

An Analysis of Consumers' Perception towards Rebranding

Mrs. M.VITHYA¹, DR. Ti.M.SWAAMINATHAN²

¹Assistant professor and Research Scholar, PG and Research Department of Commerce, Pachaiyappa's College for Men, Kanchipuram

²Associate Professor and Head, Research Supervisor, PG and Research Department of Commerce, Pachaiyappa's College for Men, Kanchipuram

ABSTRACT

A massive increase in the variety of methods in which customers may express their identities has been one of the most important trends to emerge in the field of marketing over the course of the last ten years. This development has been largely fuelled by the growth of one-to-one marketing and mass customisation, both of which have been important drivers of this trend. Because of this trend, many companies have renamed and repositioned their products and services to place more emphasis on how they complement the lifestyles of their target customers rather than on the functional aspects of the items themselves. In recent years, there has been a growing trend of rebranding in India, ranging from companies like Vodafone and Airtel and Hero MotoCorp (formerly Hero Honda) to media channels in a variety of different industries. This trend has been particularly prevalent in the telecommunications and automotive industries. In reaction to this movement, a number of multinational corporations have completely rethought and relaunched their product lines and service offerings. Throughout the process of rebranding, these companies lay a significant emphasis on the practical characteristics of their products and how those features fit into the lifestyle of a consumer. This strategy is favourably received by business houses. Companies prepare themselves to meet tough competition in their industries by revitalizing their brands, which also enables the companies to achieve a respectable part of the market. The rebranding efforts of Hero MotoCorp have produced some unexpected insights. Noteworthy are the drivers and strategy utilized by the two-wheeler company. These included an overhaul of the brand architecture, brand name, brand logo, and brand positioning with an emphasis on the development, renewal, and revitalization of the brand.

Keywords: Rebranding, Position, Perception, Brand Equity.

INTRODUCTION

The only thing that will never change is change itself, which takes place at different points throughout a person's life. Even the most recognizable firms in the business world occasionally update their visual identities, such as their logos and how they present themselves to consumers. There are a number of brands that are similar, including Airtel, Vodafone, Axis Bank (previously UTI Bank), Hero MotoCorp (formerly Hero Honda), Videocon, Air India, Kodak, Yahoo, KFC, Starbucks, Motorola, and Snapdeal, to name just a few. As a part of their more recent efforts to rebrand themselves, each of these companies has updated and redesigned its logo.

One of the most precious assets that a company possesses is its brand, which is represented by the firm's name, logo, and slogan. These elements show how consumers know and remember the brand. A number

of companies have decided to rename themselves as a means of revitalizing themselves or giving themselves a facelift as a direct result of the increased level of market competition. Because of this trend, many companies have renamed and repositioned their products and services to place more emphasis on how they complement the lifestyles of their target customers rather than on the functional aspects of the items themselves. It is a key breakthrough in modern marketing since consumers now have an ever-increasing number of options for expressing their individuality and expressing themselves as individuals. The expansion has been a significant contributing factor to the development of such a change. Development of innovative concepts such as one-to-one marketing and mass customization, which has increased accessibility to traditional forms of self-expression such as cheering for favourite sports teams and music groups, wearing iconic brands, and pursuing hobbies; as well as familiarization with a variety of new and ground-breaking layouts where customers can have their voices heard, such as the social networking sites Twitter Handle and Facebook. This trend has caused some large corporate conglomerates to rebrand and redesign their products and services in order to remain competitive in their respective markets. When going through the process of rebranding, these companies place a strong emphasis on paying attention to the specifics of how their products might be integrated into the everyday lives of customers. Companies are extremely appreciative of these rebranding activities because they believe that by refreshing their brands, they will be able to combat the fierce competition that exists in the market and also obtain a respectable market share.

