# Corporate Re-Branding Process:
# A Preliminary Theoretical Framework

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*This paper presents a theoretical framework for corporate re-branding as a process. The study suggests that, generally, corporate re-branding has four main phases; analyzing, planning, implementing and evaluating. Each of these phases consists of several sub-processes that might be intertwine, or overlapped, and should not be considered as static. Compared to empirical grounded models published earlier, this framework concentrates especially on describing the processes more theoretically. However, the process description lacks empirical evidence, and it should be tested empirically. The paper presents the current academic knowledge on corporate re-branding, offers preliminary framework for the corporate re-branding process, and suggests, conclusions and further studies.*

In discussions of corporate branding with a CEO and a manager of a small business to business (B2B) company, they revealed plans to change their company's name. They asked to know about any theoretical descriptions on how corporate name change – or re-branding – happens. Some examples include Daffey and Abratt, 2002; Kaikati, 2003; Daly and Moloney, 2004; Muzellec, 2006. The phenomenon relatively new.. Interestingly, the descriptions are empirically grounded case studies lacking the more general theoretical background. However, to provide an answer for these managers, and this paper offers a theoretical framework on how corporate branding happens.

## Academic Information on Corporate Rebranding

Some descriptions on corporate re-branding as a process have been established. A study of Daffey and Abratt (2002) considering South-African bank and Kaikati's (2003) description about Accenture's re-branding are interesting narratives (Langley, 1999) on how these companies executed their re-branding. Another important description is Daly and Moloney's (2004) description of corporate re-branding framework, which was created on the basis of a case study of Vodafone. Muzellec and Lambkin (2006) have also established an empirically grounded model of the corporate re-branding process concentrating especially on factors affecting re-branding. These studies are important preliminary work in the area. Despite these contributions, the field still lacks a more comprehensive process model that would help understand how corporate re-branding happens.

Moreover, there is no comprehensive description of the issues which are changed in the corporate re-branding process. Often corporate re-branding is defined as *"the practice of building* ***anew*** *a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors"* (Muzellec *et al*., 2003, p. 32) in reference to that only the name is changed in a process. Companies adopting new brand names are frequently reported in the business press but this phenomenon has as yet received little academic attention (Muzellec *et. al*., 2003). Changing a company's name suggests the loss of all the values that the old name signifies in an extremely short course of time. This challenges traditional marketing wisdom with regards to corporate brand equity, because changing the brand name nullifies years of effort and

can seriously damage or even destroy the equity of the brand. (Muzellec & Lambkin, 2006.) However, the literature suggests that there are other issues that are included in the corporate re-branding process as well; e.g. logo change, slogan change (Stuart and Muzellec, 2004), and corporate value change (Lomax and Mador, 2006). Corporate rebranding is expensive and time-consuming (Stuart and Muzellec, 2004), and may include pitfalls (Gotsi and Andriopoulos, 2007)

The aim of this paper is to develop a process model of corporate re-branding that accounts for the shortcomings discussed above. A process model of corporate re-branding explains how it happens; how the corporation adopts its new name and what influences the process. Here, process refers to the nature, sequence and order of activities and events (Van de Ven, 1992; Langley, 1999) that a corporation undergoes when it changes its name. Activities and events include the actions and decisions the company takes. In addition, different time scales in the same process and the dynamic nature of processes are considered. Process explanations include, for example, and explication of the overall pattern that generates a series, e.g. when the process develops in three or more stages (Van de Ven and Poole, 1995).

The following questions are answered during the journey: What kinds of potential corporate re-branding types and processes can be distinguished? Which factors influence the process? And How can corporate re-branding be described as a process? In building the model, the primary inspiration is drawn from the current literature on corporate re-branding. In addition, literature on corporate name changing, corporate visual identity system and process research for example is examined.

## A Process Model of Corporate Re-Branding

To develop a theoretically sound and practically relevant process theory of corporate re-branding, the research questions presented earlier should be answered. The following is organized around these questions.

