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BRAND IDENTITY: WHAT WENT WRONG

By:

Najwa Ayouche, Elsa Perpiñá Subiñas and Anupong Tumjanda

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Mats Urde	Frans Melin
Associate Professor	Assistant Professor

Heads of master course Strategic Brand Management (BUSN21), part of master program International Marketing and Brand Management.
Lund School of Economics and Management

BRAND IDENTITY: WHAT WENT WRONG

Najwa Ayouche, Elsa Perpiñá Subiñas and Anupong Tumjanda

ABSTRACT

Purpose: The creation of brand and brand identity has been discussed widely among scholars. However, the literature about what causes a brand to lose its identity is rarely tackled. Therefore, this research serves as a preliminary examination by looking into the causes and actions undertaken by organisations that are negatively projected on the brand identity.

Methodology: Secondary data analysis based on literature review and case studies.

Findings: The research highlights the implications of the strategic decisions and approaches that results in a brand identity crisis for companies.

Original/value: The paper provides a new perspective regarding the brand identity. It aims to examine and determine the causes and actions adopted by companies that result in a brand identity crisis.

Keywords: brand, brand identity, brand dilution, losing brand identity

Paper type: Research paper

INTRODUCTION

Brands and the brand identity have become the focus of many researches and studies due to the increasing importance and value it offers to companies. Numerous scholars developed extensive literature on how to create and develop strong and sustainable brands, evaluate their performance, and all the elements that have influence on it. However, little attempt has been done to talk about the reverse side of brand building: brand disappearance.

In practice, CEOs and brand managers are able to verify if they are building strong brands following the advice of the experts in the field or reviewing the existing manuals, papers and articles dedicated to it. However, this current literature does not fully point what are the causes that lead to brand damage or brand disappearance. Where would Nokia be standing nowadays if they knew how utilize their brand to insure its vitality in the market? Is making strategic moves such as the acquisitions and collaborations always beneficial for brands?

An information gap regarding this topic has been found. For this reason, the paper's main aim is to identify the causes - further in the paper named *signs* - that can lead a brand to either be weakened, have its identity changed or vanish.

LITERATURE REVIEW: UNDERSTANDING A BRAND

The concept of brand has been evolving through the years, and its increasing relevance for marketers have made it a broad area inside marketing. The interest in branding reached its maximum when businesses understood that relying on tangible assets, a high rate of innovation or adjusting the marketing mix was insufficient to create sustainable competitive advantages (Melin, 2002). Many experts are nowadays attempting to create the perfect and most complete definition of the brand. However, it is difficult to reach an agreement as different perspectives can affect the outcome of the definition. In his book *The New Strategic Brand Management*, Kapferer discusses three approaches for brand definition:

From the customer point of view, "*a brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service*" (Keller, 1998), where *brand associations* correspond to the set of unique, strong and positive values that consumers link with the brand, and *perceived quality* to one of the most important brand associations. (Melin, 2002; Kapferer, 2012)

From a financial perspective, brands are *intangible assets* and *conditional assets,* due to the fact that they must be linked to tangible assets to create benefits. (Kapferer, 2012)

The legal approach defines brands as *signs* that denote the origin of products and services and act as both individualiser and differentiator from the competition, with emphasis on *trademark* protection. (Kapferer, 2012)

Nevertheless, these definitions fail to represent the essence of the brand. According to Kapferer, "*a brand is a name with the power to influence*" and carries an emotional weight relevant for its stakeholders and the relationships that they maintain.

The last years the concept of brand has been seen from a strategic point of view, and Kapferer embraces it as a "*name that symbolizes a long-term engagement, crusade or commitment to a unique set of values, embedded into products, services and behaviours, which make the organization, person or product stand apart or stand out.*" (Kapferer, 2012)

From this last interpretation researchers have found distinctions between two types of branding. *Product branding* corresponds to the traditional view of brand, that places the origin in the product and has a focus on the external and more consumer-related part of the brand, which is the *brand image* for identity definition. On the contrary, *corporate branding* is a more current view where the brand has its origin inside the organisation and has a focus on the internal and more corporation-related part of the brand, which is the *brand identity*, for identity definition (Urde, 2013).

The hub in this paper will be more related to *corporate brand identity*, although concepts that can influence brand identity, such as brand image can be mentioned and used as examples that can affect it.

EXISTING BRAND IDENTITY FRAMEWORKS

As previously stated in this literature review, two possible approaches for brand definition have been suggested in the last years (Knox and Bickerton, 2003; Baumgarth, Urde and Merrilees, 2011; Urde, Baumgarth and