RESEARCH GAP

Many studies on brand logos have only served to highlight the need of soliciting feedback from customers on existing logos and developing new ones (Kohli, Suri, & Thakor, 2002; Hem & Iversen, 2004). There are a limited number of research that have explicitly looked at variations of logos (Pimental & Heckler, 2000; Walsh, Page, & Mittal, 2006). According to the findings of a prior survey, customers typically favoured maintaining the same logo, but they were willing to accept the brand with some small modifications (Walch et al., 2006). On the other side, it was noticed that users who had a strong commitment to the brand had more unfavourable views towards the brand following the logo change, and customers who had a weaker commitment to the brand had more positive attitudes towards the logo change. Yet, there are no studies on the views and reactions of customers to the modification of the logo. As a result, the researcher intends to explore how consumers understand the rebranding of this two-wheeled monster as well as the alterations made to its logo. In addition, the research made an effort to comprehend the ideas of customers, particularly when those customers are presented with rebranding that includes modifications to the company emblem. The researcher gives the reason for the investigation by stating this objective as the study's primary goal. By reviewing the drivers and methodology adopted by the two-wheeler manufacturer, the rebranding exercise that was carried out by Hero MotoCorp provides interesting insights into the entire process of brand revitalizing. This includes the revamping of brand architecture, brand name, brand logo, and brand positioning with the theme of creation, renewal, and reinvigoration of the brand.

OBJECTIVES OF THE STUDY

Rebranding can take place on purpose by altering a company's strategy; it can also take place unintentionally as a result of unanticipated events; and it can even take place as a result of mergers and acquisitions if a brand has outgrown its identity or been involved in a scandal. The purpose of this study was to examine rebranding process after the breakup of every firm, the perspective of consumers

towards the brand, and the influence of the rebranding on consumers, especially in a country that is expanding like India.

REVIEW OF LITERATURE

Repositioning a brand or giving it a new lease on life is what's meant by the word "rebranding," which has only been in use during the past several decades. Rebranding is an exercise that involves changing the name of a company or its targeting and positioning in an effort to attach a new connotation to the corporate brand and communicate it to the various stakeholders. This definition comes from Stern (2006). According to Aaker (1991), rebranding acts as the foundation for both the corporate communications strategy as well as the awareness and perceptions of consumers. According to Stuart and Muzellec (2004), rebranding can take place as a consequence of a merger or acquisition, which leads to the company concentrating on a new image and mission after the event. It is an effort to come up with a new name for the firm that is reflective of its exceptional standing in the minds of the shareholders and that establishes a distinct identity apart from that of its competitors (Muzellec, Doogan, & Lambkin, 2003; Muzellec & Lambkin, 2006). The adoption of the rebranding strategy among the staff of the organization is the most crucial component of a successful rebranding effort. One way to ease any anxiety that the staff members might be feeling is to involve them in the process of planning the transition to the new name. Not only will Daly and Moloney (2004) keep them involved, but they will also make it possible for the organization to acquire the employees' support and assurance as well as make them familiar with the new regulations and procedures that have been implemented by the company. A comprehensive communication and training program needs to be painstakingly developed by the organization before the new brand message can be disseminated to all levels of the business. In addition, companies that are in the process of rebranding their products or services should keep in mind the relevance of maintaining continuity and consistency throughout the process. Osler (2004) examined the various reasons for changing a company's name, including mergers and acquisitions, evolving business categories, an outdated name, changing consumer views of the brand, legal requirement, and various other international language factors.

RESEARCH METHODOLOGY

Both primary and secondary research were carried out for the purpose of this study. We utilized a method of sampling based on judgment. The first segment of the interview consisted of a discussion of a pre-rebranding scenario, while the second phase focused on a post-rebranding scenario. Both of the focus group interviews had a total of eight participants. In order to have a better understanding of the effects of rebranding on the consumer as well as the changes in perception between customers and non-customers, primary research was conducted. Using the SPSS version 20 software, a factor analysis was carried out in order to determine the essential elements having a bearing on the crucial rebranding choice. The "t-test" of the hypotheses was carried out in order to ascertain the opinions regarding the "new tagline" and "the colour of the new logo" of a number of different brands.

DATA ANALYSIS

Chennai consumers' opinions on rebranding were gathered. Two focus group talks led to consumer questionnaires. 185 of 200 questionnaires were returned, however few were incomplete. This study considered 160 viable replies. Respondents averaged 32. Of 160 respondents aged 18–45, 91 percent were male, nine percent female, 57 percent graduates, 41 percent postgraduates, and 2 percent with

intermediate degrees. 12 percent were self-employed, 41% professionals, and 47% students. 58 percent earned below INR 3 lakhs p.a., 39 percent between INR 6-9 lakhs, and 3 percent above INR 9 lakhs.

