

Product and Brand Management
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Lecture 59
Rebranding, Brand Demise and Brand Life Cycle

Hello friends, welcome to this last section of Product and Brand Management. These two sessions I would be taking you towards the culmination of what we have discussed, especially in brand management. We have been talking about reinforcement, rejuvenation, revitalization of brands, and those are very important aspects.

Today in this session, you would realize why I have been emphasizing upon those aspects and why authors have worked so much on those. So, let us go ahead with our journey with the concept of rebranding, and then I will take you towards a concept, which has been worked upon by several authors, we would be using a research paper published in a good journal for highlighting the aspects of demise.

Demise of a brand, which authors have explained with the help of their research, and I will be taking clues from there and taking it to a stage wherein you would yourself decide, that should we consider anything as demise. Do brands ever vanish? So, that would be an important thing you would realize, and I am sure you would enjoy this.

I would be incorporating a life cycle concept with the brand perspective, which is an evolving concept. Many authors and organizations have been working on that, and they have come up with wonderful insights. I would be taking you towards a perspective and would not be using any research or explanations given by others at this moment because that is an evolving kind of thing. I would let you decide on how to think about that on the basis of fundamental principles, which we have discussed up till now, and next, I would summarize things with the help of a case study, again one of my favourites.

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Rebranding

- Rebranding involves entirely changing the identity of your brand. This may include designing a new logo or choosing a new name for the brand or core product, business model, and more.

Source: Keller, K. L. & Baumgartner, H. (2003). Strategic brand management: Building, measuring, and managing brand equity.

So, let us start with rebranding, which involves entirely changing a brand's identity. So, complete identity change is very complicated, and we have talked about repositioning, which is not related to changing the identity completely. Still, here you want to change it entirely.

This may include designing a new logo, choosing a new name for the brand, core product, business model, and more. Although it somehow is suggestive that this brand, which has completely changed in the form of a name, has evolved from which root, and that is why it is suggested as rebranding.

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Hero Moto Corp.

- Honda and Hero separated ways in 2011. Hero Moto Corp decided to go for a complete overhaul in the positioning with a change in their logo and slogan.
- The black color in the new logo stands for solidity and premiumness while the Red gives a feeling of energy, passion, and confidence.
- They also brought in Mr. A.R. Rahman to compose the song for the ad, 'Hum Mein Hai Hero' which was launched on August 15, 2011. The campaign was also followed digitally resulting in it going viral.

Source: <https://www.aacscorp.com/feature/brand-campaign/>



Now, Hero Moto Corp, for example. So, Hero and Honda separated, and it was a happy separation; these organizations are growing and doing exceptionally well. Hero has been

contributing in a huge way to the Indian economy as well as the Indian Automotive Sector, and it is a global organization now. So, they completely rebranded themselves with a new logo here.

They brought logic to that, wherein black colour in the logo stands for solid and emphasis and premiums, while the red gives a feeling of energy, passion, & confidence, and they brought in Mr. A.R Rahman to compose the song for the ad "Hum Mein Hai Hero". It is such a wonderful kind of expression when they came up with "Desh Ki Dhadkan".

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The Journey From Hutch To Vodafone To Vi

Hutch-Vodafone-Vi

- Vodafone was greeted in India with Hutch is Now Vodafone campaign in 2007 after it acquired Hutchinson.
- Vodafone went in for an overnight transformation of the brand by targeting all points of purchase.
- The migration from Hutch to Vodafone was one of the fastest and most comprehensive brand transitions in the history of the Vodafone Group, with 400,000 multi-brand outlets, over 350 Vodafone stores, over 1,000 mini-stores, over 35 mobile stores, and over 3,000 touch-points rebranded in two months, with 60% completed within 48 hours of the launch.
- The merger took place between two telecom giants. i.e., Vodafone India and Idea cellular on 20th March 2017 for \$23 billion, rebranded itself as 'VI' (read as 'we').
- The merger allowed Vodafone India and Idea to get a strong position by cutting costs and effectively competing with Reliance Jio.
- From a new name to a new logo, Vodafone Idea is off to a fresh start with a new brand identity.

Source: <http://www.vodafone.com/in/news/press-releases/vodafone-india-acquires-hutchinson-telecom-india-ltd-a-100-percent-stake>

Then Vodafone and Idea merger wherein they merged and they call themselves VI now. So, it is an interesting kind of a thing, and then there are several details which are available on net, as well as this rebranding goes. So, we all know Vodafone and Idea, but a rebranding was required when this merger happened.

So, starting from Hutch to Vodafone, and Vodafone plus Idea, the whole story goes, but today we have VI, and they did it within a very short span of time. That is a very important thing for us to understand rebranding, wherein you are entirely changing the landscape and understanding of the customers and all your stakeholders.

Everyone associated with your organization will somehow take less time for this acceptance to be generated amongst your stakeholders. That is a very important kind of thing. Lots of integrated marketing communication and awareness-related elements are required, but you generate a cord with the existing brand knowledge and existing brand value to flow into as far as the potential of the newer brand, which is emanating from the exits from the present.

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Brand Demise

- Brands show many living characteristics; they are born, they grow, they cross-fertilize, reproduce through brand extension, become independent of parents through choice or necessity and, although the thought is unpleasant, almost inevitably die in the long run or **tend to move towards their demise**.
- Brand demise is inevitable and not necessarily caused by managerial incompetence.

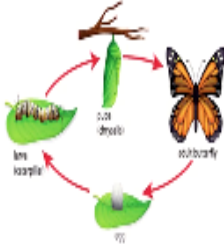


Fig. 1: The biological life cycle metaphor

Source: Kang, H. T., Jwang, C. P., & Khalil, E. L. (2009). Brand death: A developmental model of senescence. *Journal of Business Research*, 62(3), 232-238.

So, now I should be taking you towards brand demise and here I would be using a paper published in 2009 called ‘Brand Death: Developmental Model of Senescence’, Journal of Brand Research. Now why these kinds of researches are important that’s because authors are continuously trying to find out theoretical premises, they work upon data.

They bring in so much insight for us to understand. So, here authors focused upon few key elements, although the culmination of their research suggests that brands die. They stop working. I will be focusing upon a few questions which come to my mind with regards to this kind of research.

As I said, it is an evolving perspective. So, I would be presenting a perspective around this, for you to understand and to take it further in your thought process, as I said on the basis of whatever we have learned in due course of time. The paper says that brands show many living characteristics. They are born, they grow, they cross fertilize, reproduce through brand extensions.

Now that is an interesting kind of an analogy. They have taken it from the biological life cycle of a butterfly. They become independent of parents through choice or necessity, and although the thought is unpleasant, the brands they go towards demise almost inevitably. so they tend to move towards demise as they are suggestive of.

So, the brand life cycle or life cycle perspective is related to that, and you would see that brand life cycle perspective also has some resemblance related to these things if we start

working upon that. As the authors have noted in their research, brand demise is inevitable and not necessarily caused by managerial incompetence.

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- The life of a brand involves companionship between the consumer and the producer.
- Consumption is the driving force behind the rise and decline of brands.
- When a consumer buys a product, he or she is not only seeking material utility, but also seeking affirmation of his or her own self-image.
- This demise is a natural part of a brand's developmental process, instigated by consumers seeking to satisfy not only their material needs (constitutive utility), but also their self-image (symbolic utility).
- For example, a shirt satisfies both needs. The warmth or practical utility (constitutive utility) that the shirt provides differs from the sense of self-respect or sense of achievement (symbolic utility) that the shirt may deliver

Source: Ewing, M. T., Levina, C. T., & Ohall, E. L. (2001). Brand death: A developmental model of attrition. *Journal of Business Research*, 52(1), 232-235.

