

Was Gap's New Logo Crap?

TEACHING NOTES

The authors prepared this case solely as a basis for class discussion and not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. Although based on real events and despite occasional references to actual companies, this case is fictitious and any resemblance to actual persons or entities is coincidental.

Teaching Notes

Teaching Plan

The following pages outline a teaching plan for the Gap case, a real life managerial issue in the field of corporate brand management. It is a guide on how to prepare for the case and how to structure the teaching in general. Nevertheless, it can only be seen as an assisting tool not a rulebook to follow by. These teaching notes will help the case instructor to handle an efficient discussion and get everyone engaged. Furthermore, it will help to achieve the established learning objectives. First, we will present a summary of the case, followed by a description of the key learning objectives. Finally, the main and assisting questions are mentioned and teaching suggestions are made.

Case Synopsis

In October 2010 Gap, a San Francisco based clothing company, faced some major issues regarding their brand image of being a bit “dusty” and also saw a significant decrease in sales. To rejuvenate the brand perception and make Gap a fresher, more modern brand, the company decided to introduce a new logo. This happened very suddenly without any prior announcement on Gap's website and social media channels. However, this overnight logo change led to a lot of criticism and negative response. Not only media and the design community shared their disapproval with the logo change, but also customers voiced their anger with the company and the new logo. Gap's first reaction to all the critique was to initiate a crowdsourcing project. The company launched a competition and asked the public, customers and designers to send in their own logo suggestions. Despite this, the protests continued and the crowdsourcing solution was criticised as well. Therefore, the question arose how the brand president of Gap should have reacted to all the negative responses in the first place and what actions the company should have taken.

Learning Objectives

During the presentation, discussion and evaluation of the presented case, the audience should achieve several learning objectives. In the following section these key learnings will be outlined in depth and connected to relevant literature.

Relevant topics to this particular case can be identified within corporate brand management, e.g. corporate identity, brand image, corporate communication and corporate reputation. The intention of the following paragraphs is to present detailed implications on what went wrong in this specific case of Gap and how to handle similar cases in the future.

Corporate Identity and Image

First of all, one of the issues considering the case of Gap was that the corporate identity was not coherent with how customers perceived the brand image. According to Roper and Fill (2012) the identity, including corporate values, internal culture and behavior, deals with how the company presents itself internally and externally. In contrast, the image of the brand stands for the different perceptions customers have. Customers construct a complex set of associations with a certain brand and connect symbols, such as the logo to the brand (Roper & Fill, 2012). Both, the visual and the verbal brand identity need to be considered and managing these two effectively is incredibly important (Balmer & Wilson, 1998). According to Urde's (2013) Corporate Brand Identity Matrix (CBIM) the expression (see Appendix 1), which is both viewed internally and externally, represents the verbal and visual manifestations of the brand. Gap's identity at the time of the logo change was not consistent with what the brand has been representing before. The brand tried to change their identity by only changing the visual element, i.e. the expression field in the CBIM of their brand. Hence, the visual identity was not coherent with the verbal brand identity after the introduction of the new logo. Urde (2013) further states that all elements of the matrix are connected and that "the content of one element echoes that of the others". In other words, changing the content of one element influences the others subsequently and leads to an incoherent corporate brand identity. We can see that in this case changing the logo had not only an effect on the expression but also the brand core and personality, representing the communication horizontal in the CBI Matrix.

Corporate Communication

Since logos are visual expressions of the company they are an important part of the corporate communication, which can have a disturbing effect on both its internal and external audience (Roper & Fill, 2012). According to Fombrun and van Riel (2004) companies use symbols to communicate with all stakeholders. All the visual identifiers used in communication efforts influence a company's reputation and therefore need to be consistent. Besides consistency the authors identified other key dimensions, such as visibility, distinctiveness, transparency and authenticity which can be seen in **Exhibit 1** below.

Exhibit 1. Visual identifiers used to support reputation (Roper & Fill, 2012).

Visibility	Logos	Work-wear	Architecture	Distinctiveness
	Motifs	Slogans	Signage	
	Fonts	Names	Colours	
Authenticity		Transparency	Consistency	

Since Gap's logo change was made without any announcement, this indicates a lack of transparency from the company's side. A sudden strategic move like this may cause loss in credibility and authenticity and a greater risk of a negative impact on reputation. Another important point to mention here is that the new logo did not seem distinctive enough for many customers as they voiced in their criticism and protests. However, in order to reach a younger target group, especially millennials, the company implemented a new logo. Gap saw the change as a quick way of rejuvenating the brand image, making it more modern and relevant for the younger audience. What they did not expect was how much value customers put into the old logo.

