BRAND MANAGEMENT
Co-creating Meaningful Brands

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Apple’s continued success lies in its ability to take risks and to endanger its life with each new product. (Steve Jobs 1998, quoted in Kapferer 2014a, p. 154)

We must always change, renew, rejuvenate ourselves; otherwise, we harden. (Johann Wolfgang von Goethe 1749–1832).

Learning Objectives

When you finish reading this chapter, you will be able to:

1. Understand the basis for declining brand equity and how to respond
2. Understand the difference between innovation, revitalization, re-launch, and refreshing
3. Examine different strategies for revitalizing and refreshing brands
4. Apply approaches from the mindshare and cultural positioning models
5. Use design thinking to build brand ambidexterity
6. Examine how to approach user-generated innovations

Introduction

The previous chapter examined two forms of brand innovation, brand extension and co-branding. However, brand-related innovation involves more than these two
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strategies. First, brands need to innovate just in order to maintain advantages or points of difference in order to reinforce their position, which may not involve extension or co-branding. Second, brands need to innovate culturally, to ensure they retain relevance in the face of ideological change (see Chapter 5). Although we’d prefer to avoid it, brands can also get tired and require revitalization (often called “repositioning”). Finally, consumer-generated content and use, and/or the use of the brand by influencers and in popular culture, can be a source of innovation in meaning and in terms of the product, services, and stories that underpin the brand. These forms of innovation form the basis of this chapter.

Brand Equity: Relevance vs. Consistency

Previous chapters have highlighted the important role than relevance and consistency play in brand equity. The mindshare approach places a great deal of emphasis on consistency, focusing on ensuring that users clearly understand the brand’s promise, core associations, and image. Adherents of mindshare do not ignore relevance; rather, they argue it is built into the positioning process (in defining the frame of reference—see Chapter 5), and that it is a function of the marketing mix. In regard to the latter, relevance is addressed through changes to the supporting brand-marketing program, including product, service, pricing, promotion, and so on, while the position of the brand never changes or shifts. In this sense, relevance and consistency involve understanding the difference between brand tactics and brand strategy.

The cultural positioning model in contrast emphasizes relevance over consistency. By examining the approaches of iconic brands over time, adherents of this approach note how regularly brands change their position to take advantage of cultural schisms, and address new ideological challenges. Adherents to this approach do not ignore consistency. Like the mindshare approach, the cultural brand position requires a consistent expression of the brand position through the marketing program. And consistency with position requires rendering the organization authentic in the eyes of the populist worlds or crowd cultures one is drawing inspiration from. In this sense, authenticity may involve change and adaptation as well as consistency. In his study of the North American gay subculture, Kates (2004) identified that investing the firm in the subculture’s political program drove brand legitimacy and authenticity. This involved regular adaptation, but arguably was also a furthering of the cultural position of brands such as Absolut and Levi’s.

Both models share a concern with relevance and consistency, and of course both models are useful in combination for building brand equity over time. It’s also important to remember why both relevance and consistency are necessary. Studies on brand equity have identified that brands that are inconsistent have less equity than those that take a strong stand (both in terms of culture and mindshare) (Edwards and Day 2005; Keller 1999). Inconsistency is also a common theme in brands that have suffered
declining fortunes. Studies of luxury brands, for example, identify how extensive licensing eventually diluted the up-market image of brands such as Gucci (Forden 2000) and Burberry (Moon 2004). Maintaining fealty to one’s roots has also been identified as an essential component of brand authenticity, which subsequently drives consumer attachment and pro-brand behaviors such as paying a premium and positive word of mouth (Beverland 2009; Napoli et al. 2014).

However, remaining true in the face of change is also a reason why brands decline, as we saw in the cases of LEGO and Vegemite in Chapters 1 and 2. The cultural model has identified how previously strong brands lost wider relevance despite high levels of marketing investment in remaining consistent. Recent studies have also identified how consistency per se represents a barrier to brand innovation that can ensure relevance and new sources of brand meaning and equity (Beverland et al. 2015; Holt and Cameron 2010). However, constantly changing the brand’s position (especially during times of ideological stability), straying off into different segments and categories, and trying to be all things to all people ultimately undermine the stability necessary for achieving legitimacy and authenticity (Gerzema and Lebar 2008).

So, brand managers need to strive for consistency and relevance, both strategically and tactically, but need to understand when to emphasize one over the other, and also understand that each requires a very different mind-set and approach.

**Why Brand Managers Struggle with Change**

Although it is easy to say a strong brand requires stability and change, the overwhelming message that brand managers receive is “be consistent” (Beverland et al. 2015). Over time, this leads to a set of taken-for-granted assumptions that ensure consistency is privileged over change. We call this an “interpretive frame” (Dougherty 1992), which represents the lens through which we frame problems, identify and interpret data, and define solutions. This frame ensures we focus on information essential for ensuring consistency, while screening out ideas, requests, occurrences, and information that are inconsistent with our desire to remain “on brand” (Holt and Cameron 2010). In one sense, this is useful and often unavoidable as it ensures we do focus on consistency, which is actually important. On the other hand, it leads to a form of brand-management myopia whereby information that may warn us of impending danger, or identify sources of innovation that could enhance brand equity, is ignored or tuned out. Despite knowing relevance is important, it is often very difficult to achieve if your whole world is defined by an emphasis on consistency.

So, can brand managers innovate and remain consistent? This issue will be examined in more detail in this chapter, drawing on research in design thinking to identify the basis of **brand ambidexterity** (Beverland et al. 2015). This balance is not easy, and many writers note that the “iron cage of brand bureaucracy” means that relevance may be best left to creative disciplines such as design, advertising, and anthropology,
“chief culture officers,” and lead- and end-users (Holt and Cameron 2010; McCracken 2009). However, this so-called iron cage of brand bureaucracy is a function of an over-emphasis on one model of branding, so it is worth identifying the signals that should trigger discussions about relevance and transform the brand in ways consistent with its heritage but ensure relevance for the times.

Repositioning, Refreshing, Revitalization, Re-launch?

I have included the words “revitalizing” and “refreshing” in the title of this chapter for good reason—they more accurately describe what is involved in turning around tired brands and/or restoring relevance. Although this chapter goes into other forms of innovation, the main focus will be on revitalizing and refreshing brands that have lost equity. However, practitioners often use many terms to refer to revitalizing and refreshing brands, the most common of which is “repositioning.” However, this term can be misleading. If you think back to the discussion of positioning, repositioning would literally mean changing the brand’s meaning entirely. From a mindshare viewpoint, this is obviously quite dangerous because it would mean directly challenging the user’s idea of the brand. Those adhering to this approach usually argue that should a brand need repositioning, it is probably not worth saving, and may be best harvested or retired (Trout and Rivkin 2009). They also point out that there are very few examples of actual repositioning in the truest sense of the word.

From a cultural point of view, repositioning happens throughout the life of the brand (Holt 2004a), although the difficulties involved in changing how users see a brand they have experienced in one way are often downplayed. The cultural approach has been built on cases of brands that went through periods of strength and growth (driven by relevance and rendered authenticity) and then decline, which was only solved through the generation of new cultural myths. However, these new myths often appear to involve much less change to the brand’s historic roots than adherents of this approach would argue. Partly this is because the cultural model assumes that users will readily and easily reframe how they view the brand, dropping old knowledge and buying into new myths. As well, the cultural model downplays capabilities in its approach, and therefore underestimates the degree to which brands can simply change position and engage in the required organizational change needed for organizational authenticity.