They further add that the life of a brand involves companionship between the consumer and producer, which is an essential element, and we have discussed that. Consumption is the driving force behind the rise and decline of brands. When a consumer buys a product, he or she is seeking material utility and affirmation of his or her self-image. That is very important, and we have realized that.

We talked about resonance as far as the pyramidal perspective goes, we also talked about brand architecture, and in the value chain this kind of a reflection comes in. This demise as they are referring to is a natural part of a brand's development process because they are looking at it from a biological analogy perspective.

They say that the demise is instigated by consumers seeking to satisfy not only the material needs, constitutive utility but also their self-image and symbolic utility. Somehow if it does not get materialized then consumers tend to move away, and somehow the brand is no more.

So, they extend an example that a shirt satisfies both needs; the warmth or practical or constitutive utility that the shirt provides differs from the sense of self-respect or sense of achievement, symbolic utility that the shirt may deliver. So, that is the kind of example they have given.

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How can one explain the death and rise of new brands?

Constitutive utility refers to the material/physical utility of the brand/product.

It comprises of *Wellbeing Effect* and *Reflexive Effect*

- **The Wellbeing Effect:** The primary, welfare-affording utility such as warmth, nutrition, housing, and so on.

For example, Kodak, a technology company that dominated the photographic film market during most of the 20th century. They could not acknowledge digital photography as a disruptive technology.

Kodak filed for bankruptcy in 2012. **But is KODAK there?**

Source: Wang, H. T., Jiang, C. P., & Khalil, E. L. (2006). Brand death: A developmental model of obsolescence. *Journal of Business Venturing*, 21(2), 112-130.

Then they talk about constitutive utility and symbolic utility, which I would decipher for you. Next, I will take you toward what we are trying to build up. Now they are suggestive of how one can explain the demise and rise of new brands, so one is a constitutive utility which refers to the material physical utility of the brand product, it comprises well-being effect and reflexive effect.

The well-being effect is the primary welfare affording utility such as warmth, nutrition, housing and so on, for example, Kodak, it faded away, but, Is Kodak there or not? And I would return to this just to give you a clue that Kodak is still there in our memories as a name.

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- **The Reflexive Effect:** arises from remembrance, usually through social interaction or only through mementos, of the original wellbeing experience. This reflexivity effect is at the origin of fads.
- For example, Nokia, a company founded in Finland was the first to create a cellular network in the world. With the arrival of the Internet, other mobile companies started understanding how data, not voice, was the future of communication. Nokia's arrived late in the smartphone category. **But is it there?**

Source: Dwyg, M. T., Jeevan, C. P., & Khalil, E. L. (2006). Brand death: A developmental model of obsolescence. *Journal of Business Venturing*, 21(3), 210-230.

Now then comes the reflexive effect. It arises from remembrance usually through social interaction or only through mementos of the original well-being experience; the reflexivity effect is the origin of the fad. They talk about Nokia, they suggest that Nokia is one of the pioneers as far as the cellular network-based phone goes.

Then they went along, but somehow were late in smartphone category, but the point is, Is it there? Is Nokia somehow there? I leave it up to you and as of now just wonder about this question. Then comes in symbolic utility.

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Symbolic utility: People buy things not only for what they can do but also for what they mean.

- **Boredom Effect:** As the consumer gets used to the symbol of his success, the consumer becomes bored or less excited over time.
- For Example, Ambassador. **But is it not there?**

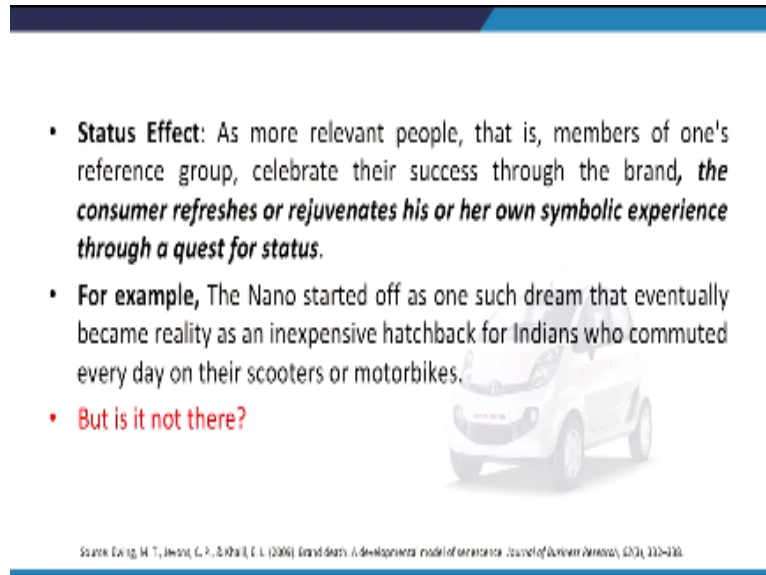


Source: Dwyg, M. T., Jeevan, C. P., & Khalil, E. L. (2006). Brand death: A developmental model of obsolescence. *Journal of Business Venturing*, 21(3), 210-230.

You see people buy things not only for what they can do but also for what they mean, so there is a boredom effect, probably there are better options as the author says, wherein they

talk about a car ambassador which we all know. You arrive at Kolkata airport and railway station and find so many ambassadors in taxis still being used. The point is, is the ambassador still there? It is, think about this, it is still there.

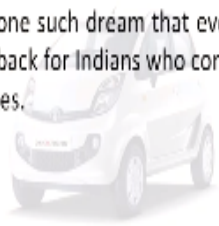
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• **Status Effect:** As more relevant people, that is, members of one's reference group, celebrate their success through the brand, *the consumer refreshes or rejuvenates his or her own symbolic experience through a quest for status.*

• **For example,** The Nano started off as one such dream that eventually became reality as an inexpensive hatchback for Indians who commuted every day on their scooters or motorbikes.

• **But is it not there?**



Source: Chang, M. T., Jhang, C. P., & Khalil, E. L. (2006). Brand death: A developmental model of brand failure. *Journal of Business Venturing*, 21(3), 333-350.

There is a status effect, for example, consumers expect that they should be getting a bundle, and that is what authors says "As more relevant people, that is, members of one's reference group, celebrate their success through the brand, the consumer refreshes or rejuvenates his or her own symbolic experience through a quest of status," for example, Nano. So, people who could not have that kind of purchasing capacity for purchasing cars thought of Nano. Nano somehow had to be discontinued, but is it there? It is there. So, then comes in the brand life cycle perspective.

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BRAND LIFE CYCLE

Now I would be taking you through a few fundamentals before I culminate in the brand life cycle. The first fundamental which I talked about is in relation to the valuation. Just focus on the cost approach, there are other approaches as well.

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- What is the relation of Valuation here?
- **Cost Approach**--that brand equity is the amount of money that would be required to reproduce or replace the brand (including all costs for research and development, test marketing, advertising, etc.)
- Loyalty
- Strength
- Uniqueness
- All the intangibles those have potential to be converted into tangibles

So, the cost approach says that brand equity is the amount of money required to reproduce or replace the brand. And what is a brand? The name, symbol, logo, and all those elements, especially the name, is brand. Then the cost approach says that this replacement perspective is associated with including all costs for research and development, test marketing, advertising, etc. Whatever we utilize for generating or establishing that name Nano, Kodak, Ambassador those names are still there. If you generate such a name, you require a set of research, cost and development, and so on.