Logo change and meaning of a logo

The logo as a visual identity or trademark influences the assumptions and meanings we put into a specific brand. Roper and Fill (2012) highlight that a corporate identity is developed over a period of time and influenced by promotional messages and advertising. In Gap's case the old logo has been around for more than 20 years and is seen as a quality assurance which reflects what the brand represents, both in products and values. By changing the Gap logo, the company forced a new identity on an already well recognized brand with existing associations to the original logo.

Dowling (1996) mentions the "corporate identity trap" which according to the author is when a company changes their logo although there is no apparent reason to do so. In the case of Gap there were arguments of why the company thought it was a good idea to change the logo. However, the company only changed the logo and did not align the rest of the brand identity elements. Thus, unnecessary money was spent on a failed attempt to change customers' perception only with a new logo. In Gap's case about 100 million USD were spent on the logo failure.

Roper and Fill (2012, p. 65) state the following:

"Changing the visible elements is just an expensive quick fix."

Merely changing the visible elements of a brand, such as corporate logos, letterheads or work wear does not necessarily mean that there will be a change to the tacit values and assumptions. In other words, the corporate logo triggers recognition in the heads of customers and helps them understand what a brand stands for and what values it represents. Just thinking of other logos such as the shell by Shell, the whoosh of Nike and the arches of McDonald's, all of them are instantly recognized, understood and associated with their products and value proposition (Roper & Fill, 2012). In similarity to all these worldwide known logos, Gap also has a strong heritage which customers are emotionally attached to and prone to protect. Those were the customers that not only bought the clothes but identified deeply with Gap and its core values, as it has been communicated through the old logo. This is especially recognized within brand communities as described by Roper and Fill (2012):

"Community members also feel a duty to protect what they consider to be the brand's sacred heritage. A code of ethics is another characteristic of the brand community. Members will not tolerate disloyalty to their brand. Monitoring and engaging with such brand communities

can help brands to hold the line and ensure they are not sidetracked or tempted into areas that would lead to their rejection by supporters and damage to their reputation.” (p.195)

The public's negative reactions to the logo change can therefore be seen as a way to protect the brand. In the case of Gap the brand community members targeted their criticism towards the brand not only to show their disapproval of the new design but rather as a statement to the management as being “disloyal” to the traditional blue box logo.

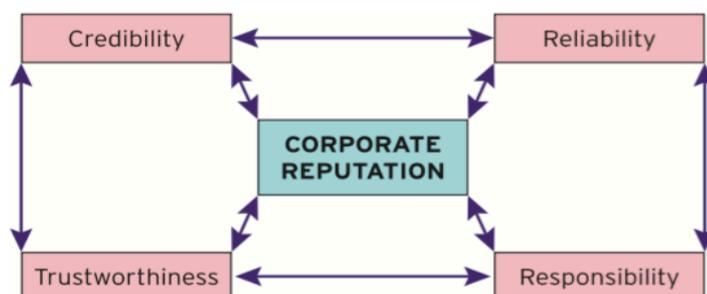
Internal view on logo change

According to Roper and Fill (2012) unexpected logo changes can be an indicator of new acquisitions or instability in the business structure. This might influence internal stakeholders and have a negative impact on the company image if not handled correctly. Brand symbols such as logos are not only visible externally but also a part of the internal expression and corporate culture. Employees might even have a stronger emotional connection to the logo as it is part of their everyday work life, something they have to be comfortable representing. Thus, if the employees are not involved in the process of the logo change, there is a risk of uncertainty in what the new logo and identity represents more than the graphic aspect.

Corporate Reputation

As shown by Roper and Fill (2012) corporate reputation is a collective representation of a company's past and present that describes its ability to deliver valued outcomes to different stakeholders. The figure below (**Exhibit 2**) explains how corporate reputation is affected by the credibility, reliability, trustworthiness and responsibility in both competitive and institutional environments. The solid reputation of Gap changed as rapidly as its logo and had far bigger consequences on the company than they ever could imagine. What happened in Gap's case was that the logo change came as surprise for stakeholders, which questioned Gap's trustworthiness and potential changes in the company structure and company values.