*The types of corporate re-branding*

Re-branding may occur in different levels in organizations; corporate, business unit, or product level (Muzellec and Lambkin, 2006). Product re-branding is a widely studied area in the marketing discipline, but corporate re-branding is quite a new phenomenon in an academic context. This study concentrates on corporate re-branding only. The literature gives a variety of definitions of what corporate re-branding is and what issues are included in it. Therefore the type of corporate re-branding is examined first.

Daly and Moloney (2004) describe that the level of change in corporate brand may include minor, intermediate or complete change. According to them, the minor changes are about aesthetics, and vary from a simple face lift to restyling or revitalizing the brand which may need a change. Intermediate change is about repositioning, and use of marketing tactics, especially communication and customer service techniques to favorably reposition an existing brand name, thus giving it a new image. In complete change, the name is new to stakeholders and they do not know what the brand stands for. Values and image of the new brand are communicated to all stakeholders through an integrated marketing communications campaign. Daly and Moloney (2004) call complete change rebranding.

Stuart and Muzellec (2004) suggest a continuum of corporate rebranding varying from evolutionary changes in slogan or logo only, to revolutionary change incorporating the elements of name, logo and slogan. They suggest that the types of changes made by corporate re-branders fall into three categories; name, logo, and slogan change. They suggest that permutations possible

are a) name and logo, b) name, logo and slogan, c) logo only, d) logo and slogan, e) slogan only. They do not clarify why name only cannot change. According to them, change in only one of the elements will result in evolutionary change to the brand, whereas changing name, logo and slogan simultaneously will cause revolutionary change.

Muzellec & Lambkin (2006) suggest that corporate re-branding occurs either in an evolutionary or revolutionary manner. Evolutionary rebranding describes a fairly minor development in the company's positioning and aesthetics that is so gradual that it is hardly perceptible to outside observers. Revolutionary rebranding describes a major, identifiable change in positioning and aesthetics that fundamentally redefines the company. According to them, this change is usually symbolized by a change of name.

Lomax and Mador (2006) present a typology of branding choices on the basis of whether the name will be existing or new, and whether brand values and attributes (v&a) will be existing or new. They describe the options as re-iterating (existing name – existing v&a), re-defining (existing name – new v&a), re-naming (new name – existing v&a), and re-starting (new name – new v&a). In re-iterating, name and values are congruent and address client needs. In re-defining, values and attributes are changed to meet either external or internal identified concerns. If nothing is changed they are congruent and address client needs. If both are new, it is re-starting.

All in all, corporate re-branding may vary from minor, evolutionary changes in position and aesthetics to revolutionary changes in corporate name, values, attributes and positioning.

*Factors affecting corporate re-branding*

The main drivers for corporate re-branding are decisions, events or processes causing a change in a company's structure, strategy or performance of sufficient magnitude to suggest the need for a fundamental redefinition of its identity. Reasons for corporate re-branding include change in ownership structure (mergers & acquistions, spin-offs, private to public ownership, sponsorship), corporate strategy (diversification and divestment, internationalization and localization), competitive position (erosion of market position, outdated image, reputation problems) and in external environment (legal obligation, major crises or catastrophes). (Muzellec and Lambkin, 2006.) These drivers and reasons refer especially to corporate name change, but most of them can be considered as drivers and reasons for logo, slogan or value change.

It is suggested in the literature that a change of name is unlikely to occur if the organization itself has not changed (Muzellec and Lambkin, 2006). In other words, re-branding itself is a message that something has changed in an organization (Stuart and Muzellec, 2004; Lomax and Mador, 2006).