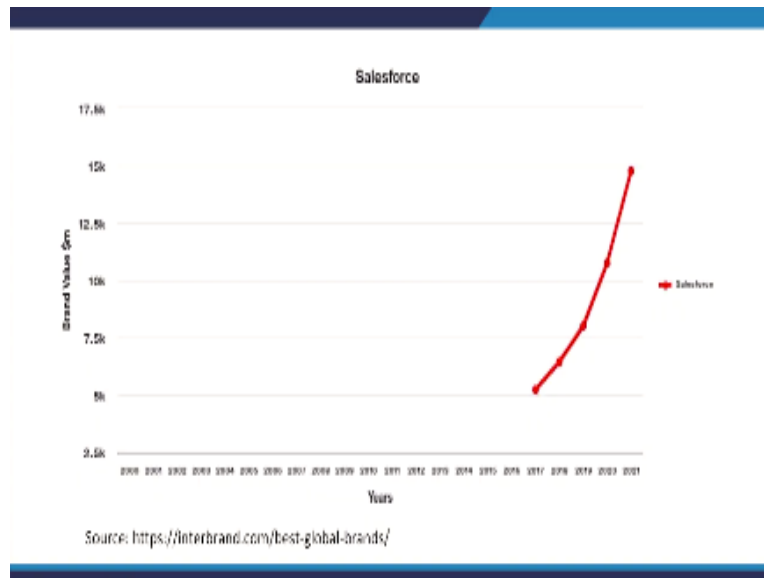
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- What is the relation of Valuation here?
- **Cost Approach**--that brand equity is the amount of money that would be required to reproduce or replace the brand (including all costs for research and development, test marketing, advertising, etc.)
- Loyalty
- Strength
- Uniqueness
- All the intangibles those have potential to be converted into tangibles

Then there is a loyalty perspective, there is a strength perspective, there is a uniqueness perspective when you talk to someone who likes Ambassador, or who likes the space which ambassador can offer, think of that. So, you will realize the strength, loyalty, uniqueness and all the intangibles that can be converted into tangibles.

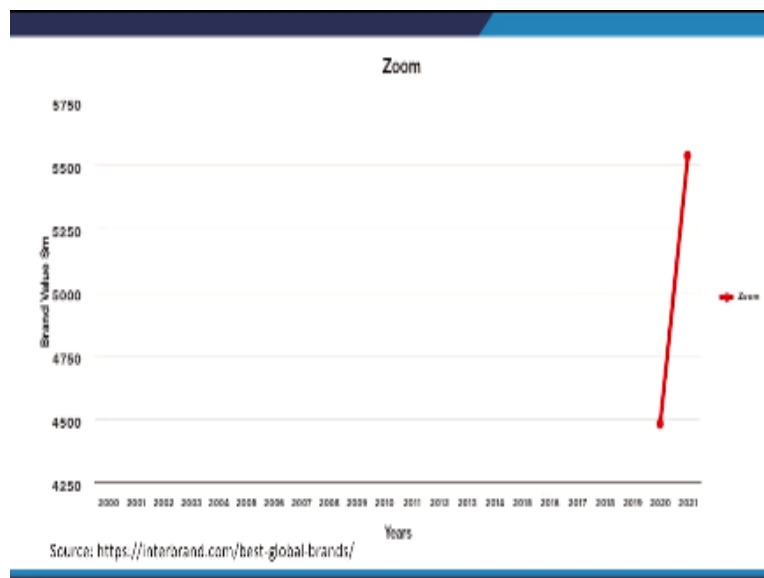
That is what I am referring to, when I talk of that brand in a physical sense is no more there, but it is still there. Now for another 3-5 minutes let me take you through some data.

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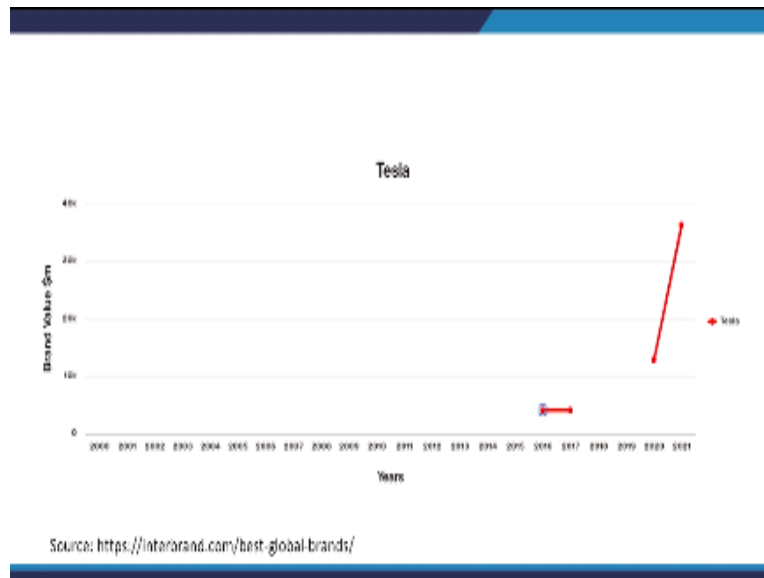
Look at this, sales force, brand value rising sharply between 2016 and 2020. It is an eminent organization doing very well now, so that is one part.

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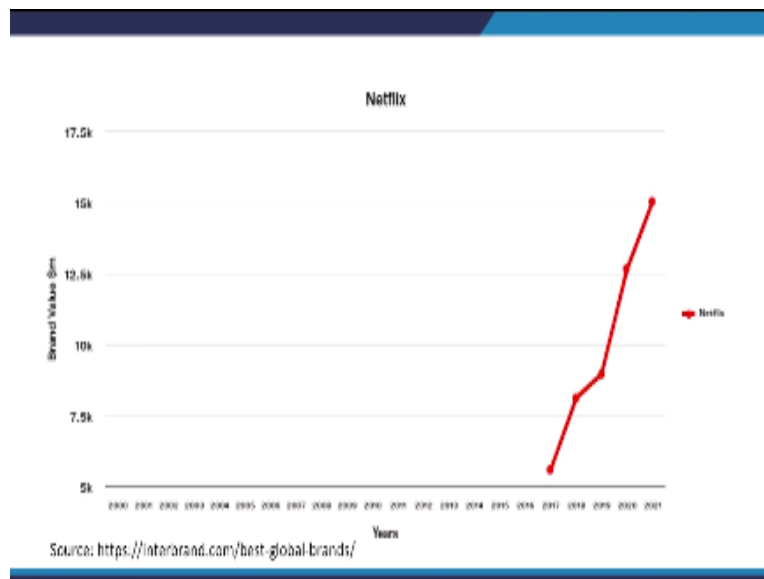
The second part is Zoom, 2020 to within 2020 or '21 basically, within two years the value has risen from 4500 million dollars to more than 5500 million dollars or so. So, a straight rise, and we are talking of value, I have talked about the relationship of value with the brand life cycle perspective. I will be coming back to this shortly.

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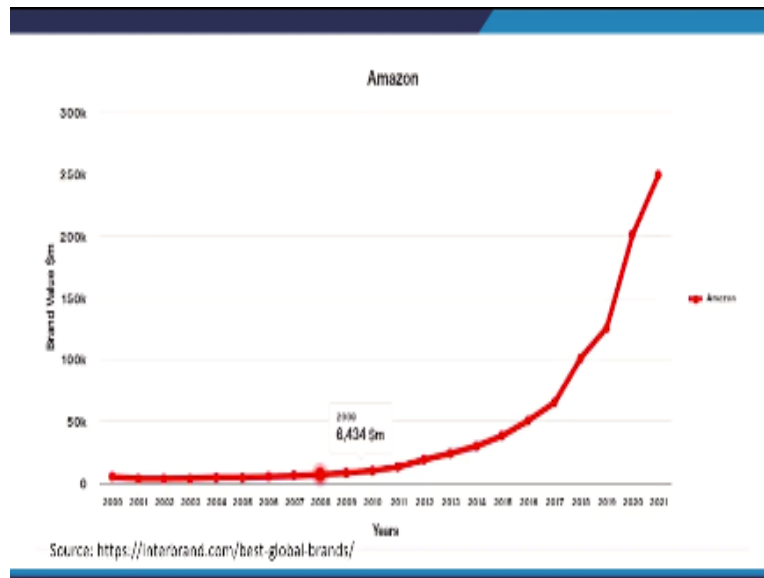
Again, Tesla is a very important kind of organization with a name and a huge brand value.