Table 1 : Demographic Details

Particulars of the respondents	Number of respondents	Percent	
Age group	18-25	75	47
	26-35	78	49
	36-45	7	4
	46-55	-	-
	Above 55	-	-
	Total	160	100
Gender	Male	145	91
	Female	15	9
	Total	160	100
Educational qualification	Intermediate	4	2
	Graduate	91	57
	Post graduate	65	41
	Total	160	100
Occupation	Employed in a firm	66	41
	Self employed	19	12
	Home maker	-	-
	Retired	-	-
	Students	75	47
	Total	160	100
Annual income	Below 3 lakhs	92	58
	3-6 lakhs	63	39
	6-9 lakhs	5	3
	Above 9 lakhs	-	-
	Total	160	100

Source: Authors' compiled data.

It has been observed that after rebranding, consumer perception of tangibles has improved. All responders were familiar with both the old and new logos. High brand recall was observed, but it was not always the result of rebranding. Brand credibility is great, and the legacy endures. Respondents believed that the brand name, slogan, and jingle were the most significant brand recall factors.

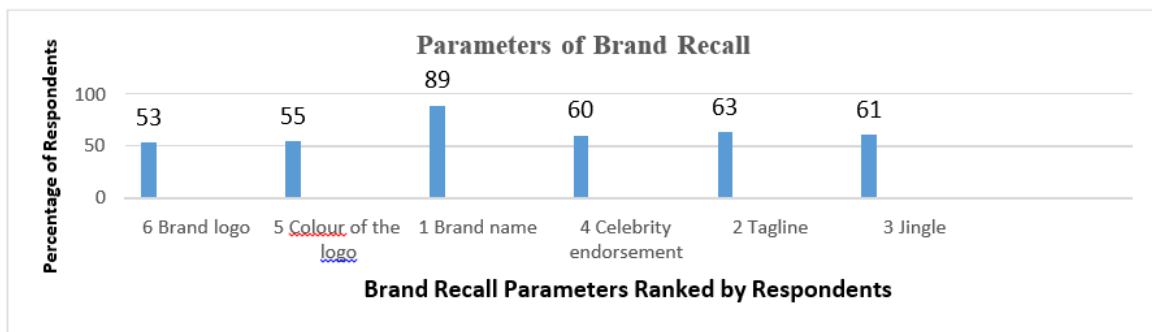


Figure 1: Brand Recall Parameters

Regarding its impact, the rebranding of elicited conflicting reactions. 19% of respondents agreed that the rebranding made the company "young," whereas 48% disagreed and 33% were apathetic. Similarly, 44% of respondents felt that the unveiling of the new logo was successful, while 33% disapproved and 23% neither agreed nor disagreed. In terms of freshness, both customers and non-customers agreed that the new logo appeared contemporary. The majority of non-customers viewed the new Hero logo as traditional, while a minuscule number viewed it as contemporary. 27 percent of respondents judged the new tagline to be moderately better, while 38 percent found it to be much better than the previous version. Nineteen percent of respondents were unable to distinguish between the old and new taglines,

while sixteen percent of respondents deemed the new tagline to be ineffective. 19% of respondents regarded the new jingle to be comparable to the previous one. Nonetheless, 21% of respondents regarded the new song to be much better and 17% found it to be somewhat better than the brand's old jingle.

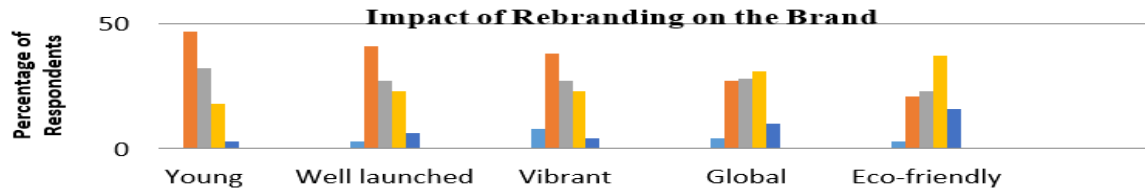


Figure 2: Impact of Rebranding on Brand

An attempt was undertaken to determine whether the revitalization of a brand had any effect on the respondents' purchasing decisions and, subsequently, the brand's sales figures. 16 percent of 68 percent of customers purchased products after rebranding, 24 percent did not purchase after rebranding, and 27 percent purchased after the rebranding exercise but were unaffected by the rebranding. Existing brand trust had a crucial influence.

