Principles of corporate rebranding

Bill Merrilees and Dale Miller
Department of Marketing, Griffith University, Gold Coast, Australia

Received April 2006
Revised November 2006
Accepted March 2007

Abstract

Purpose – The paper aims to highlight the importance of corporate rebranding in branding practice, which is neglected in theoretical treatment, so an extended theory is to be developed.

Design/methodology/approach – From the literature, the existing state of the theory of corporate rebranding is articulated. That theory is extended by the development of six principles and by case research. The principles are illustrated in the case of a Canadian leather goods retailer which has implemented a major corporate rebranding strategy. The paper demonstrates the value of organisational single case studies as a precursor to further research.

Findings – The single case enables a more in-depth analysis of how branding principles were applied to corporate rebranding. All six principles were supported, indicating the need for maintaining core values and cultivating the brand, linking the existing brand with the revised brand, targeting new segments, getting stakeholder "buy-in", achieving alignment of brand elements and the importance of promotion in awareness building.

Originality/value – Although corporate rebranding is often used narrowly in practice as renaming, this paper redresses the limited attempts to build theory in this area of marketing. It attempts to build a more sophisticated and substantial theory of corporate rebranding.

Keywords Brands, Corporate branding, Innovation, Case studies

Paper type Research paper

Introduction

Rebranding is ubiquitous in branding practice. Corporate rebranding, in its many facets of brand renewal, refreshment, makeover, reinvention, renaming and repositioning, dominates marketing trade magazines. However, few academic studies explicitly discuss corporate rebranding. Four prominent case studies have been combined to represent the current theory of corporate rebranding. The paper's first contribution is an integrated articulation of corporate rebranding theory, which is then extended by the conceptualisation of a six-principle schema for rebranding. Case research with a Canadian retailer validates the principles, and general lessons are drawn.

Literature review

In corporate branding, major classic works include Olins (1978, 1994), Gregory (1991), Dowling (1994), Fombrun (1996) and Ind (1997). Although invaluable and creative, they tend to follow a relatively traditional marketing communication and planning framework. More recent books (Balmer and Greyser, 2003; Olins, 2003; Ind, 2004; Schultz *et al.*, 2005; Schroeder and Salzer-Morling, 2006; de Chernatony, 2006) have focused on nuances such as living the brand, the role of experiences and internal branding. Recent special issues of journals on the topic have extended the debate

European Journal of Marketing
Vol. 42 No. 5/6, 2008
pp. 537-552

0309-0566
DOI 10.1108/03090560810862499

(Schultz and de Chernatony, 2002; Balmer, 2003; Balmer *et al.*, 2006; Melewar and Karaosmanoglu, 2006).

Although we refer to corporate brands, very similar properties apply to organisational brands, service brands (Berry, 2000; de Chernatony and Segal-Horn, 2003; de Chernatony *et al.*, 2005) and retailer brands (Birtwistle and Freathy, 1998; Burt and Sparks, 2002; Davies and Chun, 2002; Merrilees and Fry, 2002; Ailawadi and Keller, 2004), with a high degree of interchangeability across the terms. One way of summarising the corporate brand literature is to contrast the nature of corporate brands with product brands. Firstly, the organisation features more strongly and explicitly in corporate brands (Hatch and Schultz, 2003). Culture and structure are critical for corporate brands, not simply for implementation reasons, but as a major part of the brand essence. Another way of expressing the organisational aspect is to emphasise the role of internal processes or internal branding as part of corporate branding (Bergstrom *et al.*, 2002; Gapp and Merrilees, 2006; Vallaster and de Chernatony, 2006). Secondly, corporate brands are likely to be more central and strategic, controlled by higher-level management such as the Chief Executive Officer (Hatch and Schultz, 2003). Thirdly, corporate brands are likely to be more abstract, representing higher-order values (like freedom or purity) compared to more functionally based product brands (de Chernatony, 2002; Urde, 2003). Fourthly, corporate brands are more complex, with potentially different brand meanings across different stakeholders (Balmer and Greyser, 2002).

Most relevant literature deals with specific issues such as the potential gap between the espoused corporate brand and the actual brand image stakeholders may have of a company (Davies and Chun, 2002). However, Knox and Bickerton (2003) and Hatch and Shultz (2001, 2003) give useful frameworks for integrating components of corporate branding.

Corporate rebranding can be contrasted to corporate branding, which refers to the initial coherent articulation of the corporate brand and can occur at any time. Corporate rebranding refers to the disjunction or change between an initially formulated corporate brand and a new formulation. The *change in brand vision* can be referred to as brand revision. The process of executing the revision throughout the organisation would most likely require a *change* management process. With corporate branding, organisational issues may well involve some changes, but the emphasis is on getting all units to adhere consistently to policy and procedure specifications (such as common letterheads or business cards, or the use of colours). However, with corporate rebranding, all units need to be moved from one mindset/culture to another. Although there are some common issues, the virtues of a corporate *rebranding* framework include:

- explicit focus on how and to what extent the corporate brand should be changed;
- emphasis on justifying the brand revision – both benefits and costs;
- greater sensitivity to potential internal resistance to the brand change and thus a need for a well-structured change management program to get brand buy-in; and
- highlighting the need to alert all stakeholders to the new brand.

Shifting focus from corporate *branding* to corporate *rebranding*, we find less research or consensus. An early academic paper on rebranding was Berry's (1988) summary of

Ogilvy and Mather's brand revitalisation program. A common trigger for revitalising brands is under-performance (Kapferer, 1997). Using renaming, a narrow approach to rebranding, both Muzellec *et al.* (2003) and Muzellec and Lambkin (2006) found that structural factors such as mergers and acquisitions were the main drivers of rebranding, with brand image improvement ranked lower. Before focusing on rebranding success factors, we note Stuart and Muzellec's (2004) argument that rebranding may not be the solution to some problems. They suggest that rebranding considerations include comprehensive assessment of potential benefits, clarity about what is being signalled, and checking that key stakeholders understand and support the proposed change.

