the process as proposed by these three authors in order to devise a comprehensive framework which can be applied to all three types of rebranding.

The common process suggested by the author is composed of four stages, which has resulted from an amalgamation of the processes of each of the five companies researched and in consideration of the three frameworks proposed in Chapter One. As this is a process which is common to corporate, business unit and product rebranding, and also applies to the various rebranding strategies (i.e. phase in/phase out, substitution etc.) the sequence of the stages and sub-stages would vary according to the rebranding needs of the firm. Indeed not all of the sub-stages would be necessary in all rebranding campaigns. These four stages can be summarised as follows;

- *Preparation:* This involves thorough assessment of the actual requirement to rebrand, through reviewing previous research and implementing further brand audits, and market, consumer, competitor and internal research. Preparation also involves determining costs and setting budgets. Literature and packaging stock levels should be assessed at this stage to ensure minimal wastage. In terms of packaged goods, production capability should be assessed to ensure that the change is feasible. Finally, preparation should incorporate the setting of realistic objectives for the rebrand, including objectives on the changes to be made, timeframes, and expectations.

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- *Planning:* This stage incorporates planning with regard to the new brand name, which requires consumer research, name generation, legal considerations and concept testing. The design must also be planned in terms of logo, facias, signage, literature and packages. New names must be legally registered at this stage. In terms of products, production facilities must be set up. The planning stage also involves all internal and external communications strategies.
- *Implementation:* This is the rollout stage of the process. All communications strategies are implemented, both internally and externally. In terms of product rebranding, newly designed packages must be produced and distributed, and in terms of corporate and business unit rebranding, facias and signage must be changed over. Any altered literature will also be changed over at this stage. Logo standards booklets should be distributed if needed.
- *Post Implementation:* This is the evaluation stage, where the entire process should be reviewed for satisfaction, efficiency and learning for future strategy implementation. This involves brand audits, internal and external research, and sales and market share assessments.

This four stage process can be visually illustrated as in the diagram below;

