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Rebranding Strategies: Lessons from Successful Brand

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ABSTRACT
Rebranding has become one of the most effective and at the same time risky strategic tools used by organizations. In a challenging economic situation with ever-changing consumer attitudes, fierce competition, mergers, disruptions, reputation crises, etc., brands are forced to regularly assess their market positioning and image. This research paper is dedicated to a comprehensive study of rebranding, motivations of organizations to rebrand, and the process of developing a rebrand strategy and implementation.
This paper utilizes mostly secondary data collected from marketing journals, reports published by brand consultancies, companies' press-releases, business publications and academic literature. It analyses various rebranded companies worldwide (Airbnb, Old Spice, Domino's Pizza, Apple, Starbucks and Instagram) and in India (Vodafone Idea rebranding to Vi and other Indian examples). Moreover, several cases of unsuccessful rebranding (like the Tropicana product redesign in 2009) are examined in order to present a complete and realistic picture of potential risks.
Comparative analysis allows identifying common characteristics of successful and unsuccessful rebrands, including clear goals, thorough understanding of the customer base, alignment within the organization, execution consistency, willingness to test and patience of letting new brand identity prove itself in time. Conclusions of the paper are summarized in a set of recommendations for organizations preparing to rebrand. Also, future trends of rebranding strategies, like purposeful branding, AI-driven brand monitoring, and agile brand systems are described in detail.

Chapter 1: Introduction

1.1 Background

Any brand, whatever it size or industry it belongs to, is a mental model of customers. Names, logos, colors, taglines, tone of communication are just superficial elements of a very profound message sent to customers by the company. However, time passes, markets change, consumer demands change, technologies revolutionize the whole industries, organizations grow, merge, diversify or face crises. Sometimes, there emerges the gap between what a brand is supposed to be and what customers think about it. Organizations resort to rebranding as a strategic tool of correcting it.
Rebranding does not entail mere cosmetic efforts to alter a company logo or website. Its essence consists in the deliberate repositioning of the company in the perception of its stake-holders who include clients, workers, investors, regulators, and the media. A rebrand may imply a change of the corporate name, like it happened when Google restructured itself as Alphabet Inc. Alternatively, it may consist in changes of the visual identity only with the unchanged business concept. Examples of such rebrands are periodic

updates of the Starbucks logo. Thus, there exist various degrees of rebranding that may differ depending on a particular business situation.

A number of successful and unsuccessful cases of rebranding can be found in the globalized market of the last two decades. Such successful cases as transformation of Airbnb from the accommodation sharing startup into a global brand of belonging, or the rebirth of Old Spice as the leader in the male body wash industry after one year, are well-known. There is also a famous example of Domino's Pizza that publicly admitted the low quality of its products and made use of this admission in the most celebrated turn-around campaign in the history of advertising. As for examples of failures in rebranding, they are provided by the 2009 Tropicana packaging redesign.

The examples of rebranding are not rare in India too where such processes become more common because of various reasons including mergers, changes in regulation, demographic factors, and increased competition. There are many cases of rebranding in India, including such transformations as that of Vodafone Idea into "Vi" in the result of the 2018 merger of Vodafone India and Idea Cellular, various transformations of Tata Group companies, and rebranding of local start-ups such as Zomato, Swiggy, and PhonePe in the course of their growth.

The present project explores rebranding as a marketing strategy with the help of the analysis of selected cases of rebranding in various countries and India. In this respect, it aims at getting rid of superficial admiration for the new visual identity, but focusing on the underlying business logic, the process discipline, and commitment to rebranding as a means of creating business value.

1.2 Statement of the Problem

Although rebranding initiatives are rather common among companies, a significant portion of these efforts fail to meet their objectives. Industry experts say that about half of corporate rebrands do not affect business results or even weaken the company's brand equity. Many organizations perceive rebranding only as a visual and creative initiative that should be delegated to design agencies without preliminary discussion and agreement with internal stakeholders regarding the new business model. Also, rebranding can be reactive, initiated as a reaction to crisis or to the merger without preparation of clients and employees to the change. Absence of a structured and researched-based rebranding strategy leads to unnecessary expenses and confusion, and sometimes to the reduction of brand equity.

This study is therefore an attempt to provide an answer to the following questions. What makes one rebranding exercise help a company strengthen its market position, while another leaves it unchanged apart from a change in visual identity? What internal and external stimuli usually make organizations initiate the rebranding process? What process elements – from brand audit to post-launch tracking – make up successful cases? And finally, what could Indian and international businesses learn from the successes and failures described in the marketing literature?

1.3 Objectives of the Study

In this study, it is planned to conduct an analysis of the strategic rationales that stand behind corporate rebranding decisions in different industries; to conduct a case-by-case analysis of globally recognized successful examples of rebranding and extract common strategic themes from those; to conduct an analysis of similar developments in the Indian market and see how the best global practices were adapted in local conditions; to analyze examples of failed rebranding in order to determine the potential risks and pitfalls; and to generalize all of these analyses and form a set of recommendations on the matter.

