

## **Corporate re-branding as a process**

Mari Juntunen (née Ahonen), doctoral candidate

Saila Saraniemi, doctoral candidate

Riitta Jussila, M.Sc. (Business and economics)

Department of Marketing

University of Oulu

P.O.Box 4600

FI-90014 University of Oulu, Finland

Tel. +358 8 553 2584

E-mail: [mari.juntunen@oulu.fi](mailto:mari.juntunen@oulu.fi)

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## Abstract

*Corporate re-branding is a new and quite seldom studied area in the academic field. Even though the amount of interest in corporate re-branding has increased, the current literature lacks a general model describing how the phases of corporate re-branding occur. In this study, academic knowledge is enhanced with the help of a case study. As a result, we suggest a new definition for corporate re-branding and present an empirically grounded framework for understanding corporate re-branding as a process. We propose that corporate re-branding has seven main phases, namely triggering, analyzing and decision making, planning, preparing, launching, evaluating and continuing. Each of the phases consists of several sub-processes which might be intertwined and/or overlapped, and should not be considered as static. Furthermore, the process is influenced by internal and external stakeholders, and therefore it is suggested that corporate re-branding happens in co-operation with all corporate stakeholders.*

Keywords: Corporate branding, corporate re-branding, process research, health care, case study

# Corporate re-branding as a process

## Introduction and the purpose of the study

Because of the continuously changing business environment companies adopting new names are frequently reported in the business press. For example, mergers and acquisitions and ownership changes are usual. However, changing a corporate brand name suggests the loss of all the values that the old name signifies in an extremely short course of time; it may nullify years of effort and can seriously damage or even destroy the equity of the brand (Muzellec & Lambkin, 2006). Despite the growing interest by practitioners, the phenomenon has as yet received little academic attention. So far, only a handful of academic studies seem to have concentrated on it by referring to it as *corporate re-branding* (Ahonen, 2008a).

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). However, by taking a wider perspective on corporate re-branding it can be seen as a two-fold area. First, it is related to corporate visual identity change, including e.g. corporate name and logo change (for corporate visual identity system, CVIS, see, e.g. van den Bosch *et al.* 2005, 2006; Melewar *et al.* 2006). But, second, it is also related to the corporate internal processes, including e.g. corporate values change (Lomax and Mador, 2006), employee participation and internal marketing in the company. Therefore, by taking a wider perspective of the phenomena, corporate re-branding is defined here as follows:

Corporate re-branding is a systematically planned and implemented process of planning, creating and maintaining a new favourable image and consequently a favourable reputation for the company as a whole by sending signals to all stakeholders and by managing behaviour, communication, and symbolism in order to proact or react to change.

The current literature presents three case studies (Daffey and Abratt 2002; Kaikati 2003; Daly and Moloney 2004), one xx (Muzellec and Lambkin 2006) and one conceptual study (Ahonen 2008b) that attempt to describe how corporate re-branding happens. Despite these contributions, the field still lacks a comprehensive process model that would help to understand, in general, how corporate re-branding happens, i.e. through which phases does it happen. This study aims to fill this gap by developing an empirically validated process model of corporate re-branding that accounts for the shortcomings in the studies mentioned above. The research questions to be answered are: “*Through which phases does corporate re-branding happen?*” and “*Which factors affect the process?*” By answering these questions the study contributes to the theory of corporate re-branding.

For an empirical context we have chosen health care. It offers a highly restricted and regulated, specific professional services industry which, at least in Finland, suffers from structural change (e.g. privatization) (Okko *et al.* 2007). Because of the confidential nature of the services, the company as a whole is expected to be reliable by all stakeholders, and therefore corporate branding is often employed over services branding.

“*...today services companies build their corporate brand extremely powerfully*” (Marketing manager)

The remainder of the paper is organized as follows: First, the current academic knowledge on corporate re-branding is presented. After that, a methodology of the study is described. Thereafter, a suggestion for a framework for corporate re-branding as a process is presented. And finally, conclusions and further studies are suggested.

## **Corporate re-branding**

### ***Drivers and goals for 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 & acquisitions, 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.

