






- ▶ FULL REPORT
- ▶ Introduction
- ▶ Overview
- ▶ Background
- ▶ Current Situation
- ▶ Outlook
- ▶ **Pro/Con**
- ▶ Discussion Questions
- ▶ Chronology
- ▶ Short Features
- ▶ Maps/Graphs
- ▶ Bibliography
- ▶ The Next Step
- ▶ Contacts
- ▶ Footnotes
- ▶ About the Author
- ▶ Comments
- ▶ Permissions

## Branding

May 13, 2022 – Volume 32, Issue 16

### Can companies reposition themselves by changing their image?

By Susan Ladika

 Cite Now! 
  Print 
  Save

#### Pro/Con

Can rebranding improve a company's reputation?

#### Pro



**Jim Heininger**  
Principal, Rebranding Experts.  
Written for *CQ Researcher*, May 2022

Rebranding can be a jet pack to success. We have seen repeatedly the energizing power that rebranding has for organizations.

To start, rebranding shouldn't be seen as a marketing strategy, but rather an enterprise-wide strategic growth accelerator. Rebranding — the wholesale updating or creation of a new customer promise, name, visual identity and go-to market strategy — is brand-driven business transformation that should create a forward-facing organization able to grasp new opportunities. It's not just changing your logo and color palette. Rebranding is about better expressing differentiation that drives growth.

Author and marketing expert Seth Godin [said](#), "A brand is the set of expectations, memories, stories and relationships that, taken together, account for a consumer's decision to choose one product or service over another." To rebrand means to start that definition all anew. It means aligning the organization behind a new promise to customers and delivering against it consistently. Rebranding should produce a brand structure that aspirationally and energetically defines you, with a story that works hard in the marketplace. Outcomes should include an engaged employee base delivering a discernably better customer experience and a measurable difference in sales.

We surveyed companies that had recently rebranded to learn why they applied the strategy and their greatest challenges to a successful rebranding process. While there are multiple reasons for rebranding, the study found that creating opportunity for growth is most frequently cited, followed by lost relevancy of the prior brand. Organizations that rebrand overwhelmingly experience improved visibility (75 percent) and product differentiation (69 percent) while 75 percent experience some to moderate improvement in sales.

A University of Nebraska at Omaha [study](#) found: "[O]n average, rebranding events are

#### Con



**Laurel Sutton**  
Co-founder, Catchword. Written for *CQ Researcher*, May 2022

When a company has reputation problems, it's tempting to think that changing the name will somehow erase bad behavior: a new name, a new identity, a fresh start. But rebranding isn't like the Witness Protection Program. Past bad behavior doesn't disappear when the name is changed, especially in the 21st century, when the internet never forgets.

The classic case of company rebranding failure is Altria. In 2003, Philip Morris executives thought a name change would insulate the larger corporation and its other operating companies from the political pressures around tobacco harm. Working with professional branding consultants, the company chose the name Altria because of its abstractness and subtle associations with concepts like aspiration and excellence; *alta* is the Latin word for "high." It especially recalled the word *altruism*, an overt attempt to remake Philip Morris's image into that of a selfless supporter of the public good.

Unfortunately, the change didn't work. Instead of making customers forget Philip Morris, Altria's new name reminded them that the company wanted to avoid being blamed for the adverse health effects caused by its tobacco products. The attempt to rebrand in such an obviously self-serving way further cemented its reputation as a company that specialized in denying the truth.