1.4 Scope and Limitations of the Study

The scope of the study is limited to public records of rebranding exercises conducted by renowned global and Indian companies during the past two decades or so. All the information for the analysis comes from secondary sources, such as press releases from these companies, case studies published in marketing literature by design and advertising agencies, articles written by business journalists, papers written by academics and students. As a consequence, no internal company data such as details of marketing spending, proprietary brand-tracking scores, confidential strategic documents or financial results of the rebranding are available for this study. Financial results of various case studies cited in this paper are estimated results rather than audited ones. The projections presented in the data analysis chapter are illustrative and are based on assumptions derived from industry discussions rather than on exact figures. They are supposed to show an approach to quantifying the benefit of investment into rebranding rather than to give a forecast for a particular company. Taking all these things into account, conclusions of this study should be interpreted as directional rather than prescriptive guidelines.

1.5 Research Methodology

The research design adopted in this study is qualitative and descriptive. It is solely based on secondary data. The information was obtained using a systematic literature search for marketing case studies published by branding and design agencies such as DesignStudio, Wieden and Kennedy, and Crispin Porter and Bogusky; business magazines such as the Harvard Business Review, Bloomberg, The Economic Times and Livemint; academic and student papers on rebranding and post-merger integration; and official statements and annual reports of the companies analyzed. Data was sorted thematically and case studies were chosen based on the triggers of rebranding, which include demographic shifts, mergers and acquisitions, image recovery, market positioning and internationalization among others. A comparative thematic analysis was conducted to find out the success factors and causes of failure present in the selected case studies.

1.6 Significance of the Study

Branding decisions lie in the intersection of strategy, finance and creative disciplines. Poorly conducted rebranding can ruin decades of customer goodwill within weeks, as the case of Tropicana proves. On the other hand, properly conducted rebranding can create huge additional value, as shown by the example of Airbnb, which was able to transform itself into a billion-dollar brand thanks to a smart rebranding exercise. For everyone studying management and marketing in general, it is important to know not only the successful but also the unsuccessful examples of rebranding in order to learn from the experience.

Chapter 2: Understanding Branding and Rebranding

2.1 What is a Brand?

A brand goes well beyond its name and logo. It encompasses all the associations, experiences and expectations that the customers associate with a company, its products and services. The importance of building a good brand comes in the form of reduced risks related to purchase decisions, pricing premium, emotional loyalty and a sustainable competitive advantage that is hard to copy. Brand equity refers to additional value created by the brand beyond the actual functional attributes of the product. It is built incrementally over the years by delivering consistently on the promise, but it can be as easily destroyed by the opposite practices.

2.2 Defining Rebranding

Rebranding can be defined as an intentional process of altering perceptions that different stakeholder groups have about a brand for the purpose of making it more aligned with the current strategy, reality or customer expectations. Rebranding can involve changes in one or more aspects of brand identity which may include the company name, logo, color scheme, fonts, tone of voice, messaging architecture, experience and even culture. Although the visual aspects of rebranding tend to attract most attention, it is agreed in academic literature that rebranding without corresponding changes to strategy, operations and experience rarely brings the desired results. In other words, rebranding a company with only a new logo will be no more than a temporary diversion and, at worse, an invitation for the customers to discover the gap between promise and reality.

2.3 Types of Rebranding

It is normally accepted that there is a spectrum that defines the level of rebranding based on the depth of the changes involved. Brand refreshes involve minor adjustments like a modernized logo, updated color schemes and refined fonts with all the other aspects of identity remaining the same. For example, the frequent updating of the siren logo used by Starbucks is a typical example of refreshing the already successful brand without any changes to the rest of it.

In case of a partial rebranding there are more than one aspect of the brand being changed, such as logo and messaging, but there is still some kind of association to the brand heritage through the use of color schemes, icons or names. This type of rebranding is used when there is a need to communicate significant change without breaking the emotional attachment to the brand.

Finally, the deepest type of rebranding is the complete rebranding which includes changes in name, logo, mission and overall brand strategy. A company normally resorts to rebranding on the deepest level when the business model itself has changed or it needs to enter a new market or geography, the merger takes place and there is a need for a unified identity, or when the brand carries a too negative reputation and incremental changes will not work. For example, the transformation of Google into Alphabet and creating of Vi through the merger of Vodafone India and Idea Cellular belong to this type.

Another relevant distinction is that of proactive and reactive rebranding. The former is done when the firm is at the peak of its power, ahead of any shifts in the market, demographics and future strategies, while the latter is performed under duress, typically as a reaction to a scandal, a drastic drop in sales figures, a merger that needs to be sorted out, or tough competition. The former type is easier to pull off successfully as the firm already has the means to handle a delicate situation.

