CORPORATE REBRANDING: A LITERATURE REVIEW

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ABSTRACT

Although the media have frequently reported companies that did rebranding, this phenomenon still receives little attention from academic side. Rebranding, which is defined as the identity changing process, should be considered as serious strategy that needs careful planning. Rebranding is a continuum, starting from revitalizing an existing brand to completely changing the brandname, values and promises offered by the brand, as well as changing the framework of corporate rebranding that should be prepared to help a company does the rebranding process. This paper seeks to the impulses behind this phenomenon and attempts to analyze the effects of such strategies to the company brand. This paper also emphasizes the importance of corporate branding for the branding practices that have been neglected in the theoretical explanation, in order to develop a theory.

Keywords: Brand, Corporate Rebranding, Entrepreneurship Ability, Repositioning

INTRODUCTION

The successful of corporate rebranding done by Andersen Consulting to become Accenture showed Accenture’s top leadership exhibited extraordinary entrepreneurship ability. The leaders of Accenture viewed the changing of names and rebranding as a chance to do business restructuring and to closely adjust the company service to the customers’ needs and expectations, change the positioning as well as ways of working (Kaikati, 2003).

The corporate rebranding phenomenon that recently happens clearly shows that changing is attached to corporate brand management nowadays (Stuart & Muzelec, 2004). Revitalizing a corporate brand by modifying its positioning and representation gradually and progressively can be considered as a natural aspect of strategic brand management as a response towards market environment that continuously changes (Kapferer, 2004). However, in most merger and acquisition cases, strategic alliances, partnership, spin offs and other cases related to image, corporate rebranding frequently involves revolutionary creation of new name for the company, based on the new corporate brand vision and values (Stuart & Muzelec, 2004).

Basically, revolutionary corporate rebranding tries to reestablish the boundaries of corporate brand identity, as a response toward changes needed for the company’s structure, strategies, and performance (Muzelec & Lambkin, 2006). Within this context, corporate rebranding is not only viewed as costly implementation, but also risky implementation since it may nullify all
marketing efforts that have been done for years to build old corporate brand equity (Stuart & Muzellec, 2004). Regardless of the increased wave of revolutionary corporate rebranding, most companies decision nowadays are not well-informed from both theories and related academic researches in this field (Stuart & Muzellec, 2004; Jaju et al., 2006; Muzellec & Labkin, 2006). Theory of strategic brand management emphasizes on the importance of adjusting the vision of corporate brand of a company, image, and organization culture, in order to make success of the corporate rebranding. However, in a revolutionary corporate rebranding, companies are sometimes against this kind of adjustment, by redefining the boundaries of brand vision and adjusting the companies associations, which are the knowledge or beliefs of stakeholders about the company regarding its expected and new positioning (Hatch & Schultz, 2003).

Corporate brand, which is recently being emphasized as a strategic resource, can become a foundation of excellent performance, so that it can reflect the growing interest in corporate-level marketing. Corporate marketing obliges all organizations to manage many exchange relationships with many stakeholder groups in order to maintain profitable associations for the company from time to time.

All corporate brands must be relevant and maintain their appeal in a dynamic environment, where all the needs and expectations of customers, industry standards, and strategic priorities constantly develop (Balmer & Greyser, 2006).

**Definition of Corporate Rebranding**

In recent years, changing happened in the structure of ownership, company’s strategies, competitive positions, and companies in external environment have demanded the companies to change their name and restructure their company brand architecture. These phenomena are called as rebranding (Kaikati, 2003; Soehadi, 2005; Muzellec & Lambkin, 2006).

In English, prefix “re” is used to modify a verb of action to show “continuous action, mostly implies that the result of its initial action, more or less, is not permanent or not enough”, (Random House, Webster’s College Dictionary, 2005). In the context of corporate rebranding, this action usually involves the changing of company name, its targeting and its positioning, in order to give new definition to the corporate brand and to offer new advantages to its stakeholders (Stern, 2006).

Definition of a brand, as defined by The American Marketing Association, is a name, term, sign, symbol, or design, or combination of them, intended to identify the goods or services of one seller or group sellers and to differentiate them from those of competitors (Kotler et al., 2003).

Keller (1999) states that managing a brand needs a long-term perspective which is actively managed by brand strengthening or, if needed, by revitalizing the brand. Soehadi (2005) states that if a brand is already decided to keep its existence, then the next step to maintain it is to revitalize the brand. The foundation of the brand revitalization concept is to show a life cycle of a brand, starting from growing up, being mature, and later dead or disappear from the circulation. It implies that when the brand selling starts to decrease, the marketing activities should be decreased and the focus must be diverted to new brand.