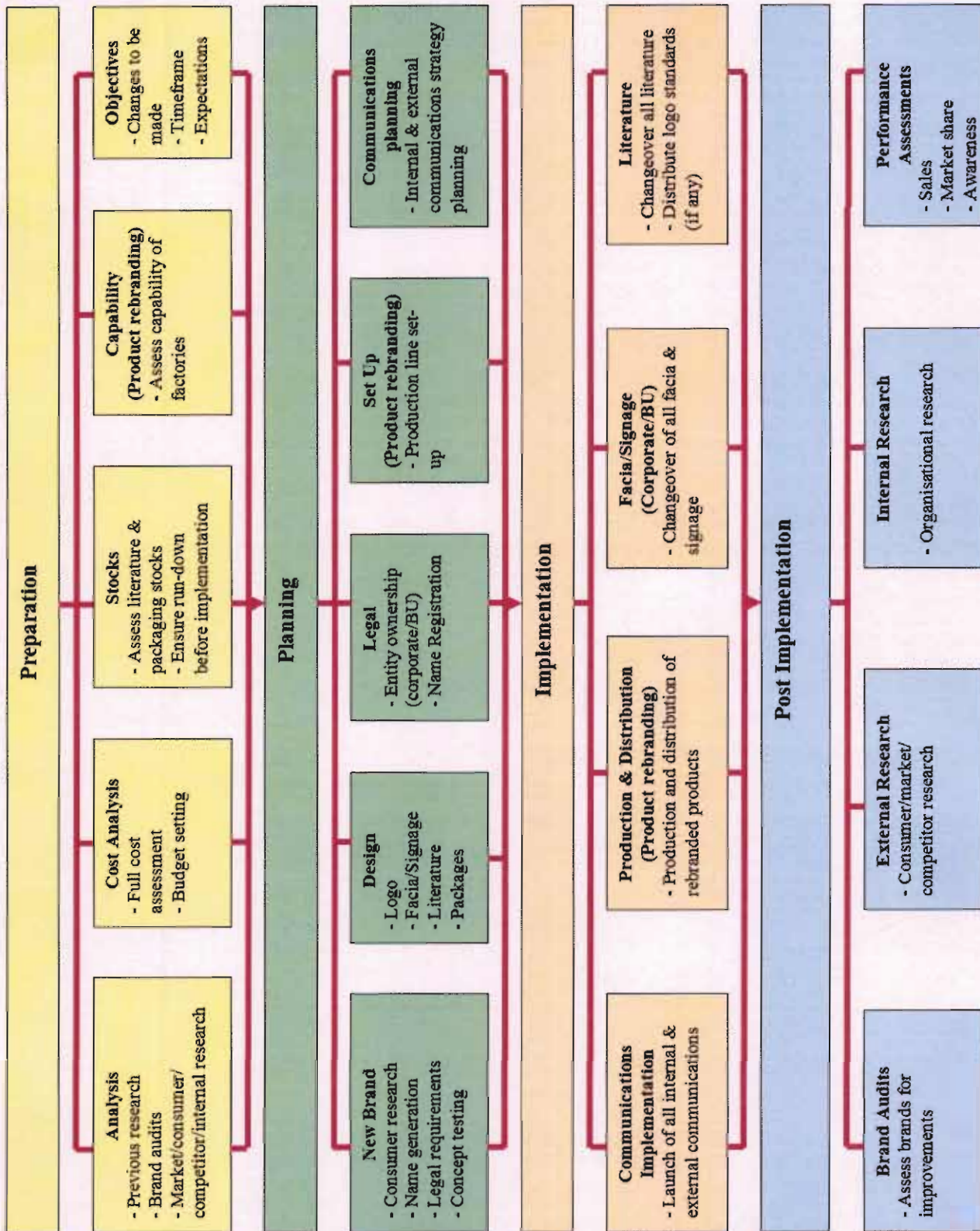


Figure 5.1 A Common Rebranding Framework

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It follows that the seventh study proposition was supported in the context of this study as the results showed that there is indeed a process with various stages involved in rebranding, and these five separate processes have been amalgamated into one common framework. In this sense the literature was supported, but was also built on.

Proposition Eight posited that rebranding involves the strategic selection of a new brand name. This proposition is an extension of the contention by the author that a rebrand necessitates a name change; it follows that rebranding must involve the selection of a new brand name. The purpose of this proposition was to explore the process involved in the selection of this new brand name in each of the five case studies and also the reasons and intentions behind that choice.

In the context of Allianz, the choice of the Church and General brand name was almost totally automatic, with no alternatives considered. In the case of the choice of the Allianz name, this was similarly automatic because of the availability of the name in the portfolio. The same can be said for the Bostik corporate rebrand; the choice of Bostik Findley and later Bostik was also automatic and no alternatives were considered. The name choice for the product rebrand, however, was far from automatic, involving a thorough name selection process and numerous alternatives before the final choice was made. In the case of Unilever, it was known to some degree that the Cif name would be chosen but this did not rule out name generation and the consideration of alternatives. The choice of the logo which replaced the names of the ice-cream brands was an automatic one as the logo was already in use.

In the case of Evotia, the name choice for rebranding Ryan Hotels was similarly automatic as the name existed already, with no process and no alternatives considered. Opposingly, in the case of Enterprise IG, although the Eircom name already existed in the portfolio, the selection process was extensive with many alternatives. Finally, the name choice for the Permanent TSB rebrand was fairly straightforward as it was a merger where the objective was to merge the names,



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although completely new names were considered but went no further than the consideration stage.

No definite pattern is evident in the above descriptions of name choices, thus making conclusions on brand name selection for rebranding campaigns is difficult. It can only be concluded that the process involved in the selection of names for rebranding campaigns varies from automatic to extensive, depending on the objectives involved and the availability of suitable names. Proposition Eight is supported in the context of this study as it has been shown that rebranding does indeed involve the strategic selection of a new brand name.