2.4 Common Triggers for Rebranding

There is a number of factors that drive firms into rebranding. One of them is the change of demographic composition of the brand's cliental – as the original target group gets older, it becomes necessary to reach out to new generation of clients in order to keep the brand going – just like the case of Old Spice that had to adjust its image as "a grandfather's aftershave" to appeal to modern men and the women who influence much of the decisions regarding personal care. Another reason for rebranding is the outdated perception of the company as an old-fashioned relic compared to fresh new competitors – especially if it has not updated its identity for decades already.

Most of the time mergers and acquisitions generate additional pressure on the companies to rebrand as one needs to come up with the identity of the resulting entity, choose either one of the legacy brands or invent an entire new one. Examples of this are Warner Bros. Discovery's struggle with reconciling two media identities it acquired through its 2022 merger and Vodafone Idea that decided to rebrand itself to Vi. A reputational crisis caused by product problems, unethical actions or general controversies is another thing that forces firms to do a reactive rebrand in order to show that the company takes the situation seriously – as the example of Domino's Pizza, which admitted years of complaints regarding product quality.

Finally, strategic changes like entering new product niches, international market or changing the value proposition also require a brand identity able to support the strategy. There is no room left for the old narrow brand that does not allow to expand in any way anymore.

2.5 Risks Associated with Rebranding

Rebranding comes with risks. Firstly, there is a risk of alienating the current clients who formed emotional connection with certain images associated with the brand, as happened with Tropicana when it decided to change packaging of its best-selling orange juice. Secondly, the rebranding might lead to a dilution of the brand identity as it is possible that the new image will not distinguish itself from its competitors' products. Thirdly, employees will resist relearning of the new brand guidelines and messages. Fourthly, there is a high financial cost associated with the process of re-designing all collateral, signage, packaging, digital assets and campaigns. All these factors make it important to conduct a thorough audit first to determine the need for the change before proceeding with it.

Chapter 3: The Rebranding Process

3.1 Overview

Although every rebranding effort depends heavily on the specific context of the organisation undertaking it, there are some general process principles which are common to almost all successfully implemented cases. Typically, the process will take five steps: brand audit and diagnosis, strategy formation, creative development, implementation and internal alignment, and post launch measurement. Omitting or cutting short any of these steps dramatically increases chances of failure of the rebranding effort.

3.2 Stage One: Brand Audit and Diagnosis

The first step to any serious rebranding effort should be the analysis of the current brand. This is usually accomplished via various surveys measuring levels of awareness, consideration, recall and sentiment towards the current brand among existing and potential customers, as well as more qualitative research, like focus groups and in-depth interviews. Such research allows discovering the emotional associations people have with the brand. Furthermore, competitive audit helps understand where the brand is placed on the market compared to other brands, while internal audit shows whether or not internal employees and corporate culture is aligned with the brand promise of the company. One of the examples of a thorough audit before a rebranding effort is the research carried out before the 2014 rebranding of Airbnb, in which the company discovered the core emotional association of the hosts and guests - sense of belonging.

3.3 Stage Two: Strategy Formulation

The second step consists of articulating a clear brand strategy before moving on to creative development. The strategy should consist of the definition of the purpose of the brand beyond profits, target audiences and how this audience will evolve over time, positioning of the brand among competitors, and core brand promise or value proposition. Perhaps the best example in this respect is a rebranding effort of Old Spice: the strategic insight about the fact that women buy a majority of body washes on behalf of the men in their households led to completely redefined target audience of the campaign.

3.4 Stage Three: Creative Development

Once the brand strategy is clearly articulated, the next step is the development of brand identity which will translate the brand strategy into a set of tangible elements of brand including name (where appropriate), logo and visual identity system, tone of voice and message architecture, and increasingly product or service experience design. At this stage it is very important to make sure that the identity is distinct, simple and recognisable as well as flexible enough to work in various formats including print, packaging and physical environment. For example, Airbnb's new brand mark, Bélo, was designed to be as simple as possible - the symbol was designed so that anybody could reproduce it even by hand, which encouraged its adoption by the community. Interestingly, sometimes carefully researched creative effort produces unexpected reactions on the part of the public - like in the case of Airbnb itself when its symbol started being widely ridiculed shortly after the launch. However, the fact that the company chose to explain its decision transparently played an important role in helping the mark to survive the initial storm of criticism.

3.5 Stage Four: Internal Alignment and Rollout

Finally, the last step of a rebranding effort consists of implementation and internal alignment. Inconsistency between brand promise and customer experience is a fast way to ruin a rebranding effort. Therefore, the internal communication, training, and branding of retail outlets, vehicles and signage where appropriate is vital at this stage. The example of the disciplined rebranding process is the migration of Vodafone's Indian operations from the Hutch brand in the mid-2000s, which included rebranding of hundreds of thousands of outlets and touch-points in a very short time frame.

The process of implementation should be sequenced in a certain manner too. Organizations either opt for the so-called big bang launch – simultaneous roll-out of the new brand identity in all touch points to maximize the effect and minimize possible confusion from the lengthy process of re-branding, or implement changes in a phased manner in order to give themselves time to learn from mistakes before launching the re-brand fully. There are many factors influencing the choice of the strategy – organizational size, number of the markets the organization operates in, urgency of the trigger of rebranding are among the most prominent ones.