Four academic case studies make major contributions to understanding corporate rebranding. Ewing *et al.* (1995) studied the rebranding of Mazda (South Africa) with a change from a narrow focus on durability and reliability to a more complex and differentiating set of core values – quality, technology and excitement. The main lessons were the needs for sensitivity to the existing customer base, strong advertising, and for internal branding within the dealer network. These lessons were packaged as a simple marketing plan framework.

Schultz and Hatch (2003) provide insights into the development processes undertaken by the LEGO Group in their corporate rebranding. The new brand values were articulated and followed by the interplay between the organisational culture and communicated image. The corporate brand travelled through a complex set of cycles in its new formulation, including the linkage across the three main elements (vision, culture, image), plus the involvement of all stakeholders and the integration of the three elements. Interestingly, Schultz and Hatch (2003) conclude by posing paradoxes that require resolution if corporate rebranding is to succeed. For example, they propose a need to maintain the cultural heritage yet still achieve contemporary relevance.

Daly and Moloney (2004) analysed Vodafone's takeover of Eircell (Ireland) and the subsequent rebranding of Eircell to Vodafone. The main lessons included the role of a transition period where both brands were advertised together as an interim strategy, prior to removing the Eircell brand from the market. During the dual advertising, some of Eircell's Irish values were emphasised. Another success factor was internal marketing to win the Eircell employees' support and commitment. Like Ewing *et al.* (1995), the lessons were packaged into a useful but simple corporate rebranding framework.

Finally, Merrilees (2005) analysed the rebranding of Canadian Tire, a major auto and leisure goods retailer, in response to competitive pressures. The study highlighted the roles of qualitative and quantitative market research, and company intuition to guide the new brand vision. Stakeholder management with staff, dealers, suppliers and management was featured, as was the role of a creative integrated marketing communication advertising strategy. The lessons were built into a theoretical framework, based on the three-stage process of changing the brand vision to brand-orientated commitment from stakeholders, and to brand strategy implementation including advertising and other changes to the marketing mix, linked to the new brand values.

In summary, the current status of corporate rebranding theory is construed as an amalgam of the three dominant themes from the four case studies. Theme 1 is the need to re-vision the brand based on a solid understanding of the consumer, to meet both existing and anticipated needs. Theme 2 is the use of internal marketing or internal branding to ensure commitment of the relevant stakeholders. Theme 3 features the role of advertising and other marketing mix elements in the implementation phase. These themes provide a helpful broad theoretical framework for corporate rebranding.

Extending the theory of corporate rebranding

Theories can be developed or extended using typologies (Doty and Glick, 1994), propositions or principles (Kohli and Jaworksi, 1990) or case research (Eisenhardt, 1989; Yin, 2004). We used the latter two theory-building approaches to extend corporate rebranding theory. The current theory is broad and not coded comprehensively. The more detailed a theory, the more amenable it is to evaluation and testing. Either propositions or principles could facilitate framing the theory more tightly, though principles were chosen because of the under-developed literature, and subsequently six principles were developed. Principles allow more scope for discretionary decisions on the part of corporate branders, compatible with the ambiguity that confronts some of these decisions. This characteristic is particularly evident in the first principle. Establishing principles guided by the literature is a useful method of coding. In this study, Principles 1, 2 and 3 refer to the process of revising the vision, Principle 4 to attaining internal support or "buy-in" to the new vision, and Principles 5 and 6 to implementing the new corporate brand strategy.

Principle 1

Designing a suitable brand vision for the corporate rebrand should balance the need to continue to satisfy the core ideology of the corporate brand, yet progress the brand so it remains relevant to contemporary conditions.

The first principle reflects the paradox that all corporate rebranding exercises should balance remaining the same with moving forwards. Several studies support this approach. Collins and Porras (1997) compared "visionary" companies with a matched sample of other organisations in the same industry. They found:

> The interplay between core and progress is one of the most important findings from our work [. . .] Indeed, core ideology and the drive for progress exist together in a visionary company, like yin and yang of Chinese dualistic philosophy; each element enables, complements and reinforces the other (Collins and Porras, 1997, p. 85).

We interpret this finding as affirming the benefits of combining *strong branding* (through the core values) and *innovation* (through investment and change), creating a synergistic relationship between strong brands and innovation. One fashion company reports that brand management is an evolving process "ensuring continuity and consistency" with "innovation, collaboration and vision at the heart of any good company" (Oroton, 2002, p. 5). Several studies identify the danger of strong brands doing so well that they have inertia, resist innovation and inadvertently invite rivals to outmanoeuvre the leader over time (Christensen, 1997). The solution is the willingness of brand leaders to innovate from time to time, which necessitates corporate rebranding for corporate sustainability.

Principle 2

Successful corporate rebranding may require retaining at least some core or peripheral brand concepts to build a bridge from the existing corporate brand to the revised corporate brand.

There is always pressure to refresh the brand to maintain contemporary relevance. Nonetheless, maintaining a nexus between the existing and the revised corporate brand is vital. Kapferer (1997, p. 334) argues that traces of corporate brand memory should not be abandoned when the brand is revised. These traces provide legitimacy to all customers and help make the revised brand acceptable. Keller (2003, pp. 651-3) cites Adidas choosing to return to their roots to recapture lost brand equity. This principle suggests that rebranding is an incremental change process as opposed to a radical change, necessitating change management considerations initially at the design level of the new vision formulation. Indirect support for Principle 2 comes from brand extension theory. Successful brand extensions come from the successful transfer of brand meaning from one context to another, whereas rebranding is a transfer of meaning from one time to another.