What both models share is an interest in innovation. Mindshare argues innovation is essential for brand equity growth and relevance, identifying the importance of extension and other “on-brand” innovation activities. Cultural positioning argues for cultural innovation, identifying that relevance is achieved through identifying and exploiting emerging cultural schisms. In so doing, brands will be viewed as a legitimate relationship partner and cultural first mover able to outflank and undercut larger entrenched brands. In this chapter, I use the following terms to refer to specific aspects of brand innovation:
1. **Brand innovation**: This broadly captures proactive approaches to growing the brand (including brand extension and co-branding—see Chapter 7), identifying opportunities, revitalization and refreshing, and avoiding decline.

2. **Brand revitalization**: This refers to brands that have declined but are still in the marketplace. This replaces the term “repositioning” and refers to turning around brands that have suffered declines in their equity but nonetheless still have an actual market presence. Vegemite and LEGO are examples of brand revitalization we have examined already.

3. **Brand re-launch**: This refers to brands that have lain dormant for some time. In effect, these brands were removed from the market but may still have some latent equity through low levels of recognition. The C.W. Dixey & Son case at the end of this chapter is an example. This strategy is increasingly popular in certain sectors as it easier to re-launch a brand with a backstory than create one anew. The recent crowdfunded rebirth of Ferrania Film is another.

4. **Brand refreshing**: This generally refers to tactical shifts in the brand program to ensure relevance. Such changes can involve those covered in reinforcement and extension (see Chapters 6 and 7) and/or regular changes made to logo design, font, colors, and other more cosmetic actions brand managers undertake regularly. Coca-Cola’s regular redesign to their identity system represents an example of refreshing.

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**Why Does Brand Equity Decline?**

Customer-based brand equity (CBBE) (see Chapter 3) is usually defined in terms of the *aggregated* strength of the customers’ relationship with the brand (Keller 2003). Although cultural positioning advocates do not address the issue of equity in-depth, they do focus on decline, identifying that as the meaning of the brand dissipates (vis-à-vis addressing the cultural schism), customers respond less favorably to the brand’s marketing and reduce their use of it (Holt 2004). Both approaches therefore take a broadly similar view of brand equity but ascribe very different processes to build, and therefore rebuild or recover equity. So, what are the common reasons for users to reduce the strength of their brand relationship?

1. Points of differentiation become points of parity: What once differentiated the brand is simply now the category standard. Since differentiation lies at the heart of brand equity, a lack of it causes users to look at other alternatives, substitute generic products for the brand, move to low-cost options, switch in response to promotions, or try buyers’ own brands (such as those offered by Aldi, Carrefour, Sainsbury, Tesco, and others).

2. The brand underperforms on points of parity: Points of parity are really hygiene factors—they won’t motivate a user to prefer your brand but the lack of them will
ensure your brand is not preferred (Keller et al. 2002). Focus groups with target users can quickly get to the source of this problem, although feedback is just as likely to come from retailers, salespeople, influencers, and social media posts. Fortunately this type of decline is relatively easy to fix and primarily tactical.

3. **Disruptive technologies** or business models: The highest valued organizations at the beginning of the twentieth century were not the highest valued firms 50 or 100 years later. Why? Typically the inability to change one’s business model in the face of foreseeable change. Eastman Kodak built their brand equity on providing innovative film-photography solutions—they sold the film and camera, and provided the processing. Although they invented the digital camera in the 1970s, sharemarket analysts berated them for investing in such a low-margin business model, and the rest is history. Technological disruption usually emerges from unexpected sources despite entrenched leaders having the resources to counter it (Christensen 1997). Netflix CEO Reed Hastings identified how the brand’s early postal model could have easily been copied by then market leader Blockbuster and ensured the early demise of what is now an industry leader (Seo and Kim 2016).

4. The user’s life-goals change: Prior to Fournier’s (1998) celebrated work on consumer–brand relationships, brand-equity decline was mostly seen as something brand managers could avoid. Fournier, however, identified that brand equity could decline for reasons largely outside of a marketer’s control. For example, several years ago I switched to a vegan lifestyle. This had an immediate impact on my existing brand relationships—previous relationships (of brands such as Schott New York using non-human animal products) framed in love-type terms (New Zealand Merino producer Icebreaker) were dropped. Correspondingly, new brand relationships were formed, with previously unknown brands such as Tofurkey, Etiko, and Moo Shoes New York. Could Icebreaker’s brand manager do anything to address this? Beyond transforming their entire business model, no. Such changes speak to authenticating acts—the act of dropping brands or downgrading a relationship frame (from “best friend” to “casual fling”) reflects shifts in one’s defined true self.

5. The user’s life-world changes: Fournier also identified that life transitions such shifts in roles (single woman to partner, to mother, to empty nester) could affect the goals we set and the brands we value. Any number of transitions, including those between child and teenager, at home and moving out, in work and retirement, can impact on the context in which we engage in authoritative performances. Others have noted that changes in collectives such as the family unit can affect the brands we relate to and the way in which we frame those relationships (Epp and Price 2010). For example, new arrangements arising from merging the families of divorced couples can result in new life worlds—the addition of a new family on top of the relationships one may desire or be forced to continue with the old family collective (Epp et al. 2014). Brands that can help you navigate both collectives (such as Skype for example) will be especially valued, while brands reflective of the old collective may be downgraded or dropped.
6. Ideological shifts that render the brand culturally irrelevant: The cultural positioning model is predicated on addressing cultural schisms. Brands such as Mountain Dew built their equity on their ability to tap into cultural discontent and offer new solutions. However, should societal changes render the brand’s underpinning ideology irrelevant, the brand will decline, and managers will need to create a new cultural brief (see Chapter 5).

7. The death/removal/retirement of the brand’s founder: This may seem a strange inclusion, but brand founders intuitively get the brand and are often associated closely with it in the eyes of users. Steve Jobs’ death, for example, raised many questions about the future of Apple, while any subsequent perceived misstep made reference to what Jobs would have done. One challenge for managers post-founder is that they become too respectful of their legacy. This happened at Christian Dior following the death of the founder and namesake. Managing the founder–brand link is tricky as Brand Aside 8.1 explains.

**BRAND ASIDE 8.1**

**The Tale of Two Crowns: Managing Brand Founder Image**

Founders are often essential to the brand’s ethos and external identity. However, they are also human, subject to errors and mistakes, and ultimately, may need to be replaced, wish to retire, or die. How does one therefore manage the tension between a human founder and the abstraction of the brand that will hopefully endure for a longer period of time?

The theory of the two crowns is an old idea that is used to manage the institution of the Royal Crown in the United Kingdom. Basically, the king or queen is the real but temporal and earthly crown, whereas the “Crown” is an enduring, abstract, institution. The former will perish, but the latter will always continue. Fournier (2016) draws on this idea to identify how professional owners seek to manage founder-driven brands (such as Martha Stewart, Christian Dior, Richard Branson’s Virgin, and so on). In essence, management teams and financiers seek to distance the brand from the owner over time in order to ensure the brand can endure without them. This approach is tricky, however, as scandals such as those suffered by Martha Stewart (who went to jail) can undermine the brand.