Brand is a valuable asset, communicates clear set of values to the stakeholders. Daly and Moloney (2004) explain that corporate rebranding is changing that identity, must seen as a serious strategic decision, requiring careful planning and define that as a continuum, from revitalizing a current brand, to a full name change involving alterations in brand value and promises.
Merrilees and Miller (2008) argue that corporate rebranding can be compared with corporate branding. Corporate rebranding refers to the changing of corporate brand previously structured and the new structured one. Brand vision changing can be called as brand revision, and the whole process of revising the brand for the whole parts of organization most likely needs a process of changing management.

Muzellec et al. (2003) define corporate rebranding 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.

Furthermore, Muzellec and Lambkin (2006) redefine the definition of corporate rebranding as the creation of a new name, term, symbol, design or a combination of them for an established brand with the intention of developing a new, differentiated position in the mind of stakeholders and competitors.

**Theory and Hierarchy of Corporate Rebranding**

Merrilees and Miller (2008) explain that the status of corporate rebranding theory is now a combination of three dominant themes, which are as follows:

1. **Revised corporate brand vision**
   The first theme is the needs to revise the brand, based on solid understanding of consumers, to meet the existing and expected needs.

2. **Branding internal**
   The second theme is the use of marketing internal or branding internal to ensure the commitment of relevant stakeholders.

3. **Implementation**
   The third theme is about the marketing characteristics and other elements of marketing mix within the implementation phase.

Muzellec et al. (2003) in their research reveal that rebranding takes form in three different levels in an organization, which are:

1. **Corporate Level (company)**
   Corporate rebranding means renaming the entity of a company as a whole often signals a big strategy change or repositioning. Most abundant and strategically important cases happen at the corporate level. Some very famous examples are Andersen Consulting which becomes Accenture, and Ciba Geigy / Sandoz becomes Novartis.

2. **Business Unit Level**
   The second level is the rebranding of business unit in a big company. This is a situation where a branch or division of a bigger company is given different name for different identity, separated from its parent company. On the contrary, a similar name or corporate design will be added to all units. This is probably an effect of a de-merger, such as happened in the cases of some business units derived from AT&T (Lucent Technologies, Avaya and Agere).

3. **Product**
   Rebranding of individual products is relatively rare, and it means a name changing. This is also a tactical step which is controlled by the desire to introduce the names globally in order to earn profit from packaging and marketing.
Driver of Corporate Rebranding

One of the key descriptions of corporate rebranding is that a corporate rebranding is a marker facility – facility to communicate with the stakeholders that a company changes. This means that the primary driver of a rebranding process is decision, event, or process that triggers a quite big change to the structure, strategy, or performance of a company. The change reveals that the company needs a fundamental redefinition of the company identity itself. The events can vary from sudden total structural change as a continuous effort of a merger or acquisition, to the gradual erosion of market share or reputation which is related to the changing of demand pattern or competition condition.

For the sake of systemic analysis, it is important to develop a scheme of group to identify the primary drivers of rebranding decision. Muzellec et al. (2003, 2006) categorize the drivers into four major categories, which are:

1. **Changes in ownership structure** (merger and acquisition, Spin-off and demerger, ownership shifting from private to public, sponsorship)
   
   The first category – Changing in the ownership structure kepemilikan – seems to be the most dominant driver that drives the decision of rebranding to happen. Another changes to the ownership structure, such as when big companies release their important branches or divisions, or when big companies go public, are also facts that trigger the rebranding to happen.
   
   Rebranding that is done is offered as a administration needs that follows a non-marketing strategic decision implemented by the company.

2. **Changes in company strategies** (diversification and divestation, internationalization and localization)

3. **Changes in competition position** (outdate image, erosion of market position, reputation issues)

   Changes in strategies and/or competition position tend to become lighter influence, slowly develop all the time, which will finally reach a critical point where a new business redefinition is needed, and sometimes is symbolized by new name and identity.

4. **Changes in external environment** (legal policies, crisis or disaster)

Lomax and Mador (2006) in their research explain that external facts or are the main triggers of rebranding decision. There are two triggers, namely changes in company structure that is implemented, and attention to the external perception to the company and its activities. These two triggers for rebranding decision to happen cover more detail various objectives, which are generally meant to develop or communicate a new image.