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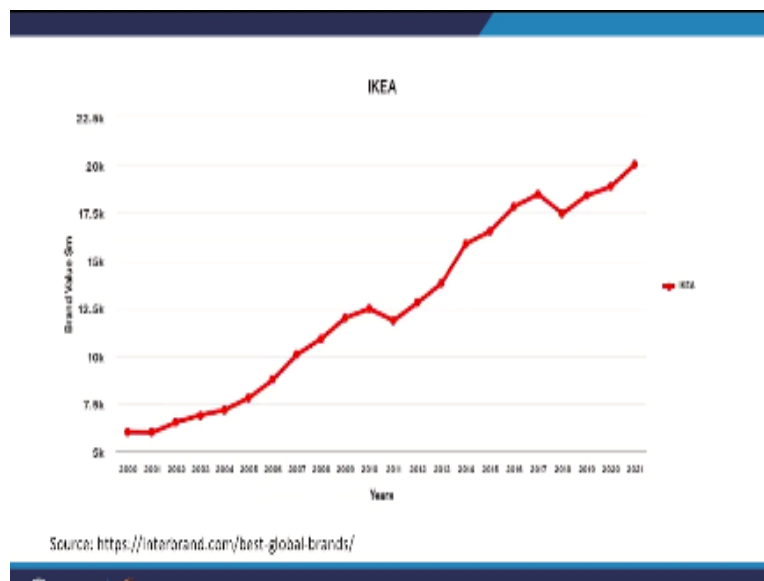
Let us look at some more, Netflix for example. Keep watching these graphs, and go to Interbrand website and try to find out what I am showing you. So, those kinds of elements you would realize.

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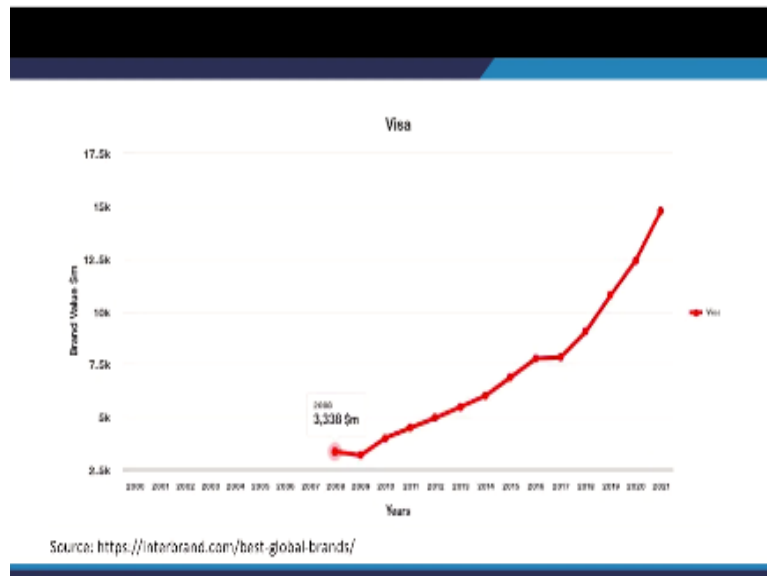
Now let us look at this, Amazon. You know, starting from a very low value in 2020-21, it is a huge, huge kind of value that Amazon has generated in terms of brand valuation.

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Let us look at this Ikea furniture going up, coming slightly down, then going up, then coming slightly down, and finally going up once again. Note this down and up movement as of now just remember this. Then I will be taking you back toward some fundamentals and would be coming back to the brand life cycle perspective and concept.

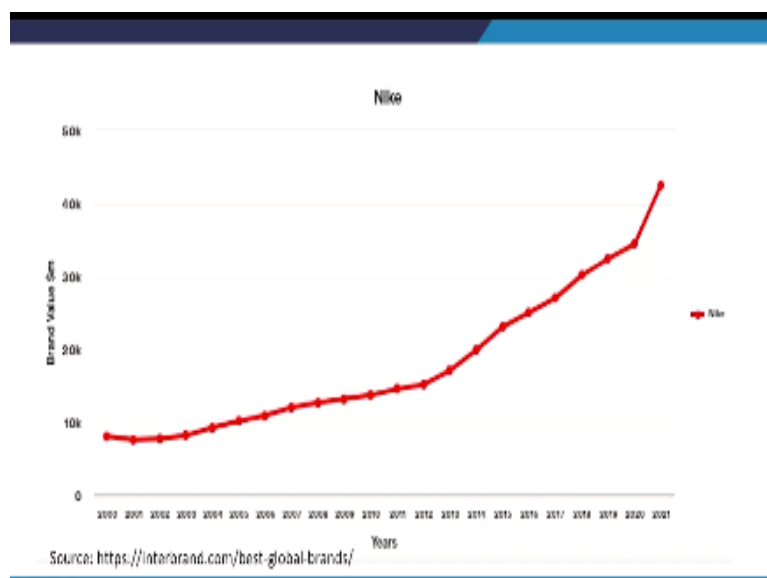
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Now look at Visa, it stagnated for a while, it stayed there, and then it came up, evolving in due course of time. Are you remembering what we talked about in brand architecture in terms of potential? Do some elements of hierarchy come to you at this moment?

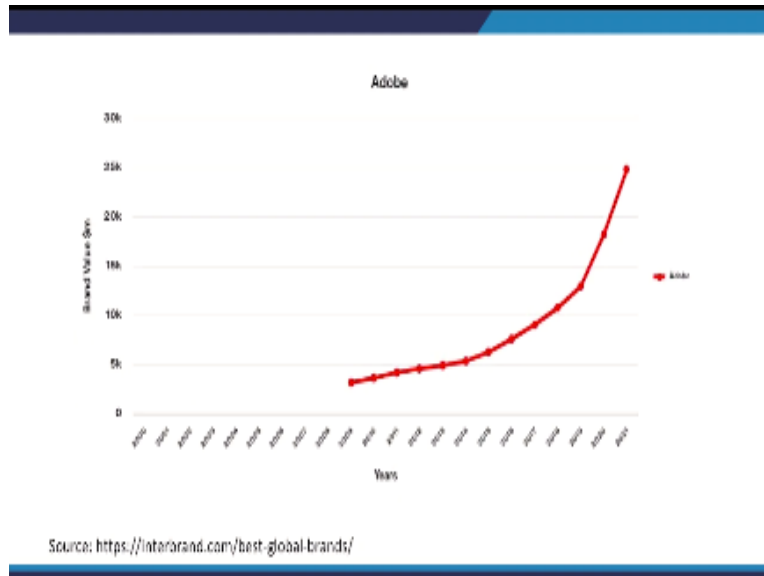
Do you remember what we discussed in the brand value chain? We talked about the kind of multiplier effects as far as this whole scenario goes. If you are, then, we are on the same plane, same page and right track.