3.6 Stage Five: Post-Launch Measurement and Iteration

The process of rebranding doesn't stop with the implementation of the new identity. Successful organizations keep monitoring the awareness, sentiment, recall, and business metrics such as sales, acquisition costs and customer satisfaction after the roll-out to make necessary adjustments. For instance, Domino's Pizza didn't stop rebranding after the successful campaign "Oh Yes We Did" launched in 2009, continuing evolving its story of the brand improvement in new campaigns and investments in technology. It's precisely this approach of considering rebranding as an ongoing process rather than a one-time campaign that clearly sets the durable rebrands apart from short-term marketing gimmicks.

Chapter 4: Global Case Studies of Successful Rebranding

4.1 Airbnb: From a Booking Platform to a Symbol of Belonging

Founded in 2008 as AirBed and Breakfast, Airbnb's brand initially served simply as a platform for renting the airbeds in houses of the hosts. Over the next six years of rapid growth of the company, its brand became increasingly utilitarian and failed to convey its global aspirations. In 2014, Airbnb understood that its functional transactional brand conveyed nothing of the emotional value the company wanted to offer – the connection between hosts and guests all around the world.

With help of the London-based agency DesignStudio, Airbnb created a comprehensive rebrand around the mission statement "Belong Anywhere". The center piece of the new brand identity is the mark named Bélo – geometric symbol representing at the same time a person, a location pin, a heart and the letter A of the company name. Throughout the rebranding process, Airbnb engaged its community of hosts and guests, asking what the company means to them and for their ideas for a new symbol, thus creating a feeling of joint ownership of the final product.

However, the launch was accompanied with controversy. In the first forty-eight hours since the Bélo symbol was revealed in July 2014, it inspired thousands of jokes about the similarities between the mark and different parts of human body, and designers commented on resemblance of the mark with existing symbols of other companies. Instead of abandoning the design, Airbnb published detailed explanation of the meaning of the symbol and its design. This decision would prove crucial for the future: more than a decade later, the Bélo is still the mark of the company, and the "Belong Anywhere" mission still serves as a guiding idea through many years of development of multiple marketing campaigns. The rebrand can be considered successful not because of the popularity of the mark at once, but because of the underlying strategic idea – that Airbnb offers its customers belonging rather than just a place to stay.

4.2 Old Spice: Reinventing a Brand for a New Generation

In the late 2000s, the Old Spice was already identified as an aftershave associated with an older generation, and thus the brand could hardly be seen as appealing to the younger generations of men; it was gradually losing the competition with the more contemporary rivals. In order to solve the problem, the manufacturer, Procter and Gamble, turned to the advertising agency Wieden and Kennedy, and together they created one of the most renowned cases of successful rebranding in recent times.

The key idea of the rebranding was derived from the market research: about sixty per cent of all body washes sold belonged to women, while the products were chosen for the use of their husbands. Thus, the 2010 "The Man Your Man Could Smell Like" campaign was designed for women who were targeted to purchase products of Old Spice Red Zone body wash, but also included elements that might attract young men. Launched online prior to the Super Bowl and aired later on TV, the campaign used humor, confident style of performance and rapid visual effects to attract attention to the advertisement that was fresh and innovative.

The sales of Old Spice Red Zone body wash increased after several months from the launching of the campaign, and by the end of 2010 Old Spice became the leader among the brands of men's body wash in the USA. After that, the campaign was continued with the "Response Campaign" in which Old Spice Guy personally responded to the comments posted on the social media and answered mentions with individual videos. Thus, Old Spice case shows that the precise research that identifies the people who make decisions on the purchases is crucial for the success of rebranding.

4.3 Domino's Pizza: Turning Public Criticism into a Brand Asset

Domino's Pizza had been experiencing problems with sales, falling share price and reputation because of the taste of food that the customers admitted was as poor as cardboard in the focus groups. Instead of trying to gradually change the formula of the pizza, in 2009, the then CEO, Patrick Doyle decided to conduct an aggressive campaign called "The Pizza Turnaround" during which the company aired the videos in which the customers and Domino's employees described the deficiencies of the current product. At the same time, the company changed its fifty-year-old recipe, creating a new formula of sauce, cheese and crust flavored with garlic, and offered the critics of the old product to test the new one. The result of this campaign was the slogan "Oh Yes We Did" that became the basis for Domino's brand communication. In addition, this campaign was extended with other campaigns addressing the delivery speed, innovations in digital ordering and even road repairs organized by the company. The results for the finances of the company were impressive: the same-store sales of Domino's grew at the annual rate of 8.3 per cent in the period between 2009 and 2022 while the stock price of the company rose by over 2,000 per cent.

