

Successful Brand Turnarounds Require Fearless Moves

Hyundai, Microsoft, and Domino's Are Examples of How to Regain Relevancy

Customers may not know it, but senior executives are counting on them to help reinvent, reposition, re-ignite, and regain brand relevancy. They are helping businesses and brands take swings for the fences that actually have a shot at going out of the ballpark. They are not just joining the conversation but fully taking notes, leading to action and big outcomes that are driving their businesses and brands forward. So, while Tiger and Toyota are grabbing too many recent brand headlines, three other companies are paving the way for others who want to make a serious brand-pivot.

Hyundai's "guaranteed" offer to shell-shocked consumers in early 2009 was gutsy, revolutionary, and hugely risky: Buy one of our cars, and if you lose your job in the next year, we'll let you return it. Unlike the typical "0% APR" deals and tent sales that were clearly falling flat, Hyundai responded to the deep fear in the hearts and minds of the buying public with a simple message: "We're all in this together." Hyundai listened to customers about their biggest fears, expeditiously addressed those fears in a contextually relevant way, stole away first-mover advantage from U.S. automakers, and now has been given the green light to focus on quality as they move up the relevance food chain. Hyundai's executive leadership team listened, acted decisively, took a big swing, built upon momentum earned, and have not taken their "foot off the gas pedal" since. Q1 sales are already up 36% from a year ago, and corporate reputation gains have helped this customer-led brand-pivot result in a win-win relationship for both customers and the brand.

For Microsoft, the "I'm a PC, and Windows 7 was my idea" campaign underscores that the software leader has (finally) stopped paying lip service to the value of customers as co-creators after such internally conceived debacles as Vista. Using real users and real employees to make the point, results show what happens when you wear your customer bias on your sleeve—and back up the talk with responsive offers that work. Microsoft is starting to pivot its brand by finding its softer side, and it is increasingly being seen as an approachable partner providing software for the people, by the people. Learning

from past mistakes, listening and acting decisively, and being open-minded around "rebooting" their approach to both brand and innovation, Microsoft's Windows division saw its brand make a dramatic pivot over the campaign's first six months, marked by a 70% Q4 revenue gain.

Fast. Hot. Good enough. For 50 years, that's all that kept Domino's sufficiently buoyed. But good enough apparently wasn't that good after all. This was evident within the growing buzz across social networks, not to mention its own focus groups. So, Domino's made the ultimate pivot by testing, learning, experimenting, and ultimately reformulating its recipe, explicitly acknowledging that basically nothing was right with the old product. It's

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all very risky, but it's right in line with today's expectations for honesty and transparency. Most corporate reputation studies tell you that your product is the face of your overall brand and reputation and, if that is the case, then Domino's may have pulled off the ultimate brand pivot as it boasted its most lucrative fourth-quarter earnings in a long time. The pizza giant listened, learned, ate a bit of humble pie, and can see "its crust rising" like it hasn't in a long time.

All three examples give rise to some important takeaways that any company looking to make a brand pivot would be smart to heed in this dynamic and rapidly evolving, customer-centered landscape.

First, the multitude of ways to gain insights on how your brand is or is not stacking up is exponentially growing by the day. Figuring out which input sources can help guide your brand-pivot is a critical starting point. For United

Airlines, it might be Flyertalk.com; for Best Buy, it might be its Blue Shirts; for Domino's, it was tried-and-true focus groups. Whether it is through internal or external blogs or social-networking sites or even your own employee base, finding the conversations that matter is the first step, taking actions that matter should quickly follow.

Second, great online/offline advertising does not always translate into an immediate authenticity badge (see most financial services companies' current ad campaigns). We live in an environment where deeds matter far more than words. Windows 7 has to really function like its inventors intend it to. Hyundai dealers must gladly take the car keys back and wish you luck in your job hunt. Domino's new recipe better taste good, and hopefully the payoff is having Stephen Colbert state that the pizza tasted like "an angel just gave birth in my mouth."

Third, and probably most important: Don't be afraid to go big, which Hyundai, Microsoft, and Domino's arguably all did. However, do it in a smart, calculated way, a way in which, through customer vetting and co-creation, you can maximize your chances for a big-bet, brand-pivot payoff. You might be asking, what about the risks? What about the downsides? How do I avoid taking a Virgin America pivot, which is going through significant growing pains?

The obvious answer is that no team wins with just home runs. Singles, such as Domino's popular oven-baked sandwiches and Hyundai's emerging SUV group, are critical in keeping the brand relevant across multiple dimensions. Just last week, I was talking to a well-known CMO who left his previous well-known marketing position only to be replaced by another high-profile CMO of another high-profile brand. We talked about the challenge he has in front of him in resurrecting a well-known brand that is teetering on irrelevance to a generation that just doesn't care anymore.

We talked about the fact that, these days, CEOs, boards, and Wall Street lack the patience tied to the incrementalism too many executive teams seem to accept as the norm. So he will continue to work on doing the small things well, by keeping the core satisfied, while simultaneously looking to make big ideas a reality, pivoting in a way that matters. Just like Saturn and Target did a decade and a half ago, Apple and Jet Blue did ten years ago, Walmart and HP did three years ago, and all of the examples cited above, pivot big or go home. ©

Scott Davis (sdavis@prophet.com) is Chief Growth Officer at Prophet, a strategic brand and marketing consultancy. This article originally appeared in the March 29, 2010 issue of *Advertising Age*.