

## **THE IMPLICATIONS OF CORPORATE REBRANDING IN THE SOUTH AFRICAN MOBILE CELLULAR TELECOMMUNICATIONS SERVICE INDUSTRY: CHALLENGES AND OPPORTUNITIES**

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### **ABSTRACT**

*Corporate rebranding is a strategic decision undertaken for various reasons, and some of the corporates rebrand several times. In an attempt to keep abreast of customer demands, service providers rethink their marketing strategies that include inter alia rebranding a fraction or multiple facets of their corporate brands. Corporate rebranding is the latest development in the mobile cellular telecommunications service industry in South Africa. What is intriguing about the South African rebranding phenomenon is that corporates opted to rebrand by focusing on permutations such as colour, logo and slogans. This paper presents a conceptual analysis of corporate rebranding with a specific focus on the mobile cellular telecommunications service industry in S.A. Furthermore, the paper examines the implications, challenges and opportunities of corporate rebranding for the industry. In the end, the paper will present a case analysis of corporate rebranding efforts of two S.A mobile cellular companies.*

**KEYWORDS:** Corporate branding; mobile cellular services; rebranding; telecommunication

### **1. INTRODUCTION**

In 2007, 82.9 percent of the South African population (about 49 million) owned a mobile cellular phone. The South African mobile cellular telecommunication industry witnessed an unprecedented increase in cellular phone users. These users demand that corporates live up to their brand promises. In the last two decades, South Africa witnessed a series of reforms in the telecommunications industry. The recent reforms in the mobile cellular telecommunications service industry include the rebranding efforts undertaken by two major mobile cellular telecommunications service corporates, that is, Vodacom and Cell C. Most researchers concur that in most cases corporate rebranding incorporates, branding elements such as name, logo and slogan.

While research was done on corporate rebranding, its conceptual analysis in the mobile cellular telecommunications service industry in South Africa is yet to be explored. This paper seeks to fill this void and furthermore examine the challenges and opportunities of corporate rebranding in the South African mobile cellular telecommunications service industry. Finally, the paper will present a case analysis of corporate rebranding efforts of two South African mobile cellular telecommunications service companies.

### **2. A HISTORIC EVOLUTION OF THE SOUTH AFRICAN MOBILE CELLULAR TELECOMMUNICATIONS SERVICE INDUSTRY**

Prior to the 1994 democratic revolution, the telecommunications industry in South Africa was a monopoly, with Telkom SA Limited being the only fixed line service operator. This parastatal organisation was established in 1991 to undertake the provision of telecommunications services in South Africa. However, despite the fact that telecommunications reform remained largely unaddressed in 1992 at the Congress of Democratic South Africa (CODESA) negotiations, the apartheid government preceded in 1993 to license two mobile cellular operators, namely, Vodacom and Mobile Technology Network (MTN). Subsequent to that, the Telecommunications Act was promulgated in 1996, providing for the establishment of the South African Telecommunication Regulatory Authority (SATRA), which later was merged with the Independent Broadcasting Authority (IBA) in July 2000 to become the Independent Communications Authority of South Africa (ICASA). The rationale for the merger coincided with increasing awareness that convergence within the Information and Communication Technology (ICT) industry was a reality and that a joint regulator was required. In 2001, the second wave of re-regulation of the telecommunications industry took place with the passage of the Telecommunications Amendment Act of

2001. This Act introduced some far-reaching changes to the existing regime, for example, the provision for the Second Network Operator (SNO) as of the 07th of May 2002. In August 2001, the Minister of Communications issued policy directions that were amended in April 2002, setting out the process in relation to the licensing of the SNO (Neotel) in broad terms. The third mobile cellular telephone operator license was issued on the 22nd of June 2001 to Cell C. On 19 August 2002, ICASA issued new national Mobile Cellular Telephone Service (MCTS) licenses in terms of section 37(1) of the Telecommunications Act to Vodacom and MTN.

