

## **OVER TIME BRAND STRATEGY – CONSISTENCY OR RADICAL CHANGE?**

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**Abstract:** The article is focused on the analysis of the consistency and radical changes as possible strategies of the brand management during time. The advantages and disadvantages of the exercise of these strategies are appreciated on the basis of the practice of well known brands and at the same time, recommendations for the future brand strategies are created.

**Key words:** Brand, branding strategy, radical conversion, consistency, brand value, positioning.

### **1. INTRODUCTION**

World economic crisis has shaken with market positions of many businesses that previously appeared to be solid. Not only market gaps, related with business opportunities, were created, but especially area for account of the applied concepts within the frame of economic practice that has not been still checked by crisis regimes in global dimensions. One of the major concepts, that had been tested, in conditions of turbulent changes on global markets, by actually applied approach to managing and building, is also brand, to which it opens up a new possibilities for further development. New trends will relate not only to new brands, that will fill market gabs in form of registered trademarks, and about their building and managing will be managers informed by crisis situation, but also to brands that, by pressure of world economic crisis, compensated and revealed their market positions. Managers of these brands now face to the choice between a consistent development of management system and radical change, as one of the possibilities of market withdrawal and subsequent increase of market share, in long-term viewpoint.

### **2. CONCEPTION OF CHANGE**

Resolution on change of identity, position or implementation is a key issue within the brand management and its implications have a significant impact on brand value in long-term viewpoint. In the course of implementation, it is necessary to appear not only from the analysis of current state, but particularly from predictions of future development, related to variables as customer behavior, competitive strategy, government regulation, or other factors of marketing environment, that affect a brand position. These external forces are not the only factors that influence the brand. Another important factor that can influence brand conception in long-term viewpoint is also managerial activity within a business entity, whose evolution is for prediction much more exacting in comparison with prospective assessment of alleged external forces.

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Even though, decision on radical change of brand conception use to be crucial in many cases in term of additional effective existence of brand. Experience showed many cases, in which were these measures taken under pressure of situation, or taken precipitately, and consequences, that were from brand position fatal. A typical example of such a negligent change of brand identity is vodka Smirnoff, which represents an extreme example of changing positions and identities.

Managers of this brand responded to actual social-economic status by radical changes in advertising campaign, but, at highest rate, they gave gruel conception of consistent brand identity development, that became ultimately a fatal. In order to adapt a flexibility of environment and to reach customers of competitive producer, they “befog”, what brand Smirnoff constituted and solitary brand identity in term of its personality, visual performance and added value as the basic carrier of information for the customer lost its primary meaning.

In long-term view point, the most expressive weakening of market position occurred in the period between the years 1974 and 1993, when brand Smirnoff retained a leader on the American market, in the category of alcohol-containing beverage; however this brand recorded fall of market share from 22% in the year 1974 to 17% in the year 1993<sup>2</sup>. During this period, the consumption of vodka decreased, while overall consumption of spirits increased. The most alarming fact was that the share of vodka Absolut, as a competitive brand, rapidly increased and in connection with the research projects, realized on research sample, this competitive brand dominated in such a categories as taste, quality and savour. Today, it is not possible to evaluate objectively, if this development was really caused by fragmented identities of vodka Smirnoff, and if it would be reversed by transition to coherent strategy of brand management in time. We can be sure, that while this brand was radically changing its advertising campaign, vodka Absolut with the aid of consistency reached customer preferences.

We can expressly state, that in this manner created brand identity, that should specify the direction, purpose and sense to brand and concurrently create a driving force of strategic brand vision, its ambiguity in realized advertisement campaigns orientated alternately to product facilities and alternately to feelings of the user in the widest possible range contributed to, that vodka Smirnoff did not found for its marketing activities a response in form of required shopping behavior of customer, by which it does not fulfill on the basic aims of building and managing strategy of this brand.

Purposeful and prudent changes in the identity, position or conversion of the brand often create for its future, existence of business unit and maintenance its market value from the long-term view, significantly positive step<sup>3</sup>.

Poor, weak and ambiguous identities are for the company very quickly diagnosable immediate impacts on its financial statements. Downward trend in sales volumes and negative trends in market share are in fact the best indicators of declining customer’s interest in brand. The best example of successful use of change in this case is brand Marlboro, which was in its infancy primarily intended for women. During the fifties of the last century, when cigarettes with filters became popular, this brand fight for survival and the only change to help was strong and sudden change in brand positioning. Pink ladies’ cigarettes promoted by the slogan “Light as the May rainfall” have changed to harsh cigarettes with red and white graphics destined for men. The success of this change now shows the fact, that this brand was ranked on 18th place in Interbrand scale. In comparison with last ranking, it had improved its position. Matter of interest is, that about the original identity of this world famous brand has nobody any notion and brand Marlboro is known as a brand with stable identity. Traditionally, this brand is associated with “Marlboro country” and the cowboy, who perfectly captures the mentality of the country of origin. This concept of brand management over time is a example of masterpiece change in brand identity, which was carried out at the right time and in right way.

