The Application of Integrated Marketing Communication in the Corporate Rebranding Process

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ABSTRACT

Faced with the constant adjustment of the internal ownership and structure of the organization and the frequent changes of the external market environment, the rebranding strategy has been paid more attention by enterprises, and then derived a variety of new marketing strategies, but few people pay attention to the relationship between these strategies. In this paper, Muzellec and Lambkin’s rebranding model is extended and supplemented by classifying the miscellaneous marketing strategies in the corporate rebranding process under the guidance of IMC Strategy as well as by evaluating the rebranding effect according to the Brand Equity Strategy. The new theoretical model constructed in this paper is applied to the case analysis of enterprises which focus on the brand development, like the luxury brand Gucci, which more specifically shows how organizations adapt to the market changes to establish close ties with stakeholders. Consequently, this paper has reference value for the research of brand development and the optimization of business model in the new era.

Keywords: Marketing, Corporate Rebranding, Brand Management, Integrated Marketing Communication, Brand Equity

1. INTRODUCTION

Rebranding is an important method for enterprises to face internal strategic changes or external environmental changes, and the long duration of the rebranding process requires enterprises to make long-term goals and plans. Muzellec and Lambkin define rebranding as the change of self-identity and the change of external image, which effectively helped enterprises to make reasonable plans [1]. This concept is obvious in the booming luxury industry in the Asia-Pacific. By reshaping the internal corporate culture and understanding the views of external stakeholders, organizations can regain their foothold in the turbulent market by creating a new luxury brand image. However, there are several problems in the implementation process of corporate rebranding that are ignored by people, such as increasingly dispersed Internet traffic entrances, impulsive consumption behaviors and disorderly organizational departments of enterprises. As a result, enterprises cannot get effective returns despite huge investment, resulting in inefficient brand performance. Therefore, this paper proposes to promote the performance growth of enterprises with the help of Integrated Marketing Communication Theory (IMC) to maintain brand equity. Through the case of Gucci’s rebranding, this paper will analyze how to apply IMC Theory to solve the problems in the corporate rebranding of Gucci enterprises and achieve the final brand equity growth. This model will promote enterprises to explore effective marketing strategies and optimize their business models.

2. THEORETICAL RESEARCH

2.1. The Relationship Among Rebranding, IMC theory and Brand equity

Muzellec and Lambkin summed up the four characteristics of corporate rebranding through in-depth study [3].

First, it is a long-term strategy, and the duration of corporate rebranding is determined by market positioning and visual aesthetics. Second, changes in ownership structure, corporate strategy, competitive environment or external environment can all be inducements for corporate rebranding. Third, the purpose of the rebranding is to reflect organizational changes and create a new image. Fourthly, the brand can be adjusted to different geographical markets and brand levels.
According to these four characteristics, the author summarizes the Rebranding Model, which is composed of Rebranding Factors, Rebranding Goals and Rebranding Process, as shown in Figure 1. While the first two elements are fully consistent with the characteristics described above, the last element, rebranding process, emphasizes the importance of internal corporate culture and external stakeholders in order to achieve the ultimate effect of enhancing, transferring and recreating brand equity.

![Figure 1. A Model of the Rebranding Process](image)

Also for the growth of brand equity, Sreedhar, Vishag and Robert introduce IMC theory in the process of brand identity, as shown in the Figure 2 [5]. Since the purpose of rebrand and brand identity is to form a positive image conducive to the organization and establish an effective connection between enterprises and customers, the model of Sreedhar, Vishag and Robert can be analogous to the companies which plan to be rebranded. According to the experience of Naik and Raman, “by adopting an IMC perspective, Marketers harness synergy across multiple communication vehicles to build brand equity across products [5].” It is possible to believe that when the integration effect reaches a certain level, IMC Strategy can effectively promote the accumulation of brand equity.

![Figure 2. The Process of Brand Identity](image)
2.2. Conceptual Model

Porcu et al. propose different dimensions for the integration mode, among which one voice, Interactivity and multi-functional plan are more suitable for the research of luxury industry [6]. One voice refers to the same image presented to the public; Interactivity The enterprise responds to the public in the same way and selects the same audience; Multi-functional plan emphasizes that the company adopts consistent strategy and can form good coordination among all departments. In view of the relationship among the above IMC Strategy, Brand Equity and Corporate Rebranding, the following model diagram (Figure 3) can be produced by adding the first two key elements into the latter.

