Managing Brands Over Time
Learning Objectives
After reading this chapter, you should be able to
1. Understand the important considerations in brand reinforcement.
2. Describe the range of brand revitalization options to a company.
3. Outline the various strategies to improve brand awareness and brand image.
4. Define the key steps in managing a brand crisis.
Some companies like
Barnes & Noble have found it difficult to maintain market leadership in the face of strong competitors and other countervailing forces.
Source: AP Photo/Amy Sancetta, File

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 Preview
One of the obvious challenges in managing brands is constant change in the marketing environment. Shifts in consumer behavior, competitive strategies, government regulations, technological advances and other areas can profoundly affect the fortunes of a brand. Besides these external forces, the firm's own strategic focus may force minor or major adjustments in the way it markets its brands. Effective brand management thus requires proactive strategies designed to at least maintain—if not actually en- hance—customer-based brand equity in the face of all these different forces.
Consider the fate of these four brands: Myspace, Yahoo!, Blockbuster, and Barnes & Noble. In the mid-2000s, each enjoyed a strong market position, if not outright leadership. In just a few short years, however, each was struggling for survival as Facebook, Google, Netflix, and Amazon, respectively, raced past them to establish market superiority. Although there are many explanations, the way these brands were managed certainly contributed to the outcomes.
This chapter considers how to best manage brands over time. Any marketing action a firm takes today can change consumers' brand awareness or brand image and have an indirect effect on the success of future marketing activities (see Figure 13-1). For example, the frequent use of temporary price decreases as sales promotions may create or strengthen a "discount" association to the brand, with potentially adverse implications on customer loyalty and responses to future price changes or non-price-oriented marketing communication efforts.1
Unfortunately, marketers may have a particularly difficult time trying to anticipate future consumer response: if the new knowledge structures that will influence future consumer response don't exist until the short-term marketing actions actually occur, how can they realistically simulate future consumer response to permit accurate predictions?
Brand knowledge
FIGURE 13-1
Understanding the Long-Term Effects of Marketing Actions on Brand Equity
Consumer response to PAST marketing activity
Consumer response to CURRENT marketing activity
Consumer response to FUTURE marketing activity
CHANGED Brand knowledge

The main assertion of this chapter is that marketers must actively manage brand equity over time by reinforcing the brand meaning and, if necessary, by making adjustments to the marketing program to identify new sources of brand equity. In considering these two topics, we'll look at a number of different brand reinforcement issues and brand revitalization strategies. The Brand Focus 13.0 at the end of the chapter considers how to deal with a marketing crisis, with specific emphasis on Johnson & Johnson's experiences with the Tylenol brand through the years.

REINFORCING BRANDS

How should we reinforce brand equity over time? How can marketers make sure consumers have knowledge structures that support brand equity for their brands? Generally, we reinforce brand equity by marketing actions that consistently convey the meaning of the brand to consumers in terms of brand awareness and brand image. As we have discussed before, questions marketers should consider are as follows:

• What products does the brand represent, what benefits does it supply, and what needs does it sat- isfy? Nutri-Grain has expanded from cereals into granola bars and other products, cementing its reputation as "makers of healthy breakfast and snack foods."

• How does the brand make those products superior? What strong, favorable, and unique brand as- sociations exist in the minds of consumers? Through product development and the successful in- troduction of brand extensions, Black & Decker is now seen as offering "innovative designs" in its small appliance products.

Both these issues—brand meaning in terms of products, benefits, and needs as well as in terms of prod- uct differentiation—depend on the firm's general approach to product development, branding strategies, and other strategic concerns, as we discussed in Chapters 11 and 12. This section reviews some other important considerations for brand reinforcement, including the advantages of maintaining brand con- sistency, the importance of protecting sources of brand equity, and trade-offs between fortifying and leveraging brands.

If there is one rule for modern branding, however, it is that brands can never stand still. Brands must be constantly moving forward. A vivid example is the way Coldplay chose to launch their latest album.

COLDPLAY

Having sold 55 million albums in their careers, British rock band Coldplay might find the release of a new album to be nothing special. After all, their fourth album Viva la Vida or Death and All His Friends sold 2.8 million units in the United States alone, and their U.S. tour grossed more than $126 million. When launching their fifth album, Mylo Xyloto, however, Chris Martin, lead singer and frontman for the band, noted how ag- gressively they had to approach the release. "Because of the speed of media and entertainment, with every album you have to think like a new act," noted Martin, "just because they liked A Rush of Blood to the Head doesn't mean they're gonna like this one. So we start again." Before even launching a worldwide tour in 2012 that was scheduled to last over a year, the band had made 60 appearances of various sorts in 2011 to help promote the album: a video shoot in South Africa; a live-streamed Amex Unstaged launch show in Madrid shot by famed video and film director Anton Corbijn; a student union gig in Norwich, UK; guest spots on a host of U.S. talk shows; an acoustic show in a church in Hackney, East London; and headlining performances at the Q Music Awards and X Factor finale back in the UK. Performances of new songs appeared on YouTube and elsewhere. The band also released several singles online prior to the worldwide album release on October 24, 2011, all part of a viral campaign to generate fan interest and involvement. Leaving nothing to chance paid off for the band. Mylo Xyloto went to #1 in album sales in 17 countries, and most venues for the world tour sold out in minutes. The band did not stand still with respect to their world tour, either. In a concert first, each concertgoer received a RF-driven Xyloband flashing wristband that changed colors for different songs after receiving a signal.2

Despite being one of the most successful bands in the world, Coldplay took nothing for granted in launching their Mylo Xyloto album.

Source: AP Photo/John Marshall JME

Maintaining Brand Consistency

Without question, the most important consideration in reinforcing brands is consistency in the nature and amount of marketing support the brand receives. Brand consistency is critical to main- taining the strength and favorability of brand associations. Brands with shrinking research and development and marketing communication budgets run the risk of becoming technologically dis- advantaged—or even obsolete—as well as out-of-date, irrelevant, or forgotten.

Market Leaders and Failures. Inadequate marketing support is an especially dangerous strategy when combined with price increases. An example of failure to adequately support a brand occurred in the kitchen and bath fixtures market.

SANTOOR: REVITALIZING FOR SUCCESS

Wipro launched Santoor in the year 1986 as a sandal and turmeric soap. Priced attractively, the brand went on to achieve a modicum of success against well-entrenched brands like Lux, Rexona, Hamam, and Cinthol in the popular segment of the Indian soap market. However, the brand lost momentum by the year 1988, and was showing anaemic growth. Revitalization of the brand became imperative and therefore, from an ingredient story (of sandal and turmeric), the new campaign moved the brand to a benefit story—a promise of skin care and younger looking skin. The result was almost instantaneous; the brand was back on the growth track, attracting a whole new set of users.

Wipro had to recalibrate, refresh, and reinvigorate Santoor advertising over time; simultaneously, the product and packaging, too, went through modifications and improvements. As a result of the constant revitalizing of the brand and its message, Santoor has gone on to become the big- gest brand in the south India and among the top three brands in India.

Santoor: Brand Associations Through Consistency.

Sources: Priyanka Sangani , “Male Actors to Model for Santoor”, Business Standard, 21 April 2010; Bibhu Ranjan Mishra , “Santoor on a Roll”, Business Standard, 21 April 2010; Anjali Prayag , “Wipro Consumer Plans Santoor Variant”, The Hindu Business Line, 4 August 2009; “Wipro Consumer to Re-launch Santoor Brand”, The Hindu Business Line, 20 October 2006.

Even a cursory examination of the brands that have maintained market leadership for the last 50 or 100 years or so testifies to the advantages of staying consistent. Brands such as Disney, McDonald's, Mercedes Benz, and others have been remarkably true to their strategies once they achieved a preeminent market leadership position.

Perhaps an even more compelling demonstration of the benefits of consistency is the fortunes of brands that have constantly repositioned or changed ad agencies. Consider how Michelob's constant repositioning coincided with a steady sales decline.

MICHELOB

A brand that failed to turn around sales while enduring numerous repositionings is Michelob, an upscale, su- perpremium beer with a distinctive teardrop bottle designed in part to stand out in smoky bars and restaurants. In the 1970s, Michelob ran ads featuring successful young professionals that confidently proclaimed, "Where You're Going, It's Michelob." Moving away from the strong user imagery of that campaign, the next one fo- cused on leisure situations and trumpeted, "Weekends Were Made for Michelob." Later, to bolster sagging sales, the ad theme switched to "Put a Little Weekend in Your Week." In the mid-1980s, the firm launched yet another campaign—featuring laid-back rock music and stylish shots of beautiful people—that proclaimed "The Night Belongs to Michelob." None of these campaigns could stop a sales slide from a peak of 8.1 million barrels in 1980 to 1.8 million in 1998. Leaving no stone unturned, the next ad campaign, "Some Days Are Bet- ter Than Others," explained to consumers that "A Special Day Requires a Special Beer," which later became "Some Days Were Made for Michelob." Pity the poor consumer! After so many different messages, people could hardly be blamed if they wondered exactly when they were supposed to drink the beer. Meanwhile, sales performance continued to suffer. The 2000s saw the brand concentrate on its Michelob Ultra extension,

Image source: Wipro Group

although the company did try to go after younger, import-drinking consumers in 2002 with hip, sexy ads. By the end of the decade, the brand had decided to return to its 100 percent malt roots—one of the defining characteristics of the exploding craft beer category—to chase after quality-conscious consumers, in yet another repositioning.3

Michelob has been repositioned so many times through the years, consumers could hardly be blamed for not knowing when (and why) they should drink the beer.

Source: AP Photo/PRNewsFoto/Anheuser-Busch

Consistency and Change. Being consistent does not mean, however, that marketers should avoid making any changes in the marketing program. On the contrary, managing brand equity with consis- tency may require making numerous tactical shifts and changes in order to maintain the strategic thrust and direction of the brand. The most effective tactics for a particular brand at any one time can certainly vary. Prices may move up or down, product features may be added or dropped, ad campaigns may employ different creative strategies and slogans, and different brand extensions may be introduced or withdrawn to create the same desired knowledge structures in consumers' minds.

Nevertheless, the strategic positioning of many leading brands has been kept remarkably uniform over time by the retention of key elements of the marketing program and the preservation of the brand meaning. In fact, many brands have kept a key creative element in their marketing communication pro- grams over the years and, as a result, have effectively created some “advertising equity.” For example, Jack Daniels bourbon whiskey has stuck with rural scenes of its Tennessee home and the slogan “Char- coal Mellowed Drop by Drop” for literally decades.

As The Science of Branding 13-1 describes, brands sometimes return to their roots to remind exist- ing or lapsed customers or to attract new ones. Such efforts to refresh awareness obviously can make sense. At the same time, marketers should be sure that these old advertising elements or marketing ap- peals have enduring meaning with older consumers but are also relevant to younger consumers. They should examine the entire marketing program to determine which elements are making a strong contri- bution to brand equity and must therefore be protected.

Protecting Sources of Brand Equity

Consistency thus guides strategic direction and does not necessarily prescribe the particular tactics of the supporting marketing program for the brand at any one point in time. Unless some change in either consumer behavior, competition, or the company makes the strategic positioning of the brand less powerful, there is likely little need to deviate from a successful positioning.

Although brands should always look for potentially powerful new sources of brand equity, a top priority is to preserve and defend those that already exist, as illustrated by this classic episode with Intel.

 THE SCIENCE OF BRANDING 13-1

Brand Flashbacks

Older, heritage brands can reach into their past in different ways to develop successful new marketing campaigns. One way is to revisit well-known and loved past ad campaigns, per- haps giving them a twist and updating them in the process.