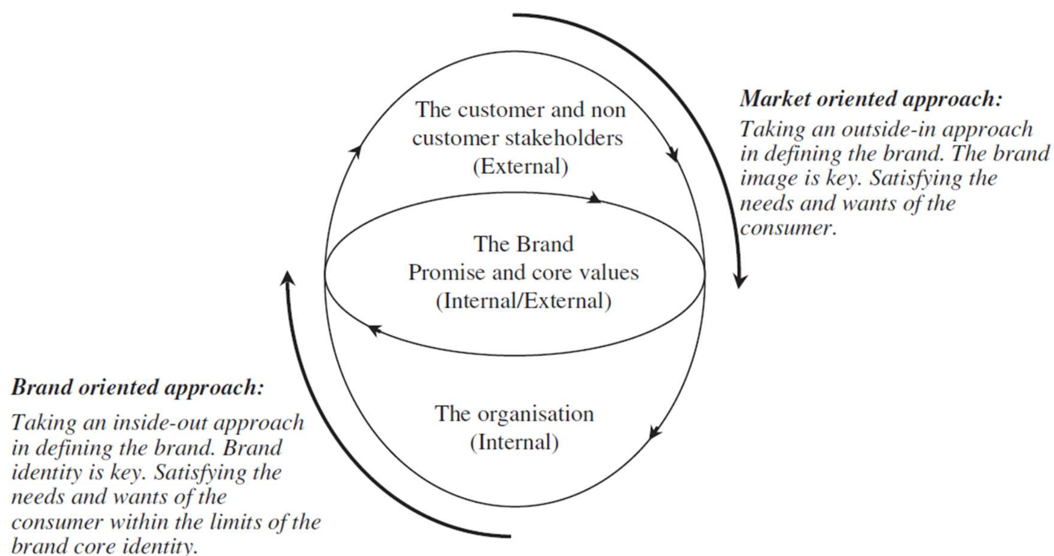


Figure 1. The market and brand-oriented framework (Urde et al, 2011)

Merrilees, 2011). *Figure 1* offers a simple and adequate representation on how these approaches influence the outcome corresponding to brand identity.

The market and brand-oriented framework shows two approaches, depending on the direction taken for brand identity definition. On one hand, the *market-oriented approach* is defined as an outside-in approach because it starts from the external actors -customer and non-customer stakeholders- and focuses on brand image for brand identity definition. Its emphasis lies on customer needs satisfaction. On the other hand, the *brand-oriented approach* has its origin in the internal part -the organisation- to define brand identity, or in other words, it has an inside-out approach. The hub in this approach is the brand image, and customer needs satisfaction is made within the barriers of the brand core identity. In the centre and being influenced by internal and external factors relies the brand identity and its nucleus: *brand promise* and *core values*. (Urde et al, 2011)

This framework is useful for a first understanding on both approaches to brand identity. However, it offers some limitations of a deeper understanding of how brand identity is constructed and associated elements that influence it.

The second framework was introduced by Kapferer in 1991 and improved in 2012: The Brand Identity Prism (*Figure 2*). This framework was a successful attempt to introducing new elements influencing brand identity and also proposing external and internal elements for brand identity creation.

Brand Identity Prism (*Figure 2*) consists of 6 facets or elements that form the brand identity. From the picture of the corporation or *sender*, the brand is formed by the tangible elements and physical qualities -*physique* - and the set of human characteristics and qualities attributable to the brand character - *personality*. From the picture of the consumer or *recipient* the brand is constituted by a *reflection* part or how the consumer thinks he is perceived by others when being in contact with the brand; and a *self-image* part, or how the consumer sees and feels himself when being around or using the brand. The last two elements in the middle part act as a bridge between the organisation and consumers, and these are *relationship* or the collection of contact points and transactions between both actors; and *culture*, or the ideology that surrounds the brand and provides it with reasons for its beliefs, acts and behaviours.

(Kapferer, 2012)

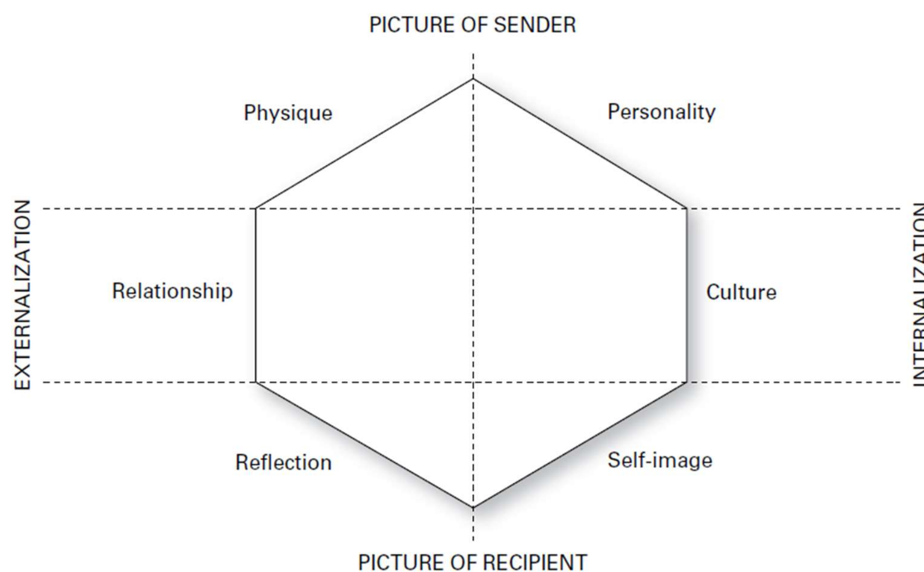


Figure 2. Brand Identity Prism (Kapferer, 2012)