Re-branding goals can be divided into two groups: reflecting the new identity of a company (e.g. if a company has gone through major changes and even the new identity of a company is formed) or creating a new image. In both cases the re-branding process includes both internalisation and externalisation, i.e. affecting internally employees and the culture, as well as externally all the stakeholders and the images they have of the company. (Muzellec and Lambkin 2006.)

### ***Level of change in corporate brand***

The level of change in corporate brand may vary from minor, evolutionary changes to a complete, revolutionary change (Daly and Moloney 2004; Stuart and Muzellec 2004; Muzellec & Lambkin 2006). Evolutionary re-branding refers to a fairly minor development in the company's positioning and aesthetics that is so gradual that it is hardly perceptible to outside observers (Muzellec & Lambkin 2006). It varies from a simple face-lift to restyling or revitalizing a brand which may need a change (Daly and Moloney 2004) and usually considers minor changes in slogan or logo only (Stuart and Muzellec 2004). Revolutionary re-branding, on the other hand, describes a major, identifiable change in positioning and aesthetics that fundamentally redefines the company. Revolutionary change is usually symbolized by a change of name (Muzellec & Lambkin 2006) or changing name, logo and slogan simultaneously (Stuart and Muzellec 2004). Also corporate values may be changed (Lomax and Mador 2006). In revolutionary change the name is new to stakeholders and they do not know what the brand stands for. The values and image of the new brand are communicated to all stakeholders (Daly and Moloney 2004).

As seen, the current literature has concentrated almost only on the visual aspect and values of the corporate brand lacking, for example management and personnel behaviour.

### ***Corporate re-branding as a process***

In the previous literature, corporate re-branding is described as a process with the help of three case studies: a bank (Daffey and Abratt 2002), a consulting company (Kaikati 2003) and a telecommunications company (Daly and Moloney 2004), and one conceptual study (Ahonen 2008b). Muzellec and Lambkin (2006) have also established an empirically grounded model of the corporate re-branding process concentrating especially on factors affecting re-branding. The phases of the process descriptions as well as their sub-phases and more detailed information are presented in Appendix 1.

These studies are important preliminary work in the area, but despite these contributions, the field still lacks a more comprehensive process model that would help to understand how corporate re-branding happens.

## Methodology

The theoretical framework guided the empirical data gathering. Corporate re-branding is about organisational change which can be studied from different perspectives. Here, change is studied from a process study approach. Rather than trying to explain causalities a process is described as a sequence of events on how development and change unfold and conceptualized as a succession of events, stages, cycles, or states in the development of an organization. (van de Ven and Poole, 2005.)

Because the process is usually identified or reconstructed through direct observation, archival analysis, or case studies (Pentland 1999 via Van de Ven & Poole, 2005) and the purpose of this study is knowledge production (Eriksson & Kovalainen, 2008), a case study approach was chosen. The case is seen as an instrument that can be used in exploring specific business-related phenomena, and in developing theoretical propositions that could be tested and generalized to other business contexts or theories. (Eriksson & Kovalainen, 2008.)

The selection of the case was based on the current theoretical knowledge. The purpose of the case was to extend emergent theory. Therefore, in comparison to the previous studies, the case was chosen to be similar enough to generate new theory but different enough to allow theoretically interesting comparisons. (Eriksson & Kovalainen 2008.) Therefore, health care was chosen for the empirical context. In Finland, healthcare has traditionally been produced by the public sector but nowadays the industry is suffering from structural change, for example, many health care services are being privatized. (Okko et al. 2007.) This increases competition. Furthermore, health care provides an interesting research context because it is an industry which is highly restricted and regulated. This creates special characteristics that have to be taken into account in operative actions and, especially, in marketing. Marketing needs to be considerate, reliable, and it has to respect the customers. In addition, health care is an interesting context because of the nature of the service. Health care is an example of professional services because of the specific knowledge utilised and provided in the industry (Jaakkola & Halinen 2006). It also differs from other services because the service is directed to one of the most important issues in people lives, namely health, in order to either prevent or cure illness. A large private professional health care corporation which had changed its name and other visual elements as a result of incorporation was chosen for a case. The corporation operates in northern Finland.