Process of Corporate Rebranding

Muzellec et al. (2003) explain that the process of corporate rebranding should consist of four stages, each of which must be thoroughly and carefully endured by the organization. They are as follows:

1. **Repositioning**

   Repositioning is a decision preparation phase, where the taken decisions aim to create radical new position for the company inside the mind of customers, competitors, and stakeholders. Brand positioning is a dynamic incremental process, where this process has to be adjusted on a regular basis all the time to the marketing
trend and changing competition process, as well as broader external events. However, sometimes the condition may show more radical changes of company position, in the context of what kind of company it is and how does the company maintain itself—in other words, rebranding.

2. **Renaming**  
Brand name is a main indicator of a brand, as the basis of knowledge and communication. Kapferer (2004) argues that a name defines and represents company or product identity and image. This is a phase where companies send signals to their consumers, and brand image is resulted from the translation of those signals by the receiver. This clearly means that the brand naming plays important role related to buyers and sellers, or, in the case of rebranding, between the companies and stakeholders. Strong brand name is a very valuable asset, as explained in the literature of brand equity (Keller, 2003). Thus, renaming is sometimes considered when sending strong signal to the stakeholders, and renaming can make the company changes its strategies, refocuses its activities or even changes its ownership (Kapferer, 2004).

3. **Redesign**  
Same as name and slogan, logo is also an important element of a brand. The brand experts state that redesigning takes important role in compressing complex reality as the core of company’s philosophy main attributes of a product, into a single symbol. Redesign is implemeted in all elements of organization uniform, such as stationery, brochure, advertisement, annual report, and office which are the real manifestation of a company’s desired position.

4. **Relaunch**  
Publication of new brand is the final stage that decides how public, in general (employees, consumers, investors, and journalists) appreciate the new name. For the internal stakeholder, new brand can be introduced through brochure or internal newspaper, annual meeting, or through workshop and intranet. New brand can be communicated to the external stakeholder through press release and advertisements to get attention for the new name from various stakeholder.
Daly and Monoley (2004) reveal the combined approaches as a framework of corporate rebranding which is shown at Figure 1. This framework uses three marketing domains, namely market analysis including market audit, marketing planning, and integrated marketing communication planning.

The framework of corporate rebranding is basically divided into three sequenced parts, yet is also overlapping, namely analysis, planning, and evaluation, which are explained furthermore:

1. **Analysis**
   All of the aspects of marketing planning should be based on, and developed from, situational or market analysis. In general, this analysis should review quantitative and qualitative issues such as market measurement and potencies, market behavior and preferences, as well as strengths and weaknesses of competitors. Specifically, the result of brand audit should be able to give market perspective on the brand that is being rebranded, by revealing the strengths and weaknesses of competitors. Gathering market information such as explained before needs the implementation of audit methods and market research, which are already being deeply discussed in...
standard literature. However, internal marketing should be also initiated by conducting research on management and employees behaviors on the inherited brand of a company. Similar techniques of marketing research that are used on external research can also be used to analyze the perception, attitudes, concerns, and aspirations of management and employees.

2. Planning: communicate with internal customers
After finding out the attitudes of internal customers, a company now must develop training and communication program to gain support and commitment of its employees, as well as to train the employees to accept policies and procedures meant for them. Planning of internal communication program should follow general guidelines which are suggested to plan integrated external communication.

3. Planning: Strategy of New Brand Name
In this stage, it is suggested to use one of the four approaches, namely giving new name, using temporary brand/double brand, prefix, or brand substitution/amalgamation. Brand audit will help the management to decide which of the four approaches that is best used. Nevertheless, researches have shown that new name can become emotional issue for the consumers, management, and even for the company employees. Sometimes the sentimental feelings among the members of the board of directors have ensured that the inherited brands are preserved as part of a new brand, as shown in some cases, where the inherited brands, if not being preserved as part of new brand, will cancel the acquisition agreement.