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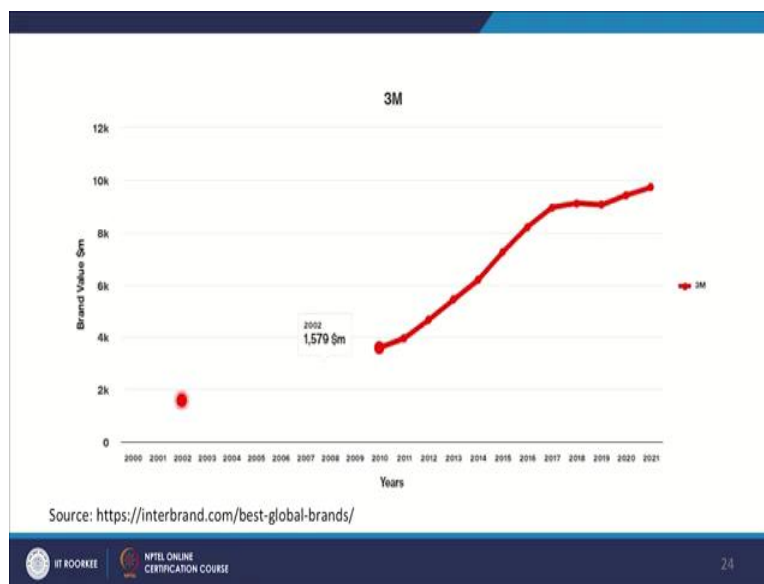
Nike, steady rise with some fluctuation. So, that is again a very interesting and important kind of a journey.

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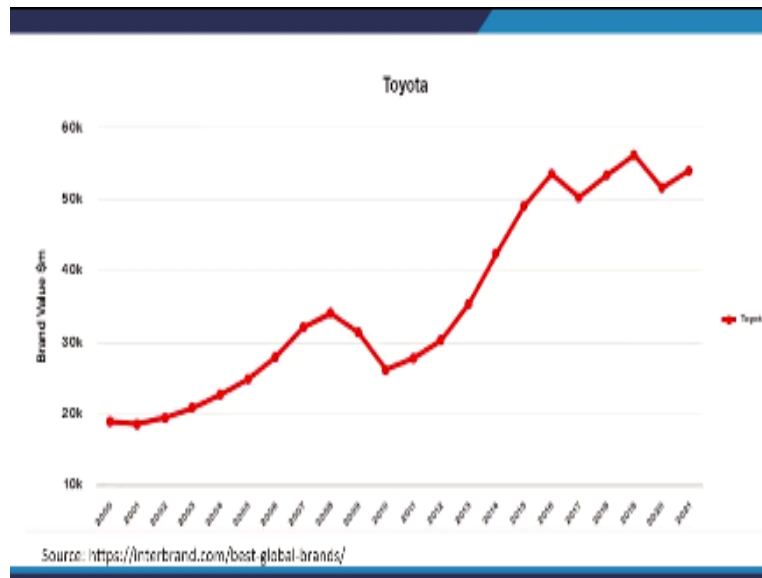
And then comes Adobe.

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3M rose stagnated, dipped slightly and then rose back.

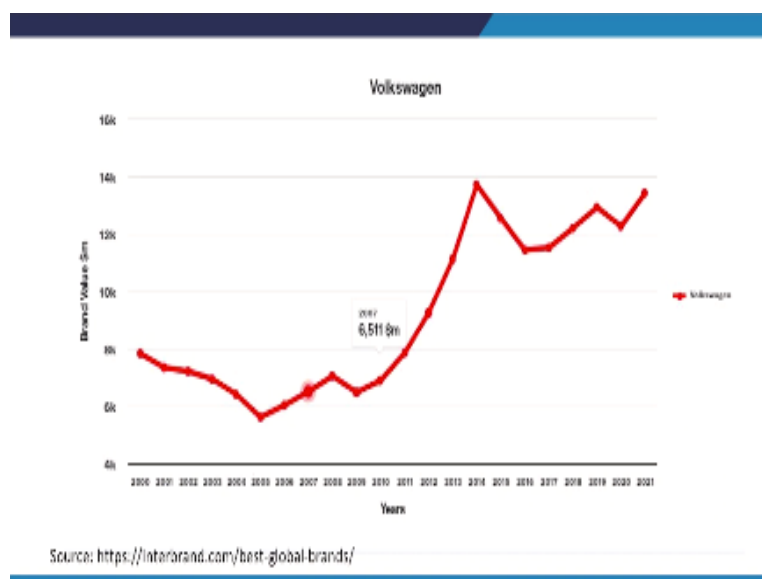
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This is a very interesting journey. Toyota, in front of you. I am not reiterating brand value which is very high in millions and millions of dollars. Again, in 2009-2010, it dipped quite a bit. I am not discussing the methodologies or the organization's perspective. I rely upon this data; these are credible organizations that are working on this kind of thing, and their methodologies are time tested.

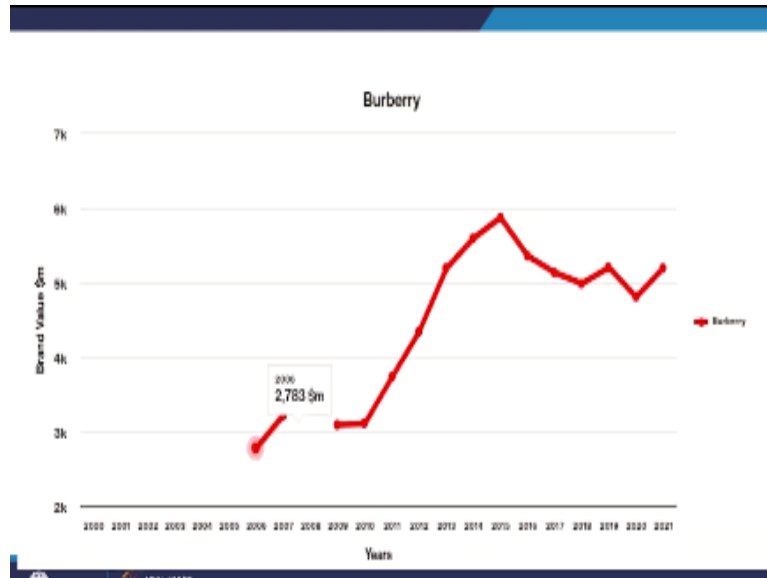
So, this went down, then came up, and then in 2016 to 17 it went down again, went up and came down, and is going up again. So, that is the fluctuation that brand valuation received in Toyota.

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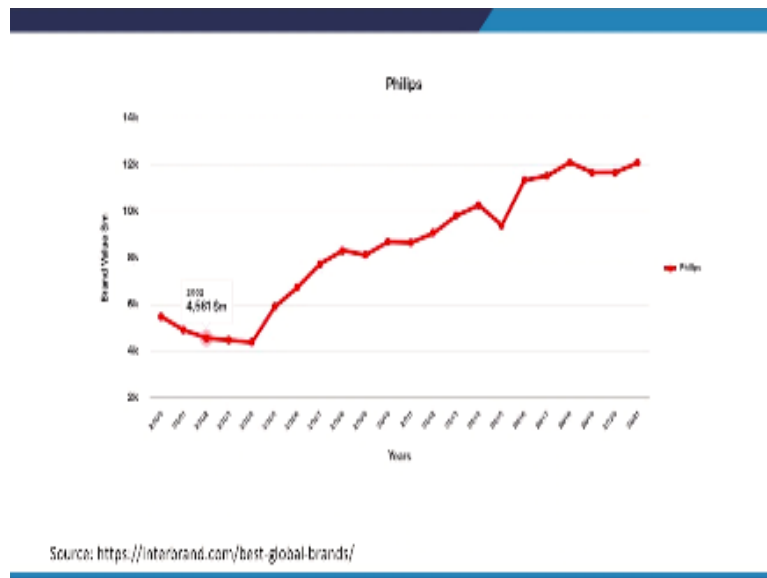
Volkswagen went to peak as far as 2014 goes, came down in 2015, 16, 17 and then 2019 came down, in 2021 it's going up once again, and it has seen so many up and down movements.