8. Mismanagement: When Quaker Oats purchased Snapple, for example, they treated the brand in the same way as Gatorade, but the two brands had very different images with customers and eventually Quaker had to divest Snapple to new owners (who happily returned it to its original roots and reversed the decline) (Deighton 2003).
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As we’ve seen, poor licensing decisions and over-extensions are another form of mismanagement. Cost cutting can also harm a brand, as managers begin to reduce the value of the customer experience, as happened at Harley Davidson in the 1970s when they removed chrome from their cycles to save money (Beverland 2009).

9. Crisis: This is covered in detail in Chapter 12, but beyond those fatal to the brand’s future (where negative equity arises), a range of authenticity crises can negatively impact brand equity. In contrast, well-managed crises can represent important moments of clarity for the brand and eventually become part of the brand’s folklore. Coca-Cola’s infamous New Coke, Vegemite’s iSnack 2.0, or Johnson & Johnson’s Tylenol scare in their own ways all helped reinforce important brand associations.

10. De-legitimization: Chapter 7 identified how legitimacy was essential for ensuring brand authenticity and therefore equity. Legitimacy goes beyond pragmatic claims of performance or rights to trade, but involves considerations of the brand’s moral standing and cultural embeddedness. The tobacco industry has faced increased regulation over time because it has lost legitimacy in core markets, with dramatic impacts on brand equity. These sources of decline are difficult if not impossible to manage since they involve considerations on whether the brand has the right to exist at all.

The above ten points contain things brand managers have varying degrees of control over. Brand managers can be expected to manage points 1, 2, scenario plan and mitigate for point 7, and clearly avoid points 8 and 9. They should have input and influence over points 3, 7, and 9. Points 4 and 5 are harder to manage and may require more radical solutions, involving careful use of brand extension and architecture and/or may involve investment/divestment considerations. Point 6 is difficult for brand managers to respond to and they will often need outside help from cultural creatives to enact a new cultural positioning. Point 9 is covered in Chapter 12. Point 10 is probably outside the influence of brand managers although picking up on changing social values and identifying the risks to their brand are something that should be part of any review process.

The rest of the chapter will examine (1) how to avoid some of these sources of decline through mindshare and cultural innovation, (2) rebuild brand equity in the cases of decline, and (3) use design thinking tools to ensure brands remain relevant and true to their roots.

**Brand Innovation: Three Perspectives**

This book has split brand innovation into three perspectives. The first is mindshare-based innovation whereby the brand’s position is engineered into all innovation activities. This approach is valuable for reinforcing the brand. However, while it can often result in a focus on incremental innovation there is no reason why radical innovation
(often through category extension) cannot occur. The second approach is cultural innovation with an emphasis on spotting cultural schisms or moving the brand from one cultural position to the next. In this approach, brands must also contribute to the populist worlds or web-based crowd cultures they draw from and therefore both radical and incremental innovations can result. Although this approach is much more user-centered than the mindshare approach, there is no reason why this needs to be the case (and vice versa). Finally, the brand ambidexterity approach will be examined, which draws on design thinking or the practices and thinking methods used by designers to address tricky problems (such as relevance vs. consistency for example).

Mindshare Innovation

Mindshare branding involves building equity through developing a series of distinct and strong brand associations in the mind of the user (Keller 2003). Innovation therefore involves activities that reinforce and/or enhance these associations (Beverland et al. 2010). As Jean Noel Kapferer states: “The twin engines of brand building are innovation and communication. Consistency is the key to managing these dual engines. Innovations build brands if and only if they create a consistent picture of what the brand is about” (2014a, p. 150). This innovation of course can involve new products and services, new messaging, new user-associations (through endorsement and sponsorship), usage associations, and other activities that aim to keep the brand “fresh” without straying too far from its roots. For example, Apple used a number of strategies to reinforce its commitment to user-centered innovation, including:

1. Radical “new to the world” product innovations such as the iPod, iPhone, and iPad (category extensions)
2. Incremental product innovations such as within category line extensions (the iPod Nano, iPod Shuffle, MacBook Air, iPad Air, and various software updates)
3. Service and experience innovations: Apple retail stores featuring Genius Bar help-desks, educational experiential events, and the ability to interact with technology; the stores reflected the brand’s iconography, look, and feel
4. Campaigns with musicians including Irish superstars U2 and their special edition red iPod, and of course the failed free download of U2’s 2014 album Songs of Innocence given to everyone with an iTunes account
5. The adaptation of their famous Mac vs. PC Guy campaign to take account of Apple’s and Microsoft’s various updates and their differences in user experience
6. The Macworld events that generated worldwide free coverage of the firm’s new releases and plans
7. Strategic “leaks” of new designs, all strenuously denied by the firm but nonetheless reported widely throughout the globe, all with the air of authority that came with news content rather than paid publicity
8. Constant software releases and updates in areas historically owned by the firm including photography, movie making, and electronic music; reinforced through a strategic program with various educational partners (particularly design schools), which ensured the brand became taken for granted or culturally legitimate in creative communities, all of which reinforced the brand’s associations and ensured its cool status (itself reinforced through product placement in specific television shows and films).

All of these innovations reinforced the brand’s “Think Different” message, enabled Apple to stay ahead of competitors and therefore earn higher margins (category extension was particularly important here), and keep the brand fresh and relevant through a careful mix of radical and incremental product innovations, and advertising campaigns that generated a buzz (Aaker 2012). The retail store expansion also ensured greater control over brand presentation (consistency), enabled the building of closer relationships with customers, encouraged trial for new users, and helped protect margins.

In the case of Mac vs. PC Guy, the campaign achieved wider cultural resonance and helped ensure user identities for both sets of consumers. It is not unusual for cafés and bars in hipster areas of various cities to be framed in terms of “filled with bearded, tattooed Mac users”, all of which helps reinforce the brand’s creative identity. The other thing this campaign does is reinforce a sense of them and us, which is essential for brand community (Muñiz and O’Guinn 2001). After all, most forget that Apple is a Microsoft client in terms of software and that the two firms’ respective focus (on hardware and software) complements more than competes. However, in symbolic terms, PC Guy is a perfect foil for the hip, cool Apple guy, while both represented a nice foil for upstart Linux who tried a doppelgänger approach by presenting both as comfortable elderly men (vs. the female Linux user), focused on incremental innovation and controlling the market (Beverland 2009).

Historically, innovation scholars have paid little attention to branding-related issues. With a focus on research and development, innovation specialists often treat the brand as something that happens at the end of the process (Beverland et al. 2015). This approach holds that the “real innovation work” involves generating new concepts and workable prototypes, after which it can be handed to marketing to make it user friendly (who then as often as not hand it to design to get the styling right). Brand leaders, however, do the opposite, ensuring that all innovation is “on brand”, and then leverage their creative processes as part of their brand’s authenticity.

Figure 8.1 identifies a mindshare approach to innovation. This figure identifies different branded approaches to innovation that are determined by the degree to which the brand seeks to drive the market or be driven by the market, and the extent to which it is defined by radical versus incremental innovation. Different brands should according to their position engage in different types of innovation strategies:
1. Creative brands: These are brands within creative sectors that attempt to create or shape trends. This includes design-driven brands like Alessi, Apple, Diesel, Di§count Universe, Dyson, Google, IBM, Phillips, Sea Shepherd, Stella McCartney, Umpqua Bank, and Tesla. These brands are expected to do things differently, take risks, and attempt to create new market categories, often through category extensions. Although not everything may work (i.e., Apple TV), they do not necessarily suffer for failures in the eyes of their users.