Principle 3

Successful corporate rebranding may require meeting the needs of new market segments relative to the segments supporting the existing brand.

In re-visioning the corporation, the corporate rebranding may need to tap into new market segments or even new markets (Kapferer, 1997, p. 334). Added new attributes could satisfy a new segment, like a need for a more socially responsible company. Growing the brand might require tapping into additional target markets with different needs from the original brand customer base. The emergence of new market segments reflects the natural evolution of markets over time and the need to keep brands with a contemporary, fresh focus. Principle 1 suggested the need to balance previous and new consumer needs and sometimes the needs can be coded as a new market segment. For example, the Ewing *et al.* (1996) Mazda case above involved adding a more sophisticated market segment, though this could still co-exist with the initial segment with more basic needs.

These first three principles of corporate rebranding build on the existing literature and focus on re-creating the *brand vision* to suit a more contemporary market. The existing theory of corporate rebranding covers not just *brand re-visioning* but also *internal branding* and *brand strategy implementation*. Formulating another three principles adds specificity to these latter two stages of corporate rebranding.

Principle 4

A company applying a high level of brand orientation through communication, training and internal marketing is more likely to have effective corporate rebranding.

Brand orientation occurs when the brand is core to the essence of the company and its strategies, that is, when all stakeholders (especially employees) have ownership of the brand and live the brand in their daily script (Urde, 1999). Other literature supports the brand orientation concept (see Macrae, 1996; Upshaw and Taylor, 2000; Wong and Merrilees, 2005). Stuart and Muzellec (2004) and Kaikati (2003) also emphasise the need for stakeholder "buy-in". Principle 4 actualises the internal branding aspect of corporate rebranding. Vallaster and de Chernatony (2006) highlight the importance of leadership in facilitating internal branding. Other cases support the role of internal branding in corporate rebranding, including Bergstrom *et al.*'s (2002) study of Saab. Karmark (2005) provides detailed case examples of processes used by firms to help employees live the brand, as well as situations where the brand may be resisted. Overall, internal stakeholder buy-in is vital.

Principle 5
A successful company having a high level of integration and coordination of all aspects of the marketing mix, with each brand element aligned to the corporate brand concept in its corporate rebranding strategy implementation, is more likely to have effective corporate rebranding.

Companies should implement a corporate rebranding strategy methodically. All parts of the strategy, including product or service design, customer service, distribution, pricing and relationship management, must be integrated. That is, each brand element representing each component of the marketing or retail mix should be directly linked (aligned) to the brand concept. Lindström and Andersen (1999) strongly advocate the notion of precise *alignment* between brand element and brand concept. Kaikati (2003) and Daly and Moloney (2004) detail particular rebranding implementation campaigns. Davis and Dunn (2002) detail how "brand touchpoints" can be operationalised.

Principle 6
Promotion is needed to make stakeholders aware of the revised brand, with possible additional benefits if non mass media are included in the promotion mix.

Although advertising is a natural choice for large firms, budget considerations require consideration of more direct promotional methods, including public relations. Public relations may have a comparative advantage when the goal is to change attitudes, such as a social campaign or indeed changing brands (rebranding). Virgin is noted for its breakthrough stunts in creating awareness for new initiatives. A number of companies have used non mass-media promotion as a medium to a stronger brand position (Joachimsthaler and Aaker, 1999). Indeed, Joachimsthaler and Aaker (1999) show that customer involvement in brand-building exercises using non mass media can be particularly effective. They give the examples of Cadbury World as a theme park creating more powerful brand experiences and Nestlé using the Casa Buitoni Club teaching the English how to cook Italian meals. Relatedly, these authors give another example of non mass-media promotion influencing branding, namely the role of the staff in contributing to in-store, cause-related experiences as evident in the Body Shop. These are examples of active customer involvement using interactivity.

Principle 6 shows the need to communicate the new brand to the stakeholders. Moreover, non-mass methods are potentially effective in communicating the new brand. However, recognising the effectiveness of interactivity between staff and customers in rebranding may just be the start in achieving greater involvement of stakeholders. Further, in some cases the rebranding may be initiated or led from the consumer, such as the Dunlop Volley case, leading Beverland and Ewing (2005) to suggest that branding could be seen as a two-way dialogue, rather than a top down communication exercise. We can extend this idea to include staff-led initiatives, making it potentially a three-way dialogue.

Case research support for the research principles

With the literature as a starting point, the development of the six principles reformulates the diverse themes into a coherent set of parameters for a theoretical framework of rebranding, which can be evaluated. Kapferer (1997), Keller (2003) and Schultz and Hatch (2003), were very useful for developing Principles 1-3. Lindström and Andersen (1999), Urde (1999) and Schultz and Hatch (2003), were useful for developing Principles 4-6. The six principles have not been articulated previously as an integrated framework by a single researcher team, or analysed holistically in a single case.

Increasingly, branding research uses qualitative and conceptual approaches (Daly and Moloney, 2004; de Chernatony and Dall'Olmo Riley, 1998; de Chernatony *et al.*, 2005; Ewing *et al.*, 1995; Merrilees, 2005). Case method builds on the conceptual framework developed through the literature analysis. Consistent with Yin (2004), single case research using a Canadian retailer reinforces the six principles' framework of corporate rebranding and clarifies how each aspect works in practice in relation to the other aspects. This method ensures a strategic approach to corporate rebranding rather than a partial analysis of particular issues in corporate rebranding.