![Figure 3: Restruct the Model of Rebranding Process](image)

3. THE REBRANDING MODEL APPLICATION IN GUCCI

3.1. Rebranding Factors

Since 1923, Guccio Gucci founded a small brand store specializing in leather goods in Florence, Italy and named it Gucci. This luxury brand has developed for a hundred years and presents us with a classic case of continuous innovation in a changing market. According to an in-depth research report by Orient Securities, Gucci’s brand growth can be broken down into several periods [7]. 1999-2004 was the period of change in Ownership Structure. As Gucci was a family enterprise, continuous relationship disputes led to mismanagement and close to bankruptcy. Finally, it was acquired by Kering (PPR) group. From 2013 to 2015, Gucci was in a downturn. The brand’s creative director Frida Giannini lost her creative inspiration, which made the brand design lose its characteristics. In addition, the frequent management changes made the brand position fluctuate. Consequently, in 2016, Kering, the parent company of Gucci, changed its corporate strategy and gave the brand a new label by hiring Alessandro Michele, who has a youthful appeal and a retro aesthetic. Since then, Gucci has been on a tear, with sales up 3.1% in the first quarter of 2016, 7.4% in the second, and more than twice as fast as the average luxury market in the first half of 2016 [7]. By analyzing the rising process of Gucci, both change of Ownership Structure and Corporate Strategy makes Gucci embark on the road of rebranding. At the same time, the rise of the Internet and social media has made the development trend of digitalization a key point of enterprise progress, and such Change in External Environment has also become an important factor influencing the implementation of Gucci’s rebranding strategy.

3.2. Rebranding Strategies

Driven by these incentives, Gucci creates different marketing strategies to help the brand on the road of remodeling. These strategies are common, but due to the number of strategies and the huge organization, the effect of integrating various strategies by using IMC theory is shown. The first is the effectiveness of channel integration. With digital growth, companies’ Internet traffic gateways are increasingly fragmented. This makes it difficult for Gucci to deliver a consistent message across channels, even though it has spawned different types of customer contact points online. Suay mentions that “the single voice of marketing suggests that there must be a clear, consistent message and it must be kept in all the communications tools to create a unique positioning or a brand identity [6].” From this point, since the establishment of the e-commerce platform in 2012, Gucci has continuously integrated the online distribution channels, and has achieved simultaneous and synchronized delivery of consistent messages through
sales promotion, direct marketing, brand advertising, and public relations. In terms of online digital services, Gucci already has a complete official network platform. In the Asian market, it has opened official accounts on social media platforms such as TikTok, Weibo, Instagram, Twitter and Facebook. By synchronously releasing pictures, videos and text with the same theme across different online platforms, the method of channel integration ensures that people get the same answer no matter which way they search for information. Moreover, the ideas expressed by Gucci on social media are often inclusive and open, giving consumers enough imagination space to explore the story emotions or social views that are intended to be conveyed behind the content. All of these methods convey to visitors the consistent and new brand concept of Gucci, which is young, personalized, retro and elegant.

The second key point is the integration of the target audience. In the integration requirements of Interactivity, Lee and Park put forward that Multiple groups of consumers should be selected and integrated according to their consumption characteristics. As an international luxury brand, Gucci has branches all over the world. For the market development strategy in the Asia-Pacific region, Gucci effectively combines local consumer preferences to conduct cross-border cooperation with different enterprises. Specifically, in Korea, Gucci chose to cooperate with famous Korean idol, Kim Jongin, to launch co-branded products, making full use of the mature K-pop culture; in Japan, Gucci began to partner with Blue-Cat Robot Doraemon in order to exploit the new consumers who love affair for fashion and manga characters with the help of the trend of cartoon popularity; in China, Gucci used the User-generated Content model with low threshold for creation and strong interactivity, and made use of TikTok, a software frequently used by young people, to release humorous short videos, triggering people’s attention and imitation. The above three modes are all well-designed marketing schemes based on a large number of researches on the consumer psychology and living habits of new target customers such as K-pop culture in Korea, manga characters in Japan, and TikTok in China. It is obvious to find that from marketing strategies in different countries, Gucci tends to focus on segmentation in order to achieve the broadest possible range of customers. It fully considers the various groups in different countries young gathered mode and consumption characteristics, and improves young ages and different nationalities of the participation of existing and future customers, in the form of increasing customer psychology and physical experience, which maintains the appeal of the brand. In addition, the strategies of three countries have in common is that whether an agent cooperation, cartoon image, or the digital platform, the partner has a powerful influence in the international scope. Once a new series of products are released in a country, they will not only arouse hot discussions at home but also attract attention abroad, which enables Gucci to achieve benefits beyond its own country and gain more market opportunities. These are the beneficial results of effective integration on the target customer group.