The data was gathered via four semi-structured interviews of the managers and the personnel who have participated in corporate re-branding in a company under the study. In addition to the four interviews, the secondary data was gathered, e.g. communications material, memos, and other written material. Because interviews only help to clarify *if* and *what* phases/issues occurred, for understanding of *how* something happens some real-time observation (Van de Ven, 1992) was also conducted. The interviews were transcribed and analysed with the NVivo7 software. The analysis was conducted in an abductive manner: theoretical insights were taken as a starting point and empirical findings were added in order to complete the analysis. With the help of both the theoretical and empirical findings, a process model for corporate re-branding is presented in the next chapter.

### A process model of corporate re-branding

A proposition for a process description of corporate re-branding is suggested next. Seven main phases in the process are distinguished: triggering, analyzing and decision making, planning,

preparing, implementing, evaluating and continuing. The process is described from a corporate perspective. The process includes several actors both inside and outside the corporation. It should be noticed that the phases might be intertwined and/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, again, intertwined and/or overlapping in a sequence of time. Next, the main content of each phase is described in more detail.

Triggering is the first phase of the process. It consists of driving forces behind re-branding, namely, decisions, events or processes causing a change, including change in ownership structure, corporate strategy, competitive position and external environment. As an extension of the previous literature, change in ownership structure may happen, not only from private to public ownership (Muzellec and Lambkin 2006) but also from public to private ownership.

*“It [corporate re-branding] began when we distinguished this business from public sector operations/activities.” (Marketing assistant)*

Analyzing and decision making includes analyzing antecedents of the current situation i.e. market analysis, competitive analysis, competitor analysis, and recognizing possibilities. In addition, the internal aspects, including the previous corporate brand, are analysed.

*“..What kind of insight do we have here, what is our vision, what do we want.” (Marketing manager)*

The decision to re-brand is often made by a handful of people, generally by the management (Griffin 2002). A brand team is formulated which consists of top managers.

*“And because the managers are committed to it [corporate re-branding], it will progress that way” (Marketing manager)*

Planning is seen here as a wide phase of a corporate brand plan creation. It includes e.g. an envisioned end stage, goals and vision for a new corporate brand formulated on the basis of corporate values. This phase includes several decisions and consists of the several sub-processes of re-positioning, re-naming, re-structuring and re-designing (Muzellec et al. 2003; Kaikati 2003) the company before the new corporate brand is launched.

*“What are the elements with which we get that? To design a strategy and tactics for that, and how do we reach that goal.” (Marketing manager)*

In addition, the decisions in this phase include at which level – corporate, business unit and/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) and are external stakeholders needed, for example in visual identity creation. 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. The planning phase somehow overlaps with the next phase of the process: *Preparing*.

Preparing consists of preparing the plans and pre-testing for launching (the next phase of the process). For example, preparing includes re-designing how the corporate aesthetics (Daly and Moloney, 2003), including the corporate visual identity system (CVIS) (e.g. Baker and Balmer, 1997; Van den Bosch *et al.*, 2005; 2006), will be changed. Key elements of a CVIS are the corporate name, logo, color palette, font type, and a corporate slogan and tagline and/or descriptor (see, e.g. Van den Bosch *et al.*, 2005). Often an advertising agency is utilized; they help especially with communications, advertising, media buying and/or with new visual identity development (Lomax and Mador, 2006).

*“Drafts and proposals of redesigning were conducted in co-operation [with an advertising agency] for the managers.” (Marketing assistant)*

*Launching* is about communicating the new corporate brand first to internal stakeholders and after that to external stakeholders (Gotsi & Andriopoulos, 2007). Internally, the brand can be introduced through internal brochures, newspapers, annual meetings, workshops, intranet (Daly and Moloney 2003), team meetings or training/education. To external stakeholders the new brand can be communicated through press releases, advertising brochures and in routine communications, including for example business cards, office stationery, emails and personal contacts. In addition, a new CVIS can be applied on stationery, printed matter, websites, vehicles, buildings, interiors, and corporate clothing (Van den Bosch *et al.*, 2006).