Dubbed retro-branding or retro-advertising by some marketing pundits, the tactic is a means to tie in with past ad- vertising that was, and perhaps could still be, a key source of brand equity. Demonstrating the latent value of past advertis- ing is the return of such advertising icons as Colonel Sanders for KFC, who reappeared in new advertising and packaging focused on the restaurant’s Southern roots, albeit with a thin- ner face and a red apron instead of the classic three-piece suit.

Retro-branding can activate and strengthen brand associ- ations that would be virtually impossible to recreate with new advertising today. In some cases, a key point-of-difference for the brand may just turn out to be heritage or nostalgia rather than any product-related difference. Heritage can be a power- ful point-of-difference—at least as long as it conveys exper- tise, longevity, and experience and not just age!

Anniversaries and milestones of longevity can be excellent opportunities to launch a campaign to celebrate. Marketers should focus as much on the future of the brand as on its past, of course, perhaps emphasizing how all that the brand has gone through will benefit its customers in the future. L.L. Bean's 100th anniversary celebration in 2012 was in- tended to do just that. The main thrust of the campaign was to celebrate exploring the outdoors. To generate interest, the company engaged in a number of activities:

• It introduced a special-edition boot that closely replicated the first pair sold by founder Leon Leonwood Bean as well as other limited-edition offerings, including a $7,500 wooden canoe, a $149 Soule Coastal Duck Call, and a 20-gauge shotgun for $15,000.

• L.L. Bean's Outdoor Discovery School guides traveled the country with the larger-than-life L.L. Bean Bootmobile to encourage people to get out of their homes and get back to nature.

• The company committed up to a million dollars in a year- long partnership with the National Park Foundation. Every time a consumer used social media to share outdoors ex- periences through online comments, photographs, stories, and video, the company donated $1 to the National Park Foundation's program for kids.

Nostalgia can play a valuable role for many brands. Oreo cookies and Keds tennis shoes have run nostalgia-focused campaigns targeting adults who presumably stopped using the

Kraft Macaroni and Cheese Dinner used nostalgic reminders to target parents in addition to their kids. Source: AP Images/Matt York

product long ago. Kellogg's Frosted Flakes reminded an older audience that the cereal had "The Taste Adults Have Grown to Love." Later ads for the brand tug on the heartstrings of dads by suggesting, "Share What You Love With Who You Love."

Research shows that nostalgic advertising can positively influence consumers. One empirical study confirmed that intentionally nostalgic advertisements yielded favorable atti- tudes toward the advertisement and the brand. Another study identified a potential source of nostalgic purchase behavior, called "intergenerational influence," or the influence of a par- ent's purchase behavior and brand attitudes on a child's be- havior and attitudes.

Some brands attempt to make the case that their enduring appeal is still relevant for lapsed users today. Kraft Macaroni and Cheese Dinner, long sold to parents as a meal favorite for children, turned the tables on grown-ups to remind them,

"You Know You Love It." A $50 million campaign featur- ing TV, print and online ads, billboards, a Web site (www. youknowyouloveit.com), and social media communications on Facebook and Twitter supported the entire product line.

Heritage appeals do not necessarily have to use advertis- ing though, as Pabst Blue Ribbon (PBR) beer shows. The brand was born in 1882, when the Pabst Brewing Company began tying silk ribbons to bottles of its Select beer. The company became one of the major U.S. beer brands and remained so through 1977, when sales peaked at 18 million barrels. As competition from Budweiser and Miller increased, however, the PBR brand suffered as a consequence of price cuts, quality problems, and ownership changes.

After years of decline, sales of PBR suddenly spiked in the Portland, Oregon area in 2001. Management investigated and discovered that young trendsetters were adopting the beer as a "blue-collar, Americana" alternative to the big brands and craft beers favored by their parents. Rather than using above-the-line advertising, which it had not done since the 1970s, Pabst sought to capitalize on this market through word-of-mouth, on-premise promotions, and event sponsorships, primarily of local bands and concerts, and licensed merchandise aimed at "hipsters."

By letting the brand's image be created as much by consum- ers as by the company itself and by keeping it local, hip, and organic, Pabst increased sales over the next nine years. With the Metropoulus family as new owners, other Pabst brands became candidates for revitalization—including Schlitz, Schaefer, Stroh's, and Falstaff. A total of 5 of the top 10 brands—from 1973!

Sources: Bruce Horovitz, "Southern Finger-Lickin' Roots Help KFC Revamp," USA Today, 20 April 2005, 3B; Darrel D. Mueh- ling and David E. Sprott, "The Power of Reflection: An Empiri- cal Examination of Nostalgia Advertising Effects," Journal of Advertising 33 (Fall 2004): 25; Elizabeth S. Moore, William L. Wilkie, and Richard J. Lutz, "Passing the Torch: Intergenera- tional Influences as a Source of Brand Equity." Journal of Market- ing 66 (April 2002): 17–37; Stephen Brown, Robert V. Kozinets, and John F. Sherry Jr., "Teaching Old Brands New Tricks: Retro Branding and the Revival of Brand Meaning," Journal of Market- ing 67 (July 2003): 19–33; Katherine E. Loveland, Dirk Smeesters, and Naomi Mandel, "Still Preoccupied with 1995: The Need to Belong and Preference for Nostalgiac Products," Journal of Con- sumer Research 37 (October 2010): 393–408; Jenn Abelson, "L.L. Bean Marks 100 Years with 'Bootmobile'," Boston Globe, 19 January 2012; Stuart Elliott, "Kraft Hope to Encourage Adults to Revert to a Childhood Favorite," New York Times, 26 May 2010; Jeremy Mullman, "Schlitz Tries to Revive '50s Heyday," Advertising Age, 17 April 2006, 8; Ann Cortissoz, "Not Your Fa- ther's Beer: Your Grandfather's," Boston Globe, 20 October 2004, F1; Matt Schwartz, "Can This Stay Cool? A Jet-Setting Family Takes Over a Blue Collar Brand," Bloomberg BusinessWeek, 20 September 2010; E.J. Schultz, "A Tiger at 60: How Kellogg's Tony Is Changing for a New Age," Advertising Age, 29 August 2011.

INTEL

While the launch of the "Intel Inside" program in the early 1990s is a classic example of how to successfully introduce an ingredient brand, Intel did also encounter a public relations disaster with the "floating decimal" problem found by a Virginia researcher in its Pentium microprocessors in 1994. Although a flaw in the chip at the time resulted in mis- calculations only in extremely unusual and exceedingly rare instances, once the problem became public, Intel endured an agonizing six-week period as the focus of media scrutiny and criticism. Intel was probably at fault—as company executives later admitted—for not telling consumers and proposing remedies more quickly. Two key sources of brand equity for Intel microprocessors like the Pentium—emphasized throughout the company's marketing program—are "power" and "safety." Although consumers primarily thought of safety in terms of upgradability, the potential for financial risk or other problems from a flawed chip certainly should have created a sense of urgency within Intel to protect one of its prize sources of brand equity. Eventually, Intel capitulated and offered a replacement chip. Perhaps not surprisingly, only a very small percentage of consumers (an estimated 1–3 percent) actually requested it, suggest- ing that it was Intel's stubbornness to act and not the defect per se that rankled many consumers. Although it was a painful episode, Intel maintains it learned a lot about how to manage its brand in the process.4

Ideally, the key sources of brand equity are of enduring value. Unfortunately, marketers can easily overlook that value as they attempt to expand the meaning of their brands and add new product-related or non-product-related brand associations. The next section considers these types of trade-offs.

Fortifying versus Leveraging

Chapters 4–7 described a number of different ways to raise brand awareness and create strong, favorable, and unique brand associations in consumer memory to build customer-based brand equity. In managing

brand equity, marketers face tradeoffs between activities that fortify brand equity and those that leverage or capitalize on existing brand equity to reap some financial benefit. Marketers can design marketing programs that mainly try to capitalize on or maximize brand awareness and image—for example, by reducing advertising expenses, seeking increasingly higher price premiums, or introducing numerous brand extensions. The more marketers pursue this strategy, however, the easier it is to neglect and perhaps diminish the brand and its sources of equity. Without its sources of brand equity, the brand itself may not continue to yield such valuable benefits. Just as failure to properly maintain a car eventu- ally affects its performance, so too can neglecting a brand, for whatever reason, catch up with marketers.

ZODIAC: STRETCHING BEYOND FORMALS

In 1954, Zodiac received an order for importing silk fabrics into India. Although the buyer later decided to cancel the order, Zodiac took delivery and converted the fabric into neckties. By late-1960s, Zodiac began its foray into the nascent readymade shirts industry.

Come 2000, and Zodiac spotted an emerg- ing trend—the advent of night clubs and a new social active consumer who needed a special at- tire to step out in the evenings. In 2002, ZOD! was launched. The new brand name was a ju- dicious blend of Zodiac and the attitude of the present generation.

In 2008, it observed the onset of the dress- ing down and casual wear culture. Thus was born “Z3”—the third brand from Zodiac, positioned as “Relaxed Luxury”.

Today, Zodiac is a multinational organization worth more than `300 crores. It is available in over 2000 multibrand retailers and more than 80 company-managed stores nationwide. The brand is built on the hallmarks of a strict no-discount- ing policy coupled with a commitment to deliver the highest quality.

A story that began with a rejected consign- ment of silk fabric resulted in three distinct premium men’s wear brands, thus bearing a testament to In- dian entrepreneurship coupled with commitment to quality, clear positioning, and creating value.

Zodiac: Fashion for All Occasions.

Source: Purvita Chatterjee, “The signs are right for Zodiac,” Business Line, 28 February 2002; Bhavana Acharya, “Zodiac Clothing: Hold,” Business Line, 23 August 2009, Sudha Menon,” Discerning, smart... and male!,” Business Line, 31 May 2003; “House of Zodiac launches Z3”, “http://www.moneycontrol.com”, accessed on 8 May 2014; Interview with Mr A Y Noorani-Vice Chairman & Managing Director, Zodiac Clothing Company Ltd-(ZCCL), www.fibre2fashion.com, 25 June 2007.

Fine-Tuning the Supporting Marketing Program

Marketers are more likely to change the specific tactics and supporting marketing program for the brand than its basic positioning and strategic direction. They should make such changes, however, only when it's clear the marketing program and tactics are no longer making the desired contributions to maintain- ing or strengthening brand equity.

The way brand meaning is reinforced may depend on the nature of brand associations. We next look at specific considerations in terms of product-related performance and non-product-related imagery associations.

Image Source: Zodiac

Product-Related Performance Associations. For brands whose core associations are primarily product-related performance attributes or benefits, innovation in product design, manufacturing, and merchandising is especially critical to maintaining or enhancing brand equity. Consider how Timex has evolved through the years to maintain its market position.

TIMEX

Timex has had a fascinating journey through time as it has dealt with a wave of competitors and changes in the marketing environment through the years. The origins of the brand stretch back into the nineteenth century, but its modern history began post–World War II with the launch of its popular line of inexpensive, durable wrist- watches. Buoyed by "torture test" product demonstration ads and the clever slogan, "Takes a Licking and Keeps on Ticking," the brand became the market leader by the end of the 1950s. In subsequent years, after Timex watched brands such as Casio and Swatch gain significant market share by emphasizing digital technology and fashion (respectively) in their watches, it made a number of innovative marketing changes. Within a short period of time, Timex introduced Indiglo glow-in-the dark technology, showcased popular new models such as the Ironman in mass media advertising, and launched new Timex stores to showcase its products. The company also expanded its brand portfolio by buying the Guess and Monet watch brands to distribute through upscale department stores. These innovations in product design and merchandising significantly revived the brand's fortunes. In recent years, however, the growth of smartphones and other hand-held mobile devices that can tell time have posed yet more challenges. Once again, Timex responded by increasing the functionality of its watches. Beyond telling time, its new watches boast GPS technology and health-rate monitors and other wellness features.5

Constant innovation—such as the introduction of GPS into its Ironman line of watches—has helped Timex to maintain market leadership through the years.

