

**PUT A  
NEW  
SHINE  
ON YOUR**

**BRAND**

A hand is shown in the lower right corner, holding a white cloth and polishing a large, metallic, three-dimensional sign that spells out the word 'BRAND'. The sign is set against a dark background with a bright, glowing light source on the left, creating a strong gradient and lens flare effects. The hand is actively rubbing the cloth against the surface of the letters.

**How do you reposition  
a brand that you no  
longer control?  
By letting your  
customers' behaviors  
and attitudes guide you**

**BY ROB O'REGAN  
ILLUSTRATION BY KEN HANSEN**

# IRRELEVANT. INDISTINGUISHABLE. DISCONNECTED.

WHEN DESCRIBING A BRAND, THESE TERMS  
ARE ENOUGH TO MAKE ANY MARKETING  
EXECUTIVE BREAK INTO A COLD SWEAT.

Applied to an established brand, the words signal an ominous shift away from whatever made the brand resonate in the first place — a loss of purpose, if you will.

In today's environment — call it the Age of Consumer Empowerment — such a loss can occur with startling velocity. “With established brands, it's easy to become a bit lazy and keep hammering the same message,” says Hayes Roth, chief marketing officer at Landor Associates, a strategic branding and design consultancy based in New York. By relying solely on past equity to carry them through the current marketing sea change, mature brands can fall out of favor quickly, he adds.

But as quickly as a tired brand loses its way, marketers are now using more sophisticated tools — from advanced research techniques to new communication channels — to help them rejuvenate the brand. The key, most experts say, is developing a far deeper understanding of consumer behaviors and attitudes and applying those insights to everything from advertising to call center operations.

Increasingly, successfully reinventing a brand requires a higher level of engagement — and in some cases, collaboration — with customers. “You really have to get inside people's heads and find out what roles you can play in their lives,” says Becky Saeger, executive vice president and chief marketing officer of the Charles Schwab Co. in San Francisco.

That's the approach Schwab took two years ago when it was looking to rebound from what Saeger calls a “sea of sameness” with its competitors in what at the time was a moribund financial services market (see interview, page 28). Working with its new agency, Euro RSCG, the company performed a broad range of consumer research, from ethnography to mystery shopping, to understand how people were thinking about their money. “We took the input a lot more seriously [than we had in the past],” Saeger points out. “We knew we had to dig deep. We've always been good at demographics and behavioral segmentation. Now we're overlaying a lot of attitudinal [research] on top of that, which really lets us fine-

tune our understanding.” The results led to the successful “Talk to Chuck” campaign, which launched in September 2005.

As many marketing executives have discovered, rejuvenating a brand requires lots of role-playing: marketers must be equal parts psychologist, anthropologist, statistician, and technologist. Although the need to make an emotional connection with consumers is not new,

the rules of engagement and understanding have certainly evolved.

“Everything has moved from a product focus to a customer focus, and you can certainly say that about branding as well,” says Barbara Kahn, a marketing professor at the Wharton School in Philadelphia. “A lot of consumers define themselves in terms of a brand. You need to tap into that.”

## Introspection; Then Observation

Before turning outward to engage with consumers, marketers looking to breathe life into an older brand may first want to get a bit introspective, some experts advise. “When a brand that was successful begins to drift, the first thing you have to do is a very deep examination of the original DNA that gave the brand

### ANA MEMBER Q&A

## NAVIGATING OUT OF A PERFECT STORM

**BECKY SAEGER, EXECUTIVE VICE PRESIDENT AND CHIEF MARKETING OFFICER AT THE CHARLES SCHWAB CO.,** has helped lead the financial services company back from the depths of post-bubble despair. Her tool of choice: the “Talk to Chuck” rebranding campaign, buttressed by deep consumer research and heavy internal marketing. Saeger spoke with *The Advertiser* about Schwab’s turnaround efforts.

### **Q. What indicators told you it was time to rethink your brand positioning?**

**A.** We had a whole lot of metrics that were telling us our brand had declined. More important, our category had taken an enormous hit. After the dot-com bubble, there was a general lack of confidence in investing. Then 9/11; then Enron. It was a perfect storm. We looked at our brand metrics and realized there was a sea of sameness with the rest of the industry.