4. Perencanaan: rebranding marketing plan
To change already established brand and known by people means to waste a valuable asset, and it means a very serious decision. Companies that are known to be successful in doing rebranding already plan the process seriously and carefully. This important stage is called as “rebranding marketing plan.” This stage is conducted based on the principles of marketing plan, starting from situational analysis, self-analysis, assumption and scenario, plan and whole implementation, to resources and budgeting. It is very clear that each element of that combination should be planned for the rebranding project. For example, decisions on the product advantages, product range, price fixing, integrated communication, and other whole elements must be made. Many researchers reveal that in term of the service of processing customers’ needs, employees play significant role in customer satisfaction and in achieving company targets. Therefore, the role of participants should be clearly defined and thus should be trained more in order to achieve desired technical and functional qualities.
5. **Evaluation**
   Evaluation is the final and continuous element of this framework. Most chances to fix the campaign of brandname will be lost if evaluation is not conducted throughout the planning process. This gradual evaluation will allow the change to happen, if the needs to make that change appear on the surface. Besides that, a thorough review or evaluation must be implemented at final stage to get more integrated view on the planning process.

### Managing Corporate Rebranding

Daly and Monoley (2004) propose a framework to manage corporate rebranding. This framework is related to the most integrated yet most risky shape of corporate rebranding—giving new name as a strategy. Although this is one of the elements of the framework, giving new name is very important in corporate rebranding. Kapferer (2004) suggests four possibilities of giving new name and the approaches of giving new name, which are as follows:

1. **Temporary brand/double**
   There is an interim agreement before the new name replaces old name or inherited brand. If brand A is shifted with brand B, then according to the interim agreement, brand AB will be used to refer to the temporary brand, before deciding whether brand A will be permanently replaced or not, or brand B will be continuously used as a new brand or not.

   A kind of interim agreement will be regulate the process of rule the process of There is a kind of interim agreement before the new name replaces the old name or brand that is inherited. If Brand A Brand B was taken over by, then it probably is a temporary agreement that AB will be used to refer to the brand while. A will be finally abolished altogether and B to be used as the new brand name.

   This strategy clearly recognizes the value of brand equity of inherited brand, and makes easier to absorb the brand equity to the emerged brand.

2. **Prefix**
   This method is suitable to be applied when one or more brands are combined yet none of the existing brands will be used as a new brand. The new brand will be added as a prefix of the inherited brand. After one period, the inherited brands will be permanently deleted and the prefix will be used as new brand. Again, this is to make the characteristics and values of the inherited brand heritage part of the new brand, since the stakeholders should be given time to adjust themselves to the new prefix before the old names are abolished.

3. **Substitution**
   As indicated by its name, this approach includes the substitution or shifting from old name to new name, or even to a completely different name. Although this approach can be considered as a straightforward, fast, and clean strategy, this strategy is better not implemented without conducting deep research about it. Deletion of a name that has a positive meaning for the stakeholders will result adverse consequences for the company. The customers and employees of
companies that have undergone this kind of rebranding, during FGD, expressed that: they regret the loss of the old brand, the brand has become a part of their life for eighteen years, and they used to love the old brand. Their accounts show that there is a close emotional attachment to the inherited brand, and thus it is suggested to communicate with the stakeholders to minimize their confusion and rejection.

4. **Brand Amalgamation**

Amalgamation or brand incorporation is another alternative of name changing. This strategy is most suitable to combine two strong images. Combining the name of both brands will as well combine their strengths and values, and the equity resulted from the amalgamation process will possible be bigger than if each of the piece of the brand is summed. However, the amalgamation must be carefully managed, so that the attitudes of each combined brand can be guaranteed and strengthened. Regardless the preferred new naming strategy, the name of new brand amalgamation should be put into rebranding strategy as a whole, and is very significant for the rebranding framework, which will be explained furthermore in this paper.

Lomax and Mador (2006) state that in rebranding, most companies change their company name, yet the changes happened are in the level of values or characteristics that are related with the brand itself. This encourages the development of matrix-based typology of branding choices, as shown in Figure 2.

![Figure 2. A Typology Of Branding Choices](source: Lomax and Mador (2006))
Companies that do rebranding can be categorized based on their decisions of branding activities, and based on that, there are four choices which reflect the relationship of name changing and values changing:

1. **Re-Iterating**: companies in this quadrant have not seen the need of rebranding. They consider that their brand does not need thorough review on the brand’s values or characteristics, let alone a new name. For instance, the Coca-Cola Company, which its brand characteristics and strength is historically unquestionable.

2. **Re-Naming**: the basic values are not changing, although new names are needed to mark the changes in ownership structure. A company changes its name to change the market image, although the company does not substantially change its products, services, or characteristics at the same time.

3. **Re-Defining**: companies with this objective try to change the basic brand characteristics, by still maintaining strong brand name.