4.4 Apple: Reclaiming Identity Around Simplicity and Creativity

At that moment of Steve Jobs return to Apple Inc., the company was close to bankruptcy due to years of mismanagement and failure to develop a clear vision of itself as an organization. The "Think Different" advertising campaign became not an advertisement of a specific product but rather a rebrand of the company in its entirety, stating that Apple is a brand that represents a person of unorthodox mind that wishes to change the world. Such persons included well-known historical figures such as Albert Einstein and Mahatma Gandhi. Thus, it was an emotional prelude for the design-oriented products of Apple Inc. in the subsequent years such as the first iMac and then iPhone, and is still considered to be one of the examples of a good brand refreshment of an identity based on the principles of its founders.

4.5 Starbucks: The Discipline of the Brand Refresh

Not all rebrands require fundamental change in the visual identity of a brand. For instance, Starbucks brand has refreshed its visual identity several times since its creation in the 1970s. One of the recent brand updates happened in 2011, when the company eliminated the words "Starbucks Coffee" from the circular logo and left only the stylized image of the siren. Such a step was dictated by confidence that the visual identity of the company was strong enough after four decades of consistent presence in the market. Moreover, it gave an opportunity to show a variety of products available from Starbucks without words that could narrow the meaning of the brand.

4.6 Instagram: Rebranding a Digital-Native Product

Instagram rebrand in 2016 that changed detailed and somewhat nostalgic icon of a retro camera to a flat gradient one met with criticism of the fans of the application who identified themselves with the previous visual identity. However, Instagram had evolved from a photo-filtering application for niche audience to a popular platform providing a range of functions including stories, video, shopping and messaging. Therefore, its visual identity had to be simple enough to fit the small space of an icon on smartphones' home screens, and flexible enough to show the new functionality of the platform. After some time, this visual identity update gained popularity and did not affect the growth trajectory of the platform despite being initially unpopular.

Chapter 5: Indian Case Studies in Rebranding

5.1 Vodafone Idea to Vi: Rebranding After a Merger

Vodafone India and Idea Cellular merged in 2017, creating a new telecom operator called Vodafone Idea Limited. It became the largest mobile network operator in India by subscribers at the time of the merger. In other words, Vodafone India and Idea Cellular became Vodafone Idea for nearly two years during which the company operated as two brands at once. It caused confusion of the customers and decreased marketing effectiveness because of the presence of two different brand systems at once.

The company finally united these two brands in September 2020 by introducing a new identity called "Vi," pronounced as "we." The new name of the company should be short and memorable, and the communication accompanying the rebrand focused on the themes of togetherness and unity of people. Moreover, it made direct reference to the successful rebrand of Vodafone when the company replaced hundreds of thousands of retail touchpoints from the old Hutch brand to the new one in several weeks.

It is important, therefore, to consider the cautionary tale that the rebranding of Vodafone Idea to Vi offers. Despite the clear and well-communicated rebrand, Vodafone Idea continued to face significant challenges following the rebrand to Vi, such as shrinking numbers of subscribers, huge debt due to adjusted gross revenue payments to the government, and failure to invest in the 4G and 5G infrastructure as quickly as competitors with more funding. Vodafone Idea's market share shrank from about forty-four per cent to below thirty per cent a few years after the rebrand to Vi. This is a demonstration of the recurrent theme in marketing literature on rebranding that although a name change represents an important step and a rallying cry for a firm, it does not solve the structural issues and financial problems inherent in the business.

5.2 Hutch to Vodafone: A Benchmark for Execution Speed

In spite of happening outside the period of interest in this study, another relevant example of a successful rebranding campaign in India is the conversion of the Hutch brand to Vodafone in 2007 after Vodafone acquired a majority share in Hutchison Essar. This was a rebrand that involved several hundred thousand multi-brand retail stores and thousands of touchpoints dedicated to Vodafone, with a substantial majority of physical rebranding being completed just days after the public announcement of the rebrand. This approach allowed minimising the period during which customers could see a confusing mix of both old and new branding and is frequently used by Indian marketing practitioners as an example of how the rebranding should be done quickly and efficiently.

5.3 Tata Group: Rebranding Through Portfolio Rationalisation

A good example of rebranding that happens gradually without resorting to an all-out rebranding campaign is the process of rationalising the Tata Group portfolio of business and creating a strong brand architecture. In the last twenty years, the Tata Group has been trying to increase consistency of using the Tata name and trust mark across sectors from steel and automobiles to hospitality, retail and financial services. By doing so, Tata uses the shared identity to transfer the trust established by such successful brands as Tata Consultancy Services in IT sector to new ventures in completely new categories, such as the Tata Neu super-app for digital commerce.