At the same time, the business was going through problems. We had raised prices and made things more complex for our customers. This belied a lot of the things we had stood for.

### **Q. What steps did you take to address the problem?**

**A.** We did a ton of consumer research to restore our focus on the customer. We went out to see what was on their minds, not as investors but as people. We partnered with Euro RSCG, and they had a wonderful approach.

There was a lot of temptation to do something new and different. But what we found was that what people were willing to believe [about our brand] was the reason that kept employees here, that we were an advocate for the investor, a more approachable brand, a more value-driven brand.

### **Q. Besides the ad campaign, what other changes were part of the rebranding? New products? New scripts for customer support? Changes to the Web site? Redesigned branches?**

**A.** We did most of this. My role was in some cases to be accountable and in many cases to influence [those areas outside marketing]. First and foremost, we had to make sure our branding and marketing were closely aligned with the business strategy. The president of retail, Chuck, and I were all in sync. Then we had to execute.

### **Q. How do you know the changes are working? How do you measure success?**

**A.** We look at business metrics first, primarily at new households and net new assets. The last few quarters, our net new assets exceeded Merrill Lynch and Smith Barney combined. That’s a key metric. We’ve built an econometric model, using marketing mix optimization. [For example] if I invest X dollars in raising interest rates vs. running an ad campaign, where is the fastest payout or the biggest profit? And we weigh the tradeoffs.

### **Q. There’s a lot of talk about the customer taking control of the brand. How does your strategy play into that?**

**A.** You don’t have a choice about giving up control to the customer — you don’t have control. What makes me sleep soundly at night is I know that how I’m conveying the brand is exactly what the brand is. The only way you can feel good about losing control is by finding the perfect alignment between the internal and external view of your brand. — R.O’R.

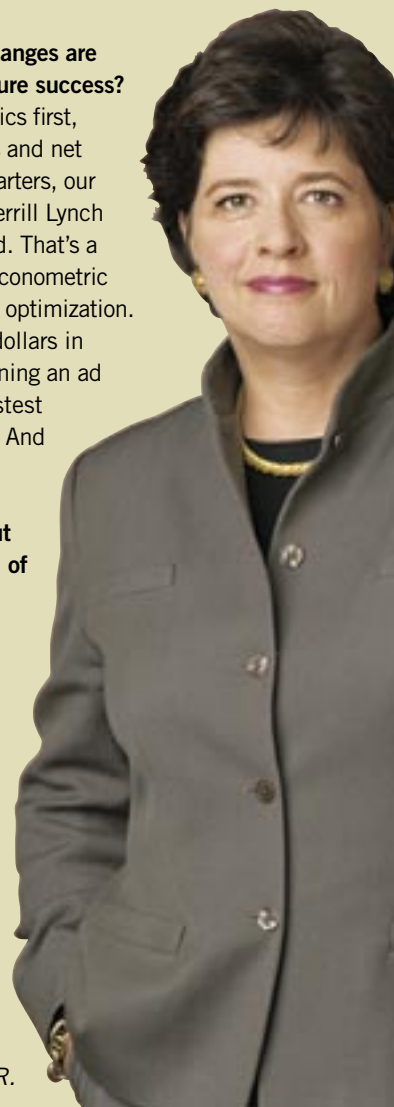


PHOTO: FERGUS GREER

strength,” says Daryl Travis, chief executive officer of Brandtrust, a Chicago-based branding consultancy, and the author of *Emotional Branding: How Successful Brands Gain the Irrational Edge*. “You then have to understand the behavioral models of the brands that have unseated you.”

Such understanding is almost impossible to achieve using traditional techniques. “Two focus groups in Minneapolis won’t tell you what you need,” says Brad White, a principal with (r)evolution partners, an Atlanta-based marketing strategy and brand consultancy. “Observation techniques have become more important.”

