

# **Can the white cat shine again?**

## **The Puma case**

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### **TEACHING NOTES**

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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 Plan

The teaching plan of this brand management case represents a comprehensive guide on how to teach the presented case. It was conducted in order to assist the instructor to prepare, organize and structure the case in a more effective manner. Using these teaching notes, the case instructors will be able to lead a more efficient and engaging case discussion and to help students in order to achieve the defined learning objectives. The teaching plan contains a summary of the main issues of the case, defines and describes the learning objectives, presents main and assisting questions, provides teaching suggestions and illustrates a suggested time and board plan. First of all, a case synopsis will summarize the case briefly.

## Case Synopsis

In March 2013, after several years of revenue stagnation, Puma announced that profits had plummeted another 85% during 2012. It was decided that a change was needed within the company leadership and a new CEO, Björn Gulden, was therefore appointed. Gulden admitted that the company was facing serious problems, and expressed concern over the “*low brand heat*” of the Puma corporate brand. Historically, the Puma brand has its strength within the performance footwear segment, which was the original product. However, the company witnessed its most rapid growth and success between 1997-2010 following a rebranding towards an integration of sports, fashion and active lifestyle. The success has faltered since and the main issues for the executive team are therefore if another rebranding of Puma is necessary in order to turn the company around.

## Learning Objectives

The following section aims to impart certain knowledge to the audience from the Puma rebranding strategy launched in 2014. While presenting and discussing crucial steps of Puma’s rebranding strategy in a chronological way parallels can be drawn to important theoretical models and theories within the current branding literature. Therefore, the purpose is to link the Puma case to the branding literature whereby the audience should obtain several key learnings. It is important to emphasize that the Puma case should not be seen as a unique case that does not allow any implications for other cases, but rather as an example that can be taken to draw general conclusion in terms of corporate branding and positioning. The case will give the reader the chance to enlarge their knowledge in the following areas: brand identity, brand positioning, and brand heritage and brand communication.

### *Brand Identity*

The concept of brand identity is based on the assumption that a brand is not just a name of a product or service but rather a constitution of values, visions and key beliefs that give birth to products and services under a certain name. It's crucial to be aware of the differences between brand identity and brand image. Whereas brand identity is on the sender's side and deals with the specification of the brand meaning, brand image is on the receiver's side and describes how brand is perceived by group of people (Kapferer, 2012).

The concept of brand identity can be used as a starting point to analyse the rebranding strategy of Puma. This will not only help to understand the managerial decisions made by the Puma management but it will also provide a certain structure for the case. A brand needs to fully understand its own identity and must avoid divergences between stakeholders (Roper & Fill, 2012). It can thus be concluded that a rebranding strategy needs to build on the understanding of the current brand identity to initiate changes. The Corporate Brand Identity Matrix (CBIM) developed by Urde (2013) not only helps to understand the complex construct of brand identity but also provides a concrete management tool that was specifically designed to determine the corporate brand identity. The 3X3 matrix provides a structured overview by showing the relationship between different elements like Position (external) and Mission & Vision (internal) which are all connected to the core of the matrix: a brand's promise and core values.

Puma's strategic decisions during its rebranding campaign affect different elements of the CBIM. Puma took the decision to change certain elements of its brand identity in order to regain its former strength and to compete with brands like Adidas and Nike. Puma might have been facing the beginning of a corporate brand crisis due to its falling revenues. According to Greyser (2009) poor business results are one of the most famous causes of brand crises. One could even argue that Puma's "essence of the brand" was in danger if nothing would change. That illustrates the urgent need to focus on Puma's brand identity.

### *Brand Positioning*

Another concept that is also closely connected to brand identity and needs to be addressed when it comes to Puma's rebranding strategy is the construct of positioning (Kapferer, 2012). Positioning is also part of the CBIM and can be defined as key concept of marketing strategy with the aim to either establish a new position or to reshape an existing (Urde & Koch, 2014). Puma was facing a situation where it decided to launch a rebranding strategy that includes extensive positioning changes. The aim of the repositioning strategy was to compete with Nike and Adidas and to avoid the upcoming brand crisis triggered by decreasing sales.