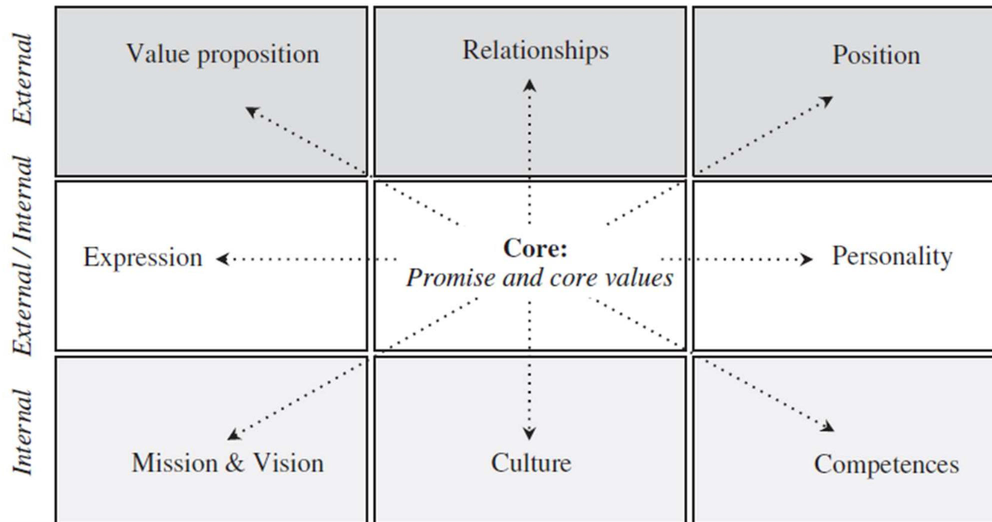


Figure 3. The CBIM or Corporate Brand Identity Matrix. (Urde, 2013)

Although this framework entailed an innovative attempt to include the corporation and the internal parts for constituting the brand identity, it remains closer to *product branding* and to *image* terms than to *identity* and the internal components of brand identity.

The third and last presented framework is the most current and complete in terms of number of elements and relationships among them. It was developed as a possible solution for identifying the corporate brand identity and it emerges from the study on previous literature. *Figure 3* shows the CBIM or Corporate Brand Identity Matrix.

The CBIM is formed by 9 elements that are interrelated in different way, and the elements are divided into three categories, depending on their nature.

The *internal elements* emerge from inside the organisation, and they are mission and vision, culture and competences. *Mission* is related to the reason of existence for the organisation and its main purpose, while *vision* is the extension to the future of this mission and where the corporation aspires to be. *Culture* definition is aligned with the one provided in the Brand Identity Prism, and *competences* are defined as the resources that the corporation can use and that represent a source for sustainable competitive advantage disposal (Urde, 2013).

The *internal-external elements* belong to both parts used for defining brand identity, and act as bridges among the two of them. *Expression* represents "the verbal, visual and other forms of identification as part of a corporate brand identity" (Urde, 2013), that differentiates itself from *personality* because it comprises the communicative part. In the middle of the two elements and also representing the nucleus of the matrix it is found the *promise* and *core values*. Its position in the middle symbolises the essence of the brand, where the *core values* construct the brand's *promise* and concede it with a meaning (Urde, 2013).

The *external elements* are related to the external or stakeholder's perception of the brand. The three elements that capture this part are the *value proposition* or the reasonings that are delivered to stakeholders in an attractive form; *position* or how the corporation is perceived in the consumer's mind; and *relationship*, previously defined in the Brand Identity Prism (Urde, 2013).

Having stated the nine elements inside the matrix, it is necessary to point out the relationships that exists between them.

In fact, the core of the brand identity is reflected in the rest of elements: internal, internal-external and external. At the same time, the rest of the elements are reflected in the core. In other words, there exists a relation of interdependence between the elements, and the core is a vital part that unites them inside the corporate brand identity (Urde, 2013). Moreover, the *mission and vision* of the corporation are formed together with brand's *core values and promise* and reflected externally in the form of brand *position* (Urde, 2013). In addition, the *competences* of a corporation united with the brand's *core values and promise* comprise the *value proposition*, which is communicated externally (Urde, 2013), In this sense, "an effective value proposition should lead to a favourable relationship between customers and the brand and ultimately to positive purchase decisions (Aaker, 1996, 2004), as well as a favourable *reputation* (Greyser, 2009)."

To conclude, the CBIM permits managers to use either a market-oriented approach, constructing brand identity from the external part; or a brand-oriented approach, starting from the internal elements of the matrix (Urde, 2013).

CONTEXT: LOSING BRAND IDENTITY

All the studies and frameworks reviewed offer important insights; however, suffer they concentrate all their efforts into analysing how a brand identity is defined and the strategies to create strong brands. This does not represent a problem *per se*, but what could be argued is that there is little information regarding the issues that could cause brands to lose their identity.

Some researchers such Aaker (1996) wrote about trademark protection in his book *Building Strong Brands*: "In order to avoid losing a trademark, a firm should begin protecting it early in its life". Although he is not addressing the problem of losing the brand identity from a bigger scope, his words have relevance due to the fact that *trademarks* represent the identifiable and unique signs of brands, and trademark protection is key to preserve them as competitive advantages (Mollerup, 1997).