#### **5.4 Conclusions on the Risks and Effects of Rebranding**

Proposition Nine suggested that rebranding is seen by companies as a risky and costly strategy. This proposition is the result of a realisation from the literature in Chapter One that rebranding is viewed as a risky and costly strategy. For example, Muzellec et al (2003) assert that rebranding exercises can alienate employees and customers, provoke a loss of goodwill, and cause consumer confusion. Duncan (2004) warns that rebranding campaigns are expensive and potentially damaging if done badly, and at best, are disruptive to business. Daly and Maloney (2004) refer to the risks associated with substituting one brand name for another, cautioning that it should not be carried out without considerable research, as hasty removal of a name that has positive meanings for stakeholders could result in adverse consequences for the company. Causon (2003) asserts that, although the rate of rebranding has increased considerably in recent years, few of the companies involved emerge unscathed from their campaigns, whether it is because they admit defeat at the first hurdle or are berated by the media and cynical public. She states that rebranding is a long-term, high risk strategy that must have the buy-in and involvement of the entire organisation before portraying the brand externally, or risk not getting the campaign off the ground at all. This proposition was devised in order to explore the associated

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risks and costs of rebranding in the context of the five companies researched for the study.

The respondents generally consider rebranding to be an extremely high risk strategy. They think that it can be the demise of the brand if it is mismanaged, sometimes breaking the line of contact with the consumer and causing a loss in customer base and market share. The respondents consider rebranding to be risky because it changes how the company or product is perceived in the marketplace through altering the most evident part of the brand. This can lead to a decline in recognition, especially in FMCG markets where involvement is low. The respondents think that rebranding has the potential to cause consumer confusion if they are not made aware of the change and the reasons behind it. They also think that the strategy is often disruptive to business.

Several of the respondents identify rebranding with repositioning as the most risky strategy, because it is not only the name that is being changed; this strategy chooses to ignore certain consumers and target new ones, which is risky in terms of losing loyal customers which may not be replaced with new ones. The respondents also see a major risk in rebranding with only a name change; this can be hazardous because if consumers and employees cannot perceive some other real improvement they may not believe that the name change was justified and may ultimately turn away from the brand. One significant risk identified by the respondents is the potential to alienate employees. They all agree that gaining the support of employees is paramount to a successful rebranding campaign so that they will not feel marginalised and can be better representatives for the brand. They also think there is a danger in merger rebranding because both employees and consumers can feel disenfranchised if the name change is not communicated effectively.

The general consensus among the respondents is that rebranding can be an extremely expensive strategy to follow. These costs are escalated if the rebrand must be implemented in a relatively short space of time. A further observation is that the cost

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of changing a brand name is not substantially expensive; it is the product or service improvements which the respondents think are essential, that constitute the majority of the cost of rebranding. It follows that this ninth proposition is fully supported in the context of this study, and furthermore is in agreement with the observations made in the literature in Chapter One.

Proposition Ten suggested that the risks of rebranding can be overcome by first adequately assessing the need for the name change and following this with a comprehensive rebranding plan which considers communication of the name change. This stemmed from observations made in Chapter One, for example Duncan (2004) warns that the company must first determine the need for rebranding and base this need on the premise that something has changed in the business mix that dictates a need to overhaul the brand. Daly and Maloney (2004) state that rebranding should not be carried out without considerable research. They recommend well planned communication and reassurance to stakeholders to minimise confusion and resentment. Marconi (1993) advises that managers should examine the performance of their company carefully, looking at statistics such as market share growth, competitors' activities, profit levels, new and old research data and customer satisfaction before making a decision to change the brand name. Therefore the purpose of this proposition was to explore the ways in which the five companies manage and overcome risk and cost, and to determine if this is indeed achieved through first assessing the need for the rebrand and following this with comprehensive plans and communication strategies.

The data indicate that this proposition is supported. All of the respondents think that adequate assessment of the actual need to rebrand is the first step in a successful rebranding campaign. They think that companies very often embark on rebranding campaigns without good reason and without supporting the decision with any substantial research or brand assessments. The second essential element identified by the respondents is a comprehensive process which is understood by all involved and which identifies any issues early in the rebrand. All of the respondents think that

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both internal and external communications are essential in reducing the risks of rebranding. The change must be adequately communicated internally prior to the change so that employees can be engaged in the process and can prepare for the rebrand. External communications are vital in increasing consumer acceptance of the name change and in ensuring that sales are not lost due to a lack of recognition of the new name.

