Brand Repositioning VS Rebranding

Strategies and Words of Caution

Many companies (and ad agencies, for that matter) confuse rebranding with repositioning, using the terms "rebranding" and "repositioning" interchangeably. Know the difference between rebranding and repositioning and which one you need is often the difference between success and failure.

Rebranding Versus Repositioning

While rebranding—the development of a new brand image—is often an important part of successful repositioning, by itself, rebranding generally represents cosmetic changes.

And while rebranding often works in the world of packaged goods, without underlying change, rebranding alone rarely works in business-to-business marketing. That's because business-to-business marketing isn't driven by 30-second commercials, merchandising, and package design. Business-to-business marketing is driven by relationships and actions.

If you're a business-to-business company and you engage an ad agency for rebranding, they'll probably do great work, and you'll feel really good about your new image. Unfortunately, many people get lulled into thinking rebranding is going to solve their problems and make prospects want to buy their stuff. It rarely turns out that way; putting fancier wrapping and ribbons on the same gift doesn't change the way people perceive the gift itself.

There are some cases in which rebranding is the only thing needed to reposition a business-to-business company or brand, however, these cases are rare. They happen when the company or brand already has strong, relevant differentiation, is currently doing everything right, and the sole purpose of rebranding is to more persuasively reflect what it is already doing.

Rebranding often plays a role in repositioning, but it's later in the repositioning process—and never before clearly identifying the optimal positioning and determining the brand strategy.

Repositioning goes deeper than rebranding. Repositioning involves identifying the right markets and the right positioning. Determining the right moves to establish the company or brand as a market leader. Aligning staff members. Refining and aligning product and service offerings. Identifying, introducing, and integrating new practices that deliver the brand and drive differentiation. And lastly, making sure that marketing communications vehicles support the desired position in the marketplace.

While rebranding is often a valid and valuable part of repositioning, rebranding is most often about the wrapping. Repositioning is about making sure the gift is as good as the wrapping and ribbons. So, before you spend a bunch of money on wrapping and ribbons, think about whether that's really where the problem really lies.

Brand Repositioning

Brand Repositioning in the B2B worls is often about repositioning the corporate brand. Where brand repositioning is different from corporate repositioning is when brand repositioning is focused on B2B products or services that can largely travel independently from their corporate owners.

An independent brand is something that can stand on its own. Strong brands don't rely on their corporate owners for credibility. For example, as a consumer, does it matter to you whether Tide is owned by Proctor & Gamble or by Unilever?

In the business-to-business world, most brands are really corporate brands. Even if you have a branded product line or service line, it's the reputation of the company behind it that carries the weight. That's because business-to-business purchasers' brand associations relate more to the company and the relationships they have with it, than to the company's product or service lines.

When you come across true true non-corporate brands in the B2B marketplace, most of them have their origin as the result of an acquisition of another company, the anticipated or desired spin-off of a division, or a product or service line not so closely related to the historical operations of the corporate owner.

The goal of a truly independent business-to-business brand is to build brand equity, to increase the value of the brand. And that value is driven by focus, differentiation, and broad relevance. You want the brand to continue to grow in strength and independence from its corporate owner. That's where the value and the ability to transfer (sell) that values lies.

We help clients refine and reposition B2B brands to maximize brand equity and apparent self-sufficiency from corporate ownership, thereby strengthening brand propositions and driving profitable, sustainable growth.

Whether you have a truly independent business-to-business brand or primarily a corporate brand, we can help you reposition the brand to compete more effectively, to earn greater margins, and to win business more easily.

Rebranding Strategies

There are some cases in which corporate rebranding is the primary initiative needed to successfully reposition a company or brand. Rebranding strategies and rebranding initiatives are appropriate and needed when the company or brand already has strong, relevant underlying differentiation, is currently doing everything right, and the sole purpose of rebranding is to reflect what the company is already doing in a much more compelling, persuasive manner. In short, corporate rebranding is about strategically polishing the apple with sharper, more differentiating positioning.

Most companies in need of rebranding suffer from generalized positioning. Usually a company doesn't want to narrow its message too much for fear of missing opportunities. Therefore, the company doesn't strongly position itself as an expert in its sweet spot. As a result, people searching for what the company does best don't recognize the company as an expert, and the company needs to fight harder to win the business it is really good at, business it should win easily every time.

On the other hand, conventional wisdom is that more generalized positioning gives a company more opportunities. The reality is this generalized corporate positioning positions a company as, you guessed it, a generalist. To win business, generalists have to not only win over other generalists, they have to also beat out specialists.

If your company really is an expert in a focused area, does your positioning reflect it? If not, you should consider corporate rebranding.

We often work with B2B companies to hone their positioning through corporate rebranding, sharpening the message to make it more compelling. During rebranding, we look for those factors that can most tangibly and credibly differentiate the company in its optimal market.

There is no cookie-cutter approach to B2B corporate rebranding. Each situation is different. Corporate rebranding, however, almost certainly includes changes to your marketing messages, i.e., the words used to persuasively position your company. In addition, rebranding may include changes in the design and delivery of key communications vehicles.

Words of Caution

Unfortunately, many marketers and ad agencies view corporate rebranding as a change in corporate reality. This alone rarely yields significant results. Sure, occasionally a corporate logo may need an update, but that typically isn't going to solve much unless other changes occur. Our experience in the B2B marketplace has been that design-driven rebranding initiatives almost never achieve the desired business results. Beware of internal and external voices that promote the need for a new corporate identity as a panacea for the company's problems.

Also, be sure to assess whether it's rebranding or repositioning that you need. While corporate rebranding can make a significant difference in attracting and securing new business, its benefits will be short lived if you don't deliver on your brand promises or if more significant change was really needed. If you're not sure whether it is corporate rebranding or repositioning that you need, talk to us. We'll give you an honest, candid assessment.

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