Consistent with Patton (2002), data integrity was achieved with triangulations: across investigators comparing insights, and across methods covering *semi-structured interviews* (interviews with the President, merchandising manager and sales staff), *observations* of stores (Acton and Toronto), their community environments, visual displays and customer service, other data sources including the company website, magazine articles about the company (Dawkins, 2002), and reviewing television, press and radio advertisements. Informants were invited to check transcripts for factual accuracy.

Background to the case study

Acton Leather Company (see www.leathertown.com) has operated the Olde Hide House in Acton, Ontario, Canada since 1980. Positioning itself as the largest specialist leather goods retailer in Canada, it sells apparel, accessories and furniture. The flagship Acton store is spacious, with a distinct barn-like feel featuring leather memorabilia. The store entrance features Acton's town history ("Leathertown"), and leather's contribution to that community's economy. In early 2002, the corporate brand of the existing Olde Hide House was leather-centric, focusing on quality, originality and couched in the history of Acton. It was a destination brand, with the slogan "It's worth the drive to Acton" targeting a potential market within an hour's drive of Acton (including Toronto residents). This company's brand suggested a "brand as icon", focusing on its historical roots in the town. The notion of *brands as icons* (McEnally and de Chernatony, 1999) has some resonance with products and their related cities like Hershey. Reflecting his commitment to branding, the Acton President's workroom included Hershey memorabilia.

Twenty-two years of Acton-based experience created a "platform and a cage for the company" (Dawkins, President, Acton Leather Company). It was a *platform* because it forged the existing brand image of the company, helping create distinctiveness and sustained reputation. Radio advertising had been used intensively over time. It was a *cage* in that it potentially trapped the company in the Acton region, echoed in the slogan "It's worth the drive to Acton". The challenge was to reformulate the corporate brand so that it could extend to multiple locations. Table I identifies some of the salient characteristics of the two stores that are the subject of this case.

Re-visioning the corporate brand

The revised corporate vision had to transcend the destination marketing, location-specific previous corporate vision. Authority in leather became the new

Characteristic	Store 1: Acton ("Leathertown")[a]	Store 2: Downtown[b]
Store design	Spacious Distinct barn-like feel Entrance features town's history Coffee nook Highly departmentalised	Spacious Heritage Related but not a replication of the Acton store More stylised format Integrating "authority" through natural properties
Merchandise mix	Classical styles Seasonal fashion	Forward fashion (e.g. red leather jackets) Modern classics
Visual merchandising	Slight "Western" emphasis Memorabilia of leather including flying jackets from Second World War	Contemporary
Staff buy-in	Staff committed to delivering product quality and knowledge Staff helped to plan the proposed changes Staff salaried Collective staff incentive scheme	Staff committed to leather and fashion usage Staff visited the Acton store to increase understanding of brand commitment Selection criteria emphasised natural confidence Staff salaried Collective staff incentive scheme
Corporate brand	Leather-centric, quality, originality, couched in Acton history Destination-specific: "It's worth the drive to Acton"	
Corporate rebrand	Authority in leather, anywhere	

Notes: The Acton Leather Company operated one outlet, The Olde Hide House, out of Acton, Ontario, a rural town about one hour's drive from the provincial capital Toronto from 1980. In 2002, the company opened a new store in a heritage building in the Toronto Downtown (central business district)

Table I.
Case background

mantra, potentially applicable to any location. The new brand built on the previous brand associations, particularly quality. In a sense, *authority in leather* was always a *latent* brand concept, but it had not been fully articulated because of the dominance of the destination-marketing slogan. The revised corporate brand was broader and more abstract and applicable to other locations. The way was cleared to design and open a new store, in Toronto in Fall 2002. The added Toronto arm meant reaching beyond the existing corporate brand, namely the Acton destination-marketing anchor.

Achieving stakeholder buy-in to the revised corporate brand

To develop the stakeholders' commitment, the company focussed on building the internal marketing processes. Existing staff were committed to delivering product quality and knowledge, and a satisfying in-store experience to customers, and this was a sound basis for proceeding with the rebranding. The staff helped to plan the proposed changes, and train staff for the new store. The Toronto staff visited the Acton store so that they understood the brand commitment.

Corporate rebranding strategy implementation

The essence of implementation requires the alignment of the functional components to the revised corporate brand. The central planning aspects were the physical features of the store design, which had to resonate with its Acton sibling and yet achieve distinctiveness in the highly competitive leather goods market. Branding considerations were critical in the new store design. The new store had to capture the intangible element of authority, which was critical in the transfer of brand meaning, rather than creating a mere replication of the fixtures and fittings of the old store. The design brief clarified that the new store design should *not* be too closely tied to replication, because a Toronto-based store demanded different in-store design. The Toronto residents and downtown employees required a more stylised format. A partial solution to integrating "authority" was the use of the venue's natural properties (brick walls, wooden floors and spaciousness).

Similarly, branding considerations contributed to planning the visual merchandising for the new store. Adjustments to the visuals reflected the urbane Toronto consumer, with a modern approach to the lighting, fixtures and the models in the posters. Product ranging was customised. The Olde Hide House at Acton caters to a broad range of tastes, with a slight "Western" emphasis, reflected in the unique visual merchandising. In contrast, the Toronto store had a distinctly fashion-forward, big city emphasis in product requirements. For example, red leather jackets are both striking and relevant for the Toronto store (very visible in-store and on the website), but according to sales staff "would not suit the Acton store".