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Burberry is also there.

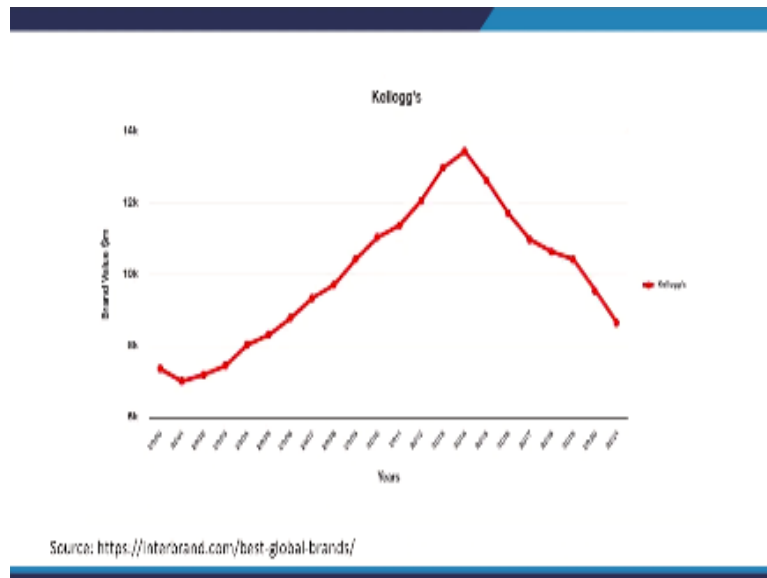
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Source: <https://interbrand.com/best-global-brands/>

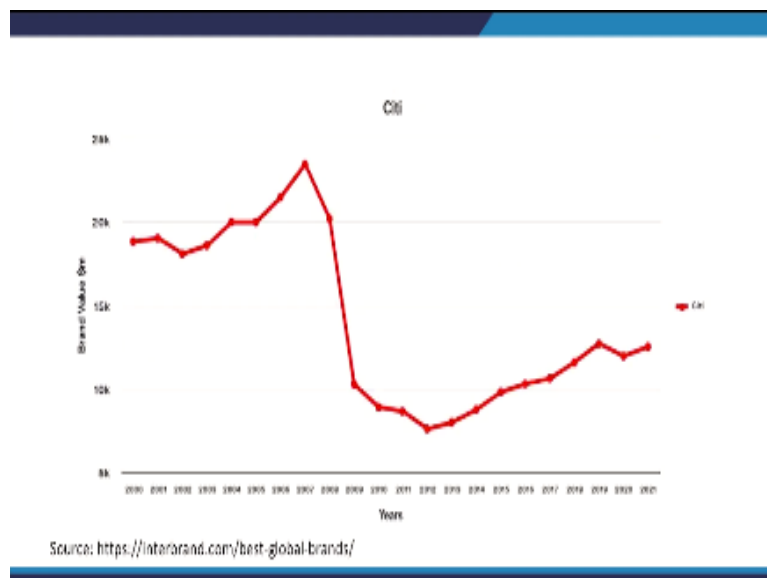
Phillips is also there. There was a sharp dip in Philips, here in 2015, I suppose.

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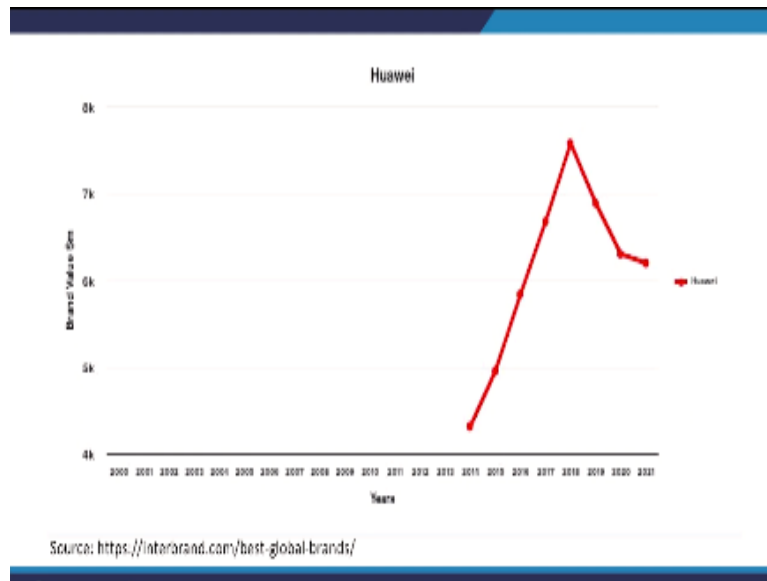
Then we have Kellogg's. It rose to heights till 2014, and it is reported by inter brand that it is going down steadily till 2021. The brand valuation has come a bit downwards.

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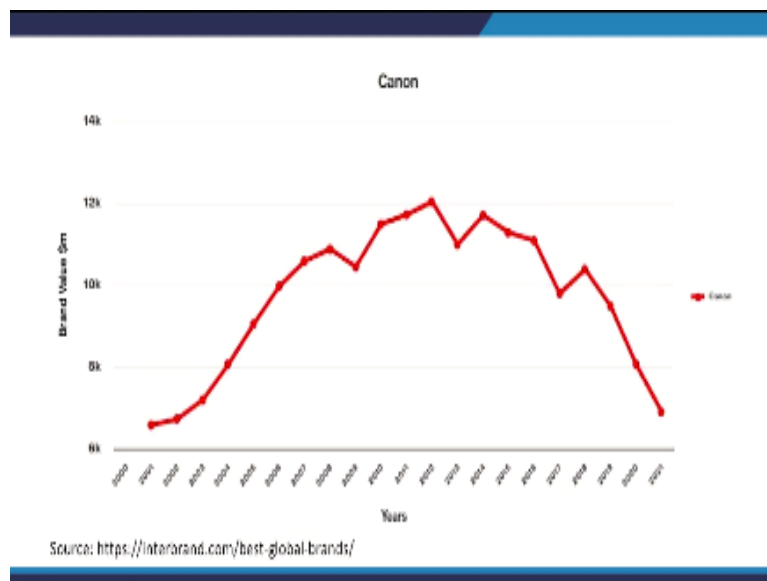
Then comes Citi, again huge rise, took off from a very, very high place as far as 2000 goes, but the backwards data might suggest from where it rose. If we go for 2000 onwards, it rose and then came down and now it is trying to go up basically.

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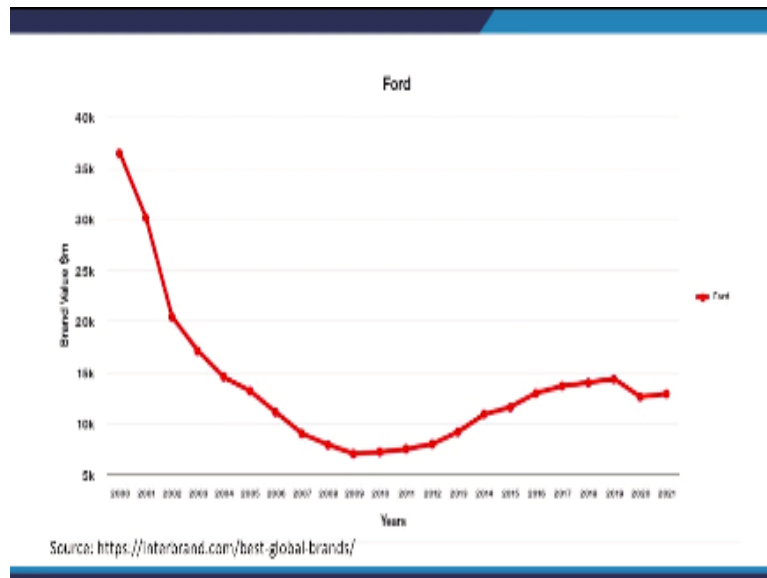
Look at this Huawei, it rose sharply between 2012 and 2018 and came down dramatically till 2021.