As from 2004, the South African telecommunication industry advanced to an oligopoly due to the Telecommunication Amendment Act of 2001, which enabled government to liberalise the industry, thus increasing competition. To date South Africa has the most developed telecommunications network in the African continent. Its mobile cellular telecommunications service industry is rated the fourth fastest growing market, accounting for 80% of the population as users. Currently, there are four mobile networks in South Africa namely, Vodacom, MTN, Cell C, with the late entrant in 2010 being 8ta. However, the recent strategic marketing developments in the South African mobile cellular telecommunications service industry, saw the two mobile cellular telecommunication service providers, Vodacom and Cell C, rebranding. Vodacom has 43, 1 million subscribers while Cell C network is accessible to about 87% of the South African population. The rebranding permutations adopted by these service providers are logo, colour scheme and slogan changes. As stated in the marketing literature, organisations rebrand for various reasons such as a merger, acquisition, divesture, and positioning or changing image. Rebranding is seen as corporate marketing transformation [Gotsi & Andriopoulos, 2007; Kim, Lee & Kim, 2009; Lambikin & Muzellec, 2008; Muzellec & Lambkin, 2006; Petbrurikul, 2009; Stuart & Muzellec, 2004]. It is imperative to have an overview of corporate branding in an attempt to have a clear understanding of corporate rebranding.

### **3. CORPORATE BRANDING AND REBRANDING**

Literature suggests that *corporate branding* is instrumental in ensuring that the corporate is profitable [Hatch & Schultz, 2003]. The rationale being that the brand epitomizes the image, quality and reputation of the corporate. Thus, brands, which are perceived positively by consumers, tend to elicit loyalty from customers and are viewed to offer value. A corporate brand has values which can be viewed from three viewpoints, namely, values related to the organisation, values that summaries the brand and values as they are perceived by customers [Urde, 2009]. Values that are related to the organisation are driven by culture, which is the way of doing things within an organisation. Values that summaries the brand communicates the essence of a corporate brand, that is the core or soul of the brand. Values that are perceived by customers on the other hand refer to the difference a brand makes in their lives. Values from customers' perspective are ambiguous as value can denote different things to customers given that customers are from various cultural and religious backgrounds, and the environment. The latter define customer's epistemological view thus influence their perceptions of values.

Hatch and Schultz [2003] posit that within marketing, branding and corporate identity, there is a growing awareness that corporate brands can increase corporate visibility, recognition and reputation in ways not fully appreciated by product brand thinking. This can be attributed to the fact that a corporate brand as opposed to a product brand, focuses not only on the product but also on the collective values of a corporate. The latter is supported by Da Silva and Alwi [2008] who suggest that stakeholders not only purchase company product, they also purchase a set of values that are attached not only to the product but also to the company. Urde [2009] suggests that as values are core to a corporate; they evolve, they are rooted, they are built brick by brick, they are challenged and they support the promise. The descriptors of values provide a general explanation as to the motivation why corporates rebrand. It is imperative that corporates continuously improve to factor customer expectations and to remain competitive. Furthermore, Hatch and Schultz [2003] purport that corporate brand contributes not only to customer-based images of the corporate but also to the images formed and held by all its stakeholders. Stakeholders are persons or groups of people who influence the success or failure of a corporate or those who are influenced by the operations of a corporate. In their study, Souiden, Kassim and Hong [2006] state that corporate brand has an impact on customers' evaluation of a service or product. Accordingly, there are corporate branding dimensions that individually or collectively influence customer perceptions thus their evaluation of a service [Souiden *et al.*, 2006]. These dimensions are corporate name recognition, image, reputation and loyalty; they directly or indirectly impact on management decision to rebrand or not to rebrand. Corporate branding dimensions can be exploited for sustainable competitive advantage. Corporate name recognition indicates the degree to which a corporate brand is known, for example, Nokia is known and recognised globally. The second dimension, corporate image, serves as a cue for quality of a corporate brand product or service. The third dimension, corporate reputation, refers to the perception of an organisation's key

attributes, focusing on what an organisation does and behave [Balmer, 1998]. The fourth dimension, corporate loyalty, refers to a customers' level of trust and dedication to a corporate. It can thus be surmised that when a corporate seeks to enhance its image, reputation, name and loyalty or reposition it, it will embark on corporate rebranding.