The respondents also identify several ways of managing the costs of rebranding. If time can be afforded, spreading the expenditure over a longer period of time can reduce the impact of the costs and may be absorbed by normal annual budgets. Running down literature and packaging stocks is a further way of reducing wastage costs. The respondents also suggest that implementing the rebrand as efficiently and effectively as possible initially, with an emphasis on internal and external communication, will avoid the future cost of having to rectify problems incurred due to mismanagement. It follows that this tenth proposition is supported but also added to with the identification of several further ways of reducing the costs of rebranding.

The eleventh and final study proposition suggests that the possible effects of rebranding are largely undetermined and speculative, proposing that rebranding has a profound, though recoverable, effect on brand equity and brand personality, while having little significant effect on the consumer-brand relationship, brand loyalty, brand identity and brand positioning. This proposition stems from Chapter Two which examined branding literature in order to speculate on the possible effects of rebranding, as these effects are as yet unknown and unsubstantiated. Five brand concepts were identified as being the most connected to the brand name, and thus to rebranding. In considering the literature and theories relating to these brand concepts, inferences were made on the possible effects of rebranding in the context of each brand concept. The purpose of this final proposition was to explore the effects of rebranding in the experience of each of the five companies researched.

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The general response in relation to brand equity is that one of the aims of rebranding is to retain the equity of the old brand and transfer it to the new name through communications. The respondents think that if this transfer is not achieved the equity of the old name will indeed be discarded. One respondent, R4 from Evotia, asserts that the effect of rebranding on a brand's equity is so substantial that it should not be considered for brands with strong equity unless the company is sure that it can be transferred, but that it presents an ideal way of reinventing brands in cases where brand equity is low or diminishing.

In relation to the consumer-brand relationship, the respondents generally think that this relationship is formed more through experiencing brands than through brand names. They think that it is product and service quality which creates the relationship between consumers and brands, so changing the brand name should have little effect. They also think that once the consumer is informed of the change and is aware that the product or service still exists but under a different name, this relationship will remain and can even be strengthened.

The respondents also have the general opinion that brand loyalty, like the consumer-brand relationship, is more related to actual product or service benefits, so the effect of rebranding can be managed if consumers are sufficiently informed of the change. Communication is essential so that consumers are aware that the product or service to which they are loyal still exists and is offering the same or improved quality. Ultimately the objective of rebranding should be to retain loyal consumers.

The in general opinion in relation to corporate identity is that this part of the brand is created through the ethos and values of the company and is an internal issue, therefore rebranding should have little effect if the same ethos and values exist after the rebrand. However, the respondents also think that corporate rebranding often incorporates a change to corporate identity as part of the objectives; in this sense the corporate identity can be changed but intentionally. The respondents think that visual identity is inherently linked to the brand name since they are both part of the

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visual manifestations of the brand. Thus changing the brand name automatically changes the visual identity. However the respondents argue that the visual identity can also be partially retained if the other visual cues are kept constant, such as the colour and typestyle of the logo.

With reference to the brand personality, the general consensus from the respondents is that brand personality is unique to every brand, so a new brand name would consequently bring with it a new personality. Some of the respondents would, however, question why a company would wish to retain the brand personality after a rebrand. Nevertheless they agree that if this is the case, the company could choose a brand name with potentially similar personality traits, or attempt to imbue their new brand with the same traits.

Finally, the general view of the respondents in relation to brand positioning is that this could be retained following a rebrand, although again they question why a company would wish to do this. They think that positioning would not be difficult to retain because this is ultimately a firm-centred decision, however they think that a rebrand which does not include a repositioning may be questioned by the public who may think that nothing substantial has changed about the brand. They generally believe that rebranding is often driven by repositioning motivations and thus in these instances brand positioning is not retained following rebranding campaigns.