2. Share leaders: Creative brands may dominate profits even though they do not lead in terms of share. Share leaders such L’Oréal, Mars, Cadbury, Samsung, H&M, and Toyota engage in radical innovation (e.g., the Prius), but do so with reference to espoused user needs. Typically, they are not first to market with new concepts, but when they do enter, they often shape the category and determine performance benchmarks. Here innovation is more typically driven by the Stage-Gate™ process (see Figure 8.2 and Brand Aside 8.2) and a planned acquisition strategy.

**Figure 8.1 Mindshare-driven innovation**

*Source: Adapted from Beverland et al. 2010, p.33*

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**Brand Aside 8.2**

**Stage-Gate™ Innovation Process**

Figure 8.2 represents the famous Stage-Gate™ Innovation process. This process is the dominant model in innovation studies, particularly those focused on new product development (although the logic applies equally to service innovation as well). The gates at the end of each stage are not just metaphorical; they consist of series of tests (usually involving a mix of marketability, feasibility, and strategic and

*(Continued)*
brand considerations). Should the idea fail at a gate, it is removed. The idea is the gates should weed out poor ideas and ensure that only a few strong ideas make it through the next stage. Each stage represents furthering investment, and therefore reducing ideas ensures decreased risk and a greater concentration of resources.

The beginning is usually called the “fuzzy front end” and this is where there is a free-flowing ideation session (designers are often involved here). The end is launch and hopefully sustained adoption and diffusion. Prior to that is prototyping, which can be an expensive stage, although with technological advances and crowd-funding operations, developing workable prototypes has become a lot cheaper and led to new models focused on “failing fast” (whereby multiple rough workable prototypes can be developed and removed quickly, although the learning in each is invested in later designs). The model is useful, although as design academic Roberto Verganti (2009) identifies it is not the only model, primarily results in incremental innovation, and does not explain the success of many lauded breakthrough designs that have rebooted brands.

3. Heritage brands: Many brands in the market look backwards and inwards rather than forwards and outwards. Typically, these brands leverage their lengthy (real or imagined) heritage, focusing on incremental improvements through greater mastery of their craft. Jack Daniel’s is one such brand (as are many alcohol brands), Champagne Krug, C.W. Dixey, The Morgan Motor Company, Red Wings Boots, Claridge’s, and
Savile Row brands such as Gieves & Hawkes. Culturally these brands draw their power from their associations with the world of craft and making, and often deploy language and cultural codes associated with “slow production” (see Brand Aside 8.3). New innovations are always framed in terms of “this has been a long time coming.”

**BRAND ASIDE 8.3**

**Fast vs. Slow Innovation**

With the emergence of the Slow Food movement (vs. fast food), speed-based metaphors have become cultural codes to define certain types of innovation approaches, design models, and business models (there are now movements dedicated to slow living, slow fashion, slow design, and even slow branding). The emphasis on brand authenticity has also emerged as part of this, with authentic being more associated with the slow world than the fast. So what do they refer to? Definitions are difficult to come by, but the two terms are interrelated—one cannot have slow without fast.

The fast model is typically associated with mass consumerism, ever-quickening production cycles, globalization, cheap disposable products made by machines or cheap labor, sameness of style, and a lack of concern for society and the environment. Brands such as H&M are often seen as examples of this, with cheap clothes, made in developing world factories, designed to be worn just a few times before being thrown away. Slow, in contrast, is everything that fast is not. Heritage and craft brands typically play up this identity, stressing their localness, timeless, durability, handmade nature, and concern with local communities and the environment (Beverland 2011).

However, large brands can also play up their slow credentials with much success—brand authenticity is often a combination of careful delineations between the front (what we say we are) and back stage (what we do). Many brands that draw on slow cultural codes such as Jack Daniel’s, Red Wing Boots, Dom Perignon, the Savoy Hotel, and Camper are a mix of slow messaging and fast business systems. The benefit of this is that it enables one to be relevant in terms of product and service standards while also exuding an old-world charm (Beverland 2005b). Although users often know that this is all stage-managed they are willing to suspend disbelief as long as you manage the illusion carefully.

4. Follower brands: Many brands define themselves in terms of a leader, often stressing points of difference and matching points of parity. Avis’s “We Try Harder” fits this model. They define themselves in relation to the market leader (Hertz), match them in terms of offers, and try and do better on performance. This process defines fast-fashion brands such as Zara. Zara, H&M, and Primark all copy the ideas of luxury design houses and ensure they are quicker to market with ready-to-wear,
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... sharply priced options. Likewise, retailers’ buyers own brands fall into this category. Here innovation is always incremental and always defined in reference to competitor offers and proven concepts. Typically, these firms also place a great deal of emphasis on process-based innovations to ensure continuous improvement, cost efficiency, and speed to market.

It is important to remember that brands can mix and match their innovation strategies somewhat, as their respective positions are often flexible enough to stretch across radical and incremental innovations. However, the categories in Figure 8.1 identify the innovation strategy that should be the dominant approach for each type of brand. For example, consider how incremental innovations such as iPhone upgrades from Apple are greeted with disappointment, especially when no new radical products are announced. The company needs to engage in this type of innovation to ensure relevance, reinforce points of parity and difference, and to recoup its initial large investment in radical innovation; however, influencers and users expect the company to regularly excite with new technological wonders.

Likewise, heritage brands such as The Morgan Motor Company do engage in radical innovation, often leading the way in hydrogen-based prototypes, aluminum forming (their Aero models are literally blown into shape much like glass), and sleek design; however, failing to integrate these stories into the brand’s design language (open-top sports cars with a significant amount of handmade content) can be dangerous, such as the move to a fiberglass closed top model (the +4+) in the 1960s. Just 24 were made before it was abandoned as a failure although currently the model is the most valued because of its rarity (Beverland 2011).

Far from being an afterthought, brand marketers must ensure that their position is engineered into R&D, innovation, design, and production or service delivery, to ensure that innovation reinforces the brand over time.

**Cultural Innovation**

For the cultural positioning model, relevance rather than consistency is central. Inherent in the cultural positioning model is the idea that brands must change when they cease resonating culturally. As we saw in Chapter 5, the cultural positioning model is a disruptive one in relation to the brand’s recent past. When the gap between national ideology and the users’ daily experience grows too great, the brand is at risk of losing equity, its myths no longer creating the desired differential effects in terms of user behavior and financial performance.

Budweiser for example is considered an archetypical iconic brand in the cultural positioning model. Although the brand has loosely owned the idea of masculinity over its life, given that gender roles and expectations are framed culturally, the brand has endured because it has radically shifted from a middle class to be enjoyed at home premium beer, to a reward for hard work and effort, to being cynically self-denigrating (Holt 2004a). Why?
Masculinity changed. As the 1950s gave way to the 1960s counter-culture, the idea of the predominantly white American male being a breadwinner lost cultural resonance. America’s economic, political, cultural, and military decline meant men were unable to buy into classical cultural roles, and therefore began to desert the brand. The brand’s revitalization came through aligning with a new populist world—that of working-class craftsmen dedicated to the love of work for its own sake. The “This Bud’s for you” campaign resonated with men again and gave them a new myth to buy into—the man as action hero (Holt and Thompson 2004). This too eventually gave way with ongoing outsourcing, automation, and the decline of local manufacturing rendering belief in the idea that hard work would be rewarded or “making” defined anyone, to be replaced with the self-deprecating, mocking slacker ethic reflected in shows about nothing such as Seinfeld (and the character Kramer) and movies such as The Big Lebowski (exemplified by Jeff Bridges’ iconic “The Dude” character). Here, workers were seen as dupes for “The Man” (1960s slang for the system), and the only thing that really mattered was male bonding over sports and masculine rituals (Holt 2004a).