Source: Timex Corporation

For companies in categories as diverse as toys and entertainment products, personal care products, and insurance, innovation is critical to success. For example, Progressive has become one of the most successful auto insurers, in part due to consistent innovations in service. A pioneer in direct sales of insurance online, the firm was the first to offer prospective customers the ability to instantly compare price quotes from up to three other insurers. Other Progressive innovations include an accident "concierge service" through which its representatives handle all aspects of the claims and repair process for its customers, and online policy management that lets customers make payments and change coverage at any time. See

Branding Brief 13-1 for a summary of how Gillette has built equity in its razor and blades categories through innovation.

BRANDING BRIEF 13-1

Razor-Sharp Branding at Gillette

Acquired by Procter & Gamble in 2005, Gillette is one of
the strongest brands in the world, with roughly two-thirds of
the U.S. blade and razor market and even more in Europe and
1971 72
Trac II:
First twin-blade razor
Good News:
Top-selling disposable twin-blade razor since introduction
Atra:
First twin-blade razor with a pivoting head
Atra Plus:
Twin-blade razor with a lubricant strip
Sensor:
Latin America. In fact, more than 70 percent of Gillette's sales 73
and profits come from overseas operations in 200 countries. 74
Moreover, its 10 percent profit margin is substantially higher 75
than for other brands found at most packaged-goods com- 76
panies. How has Gillette been so successful for so long? The 77
marketing and branding practices that have supported the
78
79 brand through the years provide a number of useful lessons. 1980
Fundamentally, Gillette continually innovates to produce
a demonstrably superior product. Gillette's vision is to increase
branding in growth areas such as R&D, state-of-the-art plants
and equipment, and functionally dominant advertising. Gillette
has always believed that great products come out of astute 86
R&D and are created through investments. The brand typically 87
81 82 83 84 85
spends more than two percent of its annual sales on R&D which is double the average for many consumer products companies.

Gillette also backs its products with strong advertising and
88 Individually mounted twin blades
89
1990 Sensor for Women:
91 First razor designed specifically for women
promotional support. TV ads have used champion athletes such 92
as Roger Federer, Tiger Woods, Thierry Henry, Derek Jeter, and 93
Sensor Excel:
Fitted with microfins that stretch skin for closer shave

Mach3:
First triple-blade razor
others with the now-familiar tag line, “The Best a Man Can 94
Get.” Skillful marketing thus creates both strong performance 95
and imagery associations. Figure 13-2 summarizes Gillette’s 96
97 product innovations during the last 30 years. Here we highlight 98
Mach3 Turbo:
99
When it launched the Mach3 in 1998, Gillette considered 2000 Ten microfins as opposed to the five on the original, a new
a few of the key developments over the last decade or so.
it to be the most important new product in its history and in- 01 grip and improved lubrication and "anti-friction" blades
vested more than $750 million in research and development 02 03
M3 Power:
and manufacturing expenses, securing 35 patents in the pro- 04 First disposable razor to include battery-powered vibration
cess. The major advancement of the Mach3 was the triple 05
blade, each part of which was designed to shave progressively 06 First five-blade razor (included a single sixth blade on the
Fusion:
closer. The product was highly anticipated and generated more 07 than 500 million media impressions before the advertising 08
campaign began. During the launch year, Gillette set a market- 10 ing budget of $300 million globally and $100 million in the
top side of the cartridge)
09 Featured re-engineered blades with thinner edges and
finished with low-resistance coating
Fusion ProGlide:
United States. The Mach3, which cost 35 percent more than the Sensor Excel, captured a stunning 35 percent of the razor
FIGURE 13-2
Gillette Razor Brand History

market within two weeks of its launch date and surpassed the $1 billion sales mark only 15 months after its debut.

As successful as Mach3 was, Gillette’s women’s version of the product was perhaps an even more impressive achieve- ment. Gillette spent $300 million on research and development for Venus, its first razor designed solely for women. Based on extensive consumer research and market testing, Venus was a marked departure from previous women’s razor designs, which had essentially been colored or repackaged versions of men’s razors. After research revealed that women change their grip on a razor about 30 times during each shaving session, Gillette designed the Venus with a wide, sculpted rubberized handle offering superior grip and control, and an oval-shaped blade in a storage case that could stick to shower walls. Research also indicated that women were reluctant to leave the shower in order to replace a dull blade, so the case was made to hold spare blade cartridges. Gillette spent $150 million on mar- keting for the highly successful worldwide Venus launch.

In 2004, it upgraded the Mach3 by introducing the M3 Power, the first disposable razor to feature a battery-powered vibration option, which allowed for a closer shave. A Venus version, called Venus Vibrance, soon followed. In its next major launch in 2006, Gillette introduced the six-bladed Fu- sion and Fusion Power razors. Gillette had spent $1.2 billion on R&D since introducing the Mach3 and then spent more than $1 billion to market the product to the world's 3.2 bil- lion males. The payoff? A four-pack of Fusion cartridges cost double the Mach3's original price. The Fusion ProGlide, Gil- lette's most expensive razor ever, followed a few years later. As Chapter 5 noted, the new sub-brand was successfully launched with a strong marketing campaign.

As its brand history clearly shows, much of Gillette's suc- cess results from its having relentlessly innovated and stayed rel- evant. The company has also carefully branded new products. Major introductions receive totally new sub-brand names (Sen- sor, Mach3, and Fusion), while minor improvements are given modifiers (Sensor Excel, Mach3 Turbo, and Fusion ProGlide).

Sources: Linda Grant, "Gillette Knows Shaving—and How to Turn Out Hot New Products," Fortune, 14 October 1996, 207–210; Wil- liam C. Symonds, "Gillette's Edge," BusinessWeek, 19 January 1998; Chris Reidy, "The Unveiling of a New Venus," Boston Globe, 3 No- vember 2000; Naomi Aoki, "Gillette Hopes to Create a Buzz with Vibrating Women's Razor," Boston Globe, 17 December 2004; A.G. Lafley, "It Was a No-Brainer," Fortune, 21 February 2005, 96; Edi- torial, "Gillette Spends Smart on Fusion," Advertising Age, 26 Sep- tember 2005, 24; "Gillette Launches New Global Brand Marketing Campaign," PRNewswire, 1 July 2009; Jack Neff, "Gillette Fusion ProGlide," Advertising Age, 15 November 2010.

Failure to innovate can have dire consequences. Smith Corona, after struggling to sell its typewrit- ers and word processors in a booming personal computer market, finally filed for bankruptcy. As one industry expert observed, that Smith Corona never understood that they are were in the document busi- ness and not the typewriter business. And that this prevented them from transitioning into software.6 Guitar Hero was once touted as the first game franchise of the twenty-first century, but oversaturation and an inability to introduce engaging new products led its owner Activision to shutter the division after lackluster 2010 holiday sales.7

Product innovations are therefore critical for performance-based brands whose sources of equity reside primarily in product-related associations. In some cases, product advances may include brand extensions based on a new or improved product ingredient or feature. In fact, in many categories, a strong family sub-brand has emerged from product innovations associated with brand extensions (such as Wilson Hammer wide-body tennis racquets). In other cases, product innovations may center on existing brands. For example, General Mills' "Big G" cereal division historically strived to im- prove at least a third of its nearly two dozen brand lines each year.

At the same time, it is important not to change products too much, especially if the brand meaning for consumers is wrapped up in the product design or makeup. Recall the strong consumer resistance encountered by New Coke, described in Chapter 1. In making product changes to a brand, marketers want to reassure loyal consumers that it is a better product, but not necessarily a different one. The tim- ing of the announcement and the introduction of a product improvement are also important: if the brand improvement is announced too soon, consumers may stop buying existing products; if too late, competi- tors may already have taken advantage of the market opportunity with their own introductions.

Although once hugely popular—Annie Leunghe shown here had the highest score on Guitar Hero 3 for a female— the Guitar Hero brand eventually suffered from a lack of engaging new products to attract and retain users. Source: ZUMA Press/Newscom

For brands whose core associations are primar- ily non-product-related attributes and symbolic or experiential benefits, relevance in user and usage imagery is especially critical. Because of their intangible nature, non-product-related associations may be easier to change, for example, through a major new advertising campaign that communicates a dif- ferent type of user or usage situation. MTV is a brand that has worked hard to stay relevant with young consumers.

MTV

Over the course of 30-plus years, MTV has built a powerful youth-oriented brand that spans the globe. When the all-music channel debuted in 1981, few dreamed it would attain such a prominent place in popular culture. Few also imagined that MTV would attract as many international viewers as it did—it is seen today in 592 mil- lion households in 161 countries and 33 languages. Domestically and abroad, MTV developed programming and content that consistently resonated with viewers over the years. It attracted loyal U.S. followers in the early 1980s and in each of its international broadcast regions in the 1990s and early 2000s. The channel built more than just its own brand equity. Throughout the years, MTV served as a star-making vehicle for pop artists and on-air talent. Experts credited the channel with changing the course of music and television, and in some cases even with having an impact upon sociopolitical events, including the collapse of the Eastern Bloc com- munist regime, the 2004 and 2008 Presidential elections, and the aftermath of September 11 and Hurricane Katrina. MTV's rise to cultural prominence was not achieved without difficulty. The channel endured a lengthy stretch of flat U.S. ratings in the mid-1990s as music tastes shifted and it lost touch with its core audience. However, MTV managed successfully to reinvent itself and establish a following from a new core audience by embracing "long-form" programming, starting with the run-away success of Real World and Road Rules. The channel even dropped the "music television" tagline from its logo in early 2010 in recognition of its new fo- cus. Company president Van Toffler said at the time that MTV had evolved away from playing as many music videos as possible to including more "genre shows" such as Jersey Shore, Teen Mom, and 16 and Pregnant. The shift in programming contributed to MTV's highest annual increase in ratings since 1999 and the explosion of teen pop. The first decade of the new century had brought a new era of growth for MTV. In 1999, Viacom formed MTV Networks to offer its advertisers a full spectrum of demographic groups. MTV Networks included sister channels such as VH1, Nickelodeon, Nick at Nite, Comedy Central, and Spike TV. MTV also had expanded globally during this time—over 150 locally programmed and operated MTV channels now exist—to become the largest global media brand in the world. With the youngest member of Generation X turning 33 in 2012, Non-Product-Related Imagery Associations.

however, MTV has moved on and now has set its sights squarely on the millennial generation, transforming programming and marketing in the process. Social media, original short-form programming, and a slew of digi- tal content now play a key role in MTV's plans to engage this younger generation. Through the years, one thing has always been true: MTV has stayed focused on its central challenge of remaining current and relevant within the fickle world of popular culture.8

MTV evolved from a music video station hosted by VJs in the 1980s (on the top)
to a long-form programming network focusing on youth culture as with its popular reality series like Jersey Shore (on the bottom).
Sources: Mark Weiss/WireImage/Getty Images; John Kessler/MTV/PictureGroup via AP Images

Nevertheless, ill-conceived or too-frequent repositionings can blur the image of a brand and confuse or perhaps even alienate consumers. It is particularly dangerous to flip-flop between product-related per- formance and non-product-related imagery associations because of the fundamentally different market- ing and advertising approaches each entails. Heineken has sometimes been accused of flip-flopping too much between product-focused advertising ("It's All About the Beer") and more user-focused advertising ("Give Yourself a Good Name"). Significant repositionings may be dangerous for other reasons too. Brand images can be ex- tremely sticky, and once strong associations have formed, they may be difficult to change. Consumers may choose to ignore or simply be unable to remember the new positioning when strong, but differ- ent, brand associations already exist in memory.9 Club Med has attempted for years to transcend its image as a vacation romp for swingers to attract a broader cross-section of people.