The data show that in general, Proposition Eleven is supported. Rebranding does indeed have a profound effect on brand equity, unless it can be transferred to the new brand. The notion of equity transferral was also referred to in Chapter Two. Rebranding should have little effect on the consumer-brand relationship and brand loyalty as long as consumers are informed sufficiently of the change and can transfer this relationship and loyalty to the new brand. Corporate identity should not be difficult to retain following a corporate rebranding campaign as this is an internal issue relating to the ethos and values of the company. Visual identity, however, is inherently linked to the brand name since it is the visual manifestation of the name,

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thus changing a brand name automatically changes the visual identity, although it can be assumed that there must be an intention to change the visual identity if a decision is made to rebrand. If this is not the case, the visual identity can be partially retained through keeping the other visual cues constant. Brand personality, since it is unique to individual brands, is likely to be substantially affected through rebranding. However this is not necessarily detrimental; again it can be assumed that there must be some intent to change the brand personality if the radical decision is made to rebrand. However, as suggested by the respondents, if the company wishes to retain the same personality this could be achieved through choosing a name with potentially similar personality traits or through attempting to imbue the new brand with the same traits.

It is important to note that the intention of Proposition Eleven was to explore the effects of rebranding, as speculated by the respondents. It indeed appears that these effects can only be speculated on and are not conclusive as the respondents were merely able to provide their suppositions. Their answers were based on experience in branding but not supported by any conclusive research.

### **5.5 Recommendations to Firms**

The results of this thesis have much to offer to companies considering rebranding as a strategic option. Companies should be aware that the choice to rebrand is a radical one and should only be used on rare occasions where no other strategy will suffice. However, as shown through the case studies in this thesis, rebranding can be successful and extremely beneficial to the firm if properly managed. Although radical, rebranding should be a part of every marketer's remit as a way of transforming brands in extreme circumstances.

Companies should be warned that rebranding campaigns are not without their risks. Rebranding changes what is being communicated to the marketplace which is risky because recognition levels can be affected which in turn can lead to a loss in sales

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and market share. Rebranding can also cause consumer confusion if it is not adequately communicated and explained. Thus communication to all external audiences warning of the rebrand and explaining the reasons behind the change is paramount to a successful rebranding campaign. There is also a considerable internal risk to rebranding; the strategy can alienate employees if they are not engaged sufficiently in the process. For this reason internal communication of the change is also an essential element of a rebranding strategy.

Where companies are considering rebranding for the purposes of repositioning, it should be noted that the results of this study indicate that this is the most radical and risky type of rebranding campaign because it is not only the name which is changing but also the consumer group at which the brand is targeted. This risks losing loyal consumers without the guarantee of gaining new ones. Companies planning to implement merger rebranding should note that there is the risk of disenfranchising both consumers and employees if they do not perceive the rebranding to be fair. Thus merged names must be combined in such a way that the consumers and employees of each organisation do not feel marginalised.

An important finding of this thesis is that rebranding campaigns which involve only a name change with no other observable changes may be perceived as unjustified by consumers and employees. Rebranding must be seen as justified if it is to be easily accepted, therefore it should be accompanied by actual product or service improvements. If this is not part of the objectives of the company, the unaccompanied name change must be justified by some other means, giving solid reasons for the change.

Companies must also realise that rebranding can be a considerably costly strategy. This cost is escalated if the rebrand must be implemented in a relatively short space of time. However, the costs of rebranding can be managed through affording a longer length of time to the process so that the costs can be absorbed by annual marketing budgets. Costs can also be managed by ensuring that literature and



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package stock levels are assessed and run down in advance of the change so that wastage costs can be reduced. It can be noted, however, that the actual cost of changing a brand name is not in itself substantial; it is the product and service improvements which should accompany the name change which contribute significantly to the costs of rebranding.

The most substantial result of this thesis is the provision of a comprehensive rebranding framework which applies to corporate, business unit and product rebranding. One important finding was that the risks of rebranding can be reduced through adequately assessing the actual need for the rebrand and following this with a comprehensive rebranding process which considers communication of the name change to external and internal audiences. Both of these risk-reducing measures can be achieved through adhering to the proposed framework. The first stage of the framework is concerned with preparing for the rebrand, which includes extensive brand auditing and external and internal research in order to ensure that the choice to rebrand is substantiated. The remaining three stages ensures that the rebrand is implemented in such a way that any issues can be addressed and rectified, effective communication is achieved, and effectiveness can be assessed following implementation.