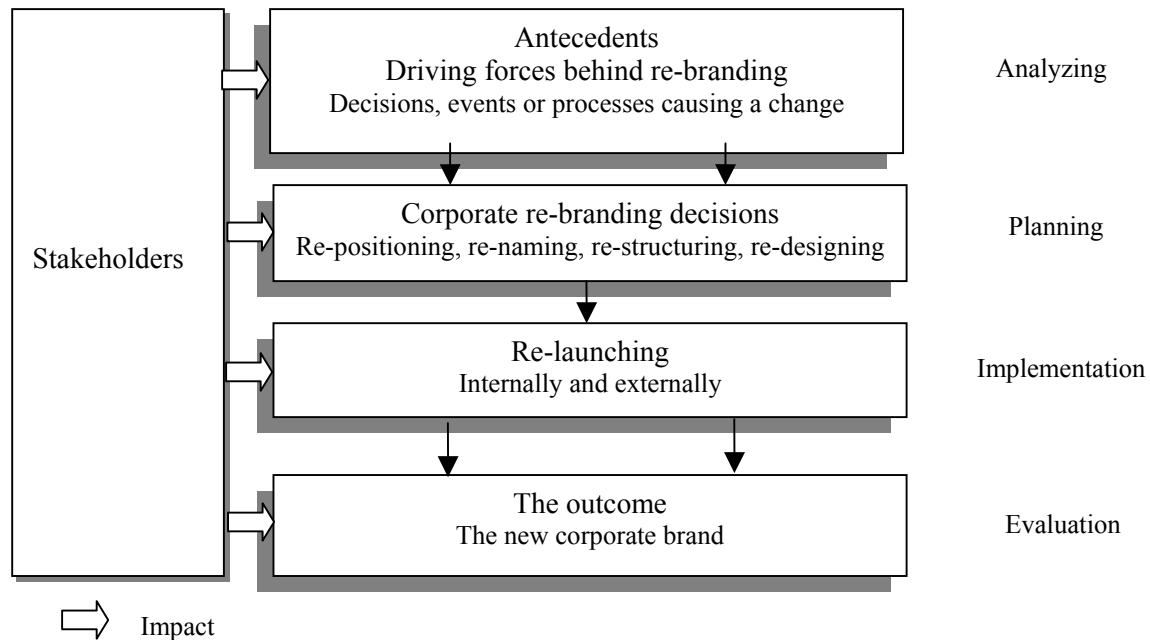*Phases in corporate re-branding process*

Theory development in this paper is based on two major sources: Daly and Moloney's (2004) and Muzellec and Lambkin's (2006) descriptions of corporate re-branding. Daly and Moloney (2004) suggest that the corporate re-branding process has the following stages: pre-campaign situation analysis, stage one: partnership campaign, stage two: vision and values, stage three: interim/dual branding (brand naming), stage four: pre-launch, and stage five: launch. Furthermore, they describe the phases of analysis, planning and evaluation (Daly and Moloney, 2004). Muzellec and Lambkin (2006), in contrast, concentrate especially on driving forces and reasons for corporate re-branding, but also suggest a model of the re-branding process. In their model, re-branding factors lead to the formulation of re-branding goals which reflect a new

identity and create a new image. An actual re-branding process begins after these phases including internalization (employees' culture) and externalization (stakeholders' images).