For dramatic repositioning strategies to work, marketers must present convincing new brand claims in a compelling fashion. One classic example of a brand that successfully shifted from a primarily non- product-related image to a primarily product-related image is BMW, the quintessential "yuppie" vehicle of the 1980s. The brand's sales dropped almost in half from 1986 to 1991 as new Japanese competition emerged and a backlash to the "Greed Decade" set in. Convinced that high status was no longer a suf- ficiently desirable and sustainable position, marketing switched the focus to BMW's product develop- ments and improvements, such as its responsive driving and leading-edge engineering. The brand was also able to add a strong safety message—but in a very BMW kind of way. Volvo's emphasis on safety, for instance, was about how the design and construction of the car would protect occupants if the car was hit. BMW's safety message was that the car handled so well, you just wouldn't get hit! These performance-focused efforts, showcased in creative ads, helped diminish the "yuppie" association, and by 1995 sales had approached their earlier peak.10

Summary. Reinforcing brand equity requires consistency in the amount and nature of the supporting marketing program for the brand. Although the specific tactics may change, marketers should preserve and amplify the key sources of equity for the brand where appropriate. Product innovation and relevance are paramount in maintaining continuity and expanding the meaning of the brand.

At the end of every day, week, month, quarter, and year, marketers should ask themselves, What we have done to innovate our brand and its marketing and make them more relevant? A weak answer can have adverse consequences. One-time industry icons Nokia and Blackberry have both desperately struggled in recent years to catch up as the smartphone market has gone through remarkable technologi- cal and marketing transformations.11 On a more positive note, Branding Brief 13-2 describes how the British brand Burberry remade itself in the world of fashion. Next, we consider what to do when brands find themselves in situations in which more drastic brand actions are needed.

REVITALIZING BRANDS

In virtually every product category are examples of once prominent and admired brands that have fallen on hard times or even completely disappeared. Nevertheless, a number of brands have managed to make im- pressive comebacks in recent years, as marketers have breathed new life into their customer franchises.12 Boston Market, Altoids, Bally, and Ovaltine are among them. Consider Lacoste's comeback story.

LACOSTE

Lacoste, founded in France in 1933, became a style icon for its tennis-themed sportswear and is credited with selling the first polo shirt, the famed "alligator shirt" featuring an animal—actually, a crocodile—as the logo. Dur- ing the 1980s, when it was owned by cereal maker General Mills, Lacoste failed to keep up with fashion trends and saw sales drop. In response, the company cut prices and sold to discounters like Walmart and Kmart, which further damaged the brand's image. Lacoste continued to suffer from slow sales until 2002, when Robert Siegel, a former Levi's executive credited with helping to create Dockers, was brought in to oversee the relaunch of the brand in the United States. Under Siegel, Lacoste stopped selling to non-luxury retailers, prohibiting sales to places

like T.J. Maxx and a number of Macy's department stores. The company regenerated its fading fashion lines by introducing tighter-fitting shirts for women and opening own-brand boutiques in fashionable shopping areas to showcase its new look. Having established a strong foundation, its marketers now needed to sell a broader port- folio than just the polo shirt with which the brand is often strongly associated and which provides 30–40 percent of U.S. sales. To broaden its sales footprint in the marketplace, Lacoste introduced a new sub-brand, Lacoste Live, targeting a younger, more contemporary customer. Working with U.S. tennis star Andy Roddick, it introduced a seven-style signature collection of performance apparel featuring polos, jackets, tennis shorts, track pants, and track jackets. Lacoste also expanded its collaboration with independent designers and top specialty retailers.13

To attract new customers, Lacoste introduced a collection of performance apparel in collaboration with American tennis champion Andy Roddick.

Source: Gerry Maceda/ZUMA Press/Newscom

For a successful turnaround, brands sometimes have to return to their roots to recapture lost sources of equity. In other cases, the brand meaning has had to fundamentally change to

recapture market lead- ership. Regardless of approach, brands on the comeback trail must make more “revolutionary” than “evolutionary” changes to reinforce brand meaning.
Often, the first place to look in turning around the fortunes of a brand is the original sources of brand equity. In profiling brand knowledge structures to guide repositioning, marketers need to accu- rately and completely characterize the breadth and depth of brand awareness; the strength, favorability, and uniqueness of brand associations and brand responses held in consumer memory; and the nature of consumer–brand relationships. A comprehensive brand equity measurement system as outlined in Chapter 8 should help reveal the current status of these sources of brand equity. If not, or to provide ad- ditional insight, a special brand audit may be necessary.
Of particular importance is the extent to which key brand associations are still adequately function- ing as points-of-difference or points-of-parity to properly position the brand. Are positive associations losing their strength or uniqueness? Have negative associations become linked to the brand, for exam- ple, because of some change in the marketing environment?
Marketers must next decide whether to retain the same positioning or create a new one and, if the latter, which positioning to adopt. The positioning considerations outlined in Chapter 3

Remaking Burberry’s Image

Burberry, founded in 1856 by 21-year- old Thomas Burberry, was a veritable fash- ion failure in the mid-1990s. It was known to many as a stodgy throwback brand making raincoats for the middle-aged, far removed from the world of fashion. Yet within a span of several years, with the help of contemporary designs and updated marketing, the brand shrugged off its staid image and became fashion- able again. The company instituted a new motto—“Never stop designing”—that encapsulated its new approach to estab- lishing and maintaining relevance with the fickle fashion consumer.
One of Burberry’s first moves to freshen the brand was to leverage its classic beige-check plaid in a series of ac- cessories that quickly became best-sellers, including handbags, scarves, and head- bands. Another was rejuvenating the check itself by using different colors, pat- terns, sizes, and materials. Burberry was careful to maintain a balance between the contemporary and the traditional, since tradition still resonated with modern consumers. It also sought to leverage other iconic imagery, such as the trench coat and the Prorsum horse insignia. The use of these brand icons re- flected management’s belief that the basic DNA and aesthetics of Burberry are relevant even today because of ingenuity and creative abilities of Thomas Burberry.
Another key to Burberry’s turnaround was refreshing its advertising. The company hired famed fashion photographer Mario Testino to shoot a spread featuring edgy supermodels, such as Kate Moss, wearing iconic Burberry raincoats. The ads were credited with bringing a left-of-center street rebel’s image on to the Burberry brand. The company gave its retail stores a makeover as well in order to match the contemporary feel of the new designs.

Together, these different efforts turned the company's for- tunes around—but almost too well. One of the challenges in any brand revitalization is sustaining momentum, and Burb- erry was no exception. After peaking in 2002 with a success- ful IPO, the brand began to suffer from overexposure and a slew of counterfeit products. Following a holiday sales slump in 2004, the company knew it had to set a different course.

One of the more remarkable brand revitalizations in recent years was accomplished by Burberry, which significantly upgraded its fashion image. Source: Facundo Arrizabalaga/EPA/Newscom

A number of marketing changes were implemented. The trademark tan/black/white/red Burberry plaid was di- aled down and made more discreet, appearing on only 10% of the brand's different items. More emphasis was placed on high-margin accessories—non-apparel accounts for one-third of revenue—and high-end fashions. The pricey Prorsum collections made up only 5 percent of the brand's sales, but they became the label's fashion flag-bearer and source of creative credibility.

Benefiting from vibrant emerging markets such as China, a constantly updated new product pipeline, and one of the most advanced digital strategies of any luxury brand, Burberry found itself in 2011 with annual revenues over $2 billion, far exceeding financial forecasts.

Sources: Sally Beatty, "Plotting Plaid's Future," Wall Street Journal, 9 September 2004, B1; Mark Tungate, "Fashion Statement," Mar- keting, 27 July 2005, 28; Sharon Wright, "The Tough New Yorker Who Transformed a UK Institution Gets Her Reward," The Express, 5 August 2004, 17; Kate Norton, "Burberry, Plaid in Check, Is Hot Again," Bloomberg BusinessWeek, 16 April 2007; Kathy Gordon, "Global Demand Buoys Burberry," Wall Street Journal, 13 July 2011; Nancy Hass, "Earning Her Stripes," Wall Street Journal, 9 September 2010.

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can provide useful insights as to the desirability, deliverability, and differentiability of different possible positions based on consumer, company, and competitive considerations.

Sometimes the positioning is still appropriate, but the marketing program is the source of the prob- lem because it is failing to deliver on it. In these instances, a back-to-basics strategy may make sense. Branding Brief 13-3 describes how Harley-Davidson rode a back-to-basics strategy to icon status.

In other cases, however, the old positioning is just no longer viable and reinvention is necessary. Mountain Dew completely overhauled its brand image to become a soft drink powerhouse. As Brand- ing Brief 13-4 illustrates, it is often easiest to revive a brand that has simply been forgotten.

Revitalization strategies obviously run along a continuum, with pure back-to-basics at one end and pure reinvention at the other. Many campaigns combine elements of both.

Finally, note that market failures, in which insufficient consumers are attracted to a brand, are typi- cally much less damaging than product failures, in which the brand fundamentally fails to live up to its consumer promise. In the latter case, strong, negative associations may be difficult to overcome. With market failures, a relaunch can sometimes prove successful.

FEBREZE

When P&G introduced Febreze household odor eliminators, it adopted the classic problem–solution pattern that characterizes much of its brand advertising. But there was one flaw—people didn't think they had a problem! They had become accustomed to odors from cigarettes, pets, and cooking, no matter what others might say. When the problem–solution ads fell flat, P&G's marketers conducted in-depth research, prompting a relaunch that focused on Febreze as a finishing touch and a way to celebrate that a room was really clean. The new po- sitioning connected, and sales exploded. With revenues now exceeding a billion dollars, Febreze has been suc- cessfully extended into air fresheners, candles, and laundry detergents.14

With an understanding of the current and desired brand knowledge structures in hand, we can again look to the customer-based brand equity framework for guidance about how to best refresh old sources of brand equity or create new ones to achieve the intended positioning. According to the model, we have two strategic options:

1. Expand the depth or breadth of brand awareness, or both, by improving consumer recall and recog- nition of the brand during purchase or consumption settings.
2. Improve the strength, favorability, and uniqueness of the brand associations making up the brand image. This may require programs directed at existing or new brand associations.

By enhancing brand salience and brand meaning in these ways, we can achieve more favorable re- sponses and greater brand resonance.

Tactically, we can refurbish lost sources of brand equity and establish new ones in the same three ways we create sources of brand equity to start with: by changing brand elements, changing the support- ing marketing program, or leveraging new secondary associations. Next, we consider several alternative strategies to achieve these goals.

Expanding Brand Awareness

With a fading brand, often depth of awareness is not the problem—consumers can still recognize or recall the brand under certain circumstances. Rather, the breadth of brand awareness is the stum- bling block—consumers tend to think of the brand only in very narrow ways. As we suggested in Chapter 3, one powerful means of building brand equity is to increase the breadth of brand aware- ness, making sure consumers don't overlook the brand.

Assuming a brand has a reasonable level of consumer awareness and a positive brand image, per- haps the most appropriate starting point is to increase usage. This approach often does not require dif- ficult and costly changes in brand image or positioning, but rather relatively easier changes in brand salience and awareness.

Harley-Davidson Motor Company

Harley-Davidson is one of the few companies in the world that can claim a legion of fans so dedicated to the brand that some of them get tattoos of the logo. Even more impressive is the fact that the company attracted such a loyal customer base with a minimum of ad- vertising. Founded in 1903 in Milwau- kee, Wisconsin, it has twice narrowly escaped bankruptcy and is today one of the most recognized brands in the world.

In recovering from its financial downfalls, Harley-Davidson realized its product needed to better live up to the brand promise. Quality problems plagued the product line in the 1970s. Although consumers loved what the brand represented, they hated the constant need for repairs. The joke was that you needed to have two Harleys because one was always in the shop!

