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THE IMPORTANCE OF REBRANDING IN THE DEVELOPMENT OF COMPANIES

ЗНАЧЕННЯ РЕБРЕНДИНГУ У РОЗВИТКУ КОМПАНІЙ

There are more than two thousand definitions of marketing. According to the definition given by the american economist and marketer Philip Kotler in his book “The basics of Marketing”, “Marketing is a human activity directed at satisfying needs and wants through exchange process” [1].

The American Marketing Association has defined marketing as follows “Marketing is the process of planning and implementing, pricing, promoting, and selling ideas, goods, and services through exchanges that meet the goals of individuals and organizations”.

Although marketing is often associated only with sales, it is much broader. Although various specialists such as kontextologists, copywriters are involved in various marketing processes, marketers are responsible for everything in marketing. In large companies, the marketing staff is headed by the marketing director.

According to the concept of 4P or marketing mix proposed by the American marketer Jerome McCarthy, there are four pillars of marketing: product, price, point of sale and promotion.

Product – marketers work on the assortment matrix, packaging, trademark, guarantees to create the required product;

Price – marketers develop pricing strategy, discounts and promotions to offer competitive pricing;

Point of sale – marketers use logistics, merchandising, inventory management to sell the product in suitable places;

Promotion – marketers use advertising, PR and sales promotion to promote the product.

Promotion is a set of marketing actions aimed at increasing awareness of a brand and its products, increasing the target audience, and stimulating sales. Businesses use sales promotion as a marketing tool to encourage customers to buy products or services. Sales promotion includes incentives such as giving discounts and holding contests to increase sales, create brand awareness among customers and create customer loyalty. Sales promotion is an effective way for businesses to connect with customers and make purchases [1].

Sales promotion has existed since ancient times. Merchants have used various sales tactics to attract customers to their products by offering free samples or discounts. In the early 20th century, the rise of advertising and mass media led to an increase in the use of sales promotion techniques.

Brand promotion, a longer term and broader strategy in marketing, serves to create and maintain a firm's brand image. These firms are constantly trying to connect with their customers by communicating positive messages about their brands, gaining customers' trust and strengthening their foundation as a brand. Brand promotion is important for every business. Brand promotion helps increase customer awareness of the product, brand and offerings by making customers aware of the products of available in the market, thereby increasing customer confidence and trust in the brand. Brands are an effective way for companies to communicate their vision [2].

The process of creating a company's brand identity is branding. Branding includes materials that support the brand, such as a logo, slogan, and visual design. According to marketing experts, if more than 20% of consumers rate the product positively, it can be called a brand. In other words, a brand is a personalized trademark fixed in the mind of a significant part of the target audience.

One of the active marketing strategies is to change the logo, slogan, visual design and other components of company. This strategy is called rebranding. Rebranding is a set of activities aimed at changing the image of a company or product in the mind of consumers. There are various reasons for rebranding a company. The main reasons for rebranding are the obsolescence or loss of relevance of the brand, the appearance of a competitor with advantages in the market, the loss of the brand's reputation, consumers not knowing the existing brand well, the company entering the international market, the company expanding its scope of activity, and other cases.

There are types of rebranding: full rebranding, partial rebranding (Restyling), facelift (partial rebranding), repositioning (partial rebranding).

During a complete rebranding, changes occur at all levels, from positioning to design. At this time, both the internal and external image of the company changes completely.

During partial rebranding, the visual image of the brand is changed without replacing the internal content and ideology. Well-known brands use partial rebranding when they want to update their brand without changing the product. This may include changing the name, color or logo.

Facelift (partial rebranding) is used when it is necessary to update the style in accordance with modern trends. The name facelift came from the word face lifting, which means "face lift".

During the repositioning of the old product without changing it, the way of interacting with customers and advertising methods can change, but the visual design remains unchanged. For example, Johnson & Johnson, which produces baby body oil, released the slogan "oil for the whole family" in 2005 to broaden its audience. Thanks to this movement, not only babies, but also parents have started using virgin oil.

Companies can make mistakes during rebranding if they start without a well-defined goal or a very general goal, if they do not analyze the brand and competitive environment enough, if they do not take into account existing brand positions. Other than that lack of continuity. For example, the product name changes and the new name has nothing to do with the old one. As a result, consumers may not recognize the updated product.

Company employees must be aware of all planned changes, including rebranding. At the same time, they should be ready for these changes.

It also takes some time for consumers to adapt to the updates. Therefore, updates should be evaluated on time. Evaluating results after the fact is wrong.

List of references

1. Kotler, P., Armstrong, G., Saunders, J. and Wong, V. (2002) Principles of Marketing. 3rd European Edition, Prentice-Hall, London.
2. D'Angelo, C. (2022). Everything You Need to Know About Brand Communication: Elements, Strategies, and Examples. URL: <https://brandfolder.com/resources/brand-communications/> (date of access 10.10.23).