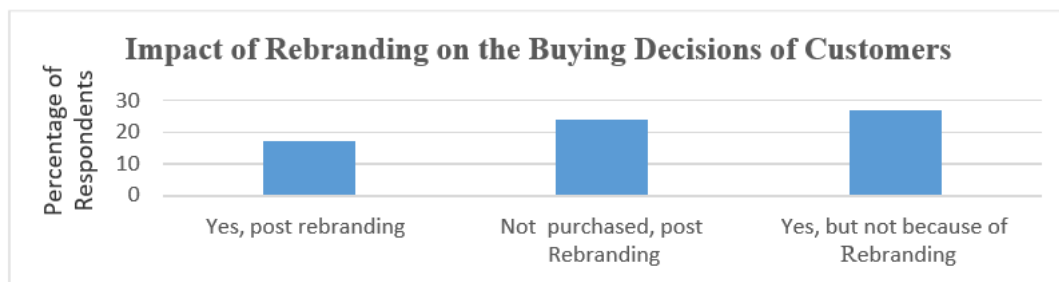


Figure 3: Impact of Rebranding

After the rebranding, a significant proportion of purchasers were motivated to purchase Hero items. It demonstrates that rebranding could enhance sales figures. Yet, an intriguing conclusion of the study is that a considerable proportion of customers also purchased products after the company's rebranding effort, despite the fact that their purchases were not influenced by the rebranding. Important determinants of their buying decision include a strong brand memory and improved trust in the brand. Non-customers, however, were not affected by rebranding, and the company's rebranding effort had no effect on their purchasing decisions. To attract this group of clients, the researcher believes that the corporation should develop an effective communication program to inform the public not just of the new logo or brand name, but also of the enhanced services or other value adds made to the product. Several respondents, especially non-customers, were anxious about the quality of the products, particularly following the breakup with a particular product. After rebranding, it is essential for the company to dispel any misconceptions in the minds of consumers. "Efforts must be made" to maintain the same level of brand recognition as in the past.

The results of a factor analysis conducted with SPSS version 20 in order to find the most influential elements on a consumer's choice to purchase a product are provided.

The researcher utilized SPSS version 24 for the statistical analysis.

Table 2 *KMO and Bartlett's Test*

Kaiser-Meyer-Olkin measure of sampling adequacy		0.566
	Approx. Chi-Square	152.169
Bartlett's test of sphericity	df	28
	Sig.	0.000

The test selected eight variables, including pricing, safety, efficiency, comfort, brand image, style, resale, and customer service. Bartlett's sphericity test is significant; hence, the hypothesis that the intercorrelation matrix comprising these eight variables is an identity matrix is rejected. In light of Bartlett's test, factor analysis is therefore feasible.

Table 3: Rotated Component Matrix

	Component		
	1	2	3
Price	-0.013	-0.030	0.892
Driving safety	0.718	-0.289	0.164
Fuel efficiency	0.245	0.091	0.782
Comfort	0.752	0.143	-0.036
Brand image	0.234	0.775	0.078
Style	0.015	0.863	-0.029
Resale	0.515	0.318	0.136
Customer service	0.687	0.288	0.142

Note. Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in five iterations.

In the rotated factor solution, variables 2, 4, 7, and 8 load significantly on factor 1; variables 5 and 6 load significantly on factor 2; variables 1 and 3 load significantly factor on 3.

Table 4 *Factors That Influence Buying Decision after Rebranding*

Sl. No.	Loading variables	significant factor's name
1.	a. Safety (0.718) b. Comfort (0.752) c. Resale (0.515) d. Customer service (0.687)	Product attributes
2.	e. Brand image (0.755) f. Style (0.863)	Brand image
3.	g. Price (0.892) h. Efficiency (0.782)	Economy factors

The results of the factor analysis indicate that safety, comfort, resale value, and customer service are the most influential factors in determining whether a customer will continue with a brand or purchase its services, followed by brand image and style, and economic factors such as price and efficiency.

A few open-ended questions were posed to customers in order to gain a better understanding of their mentality, e.g., how likely they are to consider to purchase the rebranded products in their future purchase.