*Corporate rebranding* is adopted as a strategy to inform stakeholders that the company has changed. This change must be communicated using proper channels to reach relevant stakeholders and equally important, it should be as informative as possible to avoid confusing customers. Corporate rebranding can make a significant difference in attracting and securing new consumers. However, it is important that a corporate deliver according to what the brand promises. From a consumer's perspective a brand is perceived to explicitly elucidate a promise by a corporate. Since rebranding is a neologism word, it should be defined from an etymological approach, thus, the construct is defined as the practice of building anew a name representative of a differentiated position in the mind frame of stakeholders and a distinctive identity from competitors [Muzellec, Doogan & Lambkin, 2003; Muzellec & Lambkin, 2006]. From this definition it can be deduced that rebranding is aimed at repositioning the corporate and clearly distinguishing it from competitors by adopting different elements of branding or improving on some of the branding elements. However, Lambkin and Muzellec [2008] define corporate rebranding as the renaming of a whole corporate entity, often signifying a major strategic change or repositioning. What is prevalent from the preceding definitions of corporate rebranding is that corporate rebranding is more concerned with repositioning a corporate. Merrilees and Miller [2008] expand on the definition and state that corporate rebranding has many facets that are brand renewal, refreshment, makeover, reinvention, renaming and repositioning which dominates marketing trade magazines. Lambkin and Muzellec [2008] posit that rebranding can occur at three distinct levels in an organisation, namely, corporate, strategic business unit and product level.

In the section on corporate branding it was indicated that Hatch and Schultz [2003] suggest that product branding and corporate branding differ. The suggestion is supported by Balmer and Gray [2003] when arguing that corporate brands and product brands are distinct, what set them apart is the people who manage them and those who are responsible for them, the discipline they belong to, their focus, how they are communicated and their values. Muzellec *et al.*, [2003] state that rebranding is a process comprising of four stages namely, repositioning, renaming, redesigning and relaunching. They however, stated them as rebranding mix. For the purpose of this paper the four stages are termed, rebranding process. When a corporate repositions its brand, the focus is in creating new favourable images in the minds of consumers as compared to its competitors. Renaming occurs when a corporate changes its name. Redesigning on the other hand occurs when all the elements of a corporate such as a logo, product aesthetics or name are changed. It can be argued then that redesigning and rebranding can be regarded as being synonymous. They both are concerned with changing some or all elements of a corporate. It is a general notion that any change in the corporate must be communicated to the relevant stakeholders. In an attempt to inform stakeholders, a corporate will relaunch its new image or product. When relaunching, a corporate uses various media of communication which is determined by the type of stakeholders for a particular corporate.

#### **4. REBRANDING OPPORTUNITIES AND CHALLENGES**

The challenge with corporate [re]branding campaigns is that they often fail because brand managers do not start with a clear assessment of the desired change within and outside the organisation. This assessment must be followed by a clear and fair communication of the likely consequences for all involved [Hatch & Schultz, 2003]. It is therefore important that corporates do not covert their intentions to rebrand to their customers. The inside-out approach to rebranding can aid corporates to overcome such shortcomings. Furthermore, in their study on the pitfalls of corporate rebranding, Gotsi and Andriopoulos [2007] identified four key pitfalls, which are: disconnecting with the core, stakeholder myopia, emphasis on labels, and one company, one voice: the challenges of multiple identities. The challenge in rebranding can arise as a result of a merger where the infrastructure of the merging corporates has to be integrated as it was the case with Vodafone and Hutchison. It took the two corporates two years to integrate their network infrastructure costing a total sum of 4 billion US dollars [Bingemann, 2009].

Brands are much more than simply a name or a logo. They represent values and promises, attitudes and feelings about brands and products [Daly & Moloney, 2004]. Rebranding tend to be superficial, more especially if it does not add real value to customers. An understanding of rebranding is that it is aimed at revitalising, energising and developing the brand anew. However, if that change is not perceived by customers to be significant then it might be a futile exercise. A corporate should guard against customer migration as a result of customers perceiving the changes not reflecting their values nor relate to them. The change in colour schemes,

logo and slogan does not necessarily imply that there is a definite change within the corporate. This is echoed by South African customers who voiced their concerns in various media platforms in response to the rebranding efforts in the mobile telecommunications service industry stating that effective rebranding to their view is when a corporate offers reasonable tariffs and an improved customer service [www.bizcommunity.com].