5.4 Titan and Tanishq: Repositioning Within a Traditional Category

Tanishq jewellery brand of the Titan Company entered the Indian jewellery retail market in the mid-1990s with a proposition focused on the standardisation of purity, hallmarking and studded design, which represented a radical departure from the traditional trust-based unbranded jewellery shops that had been dominating Indian jewellery retail for generations. Over the following years, Tanishq has been gradually changing its positioning and its advertising message to correspond to current social trends, which included such innovative and even controversial campaigns as ones with remarried women and interfaith families long before any similar messages appeared in mainstream advertising in India. Such campaigns allowed reinforcing the positioning of Tanishq as a brand advocating modern and socially inclusive interpretation of Indian family life, showing how an Indian category-defining brand can use communication as a tool for continuous refreshing of its identity rather than a full-scale rebranding.

5.5 Digital-Native Indian Brands: Zomato, Swiggy and PhonePe

Indian tech-driven consumer brands have shown themselves to be quite ready to update their brand identities as they grow from niche start-ups to large-scale platforms. As Zomato and Swiggy grew beyond restaurant discovery and food delivery into adjacent segments such as grocery and quick commerce, they periodically updated their visual identity and changed their app experience. In this respect, these companies faced the same functional pressures as Instagram that forced it to simplify its identity; an identity developed for one particular narrow use case often needs to be updated to remain legible and relevant when the product itself broadens. Similarly, as fintech platforms like PhonePe grew from being mainly a payments app to becoming an ecosystem of insurance, lending and wealth management products, their brand communication evolved too.

Chapter 6: When Rebranding Fails: Lessons from Setbacks

6.1 Tropicana: The Cost of Underestimating Emotional Attachment

January of 2009 saw Tropicana, a division of PepsiCo, release a new packaging design for its flagship brand, Pure Premium orange juice. The new design was a collaborative effort between the Tropicana team and the Arnell Group, involving costs totaling around thirty-five million dollars in design and advertising. While the old design involved the iconic image of an orange with a straw stuck in it, which served as the logo for the drink and dated back to the 1950s, the new one featured a simple image of a glass containing orange juice and a new, much simpler logo.

Consumer reactions were swift and harsh. Loyal Tropicana customers found it increasingly difficult to locate the brand in the aisles because the redesigned packaging did not carry any familiar visual cues. In addition, many customers mistook the new packaging for a generic private label offered in supermarkets. As a result, sales of Tropicana Pure Premium plummeted by about twenty per cent over the course of the next two months, resulting in losses of thirty to thirty-five million dollars in revenues. Competing brands quickly seized the opportunity to grab the market share that Tropicana had temporarily lost. In the face of consumer discontent and the clear negative financial impact of their mistake, the company decided to abandon the new packaging just two months later, in February 2009.

The example of Tropicana is widely used in marketing literature as a cautionary tale because there are several lessons that it teaches potential designers and marketers. First, packaging and branding visual elements can serve as navigational tools helping consumers find a particular product fast. Removal of a distinct visual cue can thus prevent loyal customers from buying a product they intended to purchase. Second, testing a packaging design in a controlled environment, such as a boardroom, is never a substitute for testing it in the real world. The Tropicana case shows that even the most elaborate designs will not survive if they do not pass a test under the actual conditions of a grocery aisle and a consumer trying to make a fast purchase. Third, even large companies using reputable design agencies are vulnerable to a flawed rebranding process if consumer research does not play a significant role compared to internal creative preferences of stakeholders and the agency.

6.2 Gap: A Rebrand Reversed Within Days

In October 2010, American clothing retailer Gap made an attempt to modernize its brand by unveiling a new logo. It replaced the traditional navy box logo with a plain wordmark surrounded by a small blue gradient square. Consumers and design professionals reacted negatively to the new design and claimed that the new mark looked generic and unfinished and did not fit a retail brand. In the face of intense negative feedback mostly expressed via social networks, Gap returned to the old logo less than a week after releasing the new one. The case of Gap logo is widely used in marketing along with the case of Tropicana in order to show that the change in a recognizable visual element always carries a considerable risk if it is not accompanied by proper consumer research and strategic logic.

6.3 Common Threads Across Rebranding Failures

A review of these and other documented cases of failed rebranding reveals a number of recurring patterns. Many rebranded visual assets that fail to succeed are removed or changed without thorough consumer research that shows whether they are valuable or not. The aesthetic preferences of internal stakeholders and designers tend to prevail over the actual consumer preferences in many failed rebrands. Often, companies ignore the emotional connection their loyal customers have developed with the visual cues of their brand over time. Sometimes, failed rebrands are simply cosmetic changes with no underlying logic or strategic reasons whatsoever.

These are instructive cases exactly because they serve as a reflection of success factors in the opposite way of those described in the case studies presented in the previous chapter. While Airbnb conducted extensive research within its community in order to arrive at a decision about a new logo, Gap introduced its new logo with minimal preparation among the public. Similarly, while Domino's complemented the rebranding process with a revolutionary marketing campaign, as well as the transformation of its pizza recipe, Tropicana only made changes to the design without changing the product itself. Hence, it appears that the discipline in the rebranding process, rather than the creative approach to the result, is the decisive factor of rebranding success or failure in the market.