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<sup>2</sup> AAKER, D. A.: *Brand building budování značky*. Brno: Computer Press, 2003. 312 s. ISBN 80-7226-885-6

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Obsolescence of identity is another possible incentive to make changes. As in the previous case, the best indicators are statements of finances. These have to be assessed over a longer timeframe. Successful brand, that requires building and management aimed to increase of its value, must take into account all these factors over time. By systematic tracking of social trends and appropriate responses to them can easily happen, that originally popular brand become inefficient in short time period because of its obsolescence identity. This was done in case of American Kentucky Fried Chicken. This company did not adjust its production to customer's requirements – healthier food. Brand identity that creates customer's associations connected with unhealthy fried food became obsolete. In the year 1991, company management decided to extend a assortment and started to offer the original production in healthier form. At the same time, the original name was changed. Customers were not directly confronted with traditional way of preparing in original name that in former times created the value of brand, but in terms of societal trends became inefficient in connection with next creation of brand identity. KFC made change that was inevitable for next development of brand value. This fact is confirmed by research that was taken by company Interbrand in the year 2009. KFC reached sixty-first place and thereby improved its position by three places in rankings in comparison with last year.

Brand identity, which addresses only a limited target market, reports to requirement for its change also in case, when it is effective. This brand, in case of this change, should address another market segment, or extend market by mention to new way of production use. Example of this change is laundry agent Oxydol. This product was bought in the year 2000 by company Redox Brands as an abandoned brand of company Procter & Gamble. Mentioned laundry agent suffered from a radical annual sale decrease by marginalization of activities in the area of brand management. While in the year 1992 the annual sales were 80 million USD, in the year 2000 it was only 5 million USD, what means the incredible fall of 94% in a very short period of time. This is attributed to the fact that removing brand marketing activities departed product from the young generation and loyalty of older customers was not adequate for maintain of the brand value. Company Redox Brands changed brand identity by actualization of the package, by change of slogan, by support of internet communication tools and by modification of brand positioning. All these activities were aimed to emphasize the extreme cleaning power. The result was that while in the year 2000 Oxydol was stored in 15% of retail business, in the year 2001 it was 70%.

Another example of the need for change of meaningful brand identity is situation, when there are no modern starting points of the brand. This need for change was recognized also by company General Electrics. After the diversification of business portfolio, company had reviewed its approach to brand identity and successfully applied the change. The original slogan “electricity makes life better” changed to wider defined slogan “technology makes life better”. This change enabled the company to evolve naturally toward nowadays trends that remained compatible with its tradition. Research that was taken by company Interbrand also confirms extraordinary success of interventions in brand positioning.

Also brand exhaustion influences the need for change in the frame of brand identity. Then the brand can become boring for the customer, even if several variants of its realization are effectively use. Exhaustion of brand identity depresses its position and also creates space for competitiveness boosting. Consumer then subjects to some sort of design extremes. This conception is based on the search for the missing brand attributes at the competition. Competing products do not offer to consumer's satisfaction of his needs in full range, but only in limited range, regarding the parameters that the original preferred brand absent. But this does not create the original relationship, as in case of originally preferred brand. New preferences to competitive brands are only temporary and mostly do not creates a massive reinforcement competitive position of sole brand, but more

On these examples it can be stated that the concept of radical change in specific cases is actually desirable. Recognition of market signals to its effective application is very managerial difficult and in the case of failure, very emasculative for brand. From these reasons is for needs of brand positioning change important detail analysis of all relevant information. Its objective evaluation crates, for the needs of brand identity, the best possible starting point.

### 3. BRAND CONSISTENCIES

It may seem that the consistency as a brand management strategy over time with concept of change is mutually exclusive, but it is not so. A clear example of synergies of both approaches in the long term is already analyzed brand Marlboro. This brand in its development has undergone a single radical change, which has created a unique base for following consistent building of brand identity. The fact, that the management is applying a consistent approach, does not exclude changes in marketing research. These changes must not be radical and frequent. In the case of vodka Smirnoff is this “befog” of brand identity “signed” under the deprivation of market share on the behalf of brand Absolut.

Consistency would be primarily perceived in terms of strategic management and subsequently through the various tactics, which are used in brand managing over time. If there is not a situation on the market that undermines the strategic brand positioning, matter for change within the frame of successful building brand identity does not exist. Brute search of new source of brand value would be pushed by company management at an early stage. Existing brand value is depressed by it. Such an approach to brand managing over time is wrong in long run. Practical experience of Intel demonstrates the need to protect existing sources of brand value. Thanks to the promotion of this concept, in the year 2009 this company vindicates the position in the top ten best rated brands in the world.

