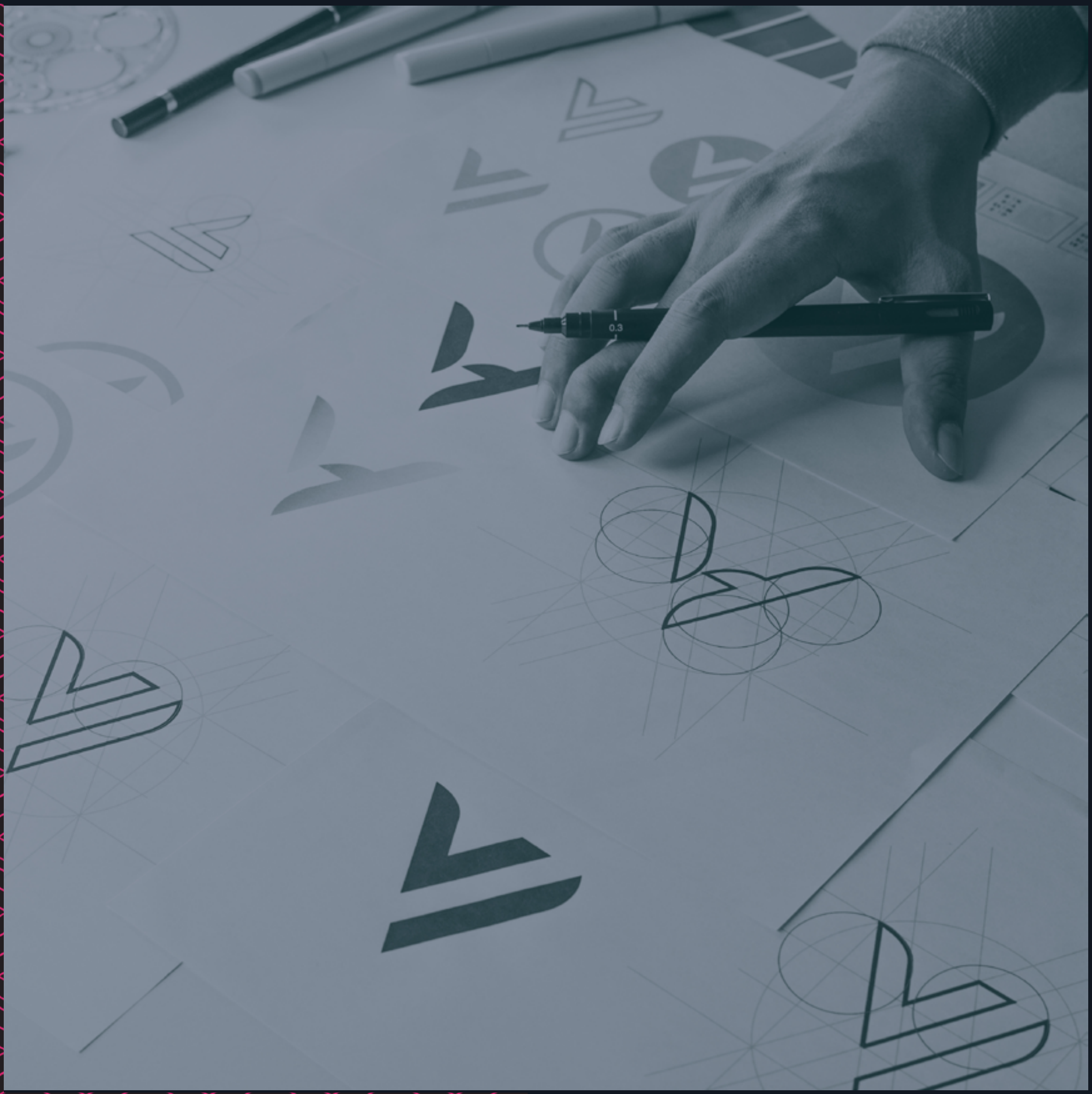

A MAGENTA WHITE PAPER

Building a new brand

magenta

Introduction

Rebranding is a precarious exercise. It can be fraught with risk yet often the very thing needed to help a business regain industry relevance and a greater market share. Get it right and the company is reinvigorated. Get it wrong and it can destroy years, if not decades, of custom and hard-earned brand awareness.