In addition to these contributions Kaikati (2003) suggest that re-branding consists of re-branding, re-structuring and re-positioning, but does not define any of these. Muzellec *et al.* (2003), on the other hand, suggest that rebranding consists of re-positioning, re-naming, re-designing and re-launching. Re-positioning is often considered as an objective-setting phase (Daly and Moloney, 2003) where decisions are taken to try to create a radically new position in the minds of its customers, competitors and other stakeholders (Kotler and Keller, 2006; Keller, 2008). Re-naming or name changing is the most discussed issue in corporate re-branding studies. The brand name is the core indicator of the brand. It is the basis for awareness and communications. It is a medium by which a corporation sends signals about corporate identity to stakeholders, and the brand image results from the decoding of those signals by the receiver. (Daly and Moloney, 2003.) Choosing a name is not an easy task. Muzellec (2006) presented different kinds of corporate name types: descriptive, geographic, patronymic, acronym, associative and freestanding. There are alternative routes – or processes – to choose corporate name (Kohli and LaBahn, 1997; Kollmann and Suckow, 2007), and employee participation in name development is suggested (Kollmann and Suckow, 2007; Lomax and Mador, 2006). In re-designing, the aesthetics of a corporatation are changed (Daly and Moloney, 2003). Here it is suggested that the redesigning phase could include all corporate visual identity system (CVIS) (e.g. Baker and Balmer, 1997; Van den Bosch *et al.,* 2005; Van den Bosch *et al.,* 2006). CVIS plays a significant role in the way an organization presents itself to both internal and external stakeholders. It expresses the values and ambitions of an organization, its business, and its characteristics. Key elements of a CVI are the corporate name, logo, color palette, font type, and a corporate slogan, and tagline and/or descriptor. These can be applied, for instance on stationery, printed matter, advertisements, websites, vehicles, buildings, interiors, and corporate clothing (Van den Bosch *et al.,* 2006). Even though corporate name is mentioned at this phase as well, here it differs from corporate re-naming. Re-naming is a process in which a new name is chosen, and at this phase, a visual layout of the new corporate name is created. Re-launching is mainly about communicating the new brand to the stakeholders.

On the basis of these, a proposition for a process description of corporate re-branding is presented in Figure 1. Rather than trying to explain causalities, the process is seen as a complexity of events, the need to account for temporal connections among events, different time scales in the same process, and the dynamic nature of processes including, for example, the explication of the overall pattern that generates a series, e.g. when the process develops in three or more stages (Van de Ven and Poole, 2005). The model distinguishes four main phases (analyzing, planning, implementation and evaluation) in the process. The process is described here from a corporate perspective. The process may include several actors in and outside the corporation. It should be noted that the phases might be intertwined or overlapping, and do not necessarily follow each other in this order. Furthermore, the phases are seen as consisting of several sub-processes, which include several phases and can be intertwined or overlapping in a sequence of time.

**FIGURE 1: A preliminary framework for the corporate re-branding process**

*Analyzing* is the first phase of the process. It includes analyzing antecedents of the current situation and the driving forces behind re-branding, including decisions, events or processes causing a change in a company's structure, strategy, or performance (Muzellec and Lambkin, 2006; Lomax and Mador, 2006).

*Planning* is seen here as a wide phase including several decisions and consisting of several sub-processes of re-positioning, re-naming, re-structuring and re-designing the company before the new corporate brand is launched. In addition, the decisions in this phase include in which level – corporate, business unit or product level – in the company the re-branding will be executed (Muzellec and Lambkin, 2006), and whether the change will be minor or major in nature (Daly and Moloney, 2004; Lomax and Mador, 2006; Muzellec and Lambkin, 2006). At this stage, stakeholders, like customers and employees, might be important sources e.g. for pre-testing or even developing a logo or a new name.

*Implementation* includes the re-launching of the new corporate brand planned before. Launching the new brand is a twofold area including launching first for internal stakeholders and after that for external stakeholders (Gotsi & Andriopoulos, 2007). Daly and Moloney (2003) suggest that internally the brand can be introduced through internal brochures, newspapers, annual meetings, workshops or intranet. To external stakeholders the new brand can be communicated through press releases and advertising. In corporate re-branding, planning and pre-testing should be considered carefully, because launching a new name and CVIS is an expensive operation.

*Evaluation* includes measuring the success or failure of the process. Measuring is difficult, and therefore it is suggested that corporate re-branding should be evaluated with regards of its initial goals (Stuart and Muzellec, 2004). Kaikati (2003) suggests monitoring and tracking reactions periodically. At its best, evaluation covers all the phases of the process.