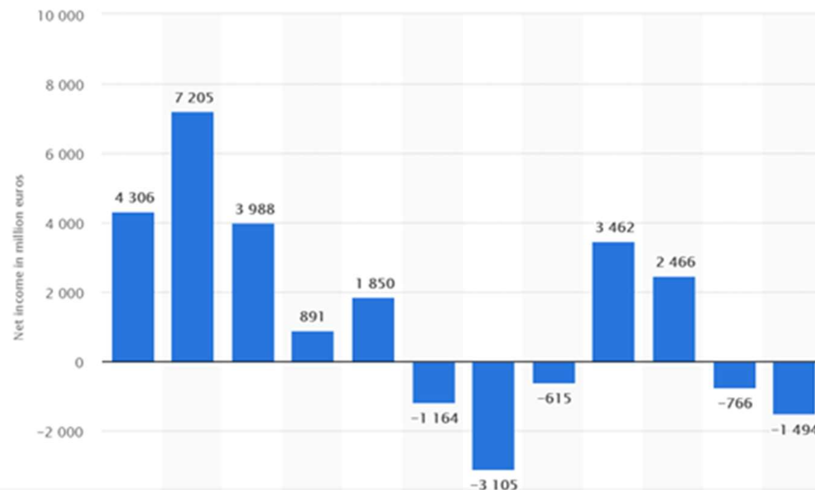
In his latest years of activity, Aaker used a market-approach to discuss some of the main threats for brands, and specifically for brand relevance, in his book *Three threats to brand relevance*. In this and its previous book *Brand Relevance: Making Competitors Irrelevant*, he extendedly defined the term from the consumer's perspective. *Brand relevance* occurs when a brand is the only one considered for the purchase decision in a selected category or subcategory, and the importance of having a high brand relevance relies on the fact that it helps to maintain a strong brand. Regarding this statement, Aaker presents three threats to brand relevance: (1) a decline in the category or subcategory relevance; (2) losing energy relevance, what causes a decline in *brand awareness* and a past - seen as old and not innovative - brand that damages *brand image*; and (3) an emerging reason that prevents consumers from buying the brand, that can be related to a decrease in *perceived quality* or other *brand associations*. As explained earlier, these terms are connected to corporate brand identity and can affect them both positively or negatively.

In order to create new and original literature regarding the problem stated, in the paper it is introduced a series of cases in which brands' identities were lost, changed or redefined, with the purpose of identify the causes or alarming signs can lead the corporations to lose their brand's identity.

CASES

CASE 1: NOKIA

Nokia's net profit/loss* from 2006 to 2017 (in million euros)



Graph 1. Nokia's net profit/Loss from 2006 to 2017 (Statista, n.d.)

Nokia was a strong leader and player in the phone industry for many years on a worldwide scale; however, the downfall for the brand was the result of many reasons. "Connecting people" represents what Nokia stands for and the brand's purpose of offering a large range of phones to serve different segments. This has led to an identity dilemma for the brand because customer knew what it stood for, and now they are having a hard time defining who is Nokia, which is one of the reasons for the beginning of the downfall of the company. Moreover, with the evolution of the phone's industry and the entrance of new market players, starting from Blackberry, Apple, or Samsung, Nokia failed to implement a strategy that would allow it to maintain its position in the market.

Nokia imposed itself as a strong market player in the industry for many years, which allowed it to earn tremendous profits. In fact, while 2007's Nokia made a net profit of €7.21 billion, it ended with a net loss of €1.49 billion in 2017 (Statista, n.d.).

These alarming numbers from the graph raise the important question of understanding what went wrong for Nokia. First, it is important to understand that the technology and more precisely the telecommunication industry is a rapidly evolving sector that requires constant innovation and adjustments. In the early 2000's Nokia was able to grasp the wants and needs of its customers and came up with the right products that were consistent with its identity; however, it ended being so close minded and brand focused that it did not manage to follow what its competitors were doing. In fact, the telecommunication sector is driven by innovation and lifestyle companies like Apple, which Nokia failed to understand. Having a clear and distinctive identity is an important element for any company, but it should be a continuous activity in order to evolve with the market changes. "When more than 60% of the phones on the planet are Nokia-branded and account for more than 30% of smartphones currently sold and you're still flailing, you need a bigger cause than, "our entire focus is on creating and selling really cool phones." That doesn't cut it." (Crutchfield, 2012)

The problem for Nokia was that they were self-centred and did not invest enough time and resources to understand the new market trends that were taking place. The company was late in introducing a smartphone and was still focused on its hardware designs rather than developing its own operating system, which was not a success for Nokia. Operating in the high-tech industry requires

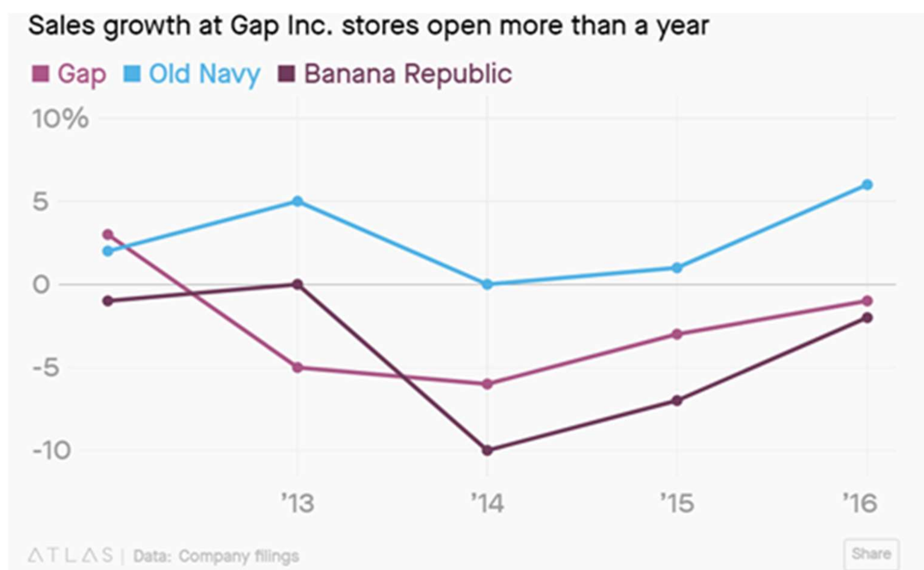
constant innovation and understanding of customers trends, which Nokia failed to catch. By combining a late innovation process and inadequate process, Nokia made a fatal move for its company because it was too focused on its brand identity and internal vocations.