OLD LOGO

REDESIGNED LOGO

BACK TO ICONIC DESIGN

Apple's rebrand sparked 20 years of unprecedented growth

COURTESY OF THE ADVERTISING ARCHIVES

Even large corporates with mammoth marketing departments get it wrong from time to time, demonstrating that there is no single formula for success. Due to all manner of variables, a rebranding exercise is ultimately as unique as the company carrying it out. MasterCard, Pepsi, Gap and even global events like the Olympics are just some that can be filed under 'the ones that got it wrong' category. In Gap's case, the company spent months redesigning its corporate image to the tune of a rumoured $100 million. It proved so disastrous that the clothing firm reverted back to its iconic design just six days later.[1]

On the other hand, the dividends of a successful rebrand are undeniable. New portions of the market are exposed to an organisation they would otherwise overlook, which often results in a renewed period of growth. This is best illustrated in technology giant Apple. In the mid 1990s, the company was suffering from low sales, and even lower consumer interest, while the competition was booming. That all changed when Steve Jobs took over in 1997. With Jobs at the helm, the company embarked on a series of marketing and advertising campaigns that placed emphasis on the experiences that Apple's products could offer, which in turn attracted a new customer base and cemented it as a pace setter within the technology industry. The rebrand sparked 20 years of unprecedented growth, ultimately

1 https://medium.com/@gfraikin/gap-worse-rebrand-ever-even-6-years-later-4a883d0cc736

seeing the company become the first to be valued at $1 trillion.[2]

Rebranding, however, doesn't just aid the bottom line but also helps to build better engagement with employees and clients. When facilities services provider Mitie rebranded in 2014, its award-winning new look saw a 37 per cent rise in customer awareness, a 42 per cent increase in unprompted awareness, and a 29 per cent increase in external visits to its website. Moreover, 87 per cent of Mitie employees viewed the new brand as a 'significant improvement'.[3]

Irrespective of these figures, it is still common to hear individuals place greater emphasis on the value of branding (and thus by extension rebranding) within B2C. The consumer sphere is understood to be driven primarily by emotion, whereas in the B2B realm it is more reliant on facts and figures. It is assumed that between two businesses the purchasing of goods and services is solely accountable to reason – cost effectiveness, convenience and suitability, for example – rather than any personal bond the decision maker may have with an organisation's brand. As Laura Lake points out, writing in The Balance, in B2B "there is little to no personal emotion involved in the purchasing decision… you want to focus on understanding the organisational buyers and how they operate within the confines of their organisation's procedures".[4]

Research from Gartner, which examined the impact of personal emotions on B2B services, has proven this not to be the case. The study found that 71 per cent of businesspeople who identify personal value in a B2B product or service will end up purchasing it, with personal value having twice the impact on the buyer than 'pure' business reasons. This demonstrates that emotional value outweighs logic and reason in driving purchase decisions within B2B just as much as it does in B2C. Brand reputation, then, is crucial irrespective of whether you are selling to the general public or another business.

Keeping in mind the power of a successful rebrand for both B2B and B2C, and the idea that no two rebrands are the same, how can businesses better control the variables and turn the odds in their favour, and is it even possible? This report, from built environment specialist Magenta Associates, explores this issue using the insights of marketing professionals from across the built environment.

2 https://www.bbc.co.uk/news/business-45050213
3 https://news.mitie.com/news/mitie-rebrand-simply-beautiful
4 https://www.thebalancesmb.com/b2b-vs-b2c-marketing-2295828

Untangling brand and rebrand

Caitlin Alvey

Head of marketing at Si One

Any discussion about rebranding must be prefaced by a clear understanding of what brand is and why it is important to a business's future success

Branding as it is understood today has its genesis in the indelible print that is left on cattle by a scorching iron as far back as Ancient Egypt. This practice has continued through the ages, eventually being used to help drovers distinguish and roundup open ranch stock before being taken to market for sale.

Acknowledging the power that an easily recognisable image could have, business leaders soon began to adopt this practice, albeit less painfully, for their own purposes away from livestock. It has, of course, moved on considerably since those early times, yet the idea that 'branding' and 'logo' are interchangeable terms still persists to this day. While image is certainly intrinsic to a successful brand, the notion that a logo or look encapsulates 'brand' is fundamentally misguided. As Patricia Malone of Sodexo, a global facilities management and food services provider, explains: "Branding is so much more than a logo. It is, in fact, one of the most important strategic imperatives for a business operating today. It acts as a value system for everything a business does and presents to the world what a company stands for. A successful business leverages its brand values as a strategic lens when going about any important decision-making process."