Corporate rebranding necessitates synergy between marketing, human resource management and strategy (Hatch & Schultz, 2003). Context determines the involvement of different stakeholder groups in the process. Staff, customer and agency involvement at varying levels are found. Agencies help especially with communications, advertising, media buying and/or in new brand development. Often the process is more complex and time consuming than the companies anticipate. (Lomax and Mador, 2006.) In addition, the phases are more or less intertwined and overlapped.

Even though corporate re-branding is an issue which is conducted in several levels in organization and it is assumed that the corporate re-branding process is purposeful and adaptive in interaction with several actors, here the phenomenon is described from the perspective of the internal development of a single organizational entity, a company. For corporate re-branding an envisioned end stage is formulated, and in an organization actions for reaching the goal are taken (Van de Ven, 1992). In addition, it is suggested that the process is seen as a repetitive sequence of goal formulation, implementation, evaluation, and modification of goals based on what was learned during the process (Van de Ven and Poole, 1995). In so doing, the process description leans towards life cycle and teleological process theories.

As suggested earlier, there are different types of re-branding that corporations may execute. Therefore, it is assumed that corporate re-branding may be conducted in several ways. A general model of corporate re-branding aims to consider all these situations.

## Conclusions and Further Studies

Because the current literature lacks a general model of corporate re-branding, this paper concentrated on creating a preliminary theoretical framework for corporate re-branding as a process. The study revealed that corporate re-branding may occur in different levels in organizations; corporate, business unit, or product level, and vary from minor, evolutionary changes in position and aesthetics to revolutionary changes in corporate name, values, attributes and positioning. The main drivers for corporate re-branding are decisions, events or processes causing a change in a company's structure, strategy or performance. Reasons for corporate re-branding include change in ownership structure, corporate strategy, competitive position and in external environment.

On the basis of some earlier corporate re-branding studies and literature on topics such as corporate name changing, corporate visual identity system and process research, the study suggests that corporate re-branding in general consists of four phases; analyzing, planning, implementing and evaluation. In more detail, the analyzing phase includes antecedents and driving forces behind re-branding. The planning phase includes decisions about corporate re-positioning, re-naming, re-structuring and re-designing. The implementation phase consists of launching the new corporate brand both internally and externally. The analyzing phase includes measuring and analyzing the success of the re-branding process. All the phases are intertwined and overlap one another.. In addition, all these phases are seen as sub-processes. For example, re-naming is a process in itself and may consist of alternative routes (Kollmann and Suckow, 2007).

The framework is created from the perspective of a corporation. However, it is suggested that corporate brand is co-created in co-operation with employees, customers and other stakeholders rather than being developed purely by a company. The study does not consider whether the corporate re-branding process is expensive or not, and if it is, how expensive and where the costs come from.

From practical perspective, the process description may give new insights for managers who are about to convey corporate re-branding issues in their companies. It clarifies that corporate re-branding is a holistic, complex and multilevel issue during which several perspectives, processes, actions and actors need to be taken into the account.

During the study some issues worth further study were raised. First, the study suggested that all the phases consist of sub-processes. It would be vital to describe these sub-processes in more detail. Second, because this suggestion is a general description on the basis of previous literature, the process might vary depending on the industry and companies. Therefore the framework needs to be further developed by creating an empirically grounded framework of the phenomenon. The process description can be considered as a preliminary theoretical framework the purpose of which is to guide the empirical data gathering. A useful route could be first to interview managers that have participated in corporate re-branding to find out whether there are inconsistencies in the framework, and after that, validate the framework by executing a survey. Yet, interviews and surveys help only to clarify *if* and *what* phases/issues occurred. For understanding *how* something happens, also real-time observation is needed. (Van de Ven, 1992.) Third, as suggested earlier, the process may vary depending on the type of re-branding. It would be interesting to clarify how the processes vary depending on whether the question is about corporate, business unit, or product re-branding, or whether the change is evolutionary or revolutionary in nature.

Finally, the study raised an interesting question. The corporate branding literature suggests that development of corporate brand takes several years. If corporate re-branding can happen overnight, who can say the new name is a brand immediately?

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