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Look at this, Canon is almost a journey of rise and fall in terms of brand valuation.

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Then Ford, it steadily came down since 2000, and then 2010 it went up and in 2021 it maintained its position up till a level.

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What should be derived as
the meaning when we talk of
valuation going up and
down?

What should be derived as the meaning, when we talk of valuation going up and down? Now, I will be remembering this question. I will be reiterating a few fundamentals in the form of the charts, which we have discussed at length.

Those are concepts, and fundamentals, and you would just realize that when we talk of valuation, there are some actions, activities, market acceptance, innovation, leadership perspective, awareness and so many things, which would not have worked or would not be

working at that particular stage. So, again the point is, does the brand go away? That means the name, symbol, logo, sign, it goes away?

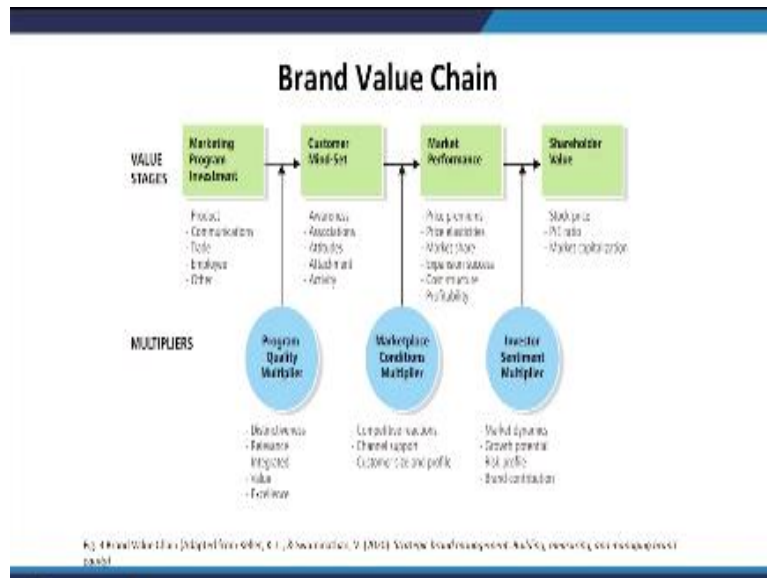
If it goes away from the memory of the customer and the stakeholders, then we can say that it has actually vanished. But if it stays, if Canon is still there, Kodak is still there, Nokia is still there, then there is a chance that we can do something about this. So, let us look at this fundamental again.

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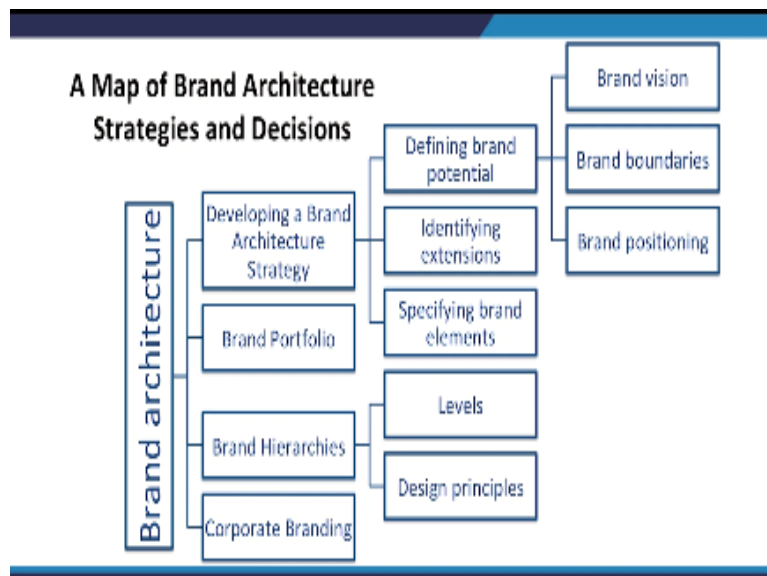
Canon might have lost the resonance. The feelings associated with that might be slightly there amongst the people associated with Canon. Performance in terms of the brand must be losing at this particular moment. Salience can be brought up, if you look at that. So, that is precisely my point. Look at the brands, look at this pyramid where they have receded. That is the only thing you should be thinking of at this time.

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Look at this brand value chain. A brand starts from the first value stage, where in marketing program investment is made as far as the brand goes. So, it goes towards building up shareholders' value. When the brand is losing value, market performance is coming down, and in terms of customer mindset, it requires a program quality multiplier that means we are losing on that account. Just keep this in mind, and do not forget the name is there. Now a very important point, which I will be raising very shortly in front of you.

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Now, look at this brand architecture for example. Here is an element of identification of extensions when the brand is getting a loss on its valuation. So there can be a scope for

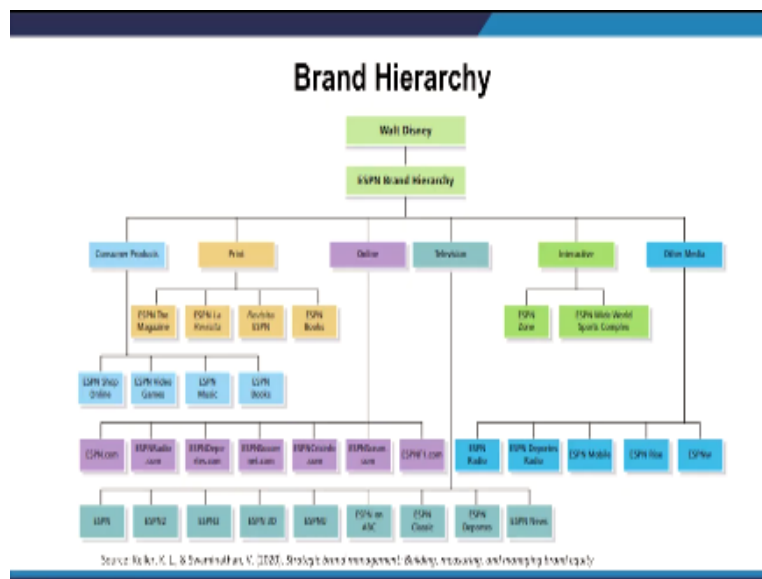
enhancing brand portfolios or rationality, rationalizing brand portfolios or enhancing brand hierarchies or developing a corporate brand perspective around whatever you are doing.

Tata's, they have efficiently done that. That is precisely what my point is; I am not sure of what Tata's had in terms of their brand evaluation before 1998-1997 but 1998-99, they were less than a billion. Today, we have discussed many times that it is around 22 billion. So, if it was higher before that and it came down till 99 and Tata built it back to 22 billion dollars, that is precisely my point.

That is where life cycle perspective comes in. Same happened with Mahindra, for example. Mahindra had a larger brand value, I do not have data at this moment. You can check it from the sources, and it went through a dip in terms of brand valuation. Today we all know, Mahindra story, it is a rising star.