Caitlin Alvey, head of marketing at Si One, agrees: "There is certainly a distinction to be made as many experienced professionals will still conflate the idea of 'brand' with a company logo or website. Any discussion about rebranding must be prefaced by a clear understanding of what brand is and why it is important to a business's future success".

If 'brand' can be defined, then, it is about establishing and maintaining a coherent and consistent identity, not just in look or feel but in message too. The challenge for businesses is to move beyond graphics and symbols and instead find a corporate expression that customers recognise and, most importantly, value.

It is this expression that makes the rebranding exercise so risky, particularly if a company has already established an identity that has historically worked well. Achieving a consistent message requires total re-examination of a company's raison d'etre. Why does the company exist? What problems does it solve? Why does it do it better than its competitors? Is this difference obvious to customers? If not, can it clearly distinguish its message from others? These questions – among many more – force a company to fundamentally reposition itself and its voice within a busy marketplace. Only once it has the answers to these questions can it begin to reaffirm its value proposition and, if executed properly, enjoy a new period of growth that often follows a rebranding process.

Chapter 1

The business case

Perhaps the first way to approach the business case is to ask whether a brand is ever too important to change. For some, like Alvey, this question ultimately boils down to figures.

"The right brand message will always be important, but it will only ever be as good as the product or service being sold and whether sales and market share are moving in the right direction. If they are not, it is probably time to rethink the approach," she explains. In pointing out the importance of the bottom line, Alvey does not, however, discount the innate value a brand message has to sustaining sales. "For years, Volvo ran campaign after campaign on the issue of safety. It may not have been the most attractive car, but it kept your family safe and got you where you needed to be. Then one day this message disappeared, and sales began to plummet." While growth is undeniably the best barometer for most business decisions, there is a reciprocal relationship between brand message and turnover. Alvey's Volvo example may not conclusively show that certain brands are too well-established to be changed, but it does demonstrate that some require a more delicate approach than others.

"When rebranding, there is a tendency to veer from the brand 'foundation', which can alienate customers and what they liked about a company in the first place," says Malone. On the other hand, she argues, there is a high risk of "overthinking the entire process and failing to adapt with the accelerating pace of market change and customer preference". Growing irrelevance, then, is one of the primary indicators that a rebrand is required, providing that the company builds upon the rapport it has already established with its customers.

Similarly, a company that chooses to remain static within its marketplace will tend to face greater risk of financial instability when pitted against a competitor that makes ongoing, yet subtle, changes to its brand. "For me, rebranding is often incremental, where you continue to appraise the success of your organisation and the message being sent out to your consumers," Malone explains.

COURTESY OF THE ADVERTISING ARCHIVES

> **"When rebranding, there is a tendency to veer from the brand 'foundation', which can alienate customers"**

Patricia Malone / Sodexo

1988 Harley-Davidson FXSTS Springer Softail

1960s LOGO

PRESENT DAY

In B2C, motorcycle manufacturer Harley-Davidson was one such company that failed to do this, subsequently finding itself closer to failure during the mid 1980s. Despite being one of the most recognisable brands in the world, sales continued to fall to the point where insolvency would soon follow without a considerable shift in focus. As Jonathan Salem Baskin makes clear in Forbes, the motorcycle company's resurrection is not so much to be found in the alterations it made to its line of products but rather the decision to move beyond its historic moniker, updating the 'social banding' strategy that it had practically invented in the early 20th century.[5]

In the B2B sphere, where products and services are harder to differentiate, the need to offer something greater than a name takes on even greater significance, particularly if businesses wish to maintain a healthy margin. For some, like Steve McGregor, group managing director at DMA Group, brand is a key differentiator in a crowded marketplace and an opportunity to engage customers beyond the financial picture. "Brand is vital, but it has to stand for something. It should be a manifestation of leadership underpinned by strong engagement and teamwork supported by shared values, goals and behaviours that set and maintain a standard," he explains.

Determining the need for a rebrand is contingent on changes at board level, and the vision that its members decide for the future of a company. If brand is, as McGregor says, a 'manifestation of leadership', then the moment in which a company outgrows its original mission is yet another indicator that it is time to initiate a rebrand. David Tarbuck, head of communications and content at facilities management and maintenance services provider Salisbury Group, agrees with this perspective, noting that a brand is rarely, if ever, too important to change. "However, the process must always be reflective of some key principles if it is to be taken seriously within the marketplace," he adds. "If these principles change, a rebrand will be required."