Pawtucket, R.I.-based Hasbro, Inc. uses a combination of focus groups and field research to gather insights from its “tween” segment (8-to-12-year-olds). Both provide critical feedback that the company can’t get from syndicated research. “We set up tween panels across the country that provide us with proprietary insight into early concepts of advertising,” says Sharon John, general manager of Hasbro’s Big Kids, Girls and Boys Toys division. “We have access to this alpha group of tweens on what’s hot.”

The consumer insights John’s group gained in 2003 regarding its Nerf line led the team to refresh the 40-year-old brand. “We started to see some softness, some of which was driven by competitive products, some by the fact we thought we had lost an edge with 6-to-12-year-old boys,” John says. “We had moved away from some of the original insights — that Nerf gives you the permission to do things that would otherwise be forbidden, like throwing a ball in the house. On the sports front, we had also lost some of the edginess, the cool factor.”

In part on the basis of feedback from its tween panels, Hasbro updated the product line, redesigned the Nerf logo, and kicked off an innovative ad campaign. The edge returned and Nerf sales rebounded — to the tune of an 86 percent increase through the first three quarters of 2006 over the same period in 2005. >>

## ANA MEMBER CASE STUDY

# CISCO WALKS THE WALK

**CISCO SYSTEMS IS TAKING CONSUMER EMPOWERMENT SERIOUSLY.** After all, the company’s technologies have helped to enable the phenomenon.

As one of the leading providers of computer networking equipment, Cisco is well known among corporate IT managers who rely on the company’s routers and switches to run their networks. But the brand has less traction with consumers, who Cisco is now courting as it expands into wireless, broadband, voice-over-IP, and other emerging “home networking” segments.

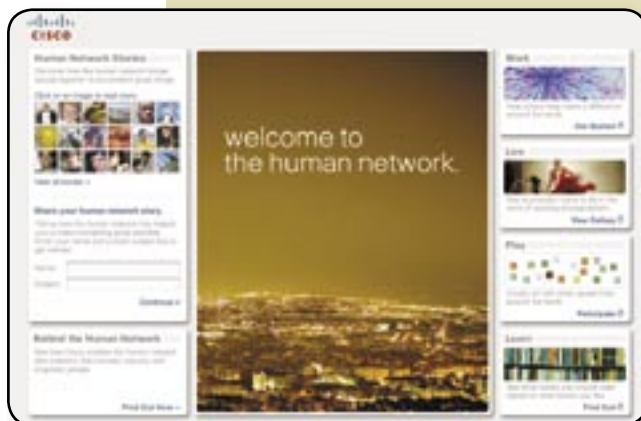
As it turns out, those backbone technologies have also enabled the surge in consumer participation and collaboration over the Internet — a trend that has set many advertisers back on their heels, wondering how they lost control of their messaging.

Cisco, however, saw more opportunity than threat, for good reason. “The world really is changing, and our technology is the fabric that underlies a lot of that,” says Alan Hallberg, director of global advertising for the San Jose, Calif.-based company. “We saw an opportunity to link ourselves to some of these changes and step up the brand ladder.”

That meant focusing not just on Cisco’s technologies but on the revolutionary changes affecting how consumers collaborate over the Internet. Looking to put a wrapper around these various innovations — from wikis to blogs to social networking — Cisco came up with Welcome to the Human Network. Many elements of the \$150 million, seven-country campaign, including the new corporate logo and marketing mix, are a marked departure from Cisco’s previous branding strategy. “The old way,

we would say this is our new positioning and what we’re about,” Hallberg says. “Now, we’re saying this is something we’ve all built together. That fits perfectly with the notion of users creating innovation.”

Cisco is not just giving lip service to collaboration — it is actively participating in the conversation and encouraging others to join as well. A definition of the “human network” was posted on Wikipedia, an online,



consumer-generated encyclopedia. It also created a Web site ([cisco.com/web/thehumannetwork/](http://cisco.com/web/thehumannetwork/)) where users can upload stories about their experiences on the human network. Other campaign elements include a redesigned Web site and product integration on the TV series *Vanished* and *24*.