Chapter 7: Data Analysis and Projections

7.1 Objective

The following chapter presents a hypothetical, assumption-driven projection of how brand recall and revenue impact might change during the course of three years following a corporate rebranding, under different levels of discipline in executing the process. The purpose of this exercise is not to forecast the results of the rebranding process for any particular company, but to quantify, in a structured way, how much impact process discipline of the type outlined in Chapter Three would make on the eventual revenue results from the rebranding. The following projections are based on the patterns observed within the case studies and the general industry commentary regarding the trend of brand recall after rebranding.

7.2 Projection Basis

In order to present the projection, let us assume that the baseline unaided brand recall is forty per cent in the year of launching a new identity, which represents a fairly normal starting point for a business that made necessary preparations in terms of communication strategy and roll-out of the rebranding process. There are three scenarios projected, including Low-Discipline rebranding scenario, which stands for launching a brand identity without sufficient consumer research, inconsistent roll-out across touch-points and no post-launch measurement and tracking; Moderate-Discipline scenario, which includes a rebranding process that goes through all of the stages of the rebranding process except one or two; and High-Discipline scenario, when the company follows the entire audit-strategy-creative-process-rollout-measurement process with consistent post-launch investment in line with the patterns seen in Domino's and Airbnb cases. The formula that is applied in order to project brand recall is a common compound growth formula:

Projected Recall (Year n) = Baseline Recall × (1 + Annual Growth Rate)^n

Year	Low-Discipline (5% p.a.)	Moderate-Discipline (12% p.a.)	High-Discipline (20% p.a.)
Launch Year	40.0%	40.0%	40.0%
Year 1	42.0%	44.8%	48.0%
Year 2	44.1%	50.2%	57.6%
Year 3	46.3%	56.2%	69.1%

7.3 Revenue Impact Scenarios

There is a second projection related to revenue uplift as a result of rebranding, presented in three levels of process discipline. In order to calculate revenue uplift, the baseline is set to be the same as in the first projection, i.e., the year of launching a new identity. However, there is a certain delay between improved brand recall and the actual revenue uplift because people have to try the product after they hear about it. That is why the conversion ratio, calculated based on the example of Domino's Pizza, is used. Same-store sales of this company have grown at the compound annual growth rate of around 8.3 per cent during more than a decade since the successful rebranding process.

Year	Low-Discipline Index	Moderate-Discipline Index	High-Discipline Index
Launch Year	100.0	100.0	100.0
Year 1	101.5	104.0	108.3
Year 2	103.0	108.2	117.3
Year 3	104.6	112.5	127.0

7.4 Insights from the Projection

The projection reflects the increasing differentiation between the three scenarios in the coming years after rebranding. The difference in brand recall rate after three years of rebranding between the High-Discipline scenario and the Low-Discipline scenario amounts to twenty-three percentage points, and the difference in revenue index amounts to over twenty points. The increasing differentiation in the above two metrics is consistent with the trend reflected by the case studies in this report. That is, the positive results of the well-executed rebrands get amplified in subsequent years while the results of poor execution get diminished or reversed.

It should be acknowledged that these projections are hypothetical and indicative only. The future performance of any company in the context of a rebrand will be determined by the industry dynamics, competitive environment, size of the marketing effort and other external factors that fall outside of the scope of rebranding itself. Yet, the exercise reinforces the main argument of this report: the process discipline in rebranding and the commitment to investing in the new identity are just as important, if not more, than the creative effort underlying the new logo, brand name or campaign.

Chapter 8: Key Success Factors: A Synthesised Framework

8.1 Clarity of Strategic Purpose

Each of the successful case studies in this report had been preceded by a clearly defined and articulated strategy which provided the basis for the visual identity developed. Airbnb's rebranding strategy was based on the single principle of belonging, Old Spice's was based on the discovery that women made most of the purchases decisions and Domino's turnaround idea revolved around the principles of transparency and constant improvements. Visual identity of each of these cases was an expression of a strategic clarity rather than its substitute. Companies which started their rebranding process from a design assignment without understanding what the new vision of the company would be like produced less successful outcomes compared to the opposite group of companies.

8.2 Deep, Honest Consumer Insight

The case studies in this report are characterised by a thorough understanding of customers and a solid consumer research base. In contrast, the failed case studies show that Tropicana and Gap did not conduct enough research in advance to understand to which extent the customers were emotionally connected to the elements of the visual identity of the brand. It is important to ensure that the consumer research produces honest and not politically correct results and allows to discover the potentially negative aspects of the proposed concept.

8.3 Internal Alignment Before External Launch

A rebrand that has been well-understood and adopted by the internal team members including franchisees and partners is executed much better. The speed and the precision of Hutch's rebranding to Vodafone in India as well as the internal changes that led to Domino's public admission of mistakes reflect a company that had already done the internal homework before presenting the rebranded company to the customers.