Companies must also be aware that the potential effects of changing brand names are as yet speculative and unsubstantiated. Rebranding has the potential to cause the equity of legacy brands to be discarded unless it can be transferred to the new brand through communications. Care must be taken to associate the old brand with the new one in communications so that this equity can be transferred, and also so that consumers can build up the same relationship and the same loyalty with the new brand. Consumers must understand that the product or service is still there but under a different name. Companies wishing to retain their visual identity should, as far as possible, keep the visual cues, i.e. the colour and typestyle of the logo, constant, so that the name change is not a far departure from the original brand. Brand personality is likely to be changed as a result of rebranding and companies should

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also aware of this before implementing a rebranding campaign. If the objective is to retain the brand personality, the company should choose a brand name with potentially similar personality traits or try to imbue the required personality traits into the new brand. Rebranding can be implemented without changing the positioning of the brand, but this kind of rebranding may not be perceived as being justified. It must be understood however that these effects are unsubstantiated and may vary greatly from the conclusions drawn here.

#### **5.6 Recommendations for Further Research**

This thesis studied the rebranding process using a case study methodology, however only in the context of Irish-based companies or business units. Future research in this area could use the same methodology but with a focus on international cases so that a wider range of processes can be examined.

The research area of this study was quite broad due to the infancy of the topic and the lack of any substantial previous research. Future studies could focus on more specific areas of the rebranding phenomenon, for example the rebranding process independently, rebranding motivations or rebranding strategies. One area which has significant potential for further research is the effects of rebranding. While these effects could only be speculated on in this thesis, future studies could determine these effects conclusively and empirically.

Other forms of qualitative research such as focus groups, participant observation, grounded theory or action research could reveal further insights into the reasons, intentions, processes and outcomes of rebranding. Further studies which follow a quantitative approach would add considerably to the knowledge base on rebranding and provide statistical credence to rebranding decisions. This type of quantitative analysis could contribute significantly to the reduction of risk in rebranding campaigns.

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While this thesis was constructed from the perspective of the organisation, further consumer research, either qualitative or quantitative, would provide insights on all aspects of rebranding as perceived by the consumer. Consumer perceptions of and reactions to rebranding campaigns must ultimately be a major concern for companies planning to implement the strategy. Again, conclusive consumer insights would contribute significantly to the reduction of the risk involved in rebranding campaigns.



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# Appendix

## Theme Sheet

- 1
  - Meaning of 'rebranding'?
  - Rebranding is
    - Name change?
    - Logo change?
    - Slogan change?
  - Difference in level of change
    - Name
    - Logo
    - Slogan
  
- 2
  - Rebranding is
    - Repositioning?
    - Repackaging?
    - Refreshing?
  - Same as or separate strategy?
  
- 3
  - Rebranding is
    - Unusual?
    - Radical?
    - Normal part of marketing/branding?
    - Contradicts theory/practice?
  
- 4
  - Story of rebrand in your company?
    - Corporate/business unit/product?

- 5
  - Motivation
  - Decision to rebrand
  - Objectives
  
- 6
  - When choice to rebrand was made
    - Various options available?
    - Only one option?
    - Different ways of going about rebranding?
  - How was decision made to follow a particular strategy?
  
- 7
  - Process?
  - Stages?
  
- 8
  - New brand name
    - Selection process?
    - Automatic choice?
    - Alternatives considered?
  - What does the new brand name signify?
  - (For merger/acquisition) Why was one name chosen over the other(s)?
  
- 9
  - Other strategies considered?
  - Choice to rebrand radical?
  - Risky?
  - Costly?
  - How much?

- Risk & cost obstacles?
- Overcoming obstacles?
- 10 • Research
  - To prepare for rebrand
  - To assess outcomes?
- Communication
  - Internal
  - External
  
- Concerns about reactions to rebrand?
  - Internal
  - External
- Could you foresee reactions?
- 11 • What have outcomes been?
- Consequences to changing brand names?
  - Internal
  - External
- Effects
  - Equity
  - CBR
  - Loyalty
  - Identity
  - Personality
  - Positioning
- Consequences major or minor?
- Permanent or recoverable?
- Success?
  - How can this be assessed?