Harley's back-to-basics approach to revitalization centered on improving factories and production process to achieve higher levels of quality. The company also dialed up market- ing efforts to better sell its products. Establishing a broader access point with consumers to make the brand relevant to more people, Harley was able to attract a diverse customer base that went way beyond the traditional biker image. The company also changed the way it went to market. Before the 1980s, Harley-Davidson relied almost exclu- sively on word-of-mouth endorsements and the image of its user group to sell its motorcycles. In 1983, the company es- tablished an owners' club, the Harley Owners Group (HOG), which sponsors bike rallies, charity rides, and other motor- cycle events. Every Harley owner becomes a member for free by signing up at the www.hog.com Web site. In its first year, HOG had 33,000 members. Now, it has more than one mil- lion in 1,400 chapters throughout the world.

In the early 1980s, Harley-Davidson began a licensing program to protect its trademarks and promote the brand. Early efforts primarily supported the riding experience with products like T-shirts, jewelry, small leather goods, and other products appealing to riders. Currently, the primary target for licensed products is existing customers through the Har- ley dealer network. To attract new customers, though, Har- ley-Davidson has licensed children's clothing, toys, games, and many other items aimed at children and sold beyond the

One of the most successful and helpful brand communities is with the Harley Owners Group whose numbers exceed one million.

Source: AP Photo/The Sentinel-Record, Mara Kuhn

dealer network. In the world of licensing, Harley-Davidson is considered an "evergreen" brand and earns the company tens of millions in revenue annually.

Motorcycle riding gear has been around almost as long as motorcycles. As business grew, Harley-Davidson created Harley- Davidson MotorClothes to produce traditional riding gear along with men's and women's casual sportswear and accessories to reach an ever-expanding and diverse customer base of riders and non-riders. Harley MotorClothes is a key facet of the com- pany's General Merchandise division, whose revenues nearly doubled from $151 million in 2000 to $274 million in 2011.

Harley-Davidson continues to promote its brand with grassroots marketing efforts. Many employees and execu- tives at the company own Harleys and often ride them with customers, making traditional advertising almost unnecessary. As ever, Harley's highly visible contingent of riders provides invaluable promotions and endorsements free of cost. Many other marketers seek to borrow the Harley cachet and use the bikes in their ads, giving the company free product placement.

One of the newest growth areas is women. For women and smaller riders, Harley offers Sportster motorcycles that are built low to the ground with narrower seats, softer clutches, and adjustable handlebars and windshields. Several times a year Harley dealers hold garage parties for women to help them learn about their bikes. Five hundred such events in March 2010 attracted 27,000 women, almost half of whom were at a Harley dealer for the first time, lead- ing to 3,000 new bikes sold. After making up only 2 percent of Harley owners in 1995, women now represent about 12 percent of sales.

BRANDING BRIEF 13-3

Sources: Bill Tucker, Terry Keenan, and Daryn Kagan, “In the Money,” CNNfn, 20 January 2000; “Harley-Davidson Extends MDI Entertainment License for Lotteries’ Hottest Brand,” Business Wire, 1 May 2001; Glenn Rifkin, “How Harley-Davidson Revs Its Brand,” Strategy & Business, Fourth Quarter 1997; Joseph Weber, “He Really Got Harley Roaring,” BusinessWeek, 21 March 2005, 70; Rick Barrett, “From the Executive Suite to the Saddle,” Chicago Tribune, 1 August 2004, CN3; Clifford Krauss, “Harley Woos Female Bikers,” New York Times, 25 July 2007; Mark Clothier, “Why Harley Is Showing Its Feminine Side,” Bloomberg BusinessWeek, 30 September 2010; Richard D’Aveni, “How Harley Fell Into the Commoditization Trap,” Forbes, 17 March 2010; “Harley Mo- torcycle Sales Up in 2011,” Classic American Iron, 25 January 2012.

A New Morning for Mountain Dew

Mountain Dew was launched in 1969. PepsiCo initially marketed it with a rural folksy image, exemplified by the countrified tag line “Yahoo Mountain Dew! It’ll Tickle Your In- nards.” Since then, the drink has far outgrown its provincial roots, though an unsuccessful attempt to bring urban teenag- ers to the brand in the early 1980s by advertising on MTV left it on the brink of deletion. The company decided to switch its ad focus to outdoors action scenes, and by the late 1980s, Mountain Dew had begun to show signs of life again.

The brand really hit its stride in the 1990s, experiencing phenomenal double-digit growth. Mountain Dew was the fastest-growing major U.S. soft drink for much of the de- cade, rising to a market share of 7.2 percent in 2000 from a mere 2.7 percent back in 1980. Growth was fueled by some edgy advertising from PepsiCo’s long-time ad agency BBDO that was funny and fast-paced, featuring a rotating group of guys—the Dew dudes—engaged in action sports such as sky- diving, skateboarding, and snowboarding to up-tempo music. The tag line “Do the Dew,” was a strong call to action, and the ads were a high-energy blast of adrenalin.

The next decade saw much product expansion, introduc- tion of nontraditional marketing, and a pioneering digital strategy. In 2000, PepsiCo launched Mountain Dew Code Red, the brand’s first line extension since Diet Mountain Dew debuted in 1988. The bright red cherry-flavored drink was supported by a national advertising campaign that employed grassroots marketing as well as high-profile media buys. The launch was an unqualified success.

To better connect with its core teen audience, Mountain Dew increased its sponsorship of the Mix Tape street bas- ketball tour and the Dew Action Sports Tour. The company also launched the Dew U loyalty program, in which drinkers exchanged codes printed under bottle caps for a variety of goods available on the Dew U Internet site.

In 2005, Mountain Dew launched another brand exten- sion, a highly caffeinated energy drink called MDX aimed at the estimated 180 million video game players, by introduc- ing it as the official soft drink of the E3 Electronics Entertain- ment Expo. Prior to the launch, the company invited gamers to “beta-test” the product in order to refine the recipe and name.

All these actions helped Mountain Dew remain the num- ber-four carbonated U.S. beverage in terms of sales through- out the decade. A logo change on the packaging occurred in 2008, as the company chose the simpler “Mtn Dew.” An even bigger change was a viral marketing experiment in crowdsourcing that put customers into the actual product development process. The initial “Dewmocracy” campaign began in 2007 and included an online game in which players designed a new drink.

The follow-up Dewmocracy campaign in 2009 raised the stakes. Mountain Dew marketers put the bulk of their market- ing budget online to allow consumers to select three new fla- vors to be distributed nationwide. The campaign began with 50 contest winners receiving home-tasting kits of seven poten- tial flavors. They were instructed to share their tasting experi- ences via video on YouTube. Next, consumers helped pick the colors, names, packaging, and even the ad agency! Enormous buzz followed—much of it generated by the actual product users, as intended.

Sources: Theresa Howard, “Being True to Dew,” Brandweek, 24 April 2000; Greg Johnson, “Mountain Dew Hits New Heights to Help Pepsi Grab a New Generation,” Los Angeles Times, 6 October 1999; Michael J. McCarthy, “Mountain Dew Goes Urban to Revamp Country Image,” Wall Street Journal, 19 April 1989; “Top-10 U.S. Soft Drink Compa- nies and Brands for 2000,” Beverage Digest, 15 February 2001; Kate MacArthur, “Mountain Dew Gives Gamers More Caffeine,” Advertising Age, 26 September 2005, 6; Gregg Bennett, Mauricio Ferreora, Jaede- ock Lee, and Fritz Polie, “The Role of Involvement in Sports and Sports Spectatorship in Sponsor’s Brand Use: The Case of Mountain Dew and Action Sports Sponsorship,” Sports Marketing Quarterly, 18 (March 2009): 14–24; Natalie Zmuda, “Why Mtn Dew Let Skater Dudes Take Control of Its Marketing,” Advertising Age, 22 February 2010.

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We can increase usage either by increasing the level or the quantity of consumption (how much consumers use the brand), or by increasing the frequency of consumption (how often they use it). It is probably easier to increase the number of times a consumer uses the product than to actually change the amount he or she uses at any one time. (A possible exception is impulse-purchase products like soft drinks and snacks, whose usage increases when the product is more available.) Increasing fre- quency of use is particularly attractive for category leaders with large market share; it requires either identifying new opportunities to use the brand in the same basic way or identifying completely new and different ways to use it. Let’s look at both approaches.

Identifying Additional or New Usage Opportunities. To identify additional or new opportunities for consumers to use the brand more—albeit in the same basic way—marketers should design a market- ing program to include both of the following:

• Communications about the appropriateness and advantages of using the brand more frequently in existing situations or in new situations
• Reminders to consumers to actually use the brand as close as possible in time to those situations for which it could be used

For many brands, increasing usage may be as simple as improving top-of-mind awareness through reminder advertising (as V8 vegetable juice did with its classic “Wow! I Could Have Had a V8” ad campaign). In other cases, more creative retrieval cues may be necessary. Consumers often adopt “func- tional fixedness” with a brand, which makes it easy to ignore in nontraditional consumption settings.

For example, consumers see some brands as appropriate only for special occasions. An effective strategy here may be to redefine what it means for something to be “special.” Chivas Regal ran a print ad campaign for its Blended Scotch with the theme “What are you saving the Chivas for?” The ads included headlines such as “Sometimes life begins when the baby-sitter arrives,” “Your Scotch and soda is only as good as your Scotch and soda,” and “If you think people might think you order Chivas to show off, maybe you’re thinking too much.” For campaigns like this to work, however, the brand has to retain its “premium” brand associa- tion—a key source of equity—while convincing consumers to adopt broader usage habits at the same time.

Another opportunity to increase frequency of use occurs when consumers’ perceptions of their usage differ from the reality. For many products with relatively short life spans, consumers may fail to buy replacements soon enough or often enough.15 Here are two possible solutions:

• Tie the act of replacing the product to a certain holiday, event, or time of year. For example, several brands, such as Oral-B toothbrushes, have run promotions tied in with the springtime switch to day- light saving time.

• Provide consumers with better information about either (1) when they first used the product or need to replace it, or (2) the current level of product performance. For example, batteries offer built-in gauges that show how much power they have left, and toothbrushes and razors have color indicators to indicate when they have worn out.

Finally, perhaps the simplest way to increase usage occurs when it is at less than the optimal or recommended level. Here, we want to persuade consumers of the merits of more regular usage and over- come any potential hurdles to increased usage, such as by making product designs and packaging more convenient and easier to use.

Identifying New and Completely Different Ways to Use the Brand. The second approach to increasing frequency of use is to identify completely new and different applications. Food prod- uct companies have long advertised new recipes that use their branded products in entirely different ways. Perhaps the classic example of finding creative new applications is Arm & Hammer baking soda, whose deodorizing and cleaning properties have led to a number of new uses.

Other brands have taken a page from Arm & Hammer’s book: Clorox has run ads stressing the many benefits of its bleach, such as how it eliminates kitchen odors; Wrigley’s chewing gum advertising touts it as a substitute for smoking; and Tums promotes its antacid’s benefits as a calcium supplement. Coach managed to expand usage and increase frequency for both the brand and the category, even in recessionary times.