CASE 2: GAP

Gap is an American apparel company that was successful for many years because it was loved by many individuals due to its distinguished style and how it was endorsed by numerous famous individuals and role models. In fact, in the past it was perceived as a brand for ‘’individuals of style” which was promoted through having many artists and famous individuals wearing and showing off their favourite piece from the brand. However, throughout the years GAP started fading in the mind of customers to the point of losing its brand image. The company have been failing both internally and externally to define what it really stands for and the target market it wants to serve. GAP developed an unclear brand image and undistinguished target groups because it failed to adjust to the fast-changing trends that had been occurring.

Moreover, with the rise of online and other major competitors like Forever21 and H&M, the brand struggled to find a competitive advantage and strategy to impose itself in the market. For example, H&M had a market share of 1.4% while it was only 0.3% for GAP in 2017 (Statista, n.d.). By trying to stay so true and consistent, GAP have not made significant investments in innovation and product development, which represented a major issue because customers and especially millennials are very responsive to current trends. This was elaborated by Larson “The key problem is that they have not innovated with product, says Bernadette Kissane, apparel and footwear analyst at Euromonitor International. It also feels as though neither they nor their consumer know exactly who they are targeting.” (Larson, 2015)

Furthermore, Gap has been trying to expand and diversify its portfolio by acquiring a new brand and developing a new daughter brand throughout the years. The acquisition of Banana Republic (1983) and creation of the brand Old Navy in 1994, was an attempt for redemption, but this resulted in the decline of the stock price since 1999. The creation of Old Navy was a strategic goal to target new segments and to try to utilize it to revive Gap; however, the results did not turn out to be as



Graph 2. Sales growth at Gap Inc. (Atlas, 2018)

expected. In fact, Old Navy has proven to be more successful than Gap by having a clear positioning, target market, and price value proposition. Both Banana Republic and Gap have been struggling in the market, while Old Navy has been thriving and that pushed the CEO of Gap Inc. to close many stores "In September, Gap Inc. CEO Art Peck decided to shut down about 200 Gap and Banana Republic stores, and focus the business more on Old Navy and Athleta, the company's thriving activewear chain" (Bain, 2018).

Graph 2 is a representation of the situation of the Gap, Old Navy, and Banana Republic. Even if Gap and Banana republic are improving, Old Navy is outperforming the other brands. The identity issue for Gap represents a big dilemma for the brand because it has pushed people to think that it should just rename itself Old Navy and disappear. It is true that it is still contributing to the total sales of the corporation, but the company needs to find a new approach to revive the success that Gap once had in the past.

CASE 3: ABERCROMBIE & FITCH

Abercrombie & Fitch is an American stock market listed company in the fashion sector whose principal activity is American style apparel retailing. Today, the firm is globally operating in more than 800 countries and earned a net income of $7.1 million in 2017.

Created in 1892, Abercrombie & Co. evolved during its years of activities. In its first stage and under David T. Abercrombie management the company was specialised in outdoor activities such as fishing, hunting and other type of sports. In 1904 the firm became Abercrombie & Fitch after Ezra Fitch entered the business and partnered with the founder. Despite the success of A&F in the first half of the XX century, the company faced bankruptcy in 1976 due to a challenging environment and inappropriate attempts to increase sales, such as offering very low prices for their items.

This implied a cumulus of circumstances for reconsidering the brand's promise, that was reformulated with the new acquisitions of the brand. The modern era, under the management of Mike Jeffries, was communicated to its stakeholders through incremental changes - from selling special sports equipment to fashion apparel - and press releases from the president of the company. A&F targeted young American population and built itself a new culture and image according to their market: pop culture and freedom with sexual connotations, what made the business and revenues rise again, and the brand stronger.

Regardless of the success it is the brand's responsibility to create and maintain good reputation and relationships among its stakeholders (Greyser, 2009), and that was lacking for Abercrombie & Fitch in the early 2000s. Numerous scandals arouse due to several practices that were considered unethical: recruiting only physically attractive men and women and dismissing a Muslim employee for appearance and religious reasons, acts that were defended by A&F CEO through the media:

"*That's why we hire good-looking people in our stores. Because good-looking people attract other good-looking people, and we want to market to cool, good-looking people. We don't market to anyone other than that*." (Jeffries, 2006).

However, the detonating for Abercrombie & Fitch breakdown was Jeffries reaffirmation on deciding not to manufacture extra-large sizes because, according to the expert in retailing businesses Robin Lewis, he "doesn't want larger people shopping in his store, he wants thin and beautiful people".