Was the team worried that by targeting mere humans it would turn off the IT managers and other technology wonks who form its traditional b-to-b base? “You might think we would alienate our hardcore tech-head audience by talking fluffy stuff about how the world is changing,” Hallberg says. “But they gave us the most support for stretching our brand. Our CEO [John Chambers] doesn’t talk about products and technologies; he talks about dreams and aspirations and making the world a better place by connecting people. Tech people love that inspirational stuff.” — R.O’R.

## Understand the Why

Brandtrust's Travis believes that brand leaders must understand not only what consumers are doing but why they are doing it. "The why part is the one marketers most often fail to understand," he says. "We have good discipline in crunching numbers, but we don't have good training in understanding softer, deeper emotional behaviors."

Schwab figured out the why piece through its extensive consumer research. "We tried to really get a good understanding of the things just below the surface that are painful for people, based on many hours and days of sitting and talking to people in their homes," Saeger says. "No one walks down the street wondering if Schwab is better than Fidelity. They're thinking about how they're going to get their kids into college. That's the relevance that we needed to tap into."

Once you've successfully gathered consumer insights, you should be careful not to stray too far from the essence of the brand. "You have to understand where you have permission from consumers to innovate," White of (r)evolution partners says.

Landor's Roth agrees and cites the transformation of the nearly 50-year-old Panasonic brand as a successful case in point. "There was a great deal of value in this 'practical inspiration' that they put in their products," he explains. "But they needed to make that relevant to a new audience." Landor helped Panasonic develop "ideas for life" — the tag line that expressed the essence of the brand in a fresh and appealing way. "They are striving to build that into everything they do," Roth says. "They now think in terms of ideas for life, and they're determined to execute it so that the customer feels it across every encounter with the brand."

According to Travis, marketing leaders must influence all the areas where a customer will have an opportunity to "feel" the brand — even the ones they don't control directly, such as the call center or retail locations. "Marketers need to recognize that the little things companies do are more important than what they say," he says. "If your promise is about better service, but the service isn't better, then the brand won't get the

traction to reach the next level of emotional connection."

Although most marketers acknowledge the importance of synchronizing a brand message across the company, many still struggle to execute such a critical piece of the equation. "I believe the reason that CMO tenure is so short is because they have no control over keeping the promises they make with customers," Travis says. "They promise better products or services, but they don't have influence over the groups that must deliver on that promise."

It's clear to Travis which companies practice what they preach when it comes to offering a consistent customer experience. "Starbucks — for crying out loud, it's coffee!" he says. "But there's a deeper promise at the behavioral level. People like working there, and they're trained to transfer that experience [to customers]. Compare that with an insurance company, where the main points of contact are through customer service with the worst trained people thrown into a dog kennel of a work environment. What kind of experience are they going to pass along?"

## All Together Now

Some observers believe that customer insights, however deep they may be, can still be lost in translation. Raymond Nadeau, author of the new book *Living Brands* and founder of the New York agency LBLM, says the problem with current brand-positioning methods is that marketers extrapolate and interpret data from people who may not be visionary. "The only way to get pinpoint accuracy is if consumers have direct input into the product development process, even into the advertising," he explains.

Companies such as Cisco Systems are putting this notion of collaboration with customers to the test. "Companies have to be in a dynamic collaboration with customers who will take their products and turn them into new things. It's not just about churning out new widgets," says Alan Hallberg, director of global advertising at Cisco, the San Jose, Calif.-based technology company that has repositioned its brand around what it calls the "human network" (see sidebar, page 30).

Hallberg admits that customers will sometimes innovate with your brand regardless of whether you choose to work with them or not. He notes the emergence of the podcast, which users of Apple's iPod created as a way to record and upload audio conversations. Podcasting was not a feature envisioned by Apple, yet it contributed to the iPod's dominant status. "The tools of innovation have been democratized," Hallberg says. "The more you allow people to do that, the more innovation you get."

Marketers should not necessarily go as far as turning their brands over to consumers. According to White, brands that allow the consumer to define too much of the brand direction risk defining their brand for today, not for tomorrow. "Or they risk having a particular consumer set define a brand in a way that limits its expansion to other segments," he adds. "It concerns me that marketers might be taking that notion too far in thinking about their brands, and losing control of their equities."