Another challenge lies with the creation of logos and slogans. Corporates need to prudently research if the logos and slogans they intend to use have not been reserved already. Corporate rebranding also presents opportunities to organisations. For example, the rebranding exercise may result in a corporate retaining and increasing customer base and sales revenue. Corporate rebranding enhances confidence and loyalty from consumers as well as investors, thus, increasing the stock market value of an organisation [Petburikul, 2009; Stuart & Muzellec 2004]. The next section presents a case analysis of Vodacom and Cell C, two South African mobile cellular telecommunications service corporates.

## **5. SOUTH AFRICAN CASE STUDIES**

### *5.1. VODACOM Case*

Vodacom is one of South Africa's leading mobile network service providers. It is an African mobile communications company providing voice, messaging, data and converged services to its customers. Vodacom also provides carrier and business services to customers in over 70 countries. The competition tribunal approval of the merger resulted in Vodafone acquiring a further 15% in addition to 50% stake in the South African mobile operation. In April 2011, Vodacom, following the 2009 acquisition by Vodafone launched its new image. As it is, it was inevitable that Vodacom had to rebrand. With rebranding, Vodacom kept its name, but however effected changes to the logo, slogan and colour scheme. The rationale for keeping the name is the fact that Vodafone's presence in Africa is far smaller than Vodacom's. Vodacom holds power and position in the marketplace in Africa.

The network prior to rebranding was known for being the most expensive of the three leading networks in South Africa. They have however embarked on a new positioning strategy and also offer products that are better priced with lower rates. To establish its new position in the market Vodacom employed the following strategies:

- It moved away from the spokesperson route and now wants to make itself appeal more to the masses instead of a specific segment. Normal boys and girls next door were used in all the new adverts that are being flighted, thereby appealing to the need for affiliation and how anybody can afford to be on the network.
- The emphasis is now also on affordability as they try to move away from the "expensive" stigma that has plagued the company over the years.
- It now appeal to the lower-end segment of the market through the introduction of "cheaper" Vodafone phones as well as the R5 and R12 airtime vouchers.
- The emphasis is also placed on how "smart" the network is and how compatible the network is with these new age phones.
- It now positioned itself to bringing people together, hence it offers cheaper airtime and airtime advances to its customers in an attempt to ensure that people stay in touch.

Corporate rebranding as a result of mergers and acquisition as is the case with Vodacom provides a corporate with four options. The four options are, *one brand*, usually that of the acquirer, a *joint brand*, where the names of the acquirer and the acquired are combined, a *flexible brand*, where both brands are kept and used selectively and a *new brand*, where both previous brands are dropped in favour of an entirely new one [Lambkin & Muzellec, 2008; Daly & Moloney, 2004].

#### *5.1.1. Logo*

A logo is a symbol that identifies a corporate and its products. It is an important element of a brand as it is designed to position a corporate in the mind of customers. A good logo will by merely seeing a part of it make customers to think of the corporate. Such logos leave a lasting impression in the memories of customers. A logo has the potential to convey the character and nature of a corporate hence it is important when designing a logo, to understanding the connotations it carries. Most corporate trade globally thus, different symbols carry various meanings across cultures and countries.

The new Vodacom logo resembles the Vodafone logo using both the font and the speech mark logo with the Vodacom name. In changing the logo to resemble that of Vodafone, Vodacom aimed to capture the essence of Vodafone character, value and nature of the corporate. Vodacom customers hope that the logo change denotes that the corporate will leave up to the standards of its parent brand.

#### *5.1.2. Slogan*

Many corporates when advertising their products and services use a slogan. It is also termed “catch phrase” or “tagline”. What makes a slogan distinct is the striking memorable phrase. The old Vodacom catch phrase is “Yebo gogo” translated to English it means “hello grandmother”. The new Vodacom slogan is “Power to You”. According to Uys, the chief executive officer (CEO) of Vodacom, “the slogan is a new approach and direction for Vodacom. It is not a once off change, it’s a journey and I’m confident that as the weeks and months unfold, you’ll find the changes run much deeper than simply turning from blue to red.” [www.vodacom.co.za]. The main purpose of a slogan is to add clarity. In the case of Vodacom it is understood that it clarifies the reason for rebranding which amongst other reasons is to give customers the power to influence corporate strategies.