His words were hardly criticised on social media, and the mismanagement of this issue – not responding and being silent to critics – worsened the scenario. The scandal was scattered on the media, the protest became stronger and the image and reputation of the brand was damaged up to the point where the stock share value decreased about 60% in six months. The company was forced for the second time in its history to reconsider its core values and ethics, and the measures taken were

the deployment of Jeffries as CEO of the company, communication of the new intention to the press and manufacturing clothing in larger sizes.

In the end, it is difficult for a brand to be successful and relevant without its supporters.

CASE 4: NEIMAN MARCUS AND TARGET

The designer and retailer collaborations are usual nowadays. Some of them can be very successful, such as the collaboration between Versace and H&M in 2011 or the collection from Missoni and Target in 2011. Collaborations can benefit both the designers and the retailers. The designers make profits with their collection that can be used to finance their brand, while getting media attention. Meanwhile, retailers get publicity, profits and the possibility of expanding their customer base (Mau, 2011) However, these collaborations are not always a successful formula: this is what happened with Target and Neiman Marcus.

Target is one of the leading discount department store retailers in the US. It was founded by George Draper Dayton when he decided to start a store and form a company named Dayton Dry Goods Company in Minneapolis, 1902. The first Target store was also introduced in Minneapolis, in 1962 (Target, 2018) and business have grown ever since. As of 2017, Target owns 1,822 stores in North America (Statista, n.d.). Neiman Marcus is an upscale department store chain in the US. It opened its first store in Downtown Dallas, Texas in 1907. The store is well known for its luxury and high price products. Today, it is operated by The Neiman Marcus Group and have 42 stores across the US with the mission statement:

"Neiman Marcus Stores will be the premier luxury retailer recognized for merchandise leadership and superior customer service. We will offer the finest fashion and quality products in an exceptional environment." (Neiman Marcus Group, 2018)

Both retailers decided to collaborate for a holiday collection in 2012 on 50 limited-edition products. The collection was designed by 24 of the most prominent American designers such as Carolina Herrera and Oscar de la Renta. It was launched on December 1st, 2012 and was sold at all of their stores and their online channels (Target, 2012). Despite the high investments on TV commercials, media frenzy and Hollywood celebrity endorsement, the collaboration failed. There are several reasons behind this disaster and can be highlighted as follows.

First of all, both retailers did not carefully align with their vision. High fashion is about being edgy and unique. Therefore, the product positioning for Target were customers are mainly mass-market shoppers was misaligned (Kosin, 2017). Another problem found was the price of the collection. The price range went from $7.99 to $499.99. For Target's price sensitive customers, the collection was too expensive: products that were priced over $100 did not achieve the sales objectives (Petro, 2013). On the contrary, the price of the collection was too cheap for Neiman Marcus customers (The Shophound, 2013) and did not play a big role on their purchasing decision. Instead, they were expecting a good shopping experience (Petro, 2013).

The main reason for the failure was mismatching with expected perceived quality. Even though customers at Target usually search for low prices, they expected a better quality when higher prices were charged. Customers complained about the quality of the products (Lutz, 2013) and one example of the reach of these complaints was about the poor quality of the handbags and dresses designed by Oscar de la Renta (Hall, 2012). The result of the collaboration was that despite having the collection offered for weeks, the companies were not able to sell it completely. On an attempt for doing so, they made some price discount up to 70% at Target and up to 50% at Neiman Marcus (The Shophound, 2013).

CASE 5: PIERRE CARDIN

Excessive licensing can create a significant risk for brand dilution and have serious implications, such as the brand losing its identity, like the case of Pierre Cardin. Pierre Cardin is a French designer who had worked for Christian Dior in 1946 and later found his own Pierre Cardin fashion house in 1950 (Pierre Cardin, 2018). In 1953, the brand became a member of the *Chambre Syndicale de la Couture Parisienne*, the trade association for haute couture brands such as Chanel, Balmain or Christian Dior (FHCM, 2018). His designs became famous and were used to dress A-list clients, as well as The Beatles in the 50s (Dike, 2015).

Pierre Cardin is considered an early king of licensing. He started to license his name to perfumes and cosmetics in 1960s and it went very well at that time (Reddy and Terblanche, 2005). Due to the success in its earlier license practice, in 1968, he started to license his name beyond fashion, the first product outside fashion industry he lent his name to was porcelain crockery and in 1980s he started to license extensively. In 1984, Cardin had 540 licenses and was praised for his controlling ability over his trademark. However, in 1986, Cardin's license portfolio had grown up to 800 licenses. This excessive licensing provoked that his name lost its exclusivity, together with a decreasing brand credibility for consumers, despite the company making a big fortune (Dike, 2015).

In spite of license mismanagement which led to brand devaluation, Pierre Cardin continued to expand its licensing empire further. He defended his licensing strategy saying:

"I've done it all! I even have my own water! I'll do perfumes, sardines. Why not? During the war, I would have rather smelled the scent of sardines than of perfume. If someone asked me to do toilet paper, I'd do it. Why not?" (Cardin, 2012; Eisner and Alonso, 2002).

Today, the brand that was once perceived as luxurious and exclusive has lost its essence due to its presence in unrelated items. Consumers can purchase Pierre Cardin products such as pens, travelling bags, perfumes, clothes and accessories all over the world. Nevertheless, the decrease in perceived quality for its products switched brand associations to terms such as cheap or off-price sales. Moreover, with the high number of licensees, it has become harder for the company to exert control over them. Feldman (2017) argues that taking into consideration his lifetime, if Cardin's initial interest in licensing was money he is in his right for licensing. However, from a broader perspective he has damaged his legacy and brand credibility, which can be extremely hard to regain.