Staff service supported the brand. The Acton-based store personnel were salaried, whereas commission is more common for retail sales associates in large Canadian cities. The in-house planning team decided to use the *same* salaried employment basis in both stores, reinforcing brand values. The firm retained a staff incentive scheme that was *collectively* rather than *individually* based, ensuring co-operation of staff *within* a store, and *across* stores, because referring customers to the other store still benefits staff in the initiating store. Selection criteria for the Toronto staff emphasised the natural confidence of the candidate.

Evaluating the principles of corporate rebranding using the case evidence

Having analysed the case study, we evaluated the principles against the case evidence, which is summarised in Table II. All the principles were supported by the case evidence.

In summary, all six principles were supported by the case evidence, with Table II providing the details. The Acton case evidence reinforces the four earlier cases of corporate rebranding, enhancing the generalisability of the principles. More explicitly, the six principles have managerial implications for corporate rebranding.

Managerial implications

Generalisability to other firms can be further expressed in terms of the managerial implications for corporate rebranding. They provide lessons that can guide future

Principle 1	Designing a suitable brand vision for the corporate rebrand should balance the need to continue to satisfy the core ideology of the corporate brand, yet progress the brand so it remains relevant to contemporary conditions, was supported
Evidence	In the Canadian case, the corporate brand had to be transformed from a destination slogan to a powerful new vision as "the authority on leather goods", not constrained to a single location. The initial corporate brand was a hybrid of a destination-specific association, a heritage association and a quality association. The new vision is simpler and more corporate in nature because it transcends a particular location. The core ideology was latent, but it had impurities that obscured its true essence. The revised corporate brand can progress into new markets like Toronto and meet contemporary needs as well as the previous Acton-based needs
Principle 2	Successful corporate rebranding may require retaining at least some core or peripheral brand concepts to build a bridge from the existing brand to the revised corporate brand, was supported
Evidence	Being an authority on leather can be seen as the constant over time. At the initial Acton location, the authority was achieved through quality products, appropriate merchandise, service and a heritage presentation. In the new multi-location company configuration, authority continues with quality, sourcing and service and a now stronger, wider (multi-location) presence. It is more the peripheral attributes that have changed, with a contrast between *heritage* at Acton and *modern* at Toronto
Principle 3	Successful corporate rebranding may require meeting the needs of new market segments relative to the segments supporting the existing brand, was supported.
Evidence	The Toronto store caters for a different target market, a somewhat younger group, more urbane and hip, and with a more contemporary focus. This new segment is more time-constrained than the existing segment. Thus, the third principle was supported, with very strong targeting of a new market segment, built around broadly similar product needs, but having different servicing needs (convenience, staffing, visual merchandise, location)
Principle 4	A company applying a high level of brand orientation through communication, training and internal marketing is more likely to have effective corporate rebranding, was supported
Evidence	At Acton Leather Company, some managers including the merchandise manager and the Chief Executive Officer, had cross-store responsibilities, ensuring buy-in at that level. The retailer had a very identifiable, strong corporate brand, with a high resonance for employees and suppliers alike. Employees of the new Toronto store travelled to the Acton store to gain awareness of the brand's strong heritage basis. The company ensured that all employees and suppliers were aware of the company's revised brand meaning
Principle 5	A successful company having a high level of integration and coordination of all aspects of the marketing mix, with each brand element aligned to the corporate brand concept in its corporate rebranding strategy implementation is more likely to have effective corporate rebranding, was supported
Evidence	In the Canadian case, this alignment of the retail mix has been explained in detail. It included how promotion was used in a multi-market approach and how the Toronto store was located, designed, stocked and staffed
Principle 6	Promotion is needed to make stakeholders aware of the revised brand, with possible additional benefits if non mass media are included in the promotion mix
Evidence	During implementation of the Acton Leather corporate rebranding strategy, an integrated communication strategy focused on radio, print and the website (www.leathertown.com). The radio messages particularly brought together the two stores in a seamless way, using the same familiar voice of the past, emphasising the use of emotional brand associations

Table II.
Case evaluation of principles

corporate rebranding exercises, with the first three principles focused on corporate revisioning and the last three principles on implementing the revised corporate brand.

The general lesson from Principle 1 for corporate rebranding is that the paradox of keeping to the core values yet progressing into the future can be resolved more readily if the core values are simplified and conceptualised in abstract terms, such as authority. Brand promises linked excessively to functional attributes (like location) could lock a firm into a past vision and impede progress. An example of resolving this paradox was a Singapore hotel that renovated its building. The elevator had a message that reassured guests: "Refurbishing the building, but still maintaining traditional customer service". All five case studies discussed in this paper (the four cited cases and the Acton Leather Company) have demonstrated positively how the "progress" can be achieved. In contrast, there are many examples of superficial company makeovers that involve only relatively trivial change (new font for the logo, a new shade of paint for outlets, a new slogan). Attempts to refresh the corporate image may be useful but such examples could be missing the opportunity to really progress the corporate brand, if there is the opportunity to revitalise the vision and substance of the brand, not just the manifest and superficial presentation of the corporate brand. The practical implication is that any organisation (or their brand consultant) contemplating a corporate brand makeover, however small, should extend the brief to include evaluating the corporate vision in all of its facets with a view to revitalising such a vision, and hence overall corporate brand.

The general lesson from Principle 2 for corporate rebranding is that success is likely if the *core* values continue from the existing brand to the revised brand. Essentially a company has competitive advantages linked mainly to its core values, which can be considered an intellectual property core capability. It is critical that any company contemplating rebranding fully understands its core values, capabilities and competitive advantages. It is less critical that peripheral values be retained as part of a universal offering.