*“When a new corporation began all the external signs of the brand had to be renewed starting from business cards.. [and].. office stationery”. (Marketing manager)*

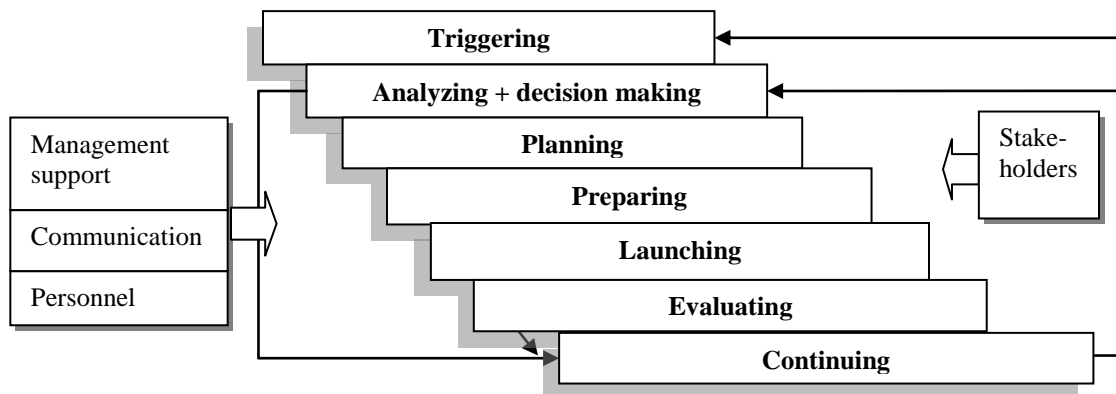
*“For example in our reception, clothing is important; it is for the customers, and a brand should exist there as well. And it will, as an insistence from the personnel, that they want [to represent the corporate brand] with their appearance, that they are not messy. In a way it reflects the welfare and essence that relates to a [corporate] brand.”(Customer service team manager)*

*Evaluating* 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 to 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. The goals reached, e.g. awareness among stakeholders, customer surveys and corporate image surveys are also ways to evaluate the success of the process. In addition, profit and attractiveness as an employer can be considered as well as an evaluation.

*Continuing* is the last phase of the process. All the issues for the phase were found through a case. For customers, it includes the quality of the corporate operations, in this case the quality of the services and fulfilling the brand promise. For the personnel, continuous orientation and education need to be offered. For the management and personnel, it includes the continuous consideration of the corporate brand strategy in every action. And, finally, it includes a visible view of the service environment.

*“..for a flower to be flourished it insists on nurturing and care, it is a little bit same here that it [corporate brand] needs to be maintained continuously.. And of course, revised when needed.” (Marketing manager)*

A proposition for a process description of the seven phases of corporate re-branding is presented in Figure 1.



**Figure 1: Phases of corporate re-branding**

### Factors affecting corporate re-branding process

Corporate re-branding necessitates synergy between marketing, human resource management and strategy (Hatch & Schultz, 2003). The context determines the involvement of different stakeholder groups in the process. Staff, customer and communications agency involvement at varying levels are found. Often the process is more complex and time-consuming than the companies anticipate. (Lomax and Mador, 2006.) Therefore, it is assumed that corporate re-branding may be conducted in several ways.

The case highlighted that when corporate re-branding is initiated by drivers for change, important factors affect the process. These include *personnel*, who ultimately create the corporate brand through behaviour, all corporate *communications* as a supplier of the information on the change both for internal and external stakeholders, and *management support and common view* during the whole process.

*“Building a [corporate] brand is an issue of the whole personnel” (Marketing assistant)*

*“It is the personnel.. who produces our “product” in a service encounter”. (Marketing manager)*

Special characteristics of the industry, for example, health care is “sensitive” industry, changes in the industry structure, as well as ethical and regulatory issues in marketing are important factors affecting the process. In addition, the special characteristics of the company, in this case the special characteristics of professional services, e.g. the abstract nature of the service, collegial control and confidentiality, affect the process as well. These are presented in a Figure 2.