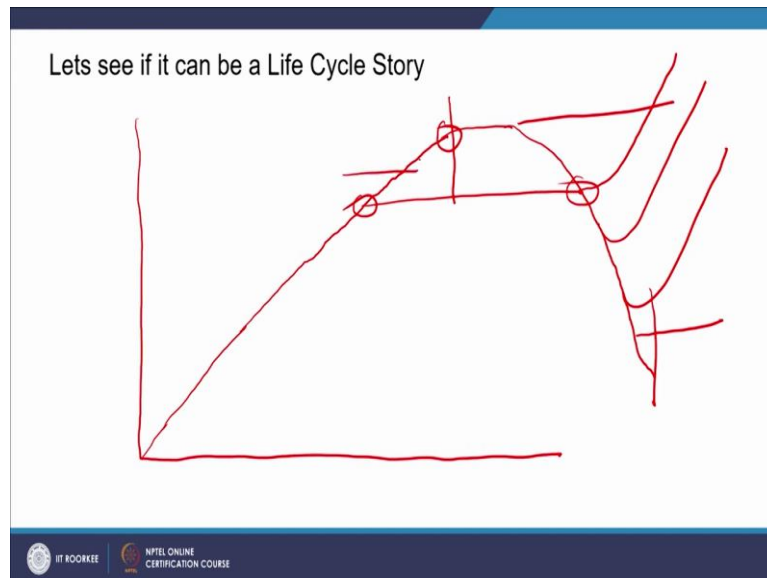
So, some actions have been focused upon by the leadership, the management team, and the brand managers of Mahindra status, and such organizations have risen sharply in the course of time. That is where brand hierarchy comes.

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Some rationalization would have been done; some extension would have been done.

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So, let me take you towards a two-dimensional representation of how to look at the life cycle perspective in terms of a brand. Let us assume that the brand comes into existence as soon as you give a name to a product. Now, if somehow it is in existence so, it is going towards a phase of introduction to growth, it is just an expression. You can put any brand name over at this stage.

As soon as the number of customers, especially those who like this name or associated with this name is rising the brand is rising. Even if you are losing on customers and people are aware of this brand, can we assume that the brand is rising? In terms of valuation it might not be, in terms of awareness it might be, and in terms of likability probably it might be, in terms of loyalty also it might be.

So, that is the precise point that the life cycle in terms of brand may put up an aspect associated with reduced consumption if you look at maturity. If you look at a brand's life cycle with the elements related to the brand itself. Then, it is an aspect to be thought of. For example, somehow the number of people who do not want that name to resonate in their minds in due course of time.

People have stopped talking about this, and they are not aspirational in terms of going towards that kind of a brand, they are not discussing that somehow. Then there is stagnation which is coming up. When it is fading away from the memory of people. It is going away from their discussions. It is vanishing away from the slightest of the discussion.

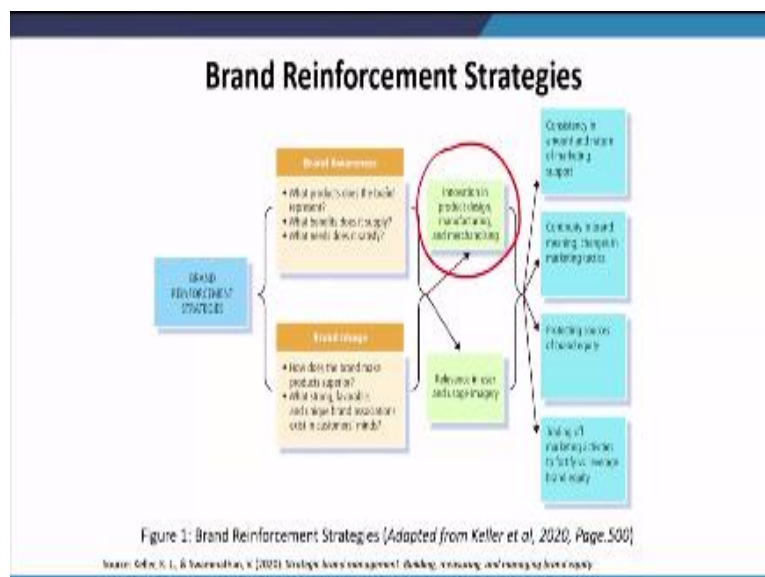
Then, somehow, we may say that brand is no more there. It happens but, in many cases, it takes a lot of time. So, if there is a lot of time between these two stages. If the number of people who remember a brand at the growth stage is almost similar to the number of people who are there at the declining stage.

That means brand, in one or the other form may take a rise depending upon what kind of marketing program investment, multipliers or those skills associated with developing or pursuing brand architecture, those skills if they can be pursued well. So, that is where the most important element goes in.

Now, let me just draw your attention towards, for example, at that particular stage you feel like that somehow at this stage wherein people are just stopping on as far as the discussion, which was going around brand. They were loving this, and then they have stopped discussing about or their attention is getting drawn towards something else.

So, here you may slightly reinforce. Again, if it is downwards from here you can think in terms of revitalization, or here you can think in terms of repositioning, or here you may think in terms of rebranding, which can also be thought of here as well. So, it is my suggestion that we must think in terms of the brand's life cycle with the perspective of fundamentals which we have discussed.

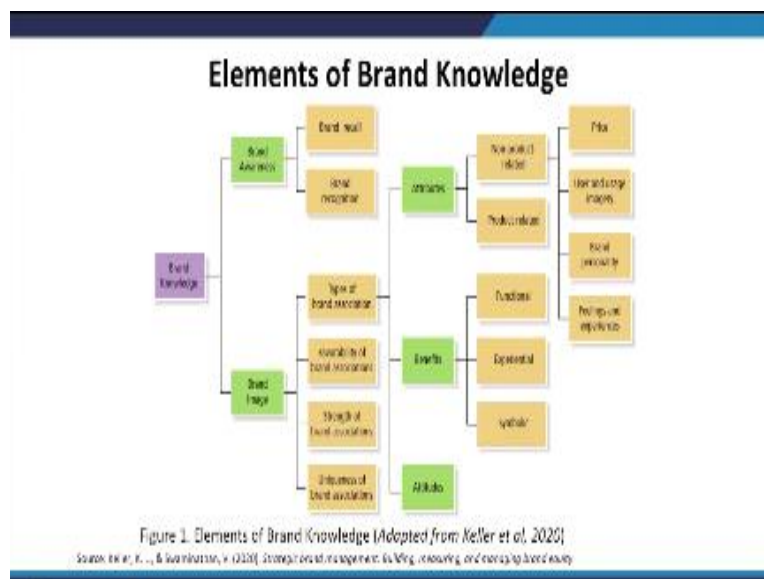
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Taking you towards some activities or actions, we have already talked about but just drawing your attention towards that when we say someone wants to reinforce because it is somehow

maturing as far as the growth goes. So, we can focus on this segment, for example. We can focus on developing further relevance in terms of as far as reinforcing the brand goes.

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In terms of revitalization, we can think of expanding the depth and breadth of awareness and usage of the brand. We can somehow reenergize that as far as the whole situation goes. We can improve the favorability also, and the whole story goes on.

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Brands never die, which means they live for a long time. If you look at Zoom, Netflix, and Tesla, they are on a trajectory where customers are attracted to them. They are discussing them; they are moving towards them. Yet, in terms of Kellogg's, Canon, Kodak, Nokia, things are stagnating or declining in terms of as far as the valuation and growth goes but has it vanished? Has the name vanished from the memories of the customer? I do not think so. So, if it is not, then, we can definitely think of revitalizing and redeveloping the brand as such. That is where we must focus on elements of brand knowledge we have discussed.

The message is that if we look at a lifetime with a limited time span, the brand never dies. In my last and culminating session, I will return to you with a narrative and a case study. I would be summarizing whatever we have discussed up till now. Till then, goodbye.