COACH

Coach has played a key role over the past decade in getting U.S. women to buy more handbags; most now make three new pur- chases annually. Coach’s strategy was to fill “usage voids”—situ- ations where existing bag options were not appropriate—with a plethora of different bag options for almost every occasion, includ- ing evening bags, backpacks, satchels, totes, briefcases, coin purses, and duffels. Rather than owning a small number of bags suitable for a

limited number of uses, women were encouraged to treat hand- bags as the style-defining fashion accessory. When the recession of 2008 challenged many providers of luxury fashion accessories, who began to introduce steep discounts, Coach was an exception. The company maintained prices on its regular product lines and instead introduced new low-priced items. Coach always conducts much re- search, and here it engaged with consumers to confirm two facts: First, the new products would not cheapen or damage its image. Second, the resulting decreases in margin would be more than off- set by increases in volume. Through renegotiated deals with suppli- ers, new sources of leather, fabric, and hardware, and other steps, the company assured itself the handbags could have the proper de- signs at the necessary price points. Thus, the youthful and somewhat eclectic Poppy line was launched with an average price of $260, about 20 percent less than the typical Coach purse. The percentage of sales of low-priced handbags increased from about one-third to one-half of sales as a result of the shift in consumer willingness to pay. Handbags make up almost two-thirds of Coach sales.16
Coach's introduction of the youthful Poppy line at a lower price point helped the company weather a tough recession. Source: Ross Hailey/MCT/Newscom

New usage applications may require more than just new ad campaigns or merchandising ap- proaches. Sometimes they can arise from new packaging. For example, Arm & Hammer introduced a "Fridge-Freezer Pack" (with "freshflo vents") for its natural baking soda that was specially designed to better freshen and deodorize refrigerators and freezers.

Improving Brand Image

Although changes in brand awareness are probably the easiest means of creating new sources of brand equity, more fundamental changes are often necessary. We may need to create a new marketing program to improve the strength, favorability, and uniqueness of brand associations making up the brand image. As part of this repositioning—or recommitment to the existing positioning—we may need to bolster any positive associations that have faded, neutralize any negative associations that have been created, and create additional positive associations. These repositioning decisions require us to clearly specify the target market and the nature of the competition to set the competitive frame of reference.

Identifying the Target Market. Marketers often focus on taking action with one or more of four key target market segments as part of a brand revitalization strategy:

1. Retaining vulnerable customers
2. Recapturing lost customers
3. Identifying neglected segments
4. Attracting new customers

There is a clear hierarchy in these strategic targeting options. In an attempt to turn sales around,
some firms mistakenly focus initially on the fourth one, chasing after new customers. This is the riskiest option. If it fails, two bad things can happen: the firm may fail to attract any new customers, but even worse, it may lose existing ones.

When Talbots, seller of women's suits, blouses, and dresses in roughly 580 predominately subur- ban locations, ran into sales troubles after the 2008 recession, it decided to expand its target market. Bold jewelry and metallic suits appeared next to classic pearls and seasonal sweaters in an attempt to reach a younger audience than its traditional over-35-year-old woman. The result was a disaster that confused existing customers as well as hoped-for new prospects, and sales plunged. Asia's leading chain of low-priced casual wear, Uniqlo, ran into the exact same predicament when stores began to stock too many fashion-forward items at the expense of popular basics.17

To avoid this double whammy and steady the course in the face of a sales decline, it is often best to try to halt the erosion first and ensure that no more customers are lost in the short run before chasing after new ones. Some of the same marketing efforts to retain existing customers can also help recapture lost customers who are no longer using the brand. This may mean simply reminding consumers of the virtues of a brand they have forgotten about or begun to take for granted. Recall how the New Coke de- bacle described in Chapter 1—although not intended to do so—accomplished just that, in a roundabout way. Kellogg's Corn Flakes once ran a successful ad campaign with the slogan "Try Them Again for the First Time."

The third approach—segmenting on the basis of demographic variables or other means and iden- tifying neglected segments—is the next-most viable brand revitalization option. Of course, the final strategic targeting option for revitalizing a fading brand is simply to more or less abandon the consumer group that supported it in the past to target a completely new market segment.

Many firms have reached out to new customer groups to build brand equity. The Home Shopping Network (HSN) found success in going after fashion-oriented power shoppers by dumping a slew of unknown brands with me-too products to make the cable channel more designer-friendly to celebrities such as Badgley Mischka, Sean "Diddy" Combs, Stefani Greenfield, and Serena Williams.18

Market segments the firm currently serves with other products may represent potential growth tar- gets for the brand. Effectively targeting these segments, however, typically requires some changes or variations in the marketing program, especially in advertising and other communications, and the deci- sion whether to do so ultimately depends on the outcome of a cost–benefit analysis.

Attracting a new market segment can be deceptively difficult. Brands such as Gillette, Harley-Davidson, and ESPN have worked hard for years to find the right blend of products and advertising to make their masculine-image brands relevant and attractive to women. Creating marketing programs to appeal to women has become a priority of makers of products from cars to computers.

Marketers have also introduced programs targeted to different racial and ethnic groups, age groups, and income groups. These cultural market segments may require different messages, creative strategies, and media. They can be fickle, however, as Tommy Hilfiger discovered, forcing the brand to implement a back-to-basics revitalization strategy.

TOMMY HILFIGER

One of the hottest fashion brands in the 1990s—when its worldwide sales peaked at $2 billion—Tommy Hilfiger was overexposed and struggling to stay relevant by the early 2000s. Other labels such as Phat Farm, FUBU, Sean John, and Ecko had drawn customers away by better executing the young urban, hip-hop style on which Hilfiger had built its 1990s success. Bloomingdale's reduced the number of Hilfiger boutiques from 23 to 1, and Hilfiger closed all but 7 of its 44 own-brand specialty shops in 2003. To recover, the firm essentially cut all ties with the style that had made it popular—oversized apparel, even more oversized logos, and an edgy urban aura—even go- ing so far as to remove the stylized U.S. flag logo from many of its clothing products. Hilfiger struck out in a new direction with classic preppy styles more closely associated with the brand's original roots, although perhaps with a twist. One set of styles was inspired by the sun and surf, for instance. An exclusive distribution deal with Macy's in 2008 allowed the company to focus its marketing efforts, and by 2010, the brand was being sold in 1,000 retail locations in 65 countries. Hilfiger tailored its offerings in many of these markets. For example, German consumers preferred darker colors, whereas Spanish consumers wanted lighter and brighter shades. In many overseas markets such as China, India, and parts of Europe, the brand was seen as high status. All these revitalizing efforts were validated when the Hilfiger brand was purchased for $3 billion by Phillips-Van Heusen.19

A step out of fashion at times over the last decade, Tommy Hilfiger worked hard to restore the luster to its brand with updated new styles and marketing.
Source: Urman Lionel/SIPA/Newscom

Repositioning the Brand. Regardless of the type of target market segment, repositioning the brand sometimes requires us to establish more compelling points-of-difference. At other times, we need to reposition a brand to establish a point-of-parity on some key image dimension.

A common problem for marketers of established, mature brands is to make them more contempo- rary by creating relevant usage situations, a more contemporary user profile, or a more modern brand personality. Heritage brands that have been around for years may be seen as trustworthy but also boring, uninteresting, and not that likable.

Updating a brand may require some combination of new products, new advertising, new promotions, and new packaging. Reaching its 100th birthday in 2013, Clorox is a heritage brand that must periodi- cally take steps to update itself. To reach young parents on the go, it developed the myStain smartphone app dedicated to stain removal. Family-oriented images, such as photos of kids' faces covered with spa- ghetti sauce, were included to make the app more accessible and fun. Many solutions offered convenient alternatives to Clorox products, such as seltzer water as a stain treatment in a restaurant.20

Changing Brand Elements. Often we must change one or more brand elements either to convey new information or to signal that the brand has taken on new meaning because the product or some other aspect of the marketing program has changed. The brand name is typically the most important brand element, and it's often the most difficult to change. Nevertheless, we can drop names or combine them into initials to reflect shifts in marketing strategy or to ease pronounceability and recall. Shortened names or initials can also minimize potentially negative product associations.

For example, Federal Express chose to officially shorten its name to FedEx and introduce a new logo to acknowledge what consumers were actually calling the brand.21 In an attempt to convey a healthier image, Kentucky Fried Chicken abbreviated its name to the initials KFC. The company also introduced a new logo incorporating the character of Colonel Sanders as a means of maintaining tradition but also modernizing its appeal. When the company began to emphasize grilled chicken and sandwiches in its national advertising over the traditional bone-in fried offerings though, some franchisees actually sued, saying the brand had strayed too far from its roots.22

It is easier to change other brand elements, and we may need to, especially if they play an impor- tant awareness or image function. Chapter 4 described how to modify and update packaging, logos, and characters over time. We noted there that changes generally should be moderate and evolutionary, and marketers must take great care to preserve the most salient aspects of the brand elements.

ADJUSTMENTS TO THE BRAND PORTFOLIO

Managing brand equity and the brand portfolio requires taking a long-term view and carefully consid- ering the role of different brands in the portfolio and their relationships over time. Sometimes a brand refresh just requires cleaning up the brand architecture.

When P&G saw sales slump for its $3-billion-in-revenue Pantene hair care brand during the reces- sion of 2008, the company engaged in a massive research and development process to improve and revamp the product line. Extensive consumer testing and technologies typically employed for medical and space research were used to examine how different ingredients interacted with various hair types to develop new and improved products. P&G reduced the number of its shampoos, conditioners, and styl- ing aids by one-third and reorganized and color-coded the entire product line around four specific hair types: color-treated, curly, fine, and medium-to-thick.23

Migration Strategies

The brand migration strategy helps consumers understand how various brands in the portfolio can sat- isfy their needs as they change over time, or as the products and brands themselves change over time. Managing brand transitions is especially important in rapidly changing, technologically intensive mar- kets. Ideally, brands will be organized in consumers' minds so they know at least implicitly how they can switch among them as their needs or desires change. A corporate or family branding strategy in which brands are ordered in a logical manner could provide the hierarchical structure in consumers' minds to facilitate brand migration. Car companies are quite sensitive to this issue, and brands such as BMW—with its 3-, 5- and 7-series numbering systems to denote increasingly higher levels of quality—are good examples. Chrysler designated Plymouth as its "starter" car line and expected Plymouth owners to trade up later to higher-priced Chrysler models.

Acquiring New Customers

All firms face trade-offs between attracting new customers and retaining existing ones. In mature mar- kets, trial is generally less important than building loyalty and retaining existing customers. Neverthe- less, some customers inevitably leave the brand franchise—even if only from natural causes. Thus firms must proactively develop strategies to attract new customers, especially younger ones. The marketing challenge here, however, often lies in making a brand seem relevant to vastly different generations and cohort groups or lifestyles. The challenge is greater when the brand has a strong personality or user im- age associations that tie it to one particular consumer group.

Unfortunately, even as younger consumers age, there is no guarantee they will have the same at- titudes and behaviors as the older consumers who preceded them. In 2011, the first wave of post–World War II baby boomers celebrated their 65th birthdays and officially entered the senior citizen market. Many experts forecast that this group will insist companies embrace their own unique values in market- ing products and services. As one demographic expert says, “Nothing could be further from the truth than saying boomers will be like their parents.”

The response to the challenge of marketing across generations and cohort groups has taken all forms. Some marketers have attempted to cut loose from the past, as Tommy Hilfiger did by renounc- ing the urban styles it had come to embody in the 1990s. Other brands have attempted to develop more inclusive marketing strategies to encompass both new and old customers. For example, Brooks Brothers has worked hard to upgrade its merchandise mix, renovate its fleet of stores, expand the franchise into overseas markets, and introduce its first designer label, Black Fleece, to retain the loyalty of older cus- tomers but attract new, younger customers at the same time. The company also engaged in an exclusive partnership with Nordstrom to sell a selected set of its more contemporary offerings.24

As proof there can be some marketplace life left in seemingly dead brands, Memorex has been reinvented as a broader technology brand.

Source: AP Photo/ PRNewsFoto/Memorex

Retiring Brands

Because of dramatic or adverse changes in the marketing environment, some brands are just not worth saving. Their sources of brand equity may have essentially dried up, or, even worse, damaging and difficult-to-change new associations may have been created. At some point, the size of the brand fran- chise—no matter how loyal—fails to justify support. In the face of such adversity, decisive management actions are necessary to properly retire or milk the brand.