The general lesson from Principle 3 for corporate rebranding is a reminder to organisations that the natural churning of customers may mean, for example, that half of a customer base could be lost over a decade. New customers may have different needs to the previous customers. At some point, a critical mass of new customers could be considered a different segment, in addition to the initial segment. Corporate rebranding is a *proactive* process that evaluates and anticipates such changes in the composition of customers. In some cases (like Acton Leather Company), developing a revised corporate brand that caters to multiple segments can be instrumental (driving) in the corporate rebranding design. A special case of Principle 3 is the extension of global brands into new countries. Strong brands may need adaptation when entering a new country, with Disney's entry into Europe a classic example.

The practical lesson from Principle 4 for corporate rebranding is that the brand story cannot be assumed among stakeholders. There is no alternative to active, overt and tacit (through behaviours) communication of the brand story to staff, suppliers and other stakeholders. The concept of brand orientation (having everyone in the organisation aligned to the corporate brand) is a relatively new concept (Urde, 1999). Perhaps the concept of getting all stakeholders to have "buy-in" to the corporate brand will be a more practical, everyday-phrase for use by managers. Many companies need much progress to achieve "buy-in" to the corporate brand. For example, one firm explained to the authors that their ice-creamery chain included *service delivery with passion* in their vision but they had trouble getting 16-year old temporary staff to buy into such a vision. Principle 4 is not optional, but necessary to all organisations desiring effective corporate branding and hence effective businesses. Expressed differently, another firm put the principle more forcibly: "If a staff member is not actively supporting the corporate brand then they are diluting the brand".

Principle 5 underscores the need for detail in implementing the corporate rebranding strategy. All aspects of the marketing mix must be aligned to the corporate brand. Any revision in the corporate brand may require adjustment in marketing mix components to ensure continuing alignment. Major misalignments could be construed as breaches of the brand promise. Principle 5 warns that great brand ideas mean little unless they are implemented well. To achieve this, the authors suggest that proper alignment should be *designed into* the brand strategy. In the Action Leather Company case, the revised corporate brand was instrumental in guiding the new store interior design and selection criteria for new staff. Sadly, this may be an exception. Many organisations advertise new slogans without regard to brand element alignment.

The general lessons for corporate rebranding from Principle 6 include the expected importance of promotion or communication in most branding strategies. Branding in general is very much about conceptualising a core idea and selling that holistic idea to consumers. Corporate branding is similar, though the role of public relations may be just as appropriate when dealing with stakeholders such as the financial investment community. Principle 6 highlights the important communication challenge in corporate rebranding. However, Principle 5 reminds us that there is an aspect of "substance" and not just communication with corporate brands (see also Schultz *et al.*, 2005). All the marketing mix elements must play their part and be aligned to the corporate brand. In the case of retailers, the marketing mix is extended conceptually and practically to the retailing mix (Miller and Merrilees, 2007).

The managerial implications provide guidance so that practitioners can use the principles as a framework for designing and implementing corporate rebranding. This discussion demonstrates the scope of issues that managers can address and the tools they can use when embarking on corporate rebranding.

Conclusions

This paper makes several related contributions. The first is the authors' articulation of the theory of corporate *rebranding* developed from four published case studies. The theory links revised corporate brand vision, internal branding and implementation. That theory is then extended by two means, namely the creation of six principles for corporate rebranding and then using new case research analysis to evaluate the principles. Support for these principles is found from the case. The six principles include three principles to guide revisions to the corporate vision, one to guide the need to get stakeholder "buy-in" and two to guide the implementation process. The principles are presented to assist entities in redesigning their corporate brands.

This paper presents five cases. However, many other cases or firms seem to be unsuccessful, consistent with the suggestion that it is a very difficult objective, like rebranding a hyena (Stuart and Muzellec, 2004). By inference, firms are not fully leveraging their corporate brands. They are not achieving the full potential of the brand, and thus they are not maximising brand equity.

The managerial implications emphasise the importance of continuing to meet core brand values yet becoming *relevant* to contemporary needs. The findings underscore a company's need to fully understand and preserve its core values. Some companies are underperforming by being content with superficial corporate makeovers that *miss opportunities* to actually progress the brand. Another finding is the need to anticipate that the customer base may evolve into a new segment over time, necessitating corporate rebranding. Relatedly, global brands moving into new markets may need to adapt. Getting "buy-in" from stakeholders was also stressed. The absence of such buy-in could dilute and even threaten the effectiveness of a corporate brand. Companies should explore how they will achieve buy-in, linked to the culture of the organisation. Further, all brand elements need to be aligned to the corporate brand. Both brand buy-in and alignment need to be factored in *early* in the corporate rebranding design process. Understanding brand buy-in and brand alignment are potentially particularly fruitful areas for further research.

Generalisation of the extended corporate rebranding theory entails testing with further research. However, apart from stimulating debate and research among academics, the intention is to engage brand management practitioners more thoroughly with the challenge of effective design and implementation of corporate branding *changes*.

References

Ailawadi, K. and Keller, K. (2004), "Understanding retail branding: conceptual insights and priorities", *Journal of Retailing*, Vol. 80, pp. 331-42.

Balmer, J. (Ed.) (2003), "Special Issue: Corporate and service brands", *European Journal of Marketing*, Vol. 37 Nos 7/8.

Balmer, J. and Greyser, S. (2002), "Managing the multiple identities of the corporation", *California Management Review*, Vol. 44 No. 3, pp. 72-87.

Balmer, J. and Greyser, S. (Eds) (2003), *Revealing the Corporation*, London, Routledge.

Balmer, J., Mukherjee, A., Greyser, S. and Jenster, P. (Eds) (2006), "Special Issue: Corporate marketing: integrating corporate identity, corporate branding, corporate communications, corporate image and corporate reputation", *European Journal of Marketing*, Vol. 40 Nos 7/8.