As this example shows, relevance is a moving target. It’s important to remember that each campaign defining the brand’s cultural position ran successfully for long periods of stability and on-brand (mindshare) incremental adjustments. Innovation in this model has already been discussed in Chapter 5 and the method behind the cultural brief. In essence, when sales suggest the brand is losing relevance (even if tracking suggests otherwise) it is time for a new myth. This requires understanding the nature of the cultural schism experienced by your target users, identifying a new populist world or web-based crowd culture to draw from, rendering your company and offer authentic in terms of these mythic sources and your heritage, and in some cases changing position radically. After all, Budweiser’s shift from man as action hero to slacker is openly contradictory, which is why the brand’s lizard advertising campaign openly mocked the firm’s marketing approach (Holt 2004a).

However, as Brand Aside 8.4 demonstrates, brand managers struggle to make these changes, which is why they often need the unique input of creative personnel, or design thinking. Differences in how each discipline approaches brand innovation challenges are presented in Table 8.1.

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**BRAND ASIDE 8.4**

**The Brand Bureaucracy**

Holt and Cameron (2010) challenge the idea that brand managers are able to innovate culturally and manage relevance. They argue that brand managers operate within a mental “iron cage,” which they call “the brand bureaucracy.” The brand bureaucracy emerges out of the idea that branding can be distilled down...
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to a few rules, the effects of which can be measured. This is a further critique of the mindshare model. This model has attempted to make branding a science (or “sciency”—science like) and is seen as too abstract, reductionist, standardized procedures, a preference for control, quantification, and an emphasis on rational and rigid rules. Anything that sits outside of these rules or that cannot be measured is ignored or rejected. However, it is precisely this type of information and the disciplines that prefer to work with it that drive relevance and the basis for cultural brand innovation.

Table 8.1 Brand managers’ vs. designers’ approach to innovation

<table>
<thead>
<tr>
<th>Brand Issue</th>
<th>Marketers, brand managers</th>
<th>Designers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand concept</td>
<td>Reference brand positioning</td>
<td>Up for discussion; assumptions can be challenged</td>
</tr>
<tr>
<td>Brand articulation</td>
<td>Write brand mantra, promise</td>
<td>Bring promise to life</td>
</tr>
<tr>
<td>Brand communications</td>
<td>Communicate brand consistency in marketing communications and programs</td>
<td>See brand consistency as a three-dimensional construct, including product form, sensory components.</td>
</tr>
<tr>
<td>Role of brands in consumer’s life</td>
<td>Focus on satisfaction; loyalty, Individual product function and performance (“new and improved”)</td>
<td>Brands are part of a customer’s or end-user’s life and products; holistic, systems perspective</td>
</tr>
<tr>
<td>Brand’s role vis-à-vis other corporate assets</td>
<td>Brands tend to be managed in separate portfolios; they compete for resources and to create value</td>
<td>Brands have emotional meanings and convey them, e.g., trust, innovativeness</td>
</tr>
<tr>
<td>Role of product innovation</td>
<td>Necessary to maintain growth; brand and line extensions</td>
<td>Opportunity to challenge assumptions; activate brand experience, experiment</td>
</tr>
<tr>
<td>Meaning of consistency</td>
<td>Predictability, reliability</td>
<td>Authenticity of meaning</td>
</tr>
<tr>
<td>Communication of brand values</td>
<td>Pictures, messages, events</td>
<td>Experiences, objects, senses, symbols</td>
</tr>
</tbody>
</table>

Brand Ambidexterity and Design Thinking

Maintaining consistency and relevance is an enduring “wicked” brand problem. Wicked problems are typically those where no obviously simple answer can be found and are defined as: “A wicked problem is a problem that is difficult or impossible to solve because of incomplete, contradictory, and changing requirements that are often difficult to recognize” (Churchman 1967, p. B-141). The defining characteristics of wicked problems are:

1. The problem is not understood until after the formulation of a solution.
2. Wicked problems have no stopping rule.
3. Solutions to wicked problems are not right or wrong.
4. Every wicked problem is essentially novel and unique.
5. Every solution to a wicked problem is a “one-shot operation.”
6. Wicked problems have no given alternative solutions.

(Source: Conklin 2003)

One discipline that deals with these types of problems is design. Tim Brown of Californian design firm IDEO (responsible for many break through products including the first laptop) popularized the phrase “design thinking” in an influential 2008 Harvard Business Review article of the same name. The idea is that if managers can think more like designers, they too can solve wicked problems or see things in a new light. So what is design thinking?

Design thinking is a collaborative, iterative, experimental and human-centered process that adopts a holistic approach and applies abductive reasoning to problem solving. It draws on design methods and tools, and it is both an individual cognitive feature and an organizational one. (Micheli et al. 2017, p. 20)

Design thinking consists of the following practices:

1. **Abductive reasoning**: induction seeks to generalize from instances to theory, whereas deduction involves making predictions from theory. Induction is most consistent with a creative logic focused on relevance. Deduction is much more about consistency (deducing from brand position to tactics). Abduction combines the two and asks, “What could be?”
2. **Iterative thinking and experimentation**: a preference for trial and error, and learning from feedback. Rather than perfect the offer first time around, design thinkers engage in quick prototyping and adjust quickly.
3. **Holistic perspective**: a focus on the wider system in which a user's problem or opportunity exists. Similar to the assumptions underpinning relational and cultural models of branding.
4. **Human centeredness**: a focus on the user, but one that acknowledges cognition, emotions, and behavior, and seeks to understand the context in which such users seek self-authentication.

(Source: Beverland et al. 2015, p. 593)

Together these practices are used by design thinkers (who are not necessarily designers) to generate brand ambidexterity: “Brand ambidexterity is defined as a marketing capability whereby a brand is strategically managed to create value through the pursuit of both consistency and relevance” (Beverland et al. 2015, p. 592). Table 8.2 identifies the practices deployed by design-thinkers in the three stages of building brand ambidexterity. Beverland et al. (2015) identified that design thinkers addressed common consistency–relevance tensions through a three-stage process of:
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1. Destabilizing the common assumptions underpinning so-called brand-truths
2. Defining and developing new solutions
3. Transforming the brand in such a way as to remain true to its roots (which may have been reinterpreted or broadened) while also being relevant to stakeholders

Outcomes of this process included greater brand equity and a stronger meaning platform with which to reinforce and refresh over time. As a result, the brand ambidexterity approach helps balance the competing but necessary logics underpinning the mindshare and cultural positioning models. Figure 8.3 identifies the different options under an ambidexterity approach.