For Jade Thompson, marketing manager at InfoDesk, there is a strategic benefit to rebranding, too, which can be used to sustain momentum in a company's development. "M&A activity, for example, will often necessitate change as a value proposition will be fundamentally different following a purchase or sale," she says. "Rebranding gives the new-look business an opportunity to recalibrate with both clients and customers. This kind of effort can not only placate any concerns but also draw in engagement from previously untapped audiences."

Unsurprisingly, the business case for rebranding is multifaceted. It could be that a business is facing consistently low sales as a result of poor messaging, a significant change in offering or service has occurred, or previously successful messaging has been lost in the process of an ill-conceived update. On the other hand, a company may have fallen into disrepute with its customers, colleagues and the wider public, or could find itself with entirely new management and therefore a new sense of direction. There is even the possibility that messaging needs modifying as company circumstances change in both seen and unforeseen ways. Irrespective of these signs, caution still needs to be applied to extract the most value out of a rebranding effort. The signs, however helpful they may be, are not simply a checklist but rather aids in determining the market's engagement with an organisation. As Alvey cites, there is little sense in pursuing change simply because competitors are doing the same: "In marketing, copying your competitors is the last thing you want to do. Instead, a key part of your strategy should be how you differentiate your brand in a way that is relevant to your target customers. When it comes to positioning, everyone wants to be the organisation to make the first move, but sometimes that is not possible. The plan of attack must be informed by your strategy, not the other way around."

5 https://www.forbes.com/sites/jonathansalembaskin/2013/07/12/harley-davidson-will-be-a-case-history-in-social-branding/#7cf75488155e

Chapter 2

Steps to success

The introduction of this report has shown that organisations – even ostensibly experienced multinationals – continue to pursue poor ideas even with the benefit of others' very public missteps.

You have to return to the 'Why?'

↓

Why does the organisation exist?

↓

What does it do better than others?

↓

What does the organisation want to be known for?

↓

Is this communicated clearly?

↓

Who are we targeting and for what reason?

↓

Is our brand promise still true to our business vision?

The reasons for these shortcomings are in part down to the disruption caused by the internet. According to branding expert Sheik Danish Ejaz, marketing and communications are now a fundamentally different prospect in the digital age: "Digital is giving consumers the platform to speak their hearts out, talk about the brand, and is putting the power into their hands. This is leading to a change of products and services based on what consumers actually want."[6] Shifting sands aside, the requirement for a coherent brand strategy continues to have the utmost importance. "Without it," Alvey says, "a business is far more likely to make serious miscalculations."

Reflection

Sodexo's Malone believes rebranding begins with defining the brand's current state through reflection. "You have to return to the 'Why?'. Why does the organisation exist? What does it do better than others? What does the organisation want to be known for? Is this communicated clearly? Who are we targeting and for what reason? Is our brand promise still true to our business vision?"

Alvey concurs: "Simply desiring a rebrand is not enough. You have to constantly ask questions of the business to determine if the exercise is a valuable and worthwhile thing to do. Rebranding will not fix serious issues; in fact, it will make them far more visible."

Research

You need only look at the huge amount of literature available on rebranding to see that market research is paramount to any successful rebrand. "Businesses without an understanding of their market and how it is changing will fail to construct messaging that truly means something to a target audience," says Tarbuck.

McGregor agrees with this position, adding: "Much of the problems associated with rebranding can be mitigated with the correct amount of research and preparation."

For Malone, the right research consists of both qualitative and quantitative data. "It is as much an art, as it is a science," she explains. "You need to accrue as much business-critical information as you can as well as insights regarding the perceptions of customers, colleagues and associates. By cross-referencing, you can then begin to pinpoint where the brand currently is and where you want it to be."

There is, however, as Laura Lake again shows in The Balance, a distinction to be made between the kinds of qualitative research carried out: "Market research is when you have narrowed down a specific 'target' and you are delving into the

6 http://www.brandquarterly.com/digital-empowerment-changed-marketing-communications

behaviour of that target. In other words, it is research into a very narrow group of consumers [whereas] marketing research is essentially about researching the marketing 'process' of a company – not just 'who' they are targeting." The 'art' and 'science' which Malone refers to, then, is a mix of both these approaches, as a well as an analysis of the bottom line.