What can be interpreted from the new slogan is that the corporate has adopted the outside-in approach. What it means is that the corporate develop its innovative strategies based on customer values, complements and complaints. The customer is viewed to be fundamental to the corporate.

#### *5.1.3. Colour scheme*

Vodacom positioned itself adopting Vodafone’s corporate colour. The Vodacom official colour was blue and green whereas that of Vodafone is red and white. Vodacom cited innovation and exciting new future for its customers as the reason for changing its colour. Furthermore, it promises leading global network benefits with great possibilities. It is important to establish links with a former corporate identity in terms of colour scheme when rolling out a new colour scheme to guarantee a successful transition process [Melewar, Hussey & Srivoravilai, 2005].

“The colour is just the tip of the iceberg, it’s not just about the colour, but what happens behind the scenes.” said Uys. According to Uys, the addressed structural changes were not implemented to save costs but rather to make the organisation simpler and faster. The changes at Vodacom factored the structural change to align it to the new identity and promise that the brand makes to the customers. To date there has not been any media release to explain the structural changes mentioned.

#### *5.1.4. Opportunities and challenges*

The general feeling of the South African public is that Vodacom charges exorbitant prices as compare to the prices charged in other countries. Rebranding challenges and opportunities have implications to the organisation. All Vodacom outlets had to be rebranded nationwide which proved to be an expensive exercise. The challenge for Vodacom in South Africa was that, the change in logo and slogan had to be done also for its vendors, these vendors include small and medium enterprises across all nine provinces in South Africa. Rebranding also posed a legal challenge as Vodacom had to lodge a complaint with Advertising Standards Authority (ASA) against Cell C for using the term ‘Power to you.’ In its argument Vodacom cited that Vodafone, its parent brand has been using the slogan “Power to you” in the company’s global marketing campaign including South Africa. It was rumoured that Vodacom bought the colour rights from Cell C. Such rumours can cause malicious damage to corporate reputation thus negative attitudes towards the corporate brand. From the foregoing discussions, it can be deduced that in the South African telecommunications service industry, the rebranding efforts had many challenges as opposed to opportunities.

#### *5.2. CELL C Case*

The mobile cellular telecommunications services in South Africa experienced for the first time corporate rebranding from Cell C in 2010. Cell C cited its reason to rebrand as positioning the corporate as a provider that puts the customer at the centre of everything that it does. The network was previously aimed at lower-income segment of the market by branding their products as cheaper alternatives to the normal mobile network service providers. Now with the repositioning, it is marketing itself to all segments of the market including the higher-income segment with the new range of “smarter” products they are now offering. Cell C repositioned itself adopting the following strategies:

- It appointed a spokesperson to endorse their products, Trevor Noah.

- It emphasised on features and benefits in all advertising instead of just punting affordability: upgraded stores, enhanced “network” availability (previously the network was notorious for failures).
- The corporate now appeal to the more advanced mobile network users: promoting the speed of their network and how compatible it is with smart phones.
- The other strategy used was to “Lure” customers to its “new look stores” with the promise of free coffee, marketing gimmick for getting more feet in the store and thereby improve sales.

A brand must be relevant, appealing and inspiring to those inside as well as outside and Cell C’s new brand speaks to the changes the corporate is making to improve the experience of its customers at every touch-point [www.cellc.co.za]. What this suggests is that the change is not only on the logo, slogan and colour scheme, it is a strategy to gain trust from customers. Between August last year and June 2011, Cell C grew its data subscriber base to 120 000 customers. It however spent millions of rands on its advertising campaign [www.cellc.co.za].

#### *5.2.1. Logo*

Since 2001, when Cell C was given a license to operate, customers including those of competitors have associated the corporate with a red logo. In 2010 the corporate opted to reveal a new logo to symbolise changes in its operations particularly its orientation to customers. The corporate intends to cater to all customers and not just those within specific living standards measures (LSM). The new logo is black and white logo with the “C” in the latter part of Cell C, placed within a solid circle. The new logo was however met with criticism from customers and the media as it looks like a copyright symbol.