In 2011, Cardin attempted to sell his business for €1 billion, despite the Wall Street Journal setting its value just around €200 million. Nonetheless, there was no interest for third parties to acquire the brand and in the end, he was not able to sell it (Dike, 2015).

DISCUSSION

Developing a consistent and distinguished brand identity is an activity that requires intensive analysis both internally and externally. It is important for companies to know how to utilize it in their advantage and to allow them to gain a strong market position. However, sometimes companies find themselves facing serious problems due to some identity issues that result from numerous signs and factors. In fact, companies should be aware that to survive in the market and maintain their positioning and brand image, it requires constant improvements and evaluation to make sure the brand is going on the right path. The branding process is continuous and needs to take into consideration the different stakeholders that affect the company internally and externally, however a series of brands have failed to do so.

Some companies are so overly confident and blinded by their success and brand identity that they end up losing

everything they work for. It is essential to understand that having a competitive advantage is important, but it should be adjusted to the current trends and customers' needs in order to maintain its value. It is true that constant innovation and improvement are more crucial in some industries than other, but companies should always keep in mind that their outside environment is always evolving. The case of Nokia is an illustration of this because it used to be a market leader that at some point found itself falling in the shadows. In fact, Nokia was very successful and managed to have a strong market share for many years, but it did not follow up with the revolution that the tech industry witnessed and the new market players that changed the way phones operate. Nokia is known by everyone, but what it has to offer to customers is unclear, which resulted in a fading brand identity. It is important for companies to use different strategic assets to ensure its survival "There are very few strategic assets available to a company that can provide a long-lasting competitive advantage, and even then, the time span of the advantage is getting shorter. Brands are one of them, along with R&D, a real consumer orientation, an efficiency culture (cost cutting), employee involvement, and the capacity to change and react rapidly." (Kapferer, 2012). Nokia was a laggard in innovating and did not manage to capture a significant value proposition because it was still concentrated on its hardware features rather than developing an adequate operating system. When a company does not manage to adjust its brand identity and innovate in occurrence to the market trends that are happening, it can lose brand relevance, and consequently affect negatively to its brand identity.

Lacking innovation and failing to a maintain distinguished brand image have significant impacts on the brands performance. The example of Gap Inc. reflects how it is easy for a brand to lose its position in the market because it not only failed to develop a clear identity for itself, but it also did not manage to remain at its competitors' level. Gap was thriving at a point of time, but it was unsuccessful in maintaining its position. The reason was they did not manage to define a distinguished target market and offer a clear value proposition in the industry. Fashion is a fast-moving sector that requires constant adjustments because the number of competitors is rising every day. However, it is important to understand that innovation and reforms might be not enough for creating sustainable competitive advantage (Melin, 2002). Gap was easily surpassed by other competitors like H&M and Forever 21 because they knew how to appeal to their target market and develop a consistent identity. Moreover, the creation of a brand like Old Navy only made things worse for the brand because the outcome did not come in favour of Gap as planned initially. Old Navy is clear about what segment it wants to target and its price strategy approach. Therefore, it is necessary for any brand to ensure itself a true brand identity and focus on providing significant core attributes.

Brand identity plays a vital role in defining the processes of companies, but this does not mean that they should not be aware of what is happening around them. In fact, when developing a brand identity, the company should consider how the audience and more precisely how target customers will react to it. The case of Abercrombie & Fitch discusses how the brand wanted to use only fit and beautiful models and refused hiring Muslim women wearing hijab because they claimed that they wanted to target only trendy and attractive customers. These statements and insights created an outrage for the public because the brand was communicating values and ethics that were perceived negatively by customers. It is essential for a company to come up with a value proposition that would speak favourably for the brand as stated, "An effective value proposition should lead to a favourable relationship between customers and the brand and ultimately to positive purchase decisions (Aaker, 1996, 2004), as well as a favourable reputation" (Greyser, 2009). A multinational company such as Abercrombie & Fitch that dresses numerous youngsters and teenagers should act as a role model for them. If the company fails to reposition itself and the

brand identity it created, it will lose important profits and market share as a result.

To be continued with the issue of brand ambiguity and brand identity, some companies try to develop new market opportunities by partnering and collaborating with other brands. These partnerships can end up being beneficial and strategic for firms because they allow them to expand their customer base and get new associations, but sometimes they have a negative impact on the brand's identity. In fact, Neiman Marcus and Target decided to collaborate and created a product line that was sold in both stores with having a wide price range. The goal was to develop a strategy that would allow both to attract new customers and increase sales; however, customers did not react as expected. Target is considered more of bargain and affordable retailer while Neiman Marcus was a high-end expensive store. Customers from Target found the products to be too expensive while the usual customers of Neiman Marcus did not want to be associated with Target. This resulted in creating a negative brand image and positioning for both brands, since they adopted business actions that did not support who they are as individual brands.