Bergstrom, A., Blumenthal, D. and Crothers, S. (2002), "Why internal branding matters: the case of Saab", *Corporate Reputation Review*, Vol. 5 Nos 2/3, pp. 133-42.

Berry, L. (2000), "Cultivating service brand equity", *Journal of the Academy of Marketing Science*, Vol. 28 No. 1, pp. 128-37.

Berry, N. (1988), "Revitalizing brands", *Journal of Consumer Marketing*, Vol. 5 No. 3, pp. 15-20.

Beverland, M. and Ewing, M. (2005), "Slowing the adoption and diffusion process to enhance brand repositioning: the consumer driven repositioning of Dunlop Volley", *Business Horizons*, Vol. 48, pp. 385-91.

Birtwistle, G. and Freathy, P. (1998), "More than just a name above the shop: a comparison of the branding strategies of two UK fashion retailers", *International Journal of Retail & Distribution Management*, Vol. 26 No. 8, pp. 318-23.

Burt, S. and Sparks, L. (2002), "Corporate branding, retailing, and retail internationalization", *Corporate Reputation Review*, Vol. 5 Nos 2/3, pp. 194-212.

Collins, J. and Porras, J. (1997), *Built to Last: Successful Habits of Visionary Companies*, Harper, New York, NY.

Christensen, C. (1997), *The Innovator's Dilemma*, Harper Collins, New York, NY.

Daly, A. and Moloney, D. (2004), "Managing corporate rebranding", *Irish Marketing Review*, Vol. 17 Nos 1/2, pp. 30-6.

Davies, G. and Chun, R. (2002), "Gaps between the internal and external perceptions of the corporate brand", *Corporate Reputation Review*, Vol. 5 Nos 2/3, pp. 144-58.

Davis, S. and Dunn, M. (2002), *Building the Brand-Driven Business*, Jossey-Bass, San Francisco, CA.

Dawkins, S. (2002), "Acton comes to Toronto", *Retail News and Views*, Retail Advertising and Marketing Club, Toronto, Fall, p. 14.

de Chernatony, L. (2002), "Would a brand smell any sweeter by a corporate name?", *Corporate Reputation Review*, Vol. 5 Nos 2/3, pp. 114-32.

de Chernatony, L. (2006), *From Brand Vision to Brand Evaluation: The Strategic Process of Growing and Strengthening Brands*, 2nd ed., Elsevier, Oxford.

de Chernatony, L. and Dall'Olmo Riley, F. (1998), "Modelling the components of the brand", *European Journal of Marketing*, Vol. 32 Nos 11/12, pp. 1070-90.

de Chernatony, L. and Segal-Horn, S. (2003), "The criteria for successful services brands", *European Journal of Marketing*, Vol. 37 Nos 7/8, pp. 1095-118.

de Chernatony, L., Drury, S. and Segal-Horn, S. (2005), "Using triangulation to assess and identify successful services brands", *The Services Industries Journal*, Vol. 25 No. 1, pp. 5-21.

Doty, D. and Glick, W. (1994), "Typologies as a unique form of theory building: toward understanding and modelling", *Academy of Management Review*, Vol. 19 No. 2, pp. 230-51.

Dowling, G. (1994), *Corporate Reputations*, Kogan Page, London.

Eisenhardt, K. (1989), "Building theories from case study research", *Academy of Management Review*, Vol. 14 No. 4, pp. 532-50.

Ewing, M., Fowlds, D. and Shepherd, I. (1995), "Renaissance: a case study in brand revitalization and strategic realignment", *Journal of Product & Brand Management*, Vol. 4 No. 3, pp. 19-26.

Fombrun, C. (1996), *Reputation: Realizing Value from the Corporate Image*, Harvard Business School Press, Boston, MA.

Gapp, R. and Merrilees, B. (2006), "Important factors to consider when using internal branding as a management strategy: a healthcare case study", *Journal of Brand Management*, Vol. 14 Nos 1/2, pp. 162-76.

Gregory, J. (1991), *Marketing Corporate Image*, NTC Business Books, Lincolnwood, IL.

Hatch, M. and Schultz, M. (2001), "Are the strategic stars aligned for your corporate brand?", *Harvard Business Review*, February, pp. 128-35.

Hatch, M. and Schultz, M. (2003), "Bringing the corporation into corporate branding", *European Journal of Marketing*, Vol. 37 Nos 7/8, pp. 1041-64.

Ind, N. (1997), *The Corporate Brand*, Macmillan, London.

Ind, N. (2004), *Living the Brand: How to Transform Every Member of Your Organization into a Brand Champion*, 2nd ed., Kogan Page, London.

Joachimsthaler, E. and Aaker, D. (1999), "Building brands without mass media", *Harvard Business Review on Brand Management*, Harvard Business School Press, Boston, MA, pp. 1-22.

Kaikati, J. (2003), "Lessons from Accenture's 3Rs: rebranding, restructuring and repositioning", *Journal of Product & Brand Management*, Vol. 12 No. 7, pp. 477-90.

Kapferer, J.-N. (1997), *Strategic Brand Management: Creating and Sustaining Brand Equity Long Term*, Kogan Page, London.

Karmark, E. (2005), "Living the brand", in Schultz, M., Antorini, Y. and Csaba, F. (Eds), *Towards the Second Wave of Corporate Branding: Corporate Branding Purpose/People/Process*, Copenhagen Business School, Copenhagen, pp. 103-24.

Keller, K. (2003), *Strategic Brand Management: Building, Measuring and Managing Brand Equity*, Prentice-Hall, Upper Saddle River, NJ.

