

# Of Immortality and Reincarnation

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It is quite clear that retro is 'in'. The movie business worldwide is full of sequels, prequels, re-releases and remakes. The music business is ringing up the cash registers with remixes and jukebox compilations. *Star Wars* and *Sholay* still have a fan following. Abba has leaped across three decades; Hindi film songs from 30-60 years ago have been given a skin-uplift by American hip-hop artists; while Pink Floyd is hot with Indian teens, along with Akon and Rihanna.

As copyright restrictions are removed from the works of authors long gone, the market gets flooded with several reprints of their most popular writings. Of course, we know that classic literature survives not just a few years, but even thousands of years. Examples include the still widely-read, nearly 2,500-year-old Indian epic *Ramayana* by Valmiki, the Greek philosophers' works that continue to be popular after two millennia, and the Norse legends that have been told and re-told for over a thousand years. Spiritual and religious leaders' writings are also recycled into the guaranteed market of their followers and possible converts for a long time after their passing away.

On the other hand, the basic premise of today's fashion and lifestyle businesses is that silhouettes, colours and design cues will become (or be made) obsolete within a few weeks or a few months, and will be replaced with new ones. This principle is true not just of clothing and footwear, but is applied to home furnishings, furniture, white goods, electronics, mobile phones, and even cars. In fact, the fashion business (as it exists) would find it impossible to survive if customers around the world chose only classics that could be used for as long as the product lasted in usable form.



## WHAT FASHIONABILITY MEANS FOR BRANDS

Other than individual styles or products falling out of favour, as fashions move and as the market changes, it is evident that some brands also become less acceptable, are seen as 'outdated', and may also die out as they lose their customer base.

Of course, that some brands become classics is quite apparent, especially in the luxury segment, where brands such as Bulgari have survived several generations of consumers, and continue to thrive.

However, the past is of relevance to the fashion sector because, other than planned or forced obsolescence, the fashion business has also long worked on another principle – that trends are cyclical.

Skirts go up and down, ties change their width, and the colour palette moves through evolution across the years. A style formula that was popular in the summer of a year in the 1970s, might be just right in another summer in the first decade of the 21st century.

So, the question that comes up is whether the same logic that is applicable to individual products, styles and trends, could also be applied to brands.

The answer to whether apparently weak, dead, or dying brands could be brought back to life is provided by brands such as Burberry, Lee Cooper and Hush Puppies. Sometimes, innovative consumers create the opportunity – as with Hush Puppies in the 1980s – while in other cases (such as Burberry, Volkswagen Beetle, or Harley Davidson), vision, concerted effort and resources can make the brand attractive again.

The question, then, is not whether brands can be re-launched – they can be. The more important question is: should a brand be re-launched? Using the logic of the fashion business, rather than being left to linger and then dying a painful death, could brands be consciously phased out and later brought back into the market as the trends change?

## THE BRAND PORTFOLIO – DIVERSIFYING OPPORTUNITIES AND RISKS

These questions are particularly important for large companies, or in times when market growth rates are slow, or when the



market is fragmented. Organic growth can be difficult in all these scenarios, and companies begin to look at developing 'portfolios' by acquiring other businesses and brands, or by launching multiple brands of their own.

The car industry worldwide has lived with brand portfolio management for long. Even as companies have merged with, or acquired, each other, the various marques have been retained and sometimes even dead ones have been revived. The companies generally focus the brands in their portfolio on distinct customer segments and needs (such as Ford's ownership of Ford, Volvo and Jaguar, or General Motors with its multiple brands), and then further play with models and product variants within those. When things go right, portfolio strategies can be quite profitable, but the mistakes are especially expensive. Sensible and sensitive management of the portfolio is absolutely critical.



In the fashion and lifestyle sector, the players who already follow a portfolio strategy are as diverse as the luxury group LVMH, mainstream fashion groups like Liz Claiborne (with brands in its portfolio including Liz Claiborne, Mexx, Juicy Couture, and Lucky Brand Jeans) and Limited Brands (Limited, Victoria's Secret, La Senza, etc.), and retailers such as Marks & Spencer (with its original St. Michael's brand having given way to Your M&S, and also Per Una) and Chico's (Chico's, White House | Black Market, and Soma Intimates), who wish to capture new customer segments or re-capture lost customers.

Some of these companies have launched new brands, some have re-launched their own brands, and some have even acquired competing brands.

The issue is also relevant to the Indian market, whether we consider Reliance's revival of Vimal, the new brand ambassador for Mayur Suitings, or the PE-funded takeover of Weekender. As the market begins to evolve into significantly large differentiated segments, branding opportunities grow, and so will activity related to existing or old brands being

resurrected and refreshed. An additional twist is provided by Indian corporate groups such as Reliance, Future Group (Pantaloons), and Arvind, which are looking to partner international and Indian brands, or grow private labels to gain additional sales and margin.

The issue also concerns those companies whose management is attached to one or more brands owned by them which may not have been performing well in the recent past, but due to historical or sentimental reasons, the management may not like to close down or sell them.

It is equally critical for potential buyers who would like to take over and turn brands around into sustainable profits. This is a real possibility in this era of private-equity funds and leveraged buyouts, where a company or a financial investor might find it cheaper and more profitable to take over an existing brand and turn it around, rather than building a new brand. This is already happening in the Indian market. More interestingly, Indian companies have also already acquired businesses in the United States and Europe, and the potential revival or re-launch of brands is certainly relevant for these companies as well.

### WHEN TO RECYCLE AND REUSE

Re-launch or acquisition of an existing active or dormant brand can be an attractive option when building a portfolio, or when a company is getting into a new market.