Hasbro, for one, takes extra care in preserving the equity of its core brands, no matter how many times it remakes the positioning. "There are some core values that we would never want to lose," John says. "Some of those are manifested by the core of the product — foam, in Nerf's case. We're going to maintain that as a physical attribute. And Nerf will always be a friendly brand."

Landor's Roth strongly advises marketers to not let the pace of change or the complexity of the media environment overwhelm rebranding efforts. In fact, he says rapid advances in technology actually provide an advantage for marketers looking to reposition a brand. The current landscape "is more complicated," he admits, "but if you're smart about it, and you work the right venues, you can make monumental change very quickly." ■

## Next Steps

For additional ANA member case studies on reinventing a brand, visit the Marketing Insights Center at [ana.net/mic](http://ana.net/mic). Keyword search: "Brand Building."

## OLD BRANDS, NEW LIVES By Don Sexton, Ph.D.

I always envy my brand manager friends who have the opportunity to rejuvenate a tired brand, because they can achieve success in a relatively short period of time.

And you can, too, if you understand what causes brand fatigue and make a concerted effort to remedy the situation before your customers grow tired of your act.

Although most brands retain their value for a long time, they can gradually lose their luster for four primary reasons:

1. The product or service no longer meets the needs of customers.
2. The communications or marketing is off-strategy.
3. The brand is overextended.
4. The brand is given too little attention.

The most serious cause of brand fatigue is insufficient resources allocated to a product or service — what I call the “hollowing out” of a brand. It’s often the result of senior executives cutting back quality control or innovation for their strongest brands in an effort to dress up their financial returns. A strong brand has incredible inertia in customers’ minds, and it will produce satisfactory financial returns — to a point. Once customers start noticing that the brand has changed or it’s no longer relevant, it may be doomed.

It nearly happened to Harley-Davidson, arguably one of the strongest brands on the planet, after merging with AMF in 1969. The company proceeded to try to milk the U.S. motorcycle market by increasing production with little regard for quality control — half its motorcycles were missing parts and many leaked oil. Harley-Davidson reversed the hollowing out only when 13 senior managers bought back the company in 1981 and fixed the product problems.

### DON'T LOSE FOCUS

Brands also get tired because of off-target marketing or communication strategies. If marketing efforts focus on the wrong market, the brand may become irrelevant. One of the most dramatic brand rejuvenations was accomplished by Mountain Dew. Over a seven-year period, beginning in the late 1980s, the brand carefully nudged consumers to an edgier brand position and, as a result, doubled its market share.

The lack of consistency in communications leads to a

brand with no focus. In some organizations, I have witnessed new managers and new advertising agencies continually alter a brand’s message. For many years, this

was the case with MasterCard’s ads until the Priceless campaign stabilized the brand.

The third cause of brand fatigue, overextension, can blur a brand in a customer’s mind. Every brand extension, after all, affects the brand position of the master brand — positively or negatively. A friend of mine, Kodak’s first corporate brand manager, once told me that his first action was to take control of the brand’s diverse licensing efforts.

Finally, a brand can lose its way simply through inattention. The former adult magazine powerhouse, *Penthouse*, is now being revived with a totally focused brand-rebuilding strategy. It includes insider advice and information tailored to the concerns of 20-something males.

### STEPS TO FOLLOW

In sum, managers who have successfully rejuvenated brands have followed the same four steps:

1. Learn the reasons for your brand’s fatigue.
2. Clarify your target market and brand positioning.
3. If necessary, fix your product or service.
4. Fix your communications.

In 2001, the French Foreign Legion followed these steps to increase the number of recruits outside Europe, particularly in Latin American and Asia. The Legion developed Web sites to help communicate its promise: “A new opportunity for a new life.” As a result, recruits from those areas increased by more than 50 percent — impressive for a brand with the slogan “March or die.”

Keeping your brand fresh and relevant requires a commitment to listening to your customers. Rejuvenation may require a change to the product or service itself, but it always needs stimulating communication, consistently on-strategy. The rewards are immense.

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