Knox, S. and Bickerton, D. (2003), "The six conventions of corporate branding", *European Journal of Marketing*, Vol. 37 Nos 7/8, pp. 998-1016.

Kohli, A. and Jaworksi, B. (1990), "Market orientation: the construct, research propositions, and managerial implications", *Journal of Marketing*, Vol. 54 No. 2, pp. 1-18.

Lindström, M. and Andersen, T. (1999), *Brand Building on the Internet*, Hardie Grant Books, Melbourne.

Macrae, C. and co-workers of the World Class Branding Network (1996), *The Brand Chartering Handbook: How Brand Organizations Learn "Living Scripts"*, Economist Intelligence Unit/Addison-Wesley, Harlow.

McEnally, M. and de Chernatony, L. (1999), "The evolving nature of branding: consumer and managerial considerations", *Academy of Marketing Science Review*, No. 2, pp. 1-25.

Melewar, T. and Karaosmanoglu, E. (Eds) (2006), "Special Issue on corporate branding, identity and communications", *Journal of Brand Management*, Vol. 14 Nos 1/2.

Merrilees, B. (2005), "Radical brand evolution: a case-based framework", *Journal of Advertising Research*, Vol. 45 No. 2, pp. 201-10.

Merrilees, B. and Fry, M. (2002), "Corporate branding: a framework for e-retailers", *Corporate Reputation Review*, Vol. 5 Nos 2/3, pp. 213-25.

Miller, D. and Merrilees, B. (2007), *Retail Marketing*, Tilde University Press, Prahran.

Muzellec, L. and Lambkin, M. (2006), "Corporate rebranding: destroying, transferring or creating brand equity?", *European Journal of Marketing*, Vol. 40 Nos 7/8, pp. 803-24.

Muzellec, L., Doogan, M. and Lambkin, M. (2003), "Corporate rebranding – an exploratory review", *Irish Marketing Review*, Vol. 16 No. 2, pp. 31-40.

Olins, W. (1978), *The Corporate Personality: An Inquiry into the Nature of Corporate Identity*, Mayflower Books, New York, NY.

Olins, W. (1994), *Corporate Identity: Making Business Strategy Visible through Design*, Thames & Hudson, London.

Olins, W. (2003), *On Brand*, Thames & Hudson, London.

Oroton (2002), *Annual Report*, Oroton International Limited, available at: www.orotongroup.com.au/reports/index.htm

Patton, M. (2002), *Qualitative Research & Evaluation Methods*, Sage Publications, Thousand Oaks, CA.

Schroeder, J. and Salzer-Morling, M. (Eds) (2006), *Brand Culture*, Routledge, Milton Park.

Schultz, M. and de Chernatony, L. (2002), "Introduction to special issue on corporate branding", *Corporate Reputation Review*, Vol. 5 Nos 2/3, pp. 105-12.

Schultz, M., Antorini, Y. and Csaba, F. (Eds) (2005), *Towards the Second Wave of Corporate Branding: Corporate Branding Purpose/People/Process*, Copenhagen Business School, Copenhagen.

Schultz, M. and Hatch, M. (2003), "The cycles of corporate branding", *California Management Review*, Vol. 46 No. 1, pp. 6-26.

Stuart, H. and Muzellec, L. (2004), "Corporate makeovers: can a hyena be rebranded?", *Journal of Brand Management*, Vol. 11 No. 6, pp. 472-82.

Upshaw, L. and Taylor, E. (2000), *The Masterbrand Mandate*, Wiley, New York, NY.

Urde, M. (1999), "Brand orientation: a mindset for building brands into strategic resources", *Journal of Marketing Management*, Vol. 15 Nos 1-3, pp. 117-33.

Urde, M. (2003), "Core value-based corporate brand building", *European Journal of Marketing*, Vol. 37 Nos 7/8, pp. 1017-40.

Vallaster, C. and de Chernatony, L. (2006), "Internal branding building and structuration: the role of leadership", *European Journal of Marketing*, Vol. 40 Nos 7/8, pp. 761-84.

Wong, H. and Merrilees, B. (2005), "A brand orientation typology for SMEs: a case research approach", *Journal of Product & Brand Management*, Vol. 14 No. 3, pp. 155-62.

Yin, R. (2004), *Case Study Research: Design and Methods*, 3rd ed., Sage Publications, Thousand Oaks, CA.

Further reading

de Chernatony, L. and McDonald, M. (2003), *Creating Powerful Brands*, 3rd ed., Elsevier, Oxford.

About the authors

Bill Merrilees (PhD, Toronto) is Head of the Department of Marketing at Griffith University in Queensland Australia. His research interests embrace branding and innovation, marketing theory, marketing strategy and retailing and e-retailing. He has published widely in international scholarly journals including the *European Journal of Marketing*, *Journal of Business Research*, *Journal of Advertising Research*, *Journal of Product & Brand Management* and *The Journal of Brand Management*, as well as publishing four books, research monographs, numerous cases studies and book chapters. He has twice been Visiting Professor of Marketing in the De Groote School of Business at McMaster University, Ontario, Canada.

Dale Miller lectures in marketing theory, retail marketing and management, e-retailing and marketing channels and retail supply chains in the Department of Marketing, at Griffith University on the Gold Coast Campus in Queensland Australia. Her research focuses on retail and distribution branding and innovation, branding communities and retail business history. Her research has been published in various international journals, including the *Journal of Business Research*, *Long Range Planning*, *The Service Industries Journal*, *International Journal of Retail and Distribution Management*, *Canadian Marketing Research Journal* and *Journal of Retailing and Consumer Services*. She has also authored or co-authored several books, book chapters and case studies. Dale Miller is the corresponding author and can be contacted at: D.Miller@griffith.edu.au