Several options are possible. A first step in retrenching a fading brand is to reduce the number of its product types (package sizes or variations). Such actions reduce the cost of supporting the brand and allow it to put its best foot forward so it can more easily hit profit targets. If a sufficiently large and loyal enough customer base exists, eliminating marketing support can be a means to milk or harvest profits from these cash cows.

An orphan brand is a once-popular brand with diminished equity that a parent company allows to decline by withdrawing marketing support. Typically, these orphan brands have a customer base too small to warrant advertising and promotional expenditures. The Polaroid camera is an example. After filing for bankruptcy in 2001, the brand was purchased by a private equity firm. A 2003 market research study indicated the brand name itself was still a powerful asset, so the Polaroid name soon appeared on electronic devices much more sophisticated than its outmoded instant camera, such as TVs and DVDs. These items, which achieved distribution in Walmart and Target, generated a reported $300 million in annual sales, proving that the orphan Polaroid still had some life in it.25

With the right marketing approach, it is possible to bring a jettisoned brand back to life. As another example, 3M spinoff Imation purchased Memorex, famous for its audio cassettes and “Is It Live, or Is It Memorex?” ads, for $330 million in 2006. Although that tagline had been dropped over 30 years ago, consumers surveys found awareness for the brand still exceeded 95 percent. Targeting mothers aged 28–40 who liked technology the family could use together,

Memorex was relaunched to brand iPod ac- cessories, digital photo frames, DVD and MP3 players, karaoke machines, and TVs at retailers such as Walmart and Target.26
When the brand is beyond repair, marketers have to take more drastic measures, such as consolidat- ing it into a stronger brand. Procter & Gamble merged White Cloud and Charmin toilet paper, elimi- nating the White Cloud line. It also merged Solo and Bold detergents. With shelf space at a premium, brand consolidation has become increasingly necessary to create a stronger brand, cut costs, and focus marketing efforts.27

Finally, a permanent solution is to discontinue the product altogether. The marketplace is littered with brands that either failed to establish an adequate level of brand equity or saw their sources of brand equity disappear because of changes in the marketing environment. Companies sometimes spin off their orphan brands when sales drop too far, as Campbell did with Vlasic pickles and Swanson frozen din- ners. Similarly, American Home Products spun off Chef Boyardee, Bumble Bee tuna, and Pam cooking spray. Other companies sell the orphan, as Procter & Gamble did by selling its Oxydol laundry deter- gent to Redox Brands.
Harvard professor Nancy Koehn explains that old brands retain some value because consumers often remember them from childhood. “There’s at least an unconscious link,” says Koehn.28 Perhaps this fact helps explain the success of a Web site called www.hometownfavorites.com, which offers hun- dreds of exotic orphan brands such as Brer Rabbit Molasses and My-T-Fine Pudding. As long as orphan brands remain popular with a core audience, it seems that companies are willing to sell them.29
Obsoleting Existing Products. How do you decide which brands to attempt to revitalize (or at least milk) and which ones to discontinue? Beecham chose to abandon such dying brands as 5-Day deodorant pads, Rose Milk skin care lotion, and Serutan laxative, but it attempted to resurrect Aqua Velva after- shave, Geritol iron and vitamin supplement, and Brylcreem hair styling products. The decision to retire a brand depends on a number of factors. Fundamentally, the issue is the existing and latent equity of the brand. As the former head of con- sumer packaged-goods giant Unilever commented that if businesses are not creating value for the con- sumer or the company, it should divest itself from such non-value creating businesses. Its akin to a beautiful garden getting weeds. By letting go of such businesses, the company will create enough room for the more profitable and value-creating business to blossom. This was to explain his company’s deci- sion to review about 75 percent of its brands and lines of businesses for possible sell-offs.30
REVIEW
Effective brand management requires taking a long-term view and recognizing that any changes in the supporting marketing program for a brand may, by changing consumer knowledge, affect the success of future marketing programs. A long-term view also dictates proactive strategies designed to maintain and enhance customer-based brand equity over time, in the face of external changes in the marketing environ- ment and internal changes in a firm’s marketing goals and programs.
Marketers reinforce brand equity by actions that consistently convey the meaning of the brand—what products the brand represents, what core benefits it supplies, what needs it satisfies, how it makes products superior, and which strong, favorable, and unique brand associations should exist in consum- ers’ minds. The most important consideration in reinforcing brands is

consistency in the nature and amount of marketing support. Consistency does not mean marketers should avoid making any changes in the marketing program; in fact, many tactical changes may be necessary to maintain the brand's strategic thrust and direction. Unless there is some change in the marketing environment or shift in strategic direction, however, there is little need to deviate from a successful positioning. The critical points-of-parity and points-of-difference that represent sources of brand equity should then be vigor- ously preserved and defended.

The strategy for reinforcing brand meaning depends on the nature of the brand association. For brands whose core associations are primarily product-related attributes and functional benefits, innova- tion in product design, manufacturing, and merchandising is especially critical to maintaining or en- hancing brand equity. For brands whose core associations are primarily non-product-related attributes and symbolic or experiential benefits, relevance in user and usage imagery is especially critical to main- taining or enhancing brand equity.

In managing brand equity, managers have to make trade-offs between those marketing activities that fortify the brand and reinforce its meaning, and those that attempt to leverage or borrow from its existing brand equity to reap some financial benefit. At some point, failure to fortify the brand

will diminish brand awareness and weaken brand image. Without these sources of brand equity, the brand itself may not continue to yield valuable benefits. Figure 13-3 summarizes brand reinforce- ment strategies.

Revitalizing a brand requires marketers to either recapture lost sources of brand equity or establish new ones. According to the CBBE framework, two general approaches are possible: (1) Expand the depth or breadth (or both) of brand awareness by improving brand recall and recognition by consumers during purchase or consumption settings; and (2) improve the strength, favorability, and uniqueness of brand associations making up the brand image. This latter approach may require programs directed at existing or new brand associations.

With a fading brand, the depth of brand awareness is often not a problem as much as the breadth; that is, consumers tend to think of the brand in very narrow ways. Although changing brand aware- ness is probably the easiest means of creating new sources of brand equity, we may often have to create a new marketing program to improve the strength, favorability, and uniqueness of brand associations.

As part of this repositioning, target markets should be analyzed carefully. It is often best to first retain new customers and then try to attract lapsed users or neglected segments before attempting to attract wholly different segments. The challenge in all these efforts to modify the brand image is not to destroy the equity that already exists. Figure 13-4 summarizes brand revitalization strategies.

Managers must also consider the role of different brands in the portfolio and their relationships over time. In particular, a brand migration strategy should ensure that consumers understand how various brands in the portfolio can satisfy their needs as they change or as the products and brands themselves change over time. Strategies exist to retire those brands whose sources

of brand equity have essentially dried up or that have acquired damaging and difficult-to-change associations.
If a brand encounters a crisis, being swift and sincere are of paramount importance. Companies that come across as unresponsive or uncaring with their customers inevitably encounter problems.
Brand Awareness
• What products does the brand represent?
• What benefits does it supply? • What needs does it satisfy?
Brand Image
• How does the brand make products superior?
• What strong, favorable,
and unique brand associations exist in customers' minds?
FIGURE 13-3 Brand Reinforcement Strategies
Consistency in amount and nature of marketing support
Innovation in product design, manufacturing, and merchandising
Continuity in brand meaning; changes in marketing tactics
BRAND REINFORCEMENT STRATEGIES
Relevance in user and usage imagery
Protecting sources of brand equity
Trading off marketing activities to fortify vs. leverage brand equity

Refresh old sources of brand equity
BRAND REVITALIZATION STRATEGIES
Create new sources of brand equity
FIGURE 13-4 Brand Revitalization Strategies DISCUSSION QUESTIONS
1. Pick a brand. Assess its efforts to manage brand equity in the last five years. What actions has it taken to be innovative and relevant? Can you suggest any changes to its marketing program?
2. Pick a product category. Examine the histories of the leading brands in that category over the last decade. How would you characterize their efforts to reinforce or revitalize brand equity?
3. Identify a fading brand. What suggestions can you offer to revitalize its brand equity? Try to apply the different approaches suggested in this chapter. Which strategies would seem to work best?
4. Try to think of additional examples of brands that adopted either a back-to-basics or a reinvention revitalization strategy. How well did the strategies work?
5. Choose a brand that has recently experienced a marketing crisis. How would you evaluate the mar- keters' response? What did they do well? What did they not do well?

Increase quantity of consumption (how much)
Expand depth and breadth of awareness and usage of brand
Identify additional opportunities to use brand in same basic way
Increase frequency of consumption (how often)
Identify completely new and different ways to use brand
Retain vulnerable customers

Bolster fading associations
Improve strength, favorability, and uniqueness of brand associations
Recapture lost customers
Neutralize negative associations
Create new associations
Identify neglected segments
Attract new customers
BRAND FOCUS 13.0
Responding to a Brand Crisis
Tylenol has been a true marketing success story.31 Originally introduced by McNeil Laboratories as a liquid alternative to as- pirin for children, Tylenol achieved nonprescription status when McNeil was bought by Johnson & Johnson (J&J) in 1959. J&J's initial marketing plan promoted a tablet form of the product for physicians to prescribe as a substitute for aspirin when allergic
reactions occurred. Tylenol consists of acetaminophen, a drug as effective as aspirin in the relief of pain and fever but without the stomach irritation that often accompanies aspirin use.
Backed by this selective physician push, sales for the brand grew slowly but steadily over the course of the next 15 years. By 1974, sales reached $50 million, or 10 percent of the analgesic

market. In defending its turf from Bristol-Myers's low-priced but heavily promoted entry Datril, J&J recognized the value of adver- tising Tylenol directly to consumers.
Thanks also to the successful introduction of a line exten- sion, Extra-Strength Tylenol in tablet and capsule form, the brand's market share had risen to 37 percent of the pain reliever market by 1982. As the largest single brand in the history of health and beauty aids, Tylenol was used by 100 million U.S. consumers. It contributed 8 percent to J&J's sales but almost twice that percentage in net profits.
Advertising support for the brand was heavy. A $40 million media campaign for 1982 used two different messages. The "hospital campaign" employed testimonials from people who had been given Tylenol in the hospital and had grown to trust it. The ad concluded with the tag line, "Trust Tylenol—hospitals do." The "hidden camera" campaign showed subjects who had been unobtrusively filmed while describing the symptoms of their headache, trying Extra-Strength Tylenol as a solution, and vowing to use it again based on its effectiveness. These ads concluded with the tag line, "Tylenol . . . the most potent pain reliever you can buy without a prescription."
The Tylenol Product Tampering Crisis
All this success came crashing to the ground in the first week of October 1982, with the news that seven people had died in the Chicago area after taking Extra-Strength Tylenol capsules that turned out to contain cyanide poison. Although it quickly became evident that the problem was restricted to that area of the country and had almost certainly been the work of some de- ranged person outside the company, consumer confidence was severely shaken.
Most marketing experts believed the damage to the brand's reputation was irreparable and that Tylenol would never fully recover. Well-known advertising guru Jerry Della Femina was quoted in the New York Times as saying, "On one day, every single human being in the country thought

that Tylenol might kill them. I don't think there are enough advertising dollars, enough marketing men, to change that. . . . You'll not see the name Tylenol in any form within a year." Tylenol's comeback from these seemingly insurmountable odds has become a classic ex- ample of how best to handle a marketing crisis.

