

DISPATCHES™

Insights On Brand Development From The Marketing Front

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FIRST DE-POSITIONING, NOW...DE-BRANDING?

“De-Positioning involves attempting to change the identity of competing products, relative to the identity of your own product, in the collective minds of the target market.” (From Wikipedia, the free encyclopedia)

The strategy known these days as de-positioning remains a hot marketing topic. Actually, most of the actions that would fall under the heading of de-positioning have been practiced by wily and highly competitive marketers for years...from simple things like showcasing your brand’s “win” in a comparative taste test (a la the Pepsi Challenge) to more subtle ones like introducing a “decoy” product that incites a competitor to follow (ultimately going into a category that the competitor would otherwise avoid). From our perspective, employing a conscious strategy that seeks to improve the competitiveness of one brand over another makes good sense, whatever you call it. The most effective means we have found for improving one brand’s competitiveness over another, however, remains simply this: proactively positioning the brand by consciously engineering into that brand *meaningful differentiation* (either real or perceived).

So, we can well understand and appreciate the current buzz over de-positioning. But what’s not so easy to understand or appreciate is what appears to be another marketing approach (a strategy?) in the works—one that, as far as we know, has yet to be named. We’ll call this new approach *de-branding*. As our coined name implies, it is roughly the opposite of *branding*. And just so we’re all on the same page, as we wrote in the February 22 edition of *Dispatches*, our definition of *branding* is as follows: “All the design elements a brand uses to identify itself. These obviously include Brand Nomenclature elements, along with associated icons, colors, and layout schemes that are to be used consistently wherever the brand name appears. Many of these elements are also legally protected.”

De-branding, then, would be something like the conscious reduction or change to a brand’s design elements—effectively giving the brand a new, or at the very least updated, identity. Most marketers of leading brands tread the de-branding terrain very, very cautiously; in fact, few would even acknowledge that any logo, packaging graphics, or equity icon change is anything more than an “evolution” aimed at contemporizing the brand. But have you been following the on-going stories about, what has to be more de-branding than mere updating, at PepsiCo? Each of their “big 3” beverage brands—Pepsi/Diet Pepsi, Gatorade, and Tropicana—has undergone some significant (and much talked about) reduction and change in its traditional branding elements. So, these simultaneous moves are no mere coincidence. We’re pretty sure it’s a conscious strategy...though to accomplish what objectives remains unclear. Let’s consider the three moves one-by-one.

Brand Pepsi/Diet Pepsi: Perhaps of the three de-branding moves, this one is the least dramatic. Pepsi's longstanding blue, red, and white colors remain, with blue the dominant one. The logotype is quite different, however—a veritable minimalist yet friendly style. Compared to Coca-Cola's familiar script logotype, Pepsi's new one is definitely understated. Much has been made in the press about the “visual pun” now at work within the iconic Pepsi “sphere”—appearing now as a smile. But, and here's the real proof, on the shelf, in the visi-cooler, or in the C-store cold vault, there is no mistaking the Pepsi Brand. So, at least for this reduction in identity elements, it may well be that the driving objective behind it was as the brand has said: “The new design (logo/sphere) and packaging have a clean, contemporary look that has been very well received by our consumers.”

Brand Gatorade (or is it Brand G?): Understating your brand's name with a new logotype is one thing; but completely replacing the name with only one letter is quite another. Okay, in fairness, the brand name GATORADE appears in small print above the “G”...and the brand's equity icon, the lightning bolt, remains boldly struck within the heart of the “G.” But make no mistake about it, this is a brand saying to its consumers that, going forward, we are going to be known by a different name—we're “G.” In our books, this kind of move clearly classifies as a de-branding move. The question is, why do it? One possible answer is that it's a bold, daring move, a move no other brand has the market share power to pull off. Why do it? Because **only** we can. Of course, like you, we are well aware of the other “G” elements happening in the marketplace—from the obvious one like the much youtubed black & white television spots giving testimony to the spirit of “G,” to the less obvious ones like the new “G” chair covers showing up at college basketball games this March. So we can assume there is a “master plan” at work. We'll have to wait and see what the ultimate impact of this de-branding effort is on the Brand itself.

Brand Tropicana: Need more be said about this, what is undoubtedly the most revolutionary de-branding effort of the three within PepsiCo? If you have yet to read some of the blogs or have not been sent some of the e-articles about the Tropicana packaging changes, suffice it to summarize what most critics have concluded: it has been the *private-labeling* of the brand. Much cleverness went into the new design elements—to include a proprietary orange screw-cap atop the gabled carton (that, with orange peel-like dimples resembles a mini-orange) and a glass goblet primary graphic that is apparently having fresh orange juice squeezed into it - from the screw-cap! But the overall change was so radical and the “clean-up” of elements so complete that on-shelf in the dairy case, the billboard effect screams I'M A PRIVATE LABEL...not to mention making the differences among Orange, Grapefruit, and Apple juice varieties virtually impossible to detect. Again, why make such a reduction and change in branding elements? We have heard some marketers speculate that the move was, ultimately, a large cost-savings one - by the elimination of some colors. But for a brand as dominant and with as loyal a franchise as Tropicana, it would have to take some awfully big bucks to justify a de-branding such as this. (PS: We have also heard and read that the Company is going to be pulling the new design from the market. Hmmmmmm.)

Maybe PepsiCo knows something about branding (and de-branding) that we don't. Or maybe they are simply setting a new trend in “minimalist branding.” But until we can see how each of these moves pans out, we much prefer de-positioning moves (that can definitely help the brand's competitiveness) to de-branding ones (that might well hurt the brand's competitiveness). What's your take?

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