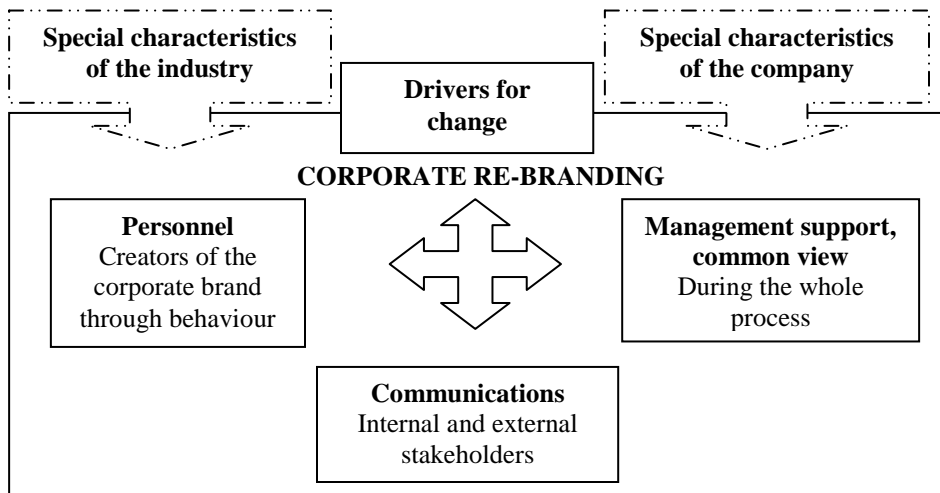


Figure 2: Factors affecting corporate re-branding

### Conclusions and further studies

Because the current academic literature lacks a general model of corporate re-branding, this paper concentrated on creating a framework for corporate re-branding as a process. The study revealed that corporate re-branding may vary from minor, evolutionary changes in position and aesthetics to revolutionary changes in corporate name, values, attributes and positioning. In addition to these, we suggest that also behavioural changes are needed in revolutionary change. 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.

As a theoretical contribution the study suggests that corporate re-branding consists of seven phases: triggering, analyzing and decision making, planning, preparing, implementing, evaluating and continuing. The framework is created from the perspective of a corporation, but it is suggested that a corporate brand is co-created in co-operation with employees, customers and other stakeholders rather than being developed purely by a company.

From a 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 in which several perspectives, processes, actions and actors need to be taken into account. However, 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.

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 and only a single case study, the process might vary depending on the industry and companies. Therefore the framework needs to be further developed, for example, first with a multiple case study and thereafter with a survey. 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.

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Appendix 1. The current academic knowledge on corporate re-branding as a process.

<b>Author(s)</b>	<b>Phases in the process</b>	<b>Sub-phases/description</b>
Muzellec <i>et al.</i> (2003)	Re-positioning	Creating a new position for the company in the minds of the customers
	Re-naming	Corporate name is changed
	Re-designing	The aesthetics of a corporation are changed
	Re-launching	Publishing the new brand
Kaikati (2003)	Re-branding	New identity Name & logo selection Introducing a new name
	Re-structuring	Change in ownership structure, incl. partners, employees
	Re-positioning	Reinforce new vision and strategy
Daly and Moloney (2004)	Analysis	Situation analysis, brand elements
	Planning	Target audience; internal and external customers, re-branding marketing plan
Muzellec and Lambkin (2006)	Evaluation	Of all campaigns
	Driving forces	Decisions, events or processes causing a change in a company's structure, strategy or performance
	Reasons	Change in ownership structure (mergers & acquisitions, 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).
	Goals	Re-branding factors leads to the formulation of re-branding goals
Ahonen (2008)	Re-branding process	Reflect a new identity and create a new image. Internalization (employees' culture) and externalization (stakeholders' images)
	Analyzing	Antecedents, Driving forces behind re-branding: decisions, events or processes causing a change
	Planning	Corporate re-branding decisions: Re-positioning, re-naming, re-structuring, re-designing
	Implementation	Re-launching: Internally and externally
	Evaluation	The outcome: The new corporate brand