The 2021 launch of Meta as the parent name of Facebook companies was seen in much the same light. Facebook has come in for a slew of deserved criticism for promotion of misinformation on its platforms, content moderation failures, violation of users' privacy and revelations about the negative effect its products have on users' mental health. The reveal of the name Meta came just as a whistleblower leaked a series of internal documents that showed Facebook execs knew about the harm caused by its products but chose to ignore it for the sake of profit. The unfortunate timing positioned the name change

#### ISSUE TRACKER for Related Reports

- Advertising**
- ▶ May 13, 2022 [Branding](#)
  - ▶ Jun. 18, 2021 [Social Influencers](#)
  - ▶ Mar. 20, 2015 [Online Dating](#)
  - ▶ Jan. 23, 2004 [Advertising Overload](#)
  - ▶ Mar. 14, 1997 [Alcohol Advertising](#)
  - ▶ Sep. 13, 1991 [Advertising Under Attack](#)
  - ▶ Nov. 23, 1984 [Direct Marketing Boom](#)
  - ▶ Sep. 04, 1981 [Trends in Advertising](#)
  - ▶ May 21, 1969 [Advertising in a Consumer Society](#)
  - ▶ Aug. 25, 1965 [Youth Market](#)
  - ▶ Nov. 21, 1956 [Advertising Controls](#)
  - ▶ Sep. 24, 1951 [Controls Over Advertising](#)
  - ▶ Mar. 08, 1938 [Regulation of Advertising](#)

#### BROWSE RELATED TOPICS:

- ▶ Arts and Humanities
- ▶ Civil Rights Movement
- ▶ Communism
- ▶ Conservatism and Liberalism
- ▶ Consumer Behavior
- ▶ Consumer Protection and Product Liability
- ▶ Diplomacy and Diplomats
- ▶ Economic Analyses, Forecasts, and Statistics
- ▶ General Employment and Labor
- ▶ General International Relations
- ▶ General Social Trends
- ▶ Global Issues
- ▶ Infectious Diseases
- ▶ International Law and Agreements
- ▶ Internet and Social Media
- ▶ Manufacturing and Industrial Production
- ▶ Party Politics
- ▶ Party Politics
- ▶ Popular Culture
- ▶ Powers and History of the Presidency
- ▶ Protest Movements
- ▶ Regional Political Affairs: Russia and the Former Soviet Union
- ▶ Regulation and Deregulation
- ▶ Retail Trade
- ▶ Small Business
- ▶ War and Conflict

associated with positive stock returns. We observed an average increase of 2.46 percent in stock prices, which is equivalent to an average gain of \$31 million in market value of the sample firms. Therefore, we conclude that investors appreciate and reward firms' rebranding efforts, and that rebranding produces significantly positive changes in firm value. Generally speaking, it is worthwhile to rebrand."

While the Nebraska study identified that rebranding is not for everyone, findings convey that investors reward rebranding when a business is facing competitive attacks as a signal of needed strategy changes.

And the momentum continues. [Forrester](#) indicates rebranding is on the rise this year, especially in the B2B (business-to-business) market, due to the surge in merger and acquisition activity as well as the need for companies to reset their promise to customers post-pandemic.

as an attempt to whitewash Facebook's bad behavior.

Contrast this with the movement to rename schools and public places to stop glorifying defeated Confederate traitors. This type of rebranding shows a willingness to accept the mistakes of the past and shift the focus to people deserving of recognition, e.g., renaming Robert E. Lee High School in Springfield, Va., to John R. Lewis High School to honor the civil rights hero.

Instead of looking to a name change to improve public perception of a company, leaders should spend their time, money and energy rehabilitating their ethics and business decisions to effect real change. Only then will they regain the public's trust.

#### READER COMMENTS (0)

No comments on this report yet.

[Comment on this Report](#)

[Go to top](#)

[Go to Discussion Questions](#)

---

#### Document APA Citation

Ladika, S. (2022, May 13). Branding. *CQ researcher*, 32, 1-30. <http://library.cqpress.com/>

**Document ID:** cqresrre2022051306

**Document URL:** <http://library.cqpress.com/cqresearcher/cqresrre2022051306>

---

---

[Feedback](#) | [Suggest a Topic](#) | [General Terms of Service](#) | [Copyright Notice and Takedown Policy](#) | [Masthead](#) | [Privacy Policy](#) | [CCPA – Do Not Sell My Personal Information](#) | [CCPA](#)

©2022, CQ Press, An Imprint of SAGE Publishing. All Rights Reserved. CQ Press is a registered trademark of Congressional Quarterly Inc.