Canadian whiskey Black Velvet is an example of successful consistent brand strategy over time. This brand remains loyal to traditional “Black Velvet Lady” over the time. This symbol survived in spite of changing changes of slogans. It was because this slogan conveys emotional associations and the illusion of belonging to a higher social group. This effectively created identity over time is for brand Black Velvet a substantial competitive advantage. This advantage is based on the ownership position, on the symbol of identity and on cost effectiveness<sup>4</sup>.

Position ownership is one of the key factors that should be considered in the process of deciding on a radical change in brand identity. Consumer associations triggered by certain brands are so strong, that competition will not convince customers by positioning of their brands. Brands, that are trying to convince consumer of tobacco products to masculinity position, would become untrusted. Association of this position with brand Marlboro is so strong, that even after its release; competition will not probably have any access.

Ownership of symbol or identity is also an essential asset of concept of brand managing consistency over time. This brand characteristic context with position ownership, but they should be strongly differentiated. Competitive advantage derived from the ownership position is based on consumer associations fixed to some sense. Symbol that is owned by a brand represents substantiation of this sense by visual symbol, slogan, person .... Under the term person is not intended only a specific representative in terms of publicly known personality. Brand Black Velvet is known as „Black Velvet Lady“, although in the course of advertising campaigns it was shaped by many blonde models dressed in black. Interesting is, that if the brand symbol is enough fixed in minds of consumers, just a slight boost is enough, and advertising campaign may be much more successful. The company can reach a greater success at lower costs than a competitor with financially and creatively challenging campaigns.

Cost effectiveness is another major factor which influences management decision to change strategy of brand managing over time. Consistent strategy, supported by a powerful symbol of identity can be a source of benefits in the form of reduced costs for implementation of communications programs. Established brand reduces its communication activities to engage a slogan, or image, that are well known for consumers. Interesting communication tactic, related with cost minimalization, is so-called retro-branding, or retro-advertising. In USA it is based on address of consumer generation born in the postwar population explosion. Youth is reminded to them by returning to earlier advertising concepts; their positive emotions are raised, and thereby cause an effect on their consumer behavior. It is necessary to appreciate thus vitalized advertising conceptions, not only from the sight of

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<sup>4</sup> Also simile in AAKER, D. A.: *Brand building budování značky*. Brno: Computer Press, 2003. 312 s. ISBN 80-7226-885-6

never-ending purpose and mission over time, but also from the sight of contribution form younger generation.

A consistent approach to brand management over time brings many benefits that are vanishing by radical changes which were made within the frame of identity, status or brand design. Appropriate and sensitive combination of these approaches is not mutually exclusive. If there would not be a situation on the market, that notably endangers the existence of the brand, it is not good to improvidently change conception of consistency to conception of radical change. Evidenced also by a fact, that none of the ten most valuable brands of the world, by Interbrand rating for the year 2009, have not deflect the conception of consistency.

Rating 2009	Rating 2008	Brand	Country of origin	Brand value in billions of USD	Change of brand value
1	1		USA	68,734	3%
2	2		USA	60,211	2%
3	3		USA	56,647	-4%
4	4		USA	47,777	-10%
5	5		Fínsko	34,864	-3%
6	8		USA	32,257	4%
7	10		USA	31,980	25%
8	6		Japonsko	31,330	-8%
9	7		USA	30,636	-2%
10	9		USA	28,447	-3%

Picture. 1: Worthiest world brands 2009<sup>5</sup>

#### 4. CONCLUSION

Strategy of over time brand management is, from the long term sight of building and managing of its value, a key factor. Effects caused by the erroneous setting are far-reaching for the brand. Conception of consistency appears to be the favorable for brand in many ways, but experiences show the cases, when a temporary transition to the conception of radical change is existentially important for the brand. Signals, that highlight this state, have to be evaluated carefully and in connection with all relevant information. In case of brand Marlboro, this approach proved so, that the original brand

<sup>5</sup> Source: Interbrand, Business Week 2009

identity is unknown to the current consumer. After the radical change, which was requested by situation, company management was particular in application of the conception of consistency. This management avoided the managerial error that greatly weakened the competitive position of vodka Smirnoff within the frame of alcoholic beverages. In this case, conceptions were surprisingly applied in wrong direction. Consistency, as a recommended way of brand management over time, only anomalous prevails over the conception of radical change. This was adversely reflected on particular brand identity, which has remained “befog” and for consumer so unclear, that identification with it has become almost impossible.

Mentioned practical experiences of world-famous brands with application of analyzed strategies of over time brand management have become a valuable source of knowledge. It is necessary to draw from this source, when the positions of many brands were weakened by crisis, and the space, not only for building of new brands, but also for reinterpretation of applied brand strategies, that remained in the market, was created.

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