Exhibit 2. What makes a good reputation? (Roper & Fill, 2012)



Overview of Key Learnings

Key learning objectives		
	Theoretical implications	Practical implications
Consider...	<p>...that the corporate image perceived by customers needs to reflect the corporate identity</p> <p>...using Corporate Brand Identity Matrix (Urde, 2013)</p> <p>...how corporate brand identity is closely connected to corporate reputation</p>	<p>Here:</p> <ul style="list-style-type: none"> - The way Gap wanted the brand to be perceived did not trigger the associations customers had with it - Gap did not align the essential corporate identity elements - Gap did not foresee the negative effects on the reputation
Create...	<p>...consistent and authentic symbols to communicate with stakeholders</p>	<p>Here: Gap's new logo was not distinctive enough and too generic</p>
Remember...	<p>...changing the visible elements is just an expensive quick fix (Roper & Fill, 2012)</p> <p>...Dowling's (1996) "<i>corporate identity trap</i>" states that brands need to have good reasons for changing the logo</p> <p>...a corporate identity is developed over a period of time</p>	<p>Here:</p> <ul style="list-style-type: none"> - Gap's logo change does not mean that there will also be a change of tacit values and assumptions customers put into the brand - Emotional attachment was more significant than expected - Reasons to change were not "good enough" - Gap's old logo was around for more than 20 years > iconic in the eyes of customers
Understand...	<p>...employees are important stakeholders internally and should be part of the process</p>	<p>Here: Gap's employees were not involved in the logo change which might lead to internal friction</p>

Discussion Questions

Since the aim of the case presentation and discussion is to accomplish the above stated key learning goals, it is highly recommended to prepare assisting questions to keep a flow in the discussion. Thus, the below questions are suggested and we advise the case moderator to use them to get the class even more involved during the discussion.

Main Question:

- If you were the head of brand management of Gap how would you react to the negative reactions and what actions would you take?

Assisting Questions:

- How should they have communicated the change?
- In what way can the logo change also have an impact internally?
- How extensive did the logo change affect other parts of the brand identity than the visual expression?
- What other strategies would have been better to change the brand image of the customers?
- Should customers be involved in the process of creating a new logo and to what extent?

Teaching Suggestions

The following chapter gives some suggestions regarding teaching techniques and potential improvements based on previous case participations. A recommended time plan and board plan will be presented subsequently.

Firstly, the use of different media can be beneficial when presenting a case. The case is best explained with the help of the provided Keynote slides. This visual presentation of the case is not only a good way to get the audience's attention but also to provide a clear structure. Thus, the audience can simply follow and memorize the case best. Beside the visual slides, the instructor is provided with speaker notes and a short description of each slide. During the discussion, it is recommended to use a whiteboard to write down and summarize the main points touched upon.

Secondly, the case instructor should ask the participants to prepare name tags in order to communicate more effectively and also on a personal level. Before starting the discussion, it is recommended to ask the audience if any questions have emerged so far.

Thirdly, it is favorable to integrate a role play and let the audience represent the brand manager of Gap to realize a more realistic debate. The case instructor is only leading and guiding the discussion without any influential remarks. In order to have a steady discussion, the question should always be visible. In addition, the leader should further remind the audience about the role they are playing. Using the provided assisting questions can help keep the debate going as well. The board plan is highly recommended as a structure and visual aid for the discussion.

Finally, at the end of the discussion, the best managerial actions could be based on a democratic group decision, taken in a vote (e.g. hand signals). In order to show the real outcome of the case, more slides are provided. If the audience did come up with the same decision (i.e. crowdsourcing project and changing back to the old logo), the instructor should definitely draw a connection here.

Time Plan

In addition to the teaching decisions, a time plan is provided to give the instructor an idea of how much time is needed to spend on each section and to ensure that all material is covered in the allotted time. The time plan in **Exhibit 3** shows the approximate time distribution of the total 45 minutes given for the instructor to present. Firstly, introducing the background of the Gap brand and its brand identity structure by using Urde's CBIM, moving on to the logo change incident itself and after that leading a class discussion of possible solutions to the case dilemma. The last third of the time will be spent to explain what decisions Gap decided to make and what they possibly could have done differently based on the discussion made earlier in class.