**Table 8.2** Brand-related design practices and design thinking

<table>
<thead>
<tr>
<th>Destabilization:</th>
<th>Abductive reasoning</th>
<th>Holistic perspective</th>
<th>Human-centredness</th>
<th>Iterative thinking and experimentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) naïve questioning</td>
<td>Why can’t we be relevant?</td>
<td>Where did these categories come from?</td>
<td>User empathy</td>
<td>What happens if we play with the assumptions underpinning mental categories?</td>
</tr>
<tr>
<td>(2) problem interrogation</td>
<td>Mapping the wider context of the problem.</td>
<td>Respecting stakeholder needs.</td>
<td>Innovating in ways sensitive to (but not 100% respectful of) the brand story.</td>
<td></td>
</tr>
<tr>
<td>(3) contextual immersion.</td>
<td>Ensuring the brand delivers value in use to stakeholders</td>
<td>Innovation enables the brand to become the relationship partner</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Define and develop:</th>
<th>Abductive reasoning</th>
<th>Holistic perspective</th>
<th>Human-centredness</th>
<th>Iterative thinking and experimentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) capabilities matching</td>
<td>What could help us achieve relevance?</td>
<td>Mapping the wider context of the problem.</td>
<td>Respecting stakeholder needs.</td>
<td>Innovating in ways sensitive to (but not 100% respectful of) the brand story.</td>
</tr>
<tr>
<td>(2) problem scoping</td>
<td>Ensuring the brand delivers value in use to stakeholders</td>
<td>Innovation enables the brand to become the relationship partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) solution development.</td>
<td>How does the innovation link the brand’s past and future?</td>
<td>Innovation enables the brand to become the relationship partner</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transformation:</th>
<th>Abductive reasoning</th>
<th>Holistic perspective</th>
<th>Human-centredness</th>
<th>Iterative thinking and experimentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) mapping innovation to brand</td>
<td>How does the innovation link the brand’s past and future?</td>
<td>Ensuring the brand delivers value in use to stakeholders</td>
<td>Innovation enables the brand to become the relationship partner</td>
<td></td>
</tr>
<tr>
<td>(2) restabilizing.</td>
<td>High Consistency</td>
<td>Disruptive brand extension</td>
<td>Low Relevance</td>
<td>Innovation expands the brand manager’s mental horizon about future possibilities.</td>
</tr>
</tbody>
</table>

Source: Beverland et al. 2015, p. 598

**Figure 8.3** Brand Ambidexterity

Source: Beverland et al. 2015b, p.592
Co-creation: What Role for the User?

When co-creation and innovation are discussed, the role of the user often comes up. Many innovation scholars propose that co-creation involves direct input from lead-users. Typically, these innovations are large business-to-business (B2B), new-to-the-world innovations and involve technical specialists, and key or lead-users have always played a significant role in the innovation process (Hultink et al. 1997). Lead-users in this sense have deep levels of expertise and unique skills that are vital to the success of the project (for example, clients seeking new ships, aircraft, defense platforms, power plants, and rail tunnels all have to have significant expertise to develop the brief and make informed decisions among alternatives). Likewise, studies of producer communities such as Linux developers reveal that not all ideas are treated equally, and therefore one needs a large amount of coding expertise to engage in the requisite authoritative performance (contributing code to the open source software) (Cromie and Ewing 2009).

However, outside of these specialized areas, does co-creation have to involve direct engagement with or input from users? Not really. In fact, it is usually more incremental innovations that value direct input—asking users to rate the various treatments of proposed advertisements, or what they like and dislike about their current services or products, are useful strategies when it comes to gaining insights for small incremental improvements that keep brands fresh and maintain points of parity. However, they’re not much use when engaging in radical product innovations, developing the myths for new cultural positioning campaigns, or identifying how to challenge existing service expectations in order to reframe expectations of certain categories (key to new service innovations) (Verganti 2009).

In fields such as design, and more recently marketing and brand management, co-creation is equated with user centeredness (Merz et al. 2009; Verganti 2009). A user-focused approach does not mean merely asking target users for their wish list; rather it is a much more empathetic approach, whereby the innovator places themselves in the shoes of the user and tries to work out what would provide value from their perspective. In some cases, this is simple. When IDEO co-founder (the late) Bill Moggridge was designing new workstations, he imagined how he would like the workstation to be designed, an approach he called “interaction design.” These insights could inform prototypes that could then be tweaked and adjusted with input from other users. In this case, the users themselves may not have been able to come up with the innovation, but they could see its value because it spoke to their latent needs (as opposed to espoused needs) and everyday frustrations of working with technology that had not been designed with the user in mind.

Figure 8.4 identifies the difference in approach to co-creation. Roberto Verganti (2009) differentiates between a user-centered version of design whereby users define what improvements they would like in their existing offers and a design-driven approach. User-centered approaches are appropriate for incremental improvement
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and do not differ from the stage-gate™ model of innovation (Figure 8.2). However, breakthrough, radical innovations require a different approach to co-creation, one that Verganti calls “design-driven innovation” whereby the designer acts as a sociocultural-technical interpreter to generate insights that are missing in terms of the target person’s life world. This is much more akin to the cultural brand positioning approach, whereby creators seek to generate user-focused insights that address latent rather than espoused needs (Beverland et al. 2015).

This is more difficult when one is more distant from the user, or when one is trying to develop campaign ideas for cultural relevance and revitalization. Here the brand team, usually in conjunction with professional creatives, have to generate an outcome that reeks of insider-authenticity (from the point of view of the populist world) while also connecting to the target audience and somehow reflecting or overturning the brand’s previous cultural position (Beverland 2009).

Refreshing and Revitalizing Tired Brands

Refreshing the brand largely involves keeping the brand’s position relevant and is largely achieved through tactical updates to the brand’s marketing program. Firms that invest in and act upon tracking research, engage in regular brand and creative reviews, and have a strong level of market or customer orientation are typically able to ensure the brand remains fresh in the mind of the user. The greatest challenge in ensuring freshness relates to balancing on-brand reinforcement (the brand’s heritage) while taking advantage of emergent opportunities that have the potential to keep the brand fresh while also adding associations.

This challenge is particularly relevant given that such opportunities can come from unexpected sources, and may be generated by customers, users, fans, influencers, or
actors in pop culture (e.g., Vegemite gained unexpected momentum when it was mentioned in Men at Work’s global number one smash single “Down Under” in 1981). For example, while Tommy Hilfiger benefited from being “adopted” by American rap stars, his was not the only preppy white American brand to experience this situation. Ralph Lauren also experienced this uptake but unlike Hilfiger decided to ignore it, feeling it was off-brand and the influencers would move on to the next “hot” item quickly enough (Beverland 2004). Who’s to say who was right—Hilfiger was a brand in desperate need of relevance whereas Lauren was a powerful brand arguably at the top of its game.

Pepsi in contrast has been quite adept at reinforcing its brand image among younger users (its traditional “Next Generation” base) over time through quickly responding to emergent adoption. In 2006, as part of the FIFA World Cup (held in Germany), Pepsi ran a humorous advertisement featuring a soccer match between the world’s top footballers and a team of Bavarians decked out in traditional lederhosen. The bemused footballers quickly realized the Bavarians were more than a match for anything they could throw at them. The advertisement was set to the quirky 1980s hit “Da Da Da” by German band Trio. In China, a group of teens called The Back Dorm Boys (so named after their lip-synced YouTube hit cover of the Backstreet Boys’ ballad “I Want It That Way”) quickly loaded up their cover of “Da Da Da.” Pepsi signed the duo to feature in a range of advertisements and helped boost the brand’s profile in China during the FIFA World Cup and beyond.