#### *5.2.2 Slogan*

The main purpose of a slogan is to support the brand image projected by the brand name and logo [Kotler & Pföertsch, 2006]. Cell C old slogan was “Cell C for yourself” which to some of the customers sounded impersonal. In its endeavour to reposition itself as putting customers at the centre of everything it does, Cell C changed its slogan to “the power is in your hands”. The new slogan ties in with the new image that the corporate is communicating to its customers. The slogan denotes that the customers have a say and the corporate is willing to listen to them. The slogan should be unique to stand out in the advertising clutter.

#### *5.2.3. Colour scheme*

The new corporate identity reflects the company’s vision of understanding its customers [www.cellc.co.za]. The new brand identity consists of a six-colour bar which represents the colours of the South African flag signifying that Cell C cares about South Africans. The choice of colour is to emphasize that Cell C is a South African corporate which links to the proudly South African initiative launched in 2001. It suggests that the customers will easily relate to the corporate.

#### *5.2.4. Opportunities and challenges*

Cell C claimed that there has been an overall brand consideration from its customers and has increased by 5% year-on-year, with trust in the brand up to 60% in the upper living standard measure (LSM). Cell C's new logo was provisionally rejected by the Registrar of Trademarks and legal experts were pointing to the prevalence of the copyright symbol in the new logo as a possible reason for rejection. Cell C also submitted a consumer research report that allegedly showed South African consumers associate the “Power to you” and “The power is in your hands” slogans with Cell C in its defense during the court battle with Vodacom. Legal battles are negative media coverage especially when the corporate attempt to portray a positive image and reputation to its customers. Cell C had to change and upgrade the images of its stores to be consistent with its new image nationwide.

## **6. ORGANISATIONAL IMPLICATIONS OF REBRANDING**

Corporate rebranding presents several implications for the organisation, such as the following:

### *6.1. Corporate governance*

One of the key principles of King III on corporate governance is for the corporate to be innovative and fair, for any transition to sustainability, innovation provides new ways of doing things, including profitable responses to sustainability. Fairness and social injustice ties in with the consumer act in South Africa that requires a corporate

to be transparent and fair in its trade with customers. Management should factor trademark implications and the effects the new changes will have on customers when considering rebranding.

#### *6.2. Organisational resources*

Vodacom and Cell C rebranded using the logo and colour. Vodacom adopted the logo and colour of the parent brand, and plans to change the corporate name to Vodafone at a later stage. This strategic decision will definitely require more organisational resources especially financial resource to communicate the new name. It is evident that the exercise will be expensive given the amount spent in introducing the new logo and slogan. The issue that arises is that since Vodacom's presences in Africa is big, why then think of rebranding by changing the name, and what guarantee does management have that the customers will accept change?

##### *6.2.1. Human resources*

The most important resource to any corporate is its employees. It is important for corporates to get a buy-in from its internal stakeholders to ensure smooth transition. If employees are not prepared and informed in advance, there tend to be high level of anxiety and low employee morale as change is associated with retrenchments. Change according to employees implies changes to organisational structure hence their association. Corporate rebranding may on the other hand require corporates to employ more employees depending on the magnitude of planned rebranding.

##### *6.2.2. Financial resources*

The rebranding exercise cost Vodacom and Cell C a staggering millions of rands. It is evident that rebranding costs millions if not billions of rands to corporates that opt to rebrand. Whether the costs to this exercise are worthy or not remains a discretion of the corporate. Most corporates outsource their marketing campaign tasks to companies that specialise in advertising and promotions campaigns, this proves to be another expense to corporates excluding that of running the adverts in various media vehicles.

#### *6.3. Marketing*

When corporates rebrand it means that advertising must be intensified to reach all relevant stakeholders. The implication of rebranding to products and services is that the corporate should change packaging to reflect change. The corporate, as with Vodacom and Cell C, will have to recall all products in the market. The marketing managers will have to manage costs and develop pricing strategies if the corporate plans to change its price offerings. Vodacom in particular provides sport sponsorships to rugby and soccer teams. The marketing brand manager had to oversee that the teams sport gears were rebranded.

#### *6.4. Organisational culture*

Culture is unique to corporates and creates a differential advantage. Hatch and Schultz [2003] define organisational culture as the internal values, beliefs and basic assumptions that embody the heritage of a corporate and communicate its meanings to its members. Therefore, when corporates rebrand due to a merger or acquisition, culture should be embodied in the new corporate as the merging corporates become one. However, it is difficult to adopt a new culture as culture dictates the attitudes and behavior of employees. Gotsi, Andriopoulos and Wilson [2008] concur, they state that cultural alignment to corporate brand values is important. However, corporate rebranding brings a dynamic challenge as newly espoused corporate brand values rarely reflect the tacit meanings and values that organisational members hold and use.