CONCLUSION

During the course of this study, a number of challenges that are typically encountered by companies undergoing rebranding were identified: firstly, the strategies to be implemented with important brand elements such as jingle, slogan, logo, the color of the logo, the brand name itself, and the style of writing the brand name; secondly, the intensity of conversation the brand would engage in with those who

oppose to changes brought about by rebranding; and thirdly, the communication strategy t. It was a very difficult effort to redesign a popular brand because the product's shield had to be relocated to a whole new horizon.

Table 5: Suggestions

Nature of response	Comments of respondents	Observation
Positive	More focus should be on technical changes and outlook. Focus on style as well as efficiency is required. Company must focus on producing stylish products and be competitive enough. Can further improve its brand image by providing better services.	Reasonable good suggestions
Negative	Advertisements were unable to connect with the audience. The company should use new age media like the social networks etc. Logo does not have clarity about the brand. It needs to be improved. Company does not have aggressive promotion policy. Tagline is not appealing. People still have the product tag in their minds. There's no sufficient push by the company to increase the brand recall. Customer service should be improved.	Advertising strategy of the company needs to be highlighted. Brand connect to be improved.
Neutral	Quality, price, and service are the most important factors which the customers always look to buy any product. Re-branding plays least role to improve the sales of a product and also to attract the new And old customers in the long run.	Quality of the products cannot be compromised. After rebranding, customer expects an improved version of the product
Special remark	Focus on technology. Do not let the quality of flagship brands deteriorate. Maintain or improve technology by bringing in a new Technology partner.	

Source: Authors' compiled data.

Considering the overall perception, the rebranding resulted in improvements and value adds to the products and services. But, companies must effectively explain to the masses the product's new enhancements to their products/services. Non-customers are unaffiliated with the product, hence they approached this rebranding initiative with reluctance. If the company communicates effectively during the rebranding process, the masses, including customers and non-customers, will form a more favorable opinion of the brand. In their marketing communication program, they might also highlight other essential brand features. In addition, the firms may monitor the purchasing habits of its customers and build an incentive-based marketing plan for loyal customers, repeat buyers, and even product promoters.

REFERENCES

Aaker, D. A. (1991). *Managing brand equity: Capitalizing on the value of a brand name*. New York: The Free Press.

Botterill, J., & Kline, S. (2007). From McLibel to McLettuce: Childhood, spin & rebranding. *Society and Business Review*, 2(1), 74-97.

Daly, A., & Moloney, D. (2004). Managing corporate rebranding. *Irish Marketing Review*, 17(1/2), 30-36.

Hem, L. E., & Iversen, N. M. (2004). How to develop a destination brand logo: A qualitative and quantitative approach. *Scandinavian Journal of Hospitality & Tourism*, 4(2), 83-106.

Kohli, C., Suri, R., & Thakor, M. (2002). Creating effective logos: Insights from theory and practice. *Business Horizons*, 45(3), 58-64.

Kaikati, J. G. (2003). Lessons from Accenture's 3Rs: Rebranding; restructuring & repositioning. *Journal of Product & BrandManagement*, 12(7), 477-490.

Kaikati, J. G., & Kaikati, A. M. (2003). A rose by any other name: Rebranding campaigns that work. *Journal of Business Strategy*, 24(6), 17-23.

- Muzellec, L., & Stuart, H. (2004). Corporate makeovers: Can a Hyena be rebranded? *Journal of Brand Management*, 11(6), 472-482.
- Muzellec, L., Doogan, M., & Lambkin, M. (2003). Corporate rebranding-an exploratory review. *Irish Marketing Review*, 16,31-40.
- Muzellec, L., & Lambkin, M. (2006). Corporate rebranding: Destroying, transferring or creating brand equity? *European Journal of Marketing*, 40(7/8), 803-824.
- Osler, R. (2004). Making the case for a new brand name. *Journal of Brand Management*, 12(2), 81-92.
- Pimentel, R., & Heckler, S. (2000). Changes in logo designs: Chasing the elusive butterfly curve. Working Paper, 1-24. Retrieved from
- Stern, B. B. (2006). What does brand mean? Historical-analysis method and construct definition. *The Journal of the Academy of Marketing Science*, 34(2), 216-223.
- Walsh, M. F., Page, K. L., & Mittal, V. (2006). Logo redesign and brand attitude: The effect of brand commitment. *ACR 2006 Conference, September Orlando, Florida*.