The last concern is the integration of organizational departments in an era of rapid change. In 2018, the internal management of Gucci organization became more and more clear under the change. In addition to the board of directors, CEO and regular departments, Gucci set up new departments in order to meet the needs of global business expansion, which are the brand commodification & global market business, wholesale channel & outlets & tourism retail business, consumer engagement, and digital business & innovation. This new structure not only ensures that traditional retail, led by tourism, can grow steadily and make profits, but also extends a separate sector around Internet development and consumer preferences. Further, by optimizing the structure, departments form close ties with each other and maintain the same enterprise values: tolerance. Such kind of beliefs can be transmitted from the management to frontline sales staffs of the stores in different countries, and then to the customers, forming an intuitive brand image. The frontline sales staff is also a part of brand stewards because they are the direct communicators of the brand, as Madhavaram, Bradarinenayan and Mcdonald point out: brand specialists play an important role in establishing strong, highly beneficial connections with customers, prospects, and the public [5]. The above internal structural changes of Gucci indicate that the enterprise should not only adapt to the environmental changes and integrate new departments, but also form a unified corporate culture and inculcate it from top to bottom, thereby promoting the brand image subliminally.

3.3. Rebranding Results

There is ample evidence showing that IMC theory provides strategic-oriented opinions for completing corporate rebranding and promoting the growth of brand equity. As a direct tool to reflect the effect of rebranding, brand equity can reflect the competitive advantage of brands in the market [5], which in turn can be used to assess the success of rebranding. Kevin Lane Keller proposes that the Customer-based Brand Equity Model is to measure brand equity from the perspective of consumers, and one of the most critical factors is to create consumer resonance with a brand, including the perspectives of behavioral loyalty, expression attachment, sense of community and active engagement [2]. In the case of Gucci, the channel integration, telling the same brand story and labeling the brand as inclusive and retro literature is to emphasize the uniqueness of the brand and implies consumers that Gucci is unique among luxury industry. Secondly, the integration of target customer groups according to different cultures of
various countries and the adoption of different marketing strategies are also to cater to the tastes of the young generation, improve their trust and loyalty to Gucci, and promote the improvement of purchasing power. Meanwhile, as Gucci makes full use of social media, it has formed a young consumer community led by Generation-Z on the Internet, which is undoubtedly a reflection of community awareness and active participation. In addition to responding to the changes in the external market, under the Multi-function Plan, the change of Gucci’s internal structure and the emergence of independent consumer research department also reflect that the company aims to further strengthen and deepen the relationship between the brand and consumers as well as focuses their resources on the best customers and prospects, and the positive feedback from these consumers will undoubtedly increase the brand equity [4]. Therefore, through the case of Gucci, it is possible to argue that IMC provides effective theoretical support for solving the problems existing in the corporate rebranding process, and its practical application also enables enterprises to quickly adapt to the internal and external changes.

4. CONCLUSION

The success of an enterprise’s rebranding strategy not only depends on the emergence of a large number of new marketing strategies in response to market changes, but also depends on whether these strategies can be integrated to form an interconnected corporate plan. This paper studies the practical application of IMC strategy in the corporate rebranding process by analyzing the case of Gucci and draws the following conclusions:

In the process of rebranding, IMC theory makes a significant contribution to integrate various strategies implemented by the enterprise with purposes, so that the enterprise can adjust its internal structure, optimize its external image, establish the best brand image with the least time, energy and funds, and serve the most willing customers.

Brand equity strategy can measure the effect of rebranding and the measurement is from the perspective of consumers, taking into account the perception and feeling of consumers, so it has more practical reference value.

REFERENCES