Securing stakeholder approval

Once this investigation has been completed, a business can begin to create the elements (imagery, logos, colours, straplines, etc.) that 'physically' constitute a new brand. But is this possible without alienating the existing customer base as well as the brand recognition which has already been built? The participants in this report were unanimous that it is possible so long as the process engages the right groups of people throughout. "Providing the research is thorough enough, you continue to take on board the views of both internal and external stakeholders throughout the entire process, you can be confident that clients and colleagues will respond positively," says Tarbuck. "Engaging with them is not only the polite thing to do, especially for key customers, but also essential for achieving positive outcomes and ensuring you identify and eliminate serious errors from the campaign."

"The key is to build in a consistent communications plan that addresses both immediate and future concerns, rather than asking stakeholders for their opinion then taking them out of the loop as you move things forward," Thompson adds.

Public testing and reappraisal

Even with thorough research, however, there are times when developments will force a major rethink. In the mid-2000s British Petroleum (BP) launched a $200 million rebranding campaign, shortening its name to BP and adopting the tagline 'beyond petroleum' in a bid to further its aspiration for a greener future. This position was considered tenable until the Deepwater Horizon disaster in the Gulf of Mexico in 2010, which saw thousands of gallons of oil leak into the sea. It caused untold damage to the marine environment and left the company vulnerable to derision in the press and online. The international response was said to be so negative that the company considered rebranding once again, ultimately deciding against it due to the scale of resource that was dedicated first time round. For the BP brand, this unfortunate event could not be accounted for when going about its original refresh, though it demonstrates the importance of ongoing brand reappraisal. "Engagement goes both ways," says Alvey. "A business has to revisit the reasons it decided to rebrand in the first place and compare these with changing public opinion. Simple yes or no questions are not going to cut it."

OLD LOGO

CURRENT LOGO

Chapter 3

Understanding success and sustaining interest

It should be clear by this point that rebranding is never an isolated effort. The process requires extended and ongoing engagement with many different parties as well as consistency and curiosity in order to ensure lasting benefit. "Brand is the foundation of everything that happens, especially in a marketing and communications capacity, which makes rebranding a fairly unique endeavour in business," Malone explains.

Part of what makes the idea of 'brand' so peculiar is the difficulty of measuring it in any rigid or immediate way. Marketing Week writes: "There has never been as many opportunities to measure the impact of marketing campaigns but there has never been as many chances to get it wrong." And while digital has created an explosion in available data, finally giving marketers something tangible to analyse, it has also created "challenges in terms of data management, avoiding short-termism and a slavish devotion to efficiency over meaningful measures of effectiveness".[7]

Understanding success

The tendency for businesses to favour numerical metrics is understandable. After all, figures are often seen as the most straightforward way to quantify and communicate progress to shareholders. In this sense, marketers are no different. They, too, have to convince others that the budget given to them at the start of the financial year has been used to good effect. For Thompson at InfoDesk, measuring success is unequivocal: "The rebranding process is often very expensive, so the end product should ultimately see improvements to brand advocacy, loyalty and, most importantly, profit."

Similarly, for Alvey, the definitive measure of success can be found in two key metrics: "As a marketer, I want to know if a rebrand has retained customers and, most importantly, helped to drive more sales." Malone only adds to this position: "Campaigns are built from the successes of others before them. Building your brand effectively over time directly correlates with business profit over time."

While return on investment is certainly not an invalid position, there are other slightly more indeterminable measures that indicate success. Writing in Entrepreneur, 'lean' business advocate Jeremiah Gardner remarks: "The illusion that a supposed brand genius can lock himself in a room and come out with the perfect idea has been shattered. What today's best organisations are realising is that using audience feedback to learn and iterate your brand will lead to much better results."[8]

"Determining success, particularly for a newer or less-established organisation, can be as simple as attending events and hearing what others have to say about your business," says Tarbuck. "This industry perception has real power for a company in its formative stages." His deeper contention here is that brand building is essentially an elongated process where some of the best campaigns take a long-term view in order to accrue the most benefit. "A short-term brand strategy may be financially expedient for large organisations, but the best companies will look to build on their messaging over time," Tarbuck adds.

"Communicating company culture in order to attract talent, for example, is not something that can be done easily with a shorter campaign. It requires a greater degree of planning and patience."