8.4 Willingness to Test, Explain and Adapt

While Airbnb has managed its backlash against its Bélo logo with a well-communicated explanation of the design's symbolism, in contrast to Gap's quick abandoning of its newly introduced logo in 2010, it might be useful to conclude that companies which are sure about their strategy and their thorough research in this field have more opportunities to withstand the criticism than those who do not have enough confidence in their decisions.

8.5 Sustained Investment Beyond the Launch Moment

As shown by the data analysis carried out in Chapter Seven, as well as by the practical experience of Domino's Pizza transformation, both approaches suggest that the gap between rebranding which generates a burst of publicity and rebranding that yields long-lasting improvement in the company's performance results from the difference between investing in the brand narrative for many years after the rebrand and viewing the rebranding campaign as a one-time affair.

8.6 Recognising the Limits of Rebranding

Finally, the rebranding experience of Vodafone Idea to Vi shows another lesson which is very valuable and often overlooked: rebranding is able to give an additional boost and to clarify things for an organization, but it is not able to solve all the structural, financial and competitive problems of a company. Organisations that believe that the rebranding campaign will solve their problems instead of providing additional impetus are unlikely to benefit fully from it.

Chapter 9: Recommendations and Future Trends

9.1 Recommendations for Organisations Considering a Rebrand

Organizations that think about the possibility of rebranding have to start with a carefully carried out brand audit, and not with a creative brief; it means that any decision about changing something visual or verbal should be supported by facts and research, rather than preferences of the company's management or creative agency. Proportionate investment in consumer research should be made throughout the process, including not only the diagnostic phase, but also the testing phase where the most successful creative directions can be found with the help of representative sample of both loyal and potential customers. In case it is possible, a phased or limited-market testing should be considered; such approach could possibly reveal potential problems of rebranding (like those in Tropicana and Gap's cases) in advance and avoid the mistakes of these two companies.

The issue of internal alignment should be viewed as a precondition for external launch, not as a parallel activity; sufficient time and resources should be spent for training and briefing the employees and partners (franchisees). In case the rebranding is reactive and made because of some crisis or merger, the organization should ensure that not only the change of identity is made, but also there is a verifiable change in the product or service itself, following the example of Domino's Pizza transformation. Finally, the companies have to make investments and measurements in rebranding well beyond the initial launch period, understanding that usually it takes years to show all its benefits.

9.2 Emerging Trends in Rebranding

There are several emerging trends which could affect the way organizations go about rebranding going forward. The trend towards purpose-led branding, where firms build their identities around the broader mission of the organization in addition to the product attributes, continues to grow in strength in light of the success of brands such as Airbnb. However, companies pursuing this path should be wary of being accused of greenwashing or similar practices if the firm fails to prove itself to be doing something concrete to achieve the purpose.

The ability to track sentiment, recall and positioning in near real time using data and artificial intelligence-assisted analytics is now becoming increasingly common, allowing organizations to make changes to a new brand identity faster than it was possible before, when periodic surveying was the only means of tracking brand performance. This capability would allow avoiding some of the prolonged failures suffered by brands like Tropicana since negative brand sentiment could be quickly identified and addressed.

Adaptive brand systems, in which the core identity is purposely designed in order to remain flexible enough to be reinterpreted in relation to ever-changing product lineup, markets and digital environments while maintaining the identity rather than changing it completely every time, are becoming increasingly common among fast-growing digital businesses, similarly to the way Indian firms like Zomato and Swiggy managed to do the same thing. Finally, as global companies are beginning to compete in multiple regional markets simultaneously, there would be a growing need for culturally adaptive rebrands, where a common global strategic concept is expressed through the localized creative execution, especially for firms expanding from the major regional markets (India, US, China) to other parts of the world.

Chapter 10: Conclusion

This study started with the premise that rebranding should be seen not as a design but as a strategic exercise, and that is why a diverse set of case studies, which included hotels, consumer goods companies, technology, QSR and Indian telecommunication sector, were chosen in order to look for insights. In all these cases, a pattern becomes clear. Successful rebrands, measured either by sales growth, such as in case of Domino's, or by successful construction of a global brand identity, such as Airbnb, are founded on solid strategic concepts based on consumer research, internal alignment and sustained long-term investment.

Failing rebranded companies, such as Gap's 2010 logo and Tropicana's 2009 packagings, on the contrary, are characterized by insufficient consumer research and by undertaking rebrand for its own sake rather than as a manifestation of some underlying strategic change. In that sense, the Indian case of rebranding of Vodafone Idea to Vi serves as an additional illustration of the fact that a rebranding effort alone will not solve problems in a company's structure.

For both management students and marketers in practice, the most important lesson of this report is that the name, logo, and tagline of a company represent just the tip of the iceberg of a far more substantial change the organisation makes when it commits to thinking differently, acting differently, and serving its clients differently. Those organisations that take this into account, making the same effort in terms of research, internal alignment, and implementation as they make when developing the brand creatively, stand to have the greatest chance of becoming the next Airbnb, Old Spice, and Domino's and not the next Tropicana and Gap in the history of business rebranding.

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