A successful reaction to emergent events like this involves (1) having a clearly defined brand position, (2) having a shared understanding amongst the brand team of this positioning, (3) knowing the brand’s audience and the networks of influence they exist in, and (4) being open to new opportunities and possibilities. Although 1–3 represent basic skill sets for any brand manager, too many marketers move between jobs meaning that such shared understanding of the brand’s heritage and position and empathy for the brand’s audience is often rarer than one thinks. Being open to new opportunities, while being mindful of points 1–3, is unusual, especially when consistency tends to frame brand-management practice. This requires a different set of skills, such as those covered in the design thinking and brand ambidexterity section above.

Revitalizing tired brands is trickier. Typically, these brands have suffered periods of decline for some time. Much depends on how far the respective brand has fallen. Arguably, those brands with lower equity have more potential in terms of new associations, but they also have less brand strength (see Chapter 4). In contrast, brands with stronger equity have more strength to build on, but potentially less scope to be made over anew. Revitalization involves addressing the causes of decline. Revitalization will undoubtedly involve revisiting the brand’s marketing mix, and the brand’s consumer and cultural relevance, as well as require insights from design thinkers who can balance relevance and consistency. In some cases, revitalization may require organizational change, such as the movement to a more market-oriented culture (Gebhardt et al. 2006). On top of the aspects of innovation covered so far (which are also relevant to revitalizing brands), revitalization involves the following steps:
1. Conduct a brand audit: Identify through the eyes of users the good, bad, and ugly of the brand. Which aspects (or mix) of the brand's identity, image, user associations, ideology, practices, and marketing mix have played a role in the brand's decline? Does the brand align with users' life worlds? Does it appear to be authentic in terms of helping users achieve their goals? Is the firm behind the brand authentic? Does the brand speak to the times—that is, is its core messaging in tune with the ideology that frames a user’s authoritative performance and their lived reality?

2. Examine competitors also targeting your user base: What do they do differently to you? What are the points of parity and points of difference? Where are the gaps? What can your brand do to address those gaps and be relevant to users?

3. In addressing points 1–2, conduct research with current users but more importantly lapsed users, industry experts, influencers, and previous employees: Look at conversation trends in netnographic or big data studies to identify how often the brand is discussed, the sentiment toward the brand, and the associations. It is likely that the sentiment will not be wholly negative; more often among lapsed users there is a desire to see the brand do well again, to return to its former relationship status.

4. Ascertain the brand's strengths and weaknesses: The focus on your revitalization program is to play to the strengths, but critically address the weaknesses. It's not strictly true that you only get one shot at revitalization, but every time you fail you reinforce negative perceptions about the brand with users and influencers and, of course, waste increasingly scarce resources.

5. Depending on the approach you adopt, you either need to revisit the brand’s historic position or devise a new cultural brief: Regardless, one important and often overlooked step is to conduct a historical analysis of the brand. If mindshare is the frame of choice, this historical analysis identifies long-held brand truths that can be refreshed for the times. If cultural branding is the frame, you need to locate the brand’s historical successes and failures in relation to the ideology of the day, identifying how the brand enabled users to perform authoritatively and why the brand ceased providing this user benefit.

6. Develop the brand's internal programs—see Chapter 6.

7. Develop the brand's external programs and tracking—see Chapter 6.

8. Remember that revitalization is rarely revolutionary: This may seem contradictory in light of the cultural approach's emphasis on change and overturning previous myths, but the success of a brand's cultural myths requires political authority or authenticity born of a long-term engagement with particular ideas and audiences.

Let’s examine how this worked in practice. After purchasing Maserati from Fiat in 1999, the Ferrari Group (now ironically owned by Fiat) set about returning the iconic grand touring car marque to its former glory. Maserati has a long heritage including iconic designs, racing success, and rivalry with Ferrari.

However, after World War II, the brand was swapped among various owners all of whom seemed to lack any empathy for the marque. Maserati was removed from racing,
and in the 1980s moved out of the sports-car category altogether, launching its ill-fated Biturbo coupé, which by design standards was rather conventional and resembled many mass-market vehicles of the day. The range was also beset by engine and rust problems. The brand’s fortunes slowly slid and while many models were launched in a bid to capture the glory days, quality problems and a lack of performance credibility dogged the brand. Exciting new models were often cancelled due to the expense, and eventually the brand was sold.

In 2002, new versions of the Coupé and Spyder were the first releases aimed at revitalizing the brand. Prior to this, the brand team had invested a substantial amount of work into understanding the brand’s strengths and negatives. The revitalization was to be driven by two positioning values: “sporting spirit” and “pure style.” Where did these come from? These values were based on historical research and research with market actors including motor enthusiasts, journalists, and bloggers, current and former owners, distributors, and staff conducted by marketing consultants at Sapient. These values were seen as paths between the past and the future of the brand. Maserati’s strength lay in four areas: exclusivity, Italian heritage, authenticity and craftsmanship, and sportiness. Its weaknesses included concerns over the credibility of the vehicles and their reliability and support network.

Studies of the consumer relationship to the brand were also conducted. As the brand team were keen to position Maserati away from Ferrari (also in their stable), they identified that whereas owners of the latter were emboldened by their car, the relationship between a Maserati and driver was symbiotic and complementary. In terms of personas and personality, the owner of a Maserati was self-assured, confident in themself, and did not need a prop for their ego. For them, the Maserati was about the joy of driving and being at one with the road and vehicle. Like all brands, owning it was an identity statement, but one that communicated taste, refinement, and self-confidence.

Brand revitalization involved rebuilding a strong dealer network, engaging with members of the press, returning to racing, and a communications campaign stressing cultural elegance and brand heritage, and road handling. Owners were also given access to maserati.com, a brand community website and forum to share information, gain advice, explore the brand’s story, and gain access to special services and promotions. The results were impressive. Maserati has become one of the strongest upper luxury sports car brands in the United States, increased sales while also increasing prices, and won praise for their vehicles from the motoring press. The brand has expanded its range but maintained its focus on the upper end of the luxury car market (selling no more than 70,000 cars per year globally).

Re-launching Dormant Brands

The C.W. Dixey & Son case at the end of this chapter is a case of re-launch. Re-launch involves reviving brands that have been dead or dormant for some time. These brands
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typically have a backstory, representing potential esteem but no strength of forward momentum (see Chapter 4, Figure 4.1). Why re-launch a brand? For Simon Palmer of C.W. Dixey & Son the reasons are quite personal, albeit with clear professional goals and commercial insights. For firms specializing in acquiring the rights to old brands, such as River West, the reasons are simple—old brands retain some awareness, are cheap to acquire, and therefore potentially a low-risk way to create value (and potentially be re-sold to larger groups).

River West has purchased a number of dormant US brands including coffee brand Brim (which disappeared in 1995), Salon Selectives (hair care), and many other FMCG brands that have disappeared usually after being acquired by larger groups (Walker 2008). Although these brands have no reality, they are often remembered fondly by previous users and therefore have potential. Whether brands such as Indian Motorcycles, Polaroid Instant Cameras, Pac-man, and Brim coffee can re-emerge from the dust is questionable. However, their owners are banking on the “MINI factor” that saw the iconic British brand re-launched successfully by BMW and go on to be arguably bigger than it ever was. Star Trek, Star Wars, and other film franchises have also recently been re-launched. What should one remember when re-launching such brands? Know your target market, remember the fans, modernize and differentiate, and connect back to heritage.