As Thompson reveals, however, success is always dictated by the goals that have been defined in the campaign's plan. Some companies may favour a rebrand in order to stimulate immediate growth, while others will use it as a tool in which to build a business over a longer period of time. She explains: "The idea of success is always dependent on the brand strategy. What are the goals? Who are we trying to target? How is this being measured?"

Sustaining interest

Beyond the campaign itself lies a bigger issue: how do you sustain the engagement that results from a successfully executed rebrand? In other words, what role does communications play in supporting the key messages that are built from a brand strategy? Writing in Forbes, writer and entrepreneur Rebekah Illif describes how public relations teams and brand strategy are often severed from contact, despite being more effective when working co-dependently as both deal with messaging and perception.[9]

7 https://www.marketingweek.com/reports/fundamentals-marketing-measurement-analytics-best-practice-guide/
8 https://www.entrepreneur.com/article/239201
9 https://www.forbes.com/sites/forbesagencycouncil/2016/09/01/public-relations-and-brand-overlap-far-more-than-you-think/#21d234ca5494

This sentiment is also shared by Alvey at Si One, who believes that communications, specifically PR, should not be considered mutually exclusive from any wider rebrand effort. "For brand building, it is essential that marketing departments and PR teams work collaboratively. Whilst the former drives the strategy and creative, PR is a crucial method of communicating the brand message to the relevant audience. The two must work hand-in-hand".

Malone, who worked on a number of rebrands in the financial services sector prior to joining Sodexo, builds on Alvey's idea: "When rebranding in previous roles, especially after a merger, I have led marketing and communications teams for both internal and external affairs. Internal communication helps bring the brand promise to life with colleagues, whereas external communications helps to bring the brand promise to life for consumers and external stakeholders. Both are essential for assuring rebranding success."

Shree Lahiri, writing in Reputation Today, builds on the idea of joined up thinking. She describes how PR teams are the essential link for gauging public reaction and the evolution of a brand over time as they are the ones who are in most regular contact with press and the wider public.

Malone concurs, though adds her own caveat: "PR will sustain traction between a new brand and its public, but a business must ensure it has regular contact between departments. Care must be taken to assure the brand promise is understood and delivered by the organisation." Thompson echoes this, noting that "a business cannot rescind on its promises, be that three months or five years down the line. If it does, the entire process has been for nothing. Consumers see through platitudes and brand equity inevitably suffers".

It is clear, then, that communications cannot be extricated from the rebrand process, as much as brand strategy cannot be excluded from any ongoing PR efforts. Both work in tandem to build, sustain, and improve upon the key messages of a campaign.

But what about the launch itself? What is the best way to announce a new brand? "Your audience determines how you launch a brand," says Alvey. "Go where your prospective customers are. In B2B, that may well be an industry event or trade publication. For B2C, a TV advertising campaign and digital launch might be more effective." For Tarbuck, on the other hand, a launch is not always the best approach, particularly when selling to other businesses. "When moving into adjacent markets it is often best to opt for a soft launch, so a business can test its strengths and weaknesses without the stress and spotlight of public scrutiny," he explains. This develops upon Tarbuck's earlier idea that some of the most enduring brands start off slow and build upwards as the market evolves. "In this instance, drip-fed PR often works best because you can establish a firmer identity as relationships strengthen and your position within the industry grows," he adds.

Conclusion

This paper has shown that rebranding can never be treated as the isolated exercise that it so often turns into. Far from being an updated logo or simple change of palette, it is in fact an in-depth undertaking that requires a thorough examination of an organisation's core makeup – why it exists, why it is better than its competitors, and how effectively those messages are communicated and shared with its target audience. Failure to acknowledge a rebrand for the considerable challenge that it is will inevitably result in wasted time, money and, worst of all, irreparable damage to a hard-earned reputation.

Participants to this report have shown that a rebranding campaign is as much an art as it is a science, making use of both quantitative and qualitative insights to place the odds of success more firmly in a company's favour. Perhaps most important of all is the finding that 'brand' can never be treated as a static concept; it is an evolving feature of a company's value proposition that demands constant appraisal. Those that do not revisit messaging on a regular basis will invariably find their business moving in one direction and its public perception in the other. It could be said, then, that the best brands are those that are scrutinised most regularly as these are the ones that will reflect a business most accurately.

‘A rebranding campaign is as much an art as it is a science, making use of both quantitative and qualitative insights’

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