For the company, acquiring an existing brand is often a lower-cost way to reach the customers, and also faster to roll out the business. The company may assess that the brand already has an existing share of positive customer awareness that is active or dormant, and that the effort and resources (including money) needed to build a business from that awareness will be much less than that to create a new brand.

The risk of failure may also be lower for a re-launched brand than for a new brand. This is because the softer aspects, the hidden psychological and emotional hooks, are already pre-designed. This provides a ready platform from which to re-launch and grow the brand.

From the customer's point of view, there is the confidence from previous experience and usage, and possibly also nostalgia and comfort of the 'known'. 'Age' or 'vintage' is respectable and trustworthy. This is especially powerful during volatile times or

in rapidly changing environments, when there is uncertainty about what lies in the future, and makes an existing brand a powerful vehicle for sustaining and growing the business.

### ON THE DOWNSIDE

However, when handling brands, it is also wise to keep in mind the cautionary note that mutual funds issue: "Past performance is no indicator of the future."

In re-launching active or dormant brands, there is also a downside risk. While the brand may have been strong and relevant in its last avatar, it may be totally out of place in the current market scenario. The competitive landscape would have shifted, consumers would have changed – new consumers entering the market, old consumers evolving or moving out – and the economic scenario itself may now be





Jaeger-LeCoultre Reverso

unfriendly to the brand.

Also, the 'awareness' or 'share of mind' may only be a perception in the mind of the person who is looking to re-launch the brand, and the consumer may actually not care about the brand at all. There are instances where the management of the company has been so caught up in their own perception of the brand that they have not bothered to carry out first-hand research with the target segment to check whether there is actually an unaided recall, or at worst, aided recall of the brand. They are imagining potential strengths, when the brand has none.

It is also possible that, during its last stint in the market, the brand may have gathered negative connotations – consumers

may remember it for poor products or wrong pricing, the trade may remember it for late deliveries, vendors may remember it for delayed payments... the list goes on. In such a scenario, a re-launch may be a disaster.

So, how does one know whether to resurrect a brand, or to reincarnate it in another form, and when to just let it die? The answers to that lie in answering the question: What is a brand? And then, what is this brand?

### **A CRITICAL QUESTION: WHAT IS A BRAND?**

Even in these enlightened marketing times, many people believe that the brand is the name. They believe that once you advertise a name widely and loudly enough, a brand can be created. Nothing could be further from the truth. High-decibel advertising only informs customers of the name; it cannot create a brand.

If we put ourselves in the customer's shoes, a brand is an image, comprising a bundle of promises on the company's part and expectations on the customer's part, which have been met. When promises are delivered, when expectations are met, the brand develops an attribute that it is defined by.

The promise may be of edgy design (think Apple), and the customer expects that – when the brand delivers on the promise and meets the expectation, the brand image gets re-affirmed and strengthened. However, these attributes are not always necessarily all 'positive' in the traditional sense. For instance, a company's promise may be about being low-cost and low-service (think Ikea, or low-cost airlines), and the customer may expect that, and be happy when the company delivers on that promise. The promise may be products with a conscience (think The Body Shop), which may strike a chord with the consumer.

What that brand actually stands for can only be created experientially. Creating this image, creation of the brand, is a complex and step-by-step process that takes place over time and over many transactions. Repetition of the same kind of experience strengthens the brand.

The brand touches everything that defines the customer's experience. The product design and packaging, the retail store it is sold in, the service it is sold with, the after-sales interaction, all have a role to play in the creation of the brand.



Harley Davidson

For instance, to some it may sound silly that market research or supply chain practices can help define a brand, but that is exactly how the state of affairs is for Zara. Changeovers and new fashions being quickly available are what that brand is about, and it would be impossible for Zara to deliver on that promise without leading-edge supply chains, or a wide variety of trend research.

Similarly, it may sound clichéd that your salesperson defines the brand to the consumer, but even with the best products, extensive advertising, and swanky stores, for service-oriented retailers everything would fall apart if the salesperson is not up

to the mark. This is, indeed, a reality faced by so many of the premium and luxury brands.

Of course, brand images can be changed or updated, but the new image also needs to be reinforced through repeated action, a process just like the first time the brand was created.

### **REVIVING A BRAND: THE NEW-OLD SEESAW**

Given that a brand is created over multiple interactions and repetitive delivery of certain attributes, it is only natural that the

older the brand, the more potential advantage it would have over a new brand. Just the sheer time it would have spent in the market would give an old brand an edge.

An old brand can appear to be proven, experienced and secure, while a new brand could be seen as untested, raw and risky. An old brand may have had a positive relationship with the consumer, but may have been dormant due to strategic or operational reasons. In this case, reviving the brand is clearly a good idea. There is already an existing awareness of an older brand, which can act as a ready platform for launching either the same or a new set of products or services. Often, there may be a connection with the consumer's past positive experience of the brand.

On the other hand, a new brand may appear to be fresh, more up-to-date and relevant, and vigorous, compared to an old one that may be seen as outdated and tired. Certainly, if nostalgia had been all that brands needed to thrive upon, then old brands would never die and it would be difficult to create new brands.

Clearly, there is no single answer to whether it is a good idea to re-launch an existing or old brand. If you are considering whether it would be a good idea to revive an old brand, or to acquire and turn an existing brand around, ask yourself this:

- Is there evidence of enough customer awareness and support for the brand?
- Are there positive connotations for the brand that can be built upon in the current market context?
- Is there an opportunity to refresh the brand, so that it does not appear outdated, while retaining its core promise and authenticity?
- Does the company have the resources and the inclination to be a 'caretaker' or 'steward' of the relationship that has been created in the past between the brand and its customers?

If the answer is 'no' to any of these questions, then one needs to think again. However, if the answers are all 'yes', then a resuscitation is just what the doctor might have ordered.

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Tanishq



Burberry