Chapter Summary

This chapter has focused on brand-related innovation, with a particular focus on rebuilding brand equity in cases where it has declined. As such, it complements the previous chapter with its focus on innovation through extension, co-branding, and portfolio management aimed at keeping brands fresh that helps grow brand equity and, if done carefully, avoid decline. A number of reasons for brand-equity decline were covered, including those that are within the control and/or influence of brand managers, those outside of their control, and those largely determined by shifts in the consumer’s self-authentication goals and the context in which they are enacted.

Options for brand innovation were covered with reference to the mindshare approach (in which the brand position drives innovation), the cultural approach (in which the brand’s position is the focus of innovation and therefore subject to change when required), and the design thinking approach that seeks to balance these two approaches over time (brand ambidexterity). The chapter identified why brand managers often struggle with questions of relevance and change. It then moved on to ways in which brands can be refreshed, revitalized, and re-launched (see the C.W. Dixey & Son case study below). The commonly used term “repositioning” was rejected as it rarely achieves success and runs counter to how consumers relate to brands.

Part III begins with the next chapter, which explores global branding.
Review Questions

1. Identify some brands that have genuinely repositioned? Why are they so rare?
2. What is a brand that you think needs a refresh? Why? Do the same for a brand you believe needs revitalizing. Compare the differences.
3. Using Figure 8.1, identify brand examples for each quadrant not listed in this book. Identify examples of brand innovations that feature in two or more quadrants and identify the strategic connections between them.
4. Identify two wicked problems in branding. How might design thinking help with one of them?
5. Identify three examples of brands that you view as ambidextrous. Explain your choices.

Case Example: Re-launching C.W. Dixey & Son

C.W. Dixey was founded in 1777 and focused on making optical instruments and eyewear for the wealthy, including nobility. The brand was eventually on-sold and became C.W. Dixey & Son in the nineteenth century. Counted among its patrons (the brand has never called its clients “customers”) are “Mad King” George III, Emperor Qianlong of China, Napoleon Bonaparte, Queen Victoria, James Bond author Ian Fleming, and most famously Sir Winston Churchill (among many others). C.W. Dixey's most famous design were the round frames favored by Churchill. The brand has been awarded 15 Royal Warrants (which are given to brands that serve the English Royal Household) for its dedication to quality and luxury.

The brand was viewed as market leader among wealthy patrons up until World War II. After that, the firm slowly declined, stopping production of eyewear in the 1960s, while an employee theft dealt the brand an almost fatal blow in the late 1970s. After that, the brand was sold and declined in awareness, eventually being the name of three up-market opticians in London. In 2006 Simon Palmer inherited the brand from his father (who had been responsible for placing the business on a sound financial footing) and decided to re-launch it in the luxury eyewear market.

This was not easy, however, as much of the brand’s heritage had been lost over the years, with the firm’s headquarters destroyed during a bombing raid in World War II. (Continued)
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War II, and its Coat of Arms (given to the brand by the Duke of Norfolk in 1978) rotting in Simon’s garden shed. Eventually Simon built up a rich historical portfolio through his own research, purchases on eBay, and contacts with former employees.

As part of rebuilding the company’s historic story, Simon believed that his brand provided retailers and consumers with an authenticity than few luxury eyewear brands could match.

In the world we live in there’s so much false branding, false marketing, false provenance, that having something that has a true, really unusual story is more relevant than ever for people who will always want something special and rare. There will always be people that will move away from designer logos to something with depth and authenticity.

This comment refers to the grey area of country of origin labeling in luxury goods production. Although many of the world’s largest luxury brands trade on their European origin, they are often made in China, under license from the big three manufacturers: Luxottica, Safilo, and Marcolin. Luxottica owned or had exclusive licenses for numerous eyewear brands, including Ray-Ban, Persol, Oakley, Vogue, Oliver Peoples, Polo Ralph Lauren, Prada, Paul Smith, Chanel, Burberry, D&G, Donna Karan Eyewear, Miu, Stella McCartney, and Versace. Luxottica had a near monopoly on the eyewear channel and owned retail chains such as Lenscrafters, PerleVision, and Sunglass Hut. Safilo produces branded eyewear, including Alexander McQueen, Dior, Emporio Armani, Giorgio Armani, Gucci, and Hugo Boss, while Marcolin owned licenses to Harley Davidson, Mont Blanc, Tom Ford, and Tods.

European law enables brands to label their products as “made in France” or “made in Italy” (and so on) as long as some production is done in the European Union. As many industry insiders report, this often means little more than final assembly or even sewing in the “made in France” label. For the licensee and license holder eyewear is hugely profitable because final production costs for a pair of luxury branded glasses (without corrective lenses) made in China can be as low as 10 euros (including packaging). On top of this, shifts in fashion mean the market for eyewear is now part of the fast-fashion sector, as Simon states:

In the past there was the threat from laser surgery or contact lenses, but now people love to wear eyewear; it makes people look serious, it makes women look incredibly attractive—or it makes a statement if you’re a cool designer or hipster; it’s incredibly popular around the world now.
The control that large license holders such as Luxottica exerts over marketing channels has also meant there is little differentiation between retailers. For many up-market retailers with discerning clientele, a unique brand provides them with a point of difference and is therefore likely to enjoy substantial channel equity.

(Continued)
The market for eyewear can be broken down into three broad segments, contained in Table 8.4 below.

Simon re-launched his brand into the luxury eyewear segment, and focused on appealing to the inconspicuous, slow luxury market contained within Figure 8.5. Simon based this idea in historic brand truth and also beliefs about the emergence of inconspicuous luxury whereby consumers signaled their status through cultural taste, downplaying logos in the process (and preferring classically crafted products) rather than overt displays of economic wealth through logo-centric brands.

Simon had gained permission to leverage the historic association with Sir Winston Churchill (he could not afford to do likewise with the James Bond 007 franchise) through the brand’s first new collection in 50 years, entitled the Chartwell Collection (after Churchill’s country house). His glasses would be priced high (£450 and above), sold via his own website and through select optician-run retail outlets, target men and women, sold without corrective lenses, and, for now, ignore sunglasses (as these represented a different type of purchase and market segment). Interest in Churchill remained high, and the brand retained a small amount of awareness among consumers who had Dixey glasses as children and experienced retailers and opticians, but otherwise enjoyed little recognition or recall.

The Chartwell range was designed and produced in the Jura region in France. Although Simon desired to make his products in the UK, there was no manufacturing base in eyewear any longer and the highest quality frames were hand-produced in France, Italy, and Japan. His products would be made from the most expensive acetate, and with an all up cost of around 30 euros (including a leather case, branded glasses cloth, and hand-printed card containing the brand’s story). Simon aimed to re-launch the brand globally, as “Englishness” was popular amongst the wealthy. Once re-established future ranges, drawing on the connection to Napoleon and Emperor Qianlong, would be rolled out along with further expansion of the Chartwell collection.

Case Questions

1. Assess Simon’s chances of successfully re-launching his long-dormant brand? What challenges will he need to overcome?
2. Using both a mindshare and cultural approach, identify how Simon can position his brand with his target audience in a compelling way.
3. How could Simon innovate in his brand marketing in order to generate brand awareness and traffic to his website and partner stores?
4. Is being produced in France a problem for an inherently English brand?
Key Terms

Abductive thinking  Design thinking  Iterative thinking and experimentation
Brand ambidexterity  Disruptive technology  Lead-user
Brand innovation  Incremental  Repositioning
Brand refreshing  innovation  Stage-gate model™
Brand re-launch  Iron cage of brand  Wicked problems
Brand revitalization  bureaucracy

Further Reading