4. **Re-Starting**: companies in this quadrant feel the urge of changing their values or brand characteristics as well as their brand name.

As with other matrix-based approaches that serve to categorize activities or organizations, none of the quadrants above is absolute. Although a company has dominant goals in their branding activity, the company may have crossed the boundaries of the quadrant. Similarly, although an organization has initially specified an option, the option can still change during the process.

Stuart and Muzellec (2004) explain the concept of corporate rebranding in relation with changes in name, logo and slogan:

1. **Name changing**
   Name of organization is a main means used by the organization to communicate with its stakeholders. Changing the name of a company in a corporate rebranding is a risky strategy, because it means that what is communicated about the related organization will dramatically change.

2. **Logo changing**
   Related to changes in logo, abstract symbols are popularly used although they are only considered to be related to the company in one way or another, through either color, shape, or even both.
   If the reason behind logo changing is that the company already changes its name, then it is very important to have a new logo. However, if the logo that is changed into a more abstract design is done to become more up-to-date and modern, then this should be carefully done. If the new logo does not really reflect the organization, or if the symbolism of the logo is unclear for the stakeholders, then the values carried by the logo are questionable.

3. **Slogan changing**
   If a superfine slogan can lift up the image of a company or organization, then an ugly or silly slogan can destroy the image of a company or organization as well. Ideally, a slogan reflects positioning strategy of a corporate brand, however it is challenging to find one sound slogan among the stakeholders in the world where is already loaded with slogans. Changing the slogan can be done with smaller risk than changing the name or logo, although it slogan changing still means changing the related positioning organization.
Possible variations in corporate rebranding are changing name and logo, name and logo and slogan, only logo, logo and slogan, and only slogan. Thus, there is a set of changing in corporate rebranding, starting from evolutionary change to revolutionary change. Evolutionary change means that the changing only happens in one of the elements of the brand, while the company is considered as revolutionary if its company name, logo, and slogan are changed at the same time. Rebranding is defined as suitable with the degree of change in the marketing aesthetic and brand position. Muzellec and Lambkin (2006) describe rebranding in a descriptive model, as shown in Figure 3, by considering two basic rebranding dimensions, and make possible of variations in the each level of change that happens. In this model, rebranding can be considered as both evolutionary and revolutionary. Evolutionary rebranding explains a relatively small development in positioning and aesthetic of a company, which happens gradually that the observers outside the company hardly notice it. On the contrary, revolutionary rebranding symbols a big change that can be identified in a positioning and aesthetic of a company, basically redefines related company. This change is usually symbolized by a name change, thus this variable is used to identify cases of revolutionary rebranding.

![Figure 3. Rebranding as a Continuum](image)

Source: Muzellec and Lambkin (2006)

**Corporate Rebranding Model**

Muzellec and Lambkin (2006) discuss a model of corporate rebranding as shown in Figure 4, where this model combines cause factors or factors that trigger the companies’ decisions to do rebranding, identify main objectives of rebranding process, and highlight the importance of involving stakeholders, internal and external as well, in the rebranding process.
In this model, rebranding is conceptualized as a change in a private identity of an organization, and/or as an effort to change image perceptions among the external stakeholders, in which a rebranding, regardless of its cause factors and initial objective of its campaign, should have both internal and external impact. As have been revealed by several study cases, this does not mean that the entire implementation of the rebranding effort managed to convince internal stakeholders to behave in accordance with the promise that is projected by the new brand. In fact, there is a case that proves the suggestions of Griffin in Muzellec (2006) about how do the employees consider decisions of doing the rebranding as an external limitation. This can widen the gap between the "true identity" and "delivered identity" which raises inconsistent company image among stakeholders.

**Practical Implication**

The implementation of corporate rebranding, although costly, yet is very significant to maintain competitive excellence of a company among the priorities of company that are always changing. Therefore, it is very important to involve the employees in designing the corporate rebranding since the beginning of the process, as a need to ensure that the process and internal system can encourage the employees to accept new values of corporate brand, which can be seen through their attitudes and behavior.

Although corporate rebranding is often narrowly used in the practice of name changing, this paper attempts to rediscuss the limitation of efforts to build theory of marketing, and attempts to build more detailed and substantial theory of corporate rebranding. Besides, this paper also discusses strategic issues that have never been discussed in detail previously, in order to become a reference for preliminary study of a framework to propose hypotheses for further research.
REFERENCE


