

How To Cope With Aging Brands

The story of brands getting old is a story of relevance

Individual brands, or even whole categories, that were once important for a particular consumer segment, become irrelevant as society evolves and tastes change.

In the past, one of the most common situations in which “brands aged badly” revolved around strong associations with national pride. Many brands, such as US automakers Ford and GM, once successfully owned this space. Over time, however, the kind of brand attributes that they were associated with lost their importance as purchase drivers. This was due to a diverse set of realities. More relevant attributes emerged such as the rise of the Japanese manufacturer Toyota’s reputation for quality in the US, the lack of relevance in national pride to new generations of consumers and even the emergence of a “global” mindset in which consumers were willing to try new things from other markets.

The rise of new generations of consumers—with new ideas and evolving needs and wants—meant that although these legacy national pride associated brands retained their distinguishing characteristics from their competitors, their attributes were no longer relevant.

This situation has been faced by a lot of European brands in categories such as retail, air travel, telecommunications, and many others in which strong brands differentiated themselves by emphasizing their origin and roots: brands like France Telecom, British Airways, or Marks & Spencer.

A current example of this situation is observed at Waitrose, the upscale UK grocery retailer. With the credit crunch, mainstream consumer segments are moving away from premium price products as they recognize that acceptable quality exists elsewhere. The ethical and “British grown” part of the equity of Waitrose is not relevant enough to consumers, who are switching to cheaper and even to “foreign” brands such as the European hard discount retailers, Aldi and Lidl, that are performing quite strongly in the UK market.

Brands such as Waitrose now face a tough question: Should I completely lose my current brand equity association so I can become relevant to new consumers?

The answer to this question is usually no.

Brands need to evolve their legacy to make sure the things that differentiate them from their competitors are complemented by more relevant purchase drivers. They need to upgrade the different touch points of the business, create new product brands, eliminate others, and launch new product lines.

Recent corporate history is littered with examples of brands needing to adjust their brand image to cope with new scenarios and a new generation of consumers.

When telecommunications companies evolved from public-sector businesses to multi-service providers, first expanding into mobile telephony, they created new brands. These were not completely independent from the traditional fixed line operator branding but incorporated new attributes that were relevant to this new line of business. Again, the beneficial aspects of the legacy of the aging brand which provided scale, reliability, and trust were complemented by the personality of the new mobile brand. This meant that old fixed telephony brands were able to compete with strong, young attacker brands.

One of the most successful examples of this was the launch and consolidation of Telefónica’s Movistar brand in Spain and Latin America. The Telefónica brand had a strong trust in its core Spain and Latin American markets, and it leveraged on its equity as the big, traditional, and Spanish national incumbent. The Spanish side of this equation lost relevance in Spain and even became negative in Latin America, where the company wanted to move away from a perception of “here comes the Spanish colonialism again.”

Also, the emergence of mobile communications required it to have a more emotional relationship with consumers. In this context, Telefónica evolved its legacy brand to dial up the aspects of its equity that were relevant to residential and corporate consumers, such as quality, innovation, and any other magnitude related attributes that would build trust.

Also, its Spanish roots were shifted into emphasizing its corporate spirit of progress essence, which highlighted the positive impact that the company had in developing the economy in emerging markets. In parallel, it developed the younger Movistar brand. This brand would be

supported by the equity of Telefónica but would allow communication with consumers in a language that was more relevant in the mobile business.

But the problem of aging brands is not limited to those with a patriotic tradition, as can be seen from the example of Burger King.

Burger King was an “old” brand that consistently underperformed its category. The essence of its message was “We make better burgers, have them your way,” and this became irrelevant to its consumer base worldwide, who felt much closer to the more emotional approach to the fast food consumption experience that McDonald’s was communicating.

It took Burger King time and multiple changes to its ownership structure, advertising campaigns, management teams, and go-to-market strategies before it finally understood that its brand had become irrelevant to males 18–35 years old. After it recognized this and took appropriate action, the fast food giant never looked back. It reshaped its brand, tapping into its roots and embracing innovation across the four Ps—Product, Price, Promotion, and Place.

Burger King’s brand evolved its “better quality burger” approach into a rule-breaking, politically incorrect positioning in which it almost tells the consumer, “Yes, we know it is fast food, we know it is red meat, but this is what you like, you like our big and greasy burgers, and nobody needs to tell you what is and isn’t good for you.” Coupled with bold advertising and innovative social media campaigns, this put Burger King back on the map with more than 13 straight quarters of sales growth.

In the UK, we have recently observed how complete product lines at aging brands have died and then reinvented themselves. This situation is quite different from the previous scenarios outlined above because it assumes that the equity that existed needs to be completely wiped out before a brand is able to become relevant to a different segment of consumers. This is probably the reasoning behind the radical branding shift visible at the retail chain from Virgin Megastores to Zavvi.

Management of the CD-retailer-turned-video-game-shop


thought that its strong legacy brand, Virgin, was not appropriate for the new directions they wanted for the business. This is quite interesting as it implies that the irreverent/Richard Branson part of the equity of Virgin—that has worked so well in expanding the brand into new territories—was no longer relevant for the new consumer segment that the chain wanted to target. In this context, they completely wiped out all the brand equity and developed a new brand and a new mark.

Not all cases are necessary so dramatic. Sometimes brands just need innovation-driven tactical solutions to rejuvenate themselves and become relevant. For example, the alcohol industry noticed that consumers loved to drink from martini glasses, so you had *Sex and the City’s* cosmopolitan, bringing vodka and triple sec back on to the scene; or how about putting some Baileys on your coffee?

From these examples, we can see the different directions that companies with aging brands can take.

Telefónica kept its stronger functional attributes and developed a new brand that benefits from it but that can talk to consumers in a more relevant language; Burger King made its brand edgier around its core quality attributes and invested across the four Ps to reshape its image; and Zavvi became a completely different brand with little leverage on its legacy brand (Virgin).

To make these decisions, all these companies needed to understand the purchase drivers of their consumers and which parts of their legacy brands, if any, were still relevant and differentiated them from rivals.

Brands aging—badly—is a reality in multiple industries. Once the company acknowledges the need for change, which is often difficult given their legacy and strong brand equity, the most important decision is to decide which part of the old equity, if any, can evolve—or whether a completely new brand is needed. With the right decisions on these points, most brands can live long and healthy lives. 

Joseph Gelman (jjgelman@prophet.com) is a Partner at Prophet, a strategic brand and marketing consultancy. This article originally appeared on the Website of the World Advertising Research Center (www.warc.com).