The Tylenol Product Tampering Recovery

Within the first week of the crisis, J&J issued a worldwide alert to the medical community, set up a 24-hour toll-free tele- phone number, recalled and analyzed sample batches of the product, briefed the Food and Drug Administration, and of- fered a $100,000 reward to apprehend the culprit of the tam- pering. During the week of October 5, the company began a voluntary withdrawal of the brand by repurchasing 31 million bottles with a retail value of $100 million. It stopped advertis- ing, and all communications with the public were in the form of press releases. To monitor consumer response to the crisis, J&J started to conduct weekly tracking surveys with 1,000 consumer respondents. Ultimately, the company spent a total of $1.5 million for marketing research in the fourth quarter of 1982. The following week of October 12, it introduced a capsule ex- change offer, promoted in half-page press announcements in 150 major markets across the country, that invited the public to mail in bottles of capsules and receive tablets in exchange. Although well intentioned, this offer met with poor consumer response.

During the week of October 24, J&J made its return to TV advertising with the goals of convincing Tylenol users they could continue to trust the safety of Tylenol products and encouraging the use of the tablet form until tamper-resistant packaging was available. The spokesperson for the ad was Dr. Thomas N. Gates, the company's medical director, whose deep, reassuring voice exuded confidence and control.

Looking calmly straight into the camera, he stated that the Extra Strength Tylenol capsules were tampered in a limited area after they left the J&J factory. He further stated that this act damaged all the stake holders, including the American public. As Tylenol was a trusted part of their healthcare kit, the com- pany will continue making Tylenol because they had worked hard to earn trust in the market, and that they will work even harder to keep it. The company voluntarily withdrew all Tylenol capsules from the shelves and reintroduced capsules in tamper- resistant packs. Dr. Gates also stated that Tylenol has had the trust of the medical profession and 100 million Americans for over 20 years and that the company valued this trust too much to let any individual ruin it.

The heavy media schedule for this ad ensured that 85 per- cent of the market viewed it at least four times during this week. On November 11, 1982, six weeks after the poisonings and after intense behind-the-scenes activity, the chairman of J&J held a live teleconference with 600 news reporters throughout the United States to announce the return of Tylenol capsules to the market in a new, triple-sealed package that was regarded as virtually tamperproof. To get consumers to try the new pack- aging, the company undertook the largest program of coupon- ing in commercial history.

On November 28, 1982, 60 million coupons offering a
free Tylenol product (valued up to $2.50) were distributed in Sunday newspapers nationwide. Twenty million more cou- pons were distributed the following Sunday. By the end of December, 30 percent of the coupons had been redeemed. J&J also engaged in a number of activities to enlist the sup- port of retailers in the form of trade promotions, sales calls, and so forth.

Convinced that market conditions were now stable enough to commence regular advertising, J&J's ad agency developed three ad executions using the testimony of loyal Tylenol users with the goal of convincing consumers that they could con- tinue to use Tylenol with confidence. The first ad execution contained excerpts of consumers' reaction to the tampering incident, the second ad brought back a Tylenol supporter from

an ad campaign run before the tampering incident to reassert her trust in Tylenol, and the third ad used the testimony of a Tylenol user who reasoned that she could still trust the prod- uct because hospitals still used it. The recall scores for two of the commercials were among the highest ever recorded by ASI, a well-known marketing research firm that conducted the ad testing for J&J. The return to advertising was accompanied by additional coupon promotional offers to consumers.

Incredibly, by February 1983, sales for Tylenol had almost fully returned to the lofty pretampering sales levels the brand had enjoyed six months earlier. Clearly, J&J's skillful handling of an extremely difficult situation was a major factor in the brand's comeback. Another important factor, however, was the equity of the brand and its strong and valuable "trust" associa- tion built up over the years prior to the incident. The feelings of trust the brand engendered helped speed its recovery, a fact certainly evident to J&J (note how often the word trust appears in the initial Gates ad—five times).

Johnson & Johnson and McNeil Consumer Healthcare's re- markable recovery from the brink of disaster allowed the com- pany to reap the benefits of market leadership. A $1 billion brand, Tylenol was successfully extended into cough and cold remedies, nighttime pain relievers, and children's versions. The next-largest pain reliever competitor had only half the market share.

The tide began to turn in the 1990s, however, as the pos- sibility of liver damage and even death from taking more than the recommended dosage of Tylenol was found. Some ana- lysts felt J&J should have been more forthcoming about the possible product dangers in its labeling. This health issue per- sisted over the next two decades as research continued to un- cover consumers' lack of understanding of proper dosing and dangers of side effects. The government continued to weigh its regulatory options.

Tylenol's Quality Control Crises

Concerns about dosage were exacerbated by a series of disas- trous quality-control scandals and problems. During 2009 to 2011, the brand came under a flood of negative publicity and harsh criticism from government regulators. Unlike the tamper- ing incidents, these wounds were self-inflicted, and although no deaths occurred, the care, comfort, and confidence of Ty- lenol customers was at stake, making Johnson & Johnson's ac- tions—or inactions in some cases—highly troubling.

The problems seemed to arise in cutbacks in quality con- trol and compliance at some of McNeil Consumer Healthcare's manufacturing facilities. Cost-cutting and a change in over- sight procedures let several defective products fall through the cracks, while errors in judgment after the fact only com- pounded the problems.

In one of the first incidents, J&J recalled two dozen variet- ies of its Children's Tylenol in 2009 because of possible bacterial contamination at one of its manufacturing facilities. Additional problems emerged in the same plant the following year, and government regulators expressed their displeasure at the com- pany's lack of progress in dealing with the problem.

In January 2010, J&J recalled several hundred batches of Tylenol, Motrin, Benadryl, and St. Joseph's Aspirin, 20 months after it reportedly first began to receive consumer complaints about moldy-smelling bottles that made some people feel ill. The FDA faulted the company for not conducting a timely, comprehensive investigation; not quickly identifying the source of the problem; and not notifying authorities of the problem, all of which prolonged consumer vulnerability.

The culprit was the breakdown of a chemical used to treat wood pallets that transported and stored product packaging in a Las Piedras, Puerto Rico facility. A few months later, in April 2010, J&J also recalled millions of bottles of Tylenol, Benadryl, Zyrtec, and Motrin because excessively high levels of an active drug, metal specks, or ingredients that had failed testing requirements led to possible safety violations. Ever-higher levels of scrutiny of the company followed, revealing that back in 2009, McNeil Consumer Healthcare had hired private contractors to buy scores of bottles of defective Motrin in a stealth recall. Because there was no actual safety risk, the company maintained that a formal recall was not necessary. Once again, federal regulators disagreed with its handling of a problem.

These unprecedented quality-control miscues cost the company $1 billion in sales and, perhaps more importantly, the trust, respect, and admiration of the public it had worked so hard to preserve back in 1982. After much criticism contrasting his handling of the quality control problems with the product tampering crisis, CEO William Weldon stepped down in April 2012.

Crisis Marketing Guidelines

Not all brands have handled their crises as well as Johnson & Johnson did the tampering incident, or as poorly as it did its quality-control problems. Another brand sharply criticized for its crisis response was Exxon. Although this company spent mil- lions of dollars advertising its gasoline and crafting its brand image over the years, it essentially ignored the need to market its corporate identity and image.

This decision came back to haunt the company in the weeks following March 24, 1989, the day the tanker Exxon Valdez hit a reef in Prince William Sound, spilling some 11,000,000 gal- lons of oil into the waters off the Alaska shoreline. The spill wreaked devastation on the fish and wildlife of some 1,300 previously unspoiled square miles. Top Exxon officials declined to comment publicly for almost a week afterward, and the public statements they eventually made sometimes appeared to contradict information from other sources (for instance, re- garding the severity of the spill) or blamed other parties, such as the U.S. Coast Guard, for the slow clean-up efforts.

Exxon received withering negative press and was the source of countless jokes on late-night talk shows. In frus- tration and anger, some customers cut up their Exxon credit cards. On April 3, fully 10 days after the accident, Exxon's chairman released a full-page open letter to the public expressing the company's concern and justifying its efforts to address the situation.32

Brands as diverse as Wendy's restaurants, Firestone tires, Tyco diversified holdings, and Vioxx painkiller have all experi- enced a potentially crippling brand crisis. Marketing managers must assume that at some point in time, a similar incident will occur. In general, the better they have established brand equity and a strong corporate image—especially credibility and trust-worthiness—the more likely their firm can weather the storm.

Careful preparation and a well-managed crisis manage- ment program are also critical, however. Most experts would agree that the Exxon incident is a good example of how not to handle a brand crisis. As Johnson & Johnson's nearly flaw- less handling of the Tylenol product tampering incident sug- gests, the two keys to effectively managing a crisis are that the firm's response should be swift and that it should be sin- cere.33 Marketers do not necessarily have to admit they are wrong in any way, just that they are concerned and will as quickly and thoroughly find out what has happened, keeping the customer's best interests in mind. Brands that drag their heels in recognizing and responding to a crisis inevitably en- counter problems.

Swiftness. The longer it takes a firm to respond to a marketing crisis, the more likely that customers will form negative impressions based on unfavorable media coverage or word-of-mouth. Perhaps worse, they may decide they do not really like the brand after all and permanently switch to alternatives.

For example, Perrier was forced to halt production worldwide and recall all existing bottles in February 1994 when traces of benzene, a known carcinogen, were found in excessive quantities in the bottled water. Over the next few weeks, several explanations were offered about how the contamination occurred, creating confusion and skepti- cism. Perhaps even more damaging, the product was off the shelves until May.

Despite an expensive relaunch featuring ads and promo- tions, Perrier struggled to regain lost market share, and a full year later its sales were still less than half what they once had been. One reason is that while the product was unavailable,

Notes

1. Leonard M. Lodish and Carl F. Mela, "If Brands Are Built Over Years, Why Are They Managed Over Quarters?," Har- vard Business Review 85 (July–August 2007): 104–112.
2. Craig McLean, "Q Live: Coldplay," Q, March 2012, 123– 125; Ben Sisario, "Chris Martin of Coldplay Asks: What Would Bruce Do?," New York Times, 13 October 2011; Ray Waddell, "Coldplay: The Billboard Cover Story," Billboard, 12 August 2011.
3. Kevin Goldman, "Michelob Tries to Rebottle Its Old Success," Wall Street Journal, 28 September 1995, B8;

consumers and retailers found satisfactory substitutes such as Saratoga and San Pellegrino. With its key "purity" associa- tion tarnished (the brand had been advertised as the "Earth's First Soft Drink" and "It's Perfect. It's Perrier."), the brand had no other compelling points-of-difference over these competitors.34

Finally, compounding the problems arising from the mar- keting crisis, Perrier was developing an increasingly stodgy image of appealing to the over-45 consumer rather than those under 25. Eventually, the company was taken over by Nestlé SA.

Sincerity. Swift actions must also come across as sincere. Public acknowledgment of the severity of the impact on consumers and willingness to take whatever steps are necessary and feasible to solve the crisis reduce the chance that consumers will form negative attributions for the firm's behavior.

For example, although Gerber had established a strong image of trust with consumers, baby food is a product cat- egory characterized by an extremely high level of involve- ment and need for reassurance. When consumers reported finding shards of glass in some jars of its baby food, Gerber tried to reassure the public that there were no problems in its manufacturing plants but adamantly refused to have its baby food withdrawn from grocery stores. Some consumers clearly found Gerber's response unsatisfactory, because its market share slumped from 66 percent to 52 percent within a couple of months. As one company official admits that this was mainly because the company did not pull out their baby food from the retail shelves, therefore giving the feeling that the company was not caring enough.35

Brand crises are difficult to manage because, despite a firm's best efforts, these situations are hard to control. To some extent, the firm is at the mercy of public sentiment and media coverage, which it can attempt to direct and influence but which sometimes take on a life of their own. Swift and sincere words and actions go a long way toward defusing the situation.