Furthermore, some brands start losing their identity and fall under ambiguity because they formulate and implement strategies that are not homogenous. Diversifying the portfolio and looking for new opportunities to grow is beneficial; however, it needs to be done in a strategic manner. Some companies end up having serious issues in terms of identity and positioning because they adopt strategies that do not serve the brand as it was planned. In fact, when a company uses too much licensing and its brand name in a very wide range of products, it might result in facing issues in the market and the mind of customers. In the case of Pierre Cardin, it used to be a high-end fashion company that had a very distinctive brand image and target customers. However, the company decided to implement a heavy licensing strategy and introduced a large range of products that carried the brand's name. It is true that this allowed the company to expend its target segments and diversify its portfolio, but the outcome was creating a crisis for the brand's identity. Even customers started being discontent with the brand image and positioning of Pierre Cardin because they could not ascertain what it stands for them anymore. A company should know how to expand its horizons in strategic manner that would allow it to still be true to its brand identity.

The theoretical framework provides an in-depth analysis of what is a brand identity and advocates for how it is vital for any company to have a good understanding of both the internal and external factors that affect the brand. However, it is not an easy task for brands to manage having a consistent, productive, and forward-moving brand identity because they need to consider the numerous actors and elements that affect its proceedings. The analysis of the different examples and case studies give a clear insight of the numerous issues that can cost a brand to lose its identity and fall into a critical path. Before taking any business decisions such as mergers, collaborations, or licensing it is important to make sure that it aligns with its brand identity and will result in having a positive impact on the firm. Furthermore, companies should work constantly on innovating, understanding customer trends, and defining its operating frameworks that would support its brand identity. The brand is the essence and core of every company.

THEORETICAL IMPLICATIONS

This paper contributes to a better understanding of brands, and more concretely to how the brand identity is formulated. With respect to the existing literature, the paper encompasses the most relevant brand-related terms and discusses their definition, in addition to the relationships that exist between them. It also unifies in a single document three of the most significant frameworks for brand identity definition.

What could be considered as original of this work is the fact that it adds a new perspective for a better understanding of brand identity. In fact, it is a perspective that rather

than only explaining the brand building process shows situations in which the brand identity needs to be reconsidered in order to survive. The cases presented offer different threats or warning signs from six companies operating in distinct industries, what makes it varied and complete at the same time.

To finish with, this paper has been created in order to open new discussions and to provide a new path that other researchers can use to find new signs, to achieve deeper understanding from them and to continue in further steps.

MANAGERIAL IMPLICATIONS

The findings of this research provided several managerial implications. However, these managerial implications serve as precaution for a brand. The recommendations are based on the inspection on the company actions and practices that resulted in a brand dilution. Therefore, the managers can use these implications to avoid their brands falling on a trap of dilution.

First, the company has to consider the public reaction when developing brand identity. The extreme brand identity can cause public outrage which resulted in a corporate backlash. Therefore, an effective value proposition should lead to a favourable relationship for both the customers and the brand. Second, brand identity is a good asset. However, in order to stay competitive in the market, companies need to constantly stay innovated in order to be able to catch up with the current trends and customer preferences. Third, a company has to be cautious when considering a licensing strategy to grow its business. Excessive licensing can result in a serious loss of identity and credibility. Therefore, a company should license their trademark/brand name to the relevant products that complement its brand identity and image. Fourth, an enterprise needs to align its company's vision and take its positioning, target customers and product's perceived quality in to consideration when collaborate with other firms. Lastly, firms in fast fashion industry require constant adjustment. Innovation and marketing mix are vital to create sustainable competitive advantages in a highly competitive environment.

CONCLUSION

The brand by itself is one of the most important intangible assets companies have. Therefore, creating a strong and sustainable brand is vital for businesses. However, retaining the brand has proven to be more challenging. The theoretical framework is based on 3 different existing models which are "the Market and Brand Orientation Framework" by Urde, "Brand Identity Prism" by Kapferer and "the Corporate Brand Identity Matrix" by Urde. They are used to explain the concept of brand and the brand identity framework. These frameworks are an important scripture for brand managers and companies in order to create and develop the brand.

Moreover, the different cases are introduced and examined provide important insights and highlight several signs of malpractices, which result in brand dilution. After thoroughly investigating the cases, it can be said that brand identity is a process involving internal and external stakeholders. Companies cannot only focus on their internal processes but have to take external factors such as customers, non-governmental organizations and society into their consideration before making their business decisions. These implications are emphasized in situations where a company's brand identity end up creating a negative reputation for the brand and creating a negative resonance in the mind of customers. Furthermore, firms need to be aware that a strong brand name is not guarantee for success; however, innovation and constant evaluation allow companies to have competitive advantage that needs to be supported by the brand. Before making any strategic decision, a company should make sure it aligns with its core values and brand identity. Initiatives such as collaboration, or licensing that ignored the company's positioning and target customer can turn up to have negative consequences on many levels. Companies that

failed to consider the internal and external stakeholders while making such decision may have to learn a hard time or in a worst-case scenario is facing a brand dilution. Brand managers and enterprise can use these insights as a preliminary guide to manage their business in order to retain their brand and to prevent the company from falling in a brand identity crisis.

This paper was developed to examine and explore the causes of brand dilution through the series of cases that have been analysed and the linkage done with previous findings. Therefore, the findings are purely based on the cases analysis of a group of well-known companies from a fashion, retail, and cosmetics industry that are facing real identity crisis. Moreover, this research aims to identify the signs or causes of how brand identity diluted. Therefore, the authors encourage scholars to explore further intensively by looking into various companies from different firm sizes and industry. A good recommendation would be to develop researches and models that would be able to give advices to solve the problems discussed.

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