## **7. RECOMMENDATIONS FOR EFFECTIVE REBRANDING**

The foundation of marketing is set on the premise that it is not what a corporate want to say but what its customer wants to hear. Moerdyk [2010] suggests that when a corporate is involved in marketing a product that is a grudge purchase, it can rebrand, reposition, change colours, introduce new logos, bring and do what it will, but unless it give consumers the one thing they have been asking for, it might as well save itself all the hassle and money. It is crucial to build and maintain a strong brand. Vodacom and Cell C can maintain their corporate brands by explicitly and overtly involving customers when initiating change. It is evident from customer platforms such as social media (facebook, Twitter and hi5) that, when changing a logo or slogan it is best that the corporate make the exercise an interactive task, allowing customers to participate in creating them. This will enhance the corporate's positioning strategy. The fact that it is an interactive strategy, it will result in a clear and coherent

launch of the new brand image. Perceptions and attitudes are difficult to change so it is for this reason and for that matter imperative that a corporate takes cognisance of them.

As proposed in their study, Merrilles and Miller, [2008] propose that there are six principles that corporates should take into consideration for rebranding to be successful. The underlying principles are:

- A suitable brand vision that balances the core ideology of the brand whilst progressing the brand within the contemporary business conditions.
- The retention of some core or peripheral brand concepts to build a bridge between the revised brand and the original brand.
- The ability to meet new market needs.
- A high level of brand orientation through activities such as communication, training and internal marketing.
- The alignment of each brand element to the overall corporate brand concept in the corporate rebranding strategy implementation.
- The successful promotion of the new brand to all stakeholders.

In summing up the six principles, all marketing efforts and branding elements must not be implemented in isolation, there must be synergy.

Corporates should assess perceptions of customers against the dimensions of corporate branding as a guide for deciding on branding permutation strategies to adopt. Equally important is the history, culture and religion of a country where rebranding will occur as they dictate customer views and accelerate the rate of accepting change. Internal stakeholders are key to any corporate whether for a non-profit or for profit corporates. It is therefore crucial to get a buy-in from these stakeholders prior to announcing changes to external stakeholders. Changes to the logo, colour scheme and slogan are superficial especially when the service, internal processes and some elements of the marketing mix remains the same. What counts the most is the service and products themselves. Marketing creates a hype where customers expectations are elevated and if the service or product does not live up to the promise, there seem to be a let down by the hype of the branding in relation to the service or product. What the corporates could do is to concentrate more on improving the technical capabilities of their networks in addition to the branding elements they plan to change.

## **8. CONCLUSION**

Corporate rebranding is definitely inevitable especially in situation where there is acquisition or amalgamation among corporates. There are however pitfalls which management should take cognisance of when deliberating on whether to go forth with the rebranding exercise. It is imperative that corporate do not alienate themselves from their customer by failing to take into considerations the image and reputation upheld by its stakeholders. The rebranding principles are pivotal for the exercise to be successful. It can be argued that most corporates claim to rebrand for the same reason, the question however is, was it not something the corporate could have done when it entered the market? More so, Vodacom and Cell C trade in the industry of innovation. The rebranding of Vodacom and Cell C are satisfactory, the slogan and logos are effective taking into account what they mean and stand for.

A corporate that rebrands envisages that it will capture a bigger market share, appeal to both existing and potential customers. The cases of Vodacom and Cell C proved that corporate brands can increase corporate visibility, recognition and reputation. As a result of visibility, recognition and reputation, the customers for both corporates were very critical of the new logos and the slogans. It is understood that corporate rebranding creates a new differential advantage, however, this notion is yet to be witnessed in the South African mobile cellular telecommunications service industry as it is a new phenomenon. Corporate rebranding adds a degree of complexity to an already challenging process of corporate brand management. The implications of corporate rebranding are important. Moreover, investigating its impact on the organisation offers an opportunity for further research on this phenomenon.

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