Exhibit 3. Time Plan



Board Plan

In order to structure and organize the main topics and ideas brought up during class discussion, the instructor should have a prepared structure in mind. Based on practical experience and approach used in class, we recommend to use a problem solving and decision approach. By pointing out the challenges, alternatives and actions the instructor together with the class can follow the identified challenges and define what alternatives there may be to solve the issues and lastly bring together the suggestions into practical actions. **Exhibit 4** shows a possible outcome of the board plan.

Exhibit 4. Board Plan

Challenge	Alternative	Action
Affects image, trust and brand identity	"All publicity is good publicity" approach	Press realise - Apologie about the change and switch back to the old logo
Confused stakeholders	Clear communication to why they made the change	Press release - Be honest about the new identity and the future changes to come and keep the new logo
Uncertainty of what else might change - products, price, target customer?	Rebrand even more, go all in with the new advertising	Press release - Explain why the logo was changed and have it as a part of the new advertising/communication
Feeling of "quick fix"	Delete the negative comments on Facebook and ignore the response	Push out the new logo in all channels and stores - people will learn to like it
How to react to the reaction - ignoring may upset customers even more	Ask for more feedback and improve the new logo. Involve the public in the logo making process	Crowdsourcing
Internal confusion - do the employee approve of the change?	Integrate the employees in the new change	Involve the employees in the marketing of the new identity and logo, to show how the corp are involved
How to handle the fake twitter account and parodies	Embrace the humanistic parodies and be part of it	Comment on the fake twitter account and set up a "GapLogoOfficial"
Risk of spill over and affect Gap Inc.'s other brands	Come up with another new logo	Hire a new agency to make another new logo
Risk the the new logo does not represent the identity that the customer have in mind	Logo rotation (excuse) new logo each month - Gap change the color of the logo to red during Christmas	Introduce multiple new logos under a period of time, like "limited edition"
		Fire the Brand President (the change did cost 100 million dollars...)

Epilogue

Key learnings of this case are to evaluate and understand effects of a logo change on multiple aspects of the corporate brand identity and the spillover effect on the corporate reputation. It is important to recognize the complexity of even the smallest managerial decisions as a logo change, and not underestimate the emotional relation to the brand and values it might represent. As shown in this case, the overnight logo change did not bring the expected associations to the brand as "fresher, modern, sexy and cool" but rather as unnecessary and uncreative. Since Gap did not support the event with verbal communication and only demonstrated the new logo, the whole process became unclear and gave room for negative responses and criticism by stakeholders.

All in all, those findings and way of analyzing the spillover effect from one area to another is not only valuable for corporate brand and reputation management but management overall, i.e. general management, human resources management and communications management. As companies regularly face different challenges that should not be demarcated to a specific area but rather seen as a threat to the company.

Reflection

The final assignment of BUSN35 Corporate Brand Management and Reputation was to write and present a company case. The aim was to assess a real life managerial challenge and transform it into an interesting case to share in an academic setting.

During the first supervision with professor Mats Urde, a group of three students (Agata Anna Gornik, Ines Krikler and Sabine Ljunggren) pitched three different ideas. After brainstorming and problematizing different approaches on how to write and present the different cases, a decision was made. The chosen case was about a brand logo change that ended in numerous negative responses from customers and the public. The company, Gap in this case, changed the logo without any announcement in 2010 and faced immediate critique. All three students found this topic to be interesting and timeless since companies experience logo changes continuously.

In order to write and prepare the case for a class presentation, several group meetings were set up. The big challenges were to always look upon the case from a managerial point of view and to keep a broad perspective on what the outcome of a student discussion in class could be like. All three students separately researched the case in general before the first meeting to gain more knowledge. The written case was mainly based on the findings of this research, i.e. information in relevant journals, public responses to the logo change and statements from the company itself.

In order to present a case that is easy to follow and understandable, we chose to use a diverse set of visuals composed in a Keynote presentation. In one group meeting we considered possible outcomes of the class discussion and established the potential issues, alternatives and actions that we can see arise in class. These are visually shown in the board plan, which can be found in our teaching notes.

We made final test runs and practiced the presentation beforehand to feel prepared and more confident about the case presentation. Since we have done class presentations before, we did not feel too nervous about it. However, all of us saw a challenge in moderating the discussion and keeping it going to get good results.

As we have not presented the case in class yet, we cannot say for sure that the outcome of the discussion will be as expected and we have to admit that there is always space for improvements. So, maybe after presenting and discussing the case, we would change parts of the slides or assisting questions in order to make the case even better!

References

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