The challenge for Puma is not only to define its new position and a proper process but also to achieve the goal that the repositioning campaign is recognized by its customers. Urde and Koch (2014) define this as mindshare positioning that deals with the question of how to get in the minds of the consumer. The new positioning of Puma launched under the rebranding strategy "Forever Faster" concentrates on Puma's former core values by shifting the focus back to its origin as an innovative

sport brand with its distinctive philosophy: brave, confident, determined and joyful. Puma's new position and value proposition is more focused on its heritage and considers its history as being more important than before. One could argue that Puma tries to emphasize history as a key pillar of its brand identity and positioning. Urde et al. (2007) describe this as the development from a brand with a heritage that has history but does not use it, towards a heritage brand which utilizes its history as a key component in order to achieve distinctiveness in positioning. Therefore, Puma approaches its repositioning campaign not from an outside-in perspective (market orientation) that is based on satisfying the needs and wants of its customers and stakeholders, but from an inside-out perspective (brand orientation) in which Puma reflects on its own knowledge and skills within its boundaries (Urde, Baumgarth & Merrilees, 2011).

The new Mission statement to be the fastest sports brand in the world builds the foundation of Puma's new position. Puma's CEO Björn Gulden emphasized that "Forever faster" not only reflects Puma's new brand positioning but also presents a ground rule of how Puma will perform throughout its entire value chain. One important part of Puma's reposition activities was the extension of sponsorship programs with different football teams like Arsenal, Borussia Dortmund and especially with African national teams like Ghana or Cameroon. The most crucial partnership, however, was the collaboration with Usain Bolt who is probably the fastest man of all time. To have Usain Bolt as a brand ambassador fits perfectly with the mission to be "Forever faster". Since brand ambassadors can have a huge impact on customer's brand perception (Lucouw, 2015), Usain Bolt was used as a flagship figure to transfer the new brand position of Puma.

Another strategic decision Puma had to face when it comes to its new positioning strategy was the segment or target group that they would like to approach. The question of "a brand for whom?" is an important part in defining the position of a company (Kapferer, 2012). Puma took the decision to differentiate itself from its competitors by defining the women's segment as a new key segment of Puma. Beside their focus on innovative and high-functional sport equipment for demanding customers the company took the decision to also focus on the development of a lifestyle brand for its new women segment. Therefore, a crucial element of the rebranding strategy was the signing of Rihanna as brand ambassador for the women's section. In general, one can conclude that Puma's brand ambassadors are occupying an important role in brand's repositioning process.

#### *Communication*

A successful rebranding strategy is strongly dependent on the quality of communications. If a company fails to communicate its new position to the customers no one will recognize and the rebranding will fail, it does not matter how thoughtful the further steps had been planned (Roper & Fill, 2012). To communicate its new rebranding strategy Puma focused mainly on mainstream tools for corporate communication like corporate advertising and sponsorship.

One part of Puma's corporate advertising campaign was its new commercials. According to Roper and Fill (2012) corporate advertising campaigns need to have a certain level of professionalism and creativity. Professionalism means that campaigns need to target the desired segment of a brand in a credible and simultaneously unique way, whereas creativity relates to the level of authenticity, humor and originality. Puma's commercials released at the beginning of the rebranding strategy tried to reflect the new distinctive attitude: brave, confident, determined and joyful. One of the key communication channels of Puma during its rebranding strategy was from the very beginning the collaboration with its brand ambassadors Usain Bolt and Rihanna. The aim of such collaborations is to build brand awareness, image transfer, indirect communication and integration (Roper & Fill, 2012). In general, Puma's communication is strongly built on its collaboration with its brand ambassadors. According to Roper and Fill (2012) the most efficient collaboration with a brand ambassador is characterized by a high level of function and image based similarities between the brand and the ambassador. Since Usain Bolt is a world class athlete who needs innovative and functional equipment the sponsorship collaboration with Puma is based on a high functional level. Furthermore, Usain Bolt perfectly embodies Puma's new image (brave, confident, determined and joyful).

## Key learning objectives – Overview

1. **Remembering:** ...Identity and Positioning as crucial parts of a rebranding strategy
2. **Understanding:** ...the constitution of Brand Identity and its relevance in rebranding
3. **Applying:** ...the Corporate Brand Identity Matrix as a rebranding tool
4. **Analyzing:** .... a brand's current Brand Identity and the parts that need to be changed
5. **Evaluating:** ...how to achieve a distinctive and valuable position that is seen as such by the customers
6. **Creating:** ...a coherent rebranding process/strategy that reflects the new Brand Identity and an effective communication that reflects the position

## Discussion Questions

*Main Question:*

What should be the brand identity of the Puma brand in the next – Sixth Era?

*Assisting questions:*

- What are the main issues facing Puma with regards to their brand?
- Which parts of Puma's brand identity should remain intact and which parts should be changed?

- How narrow/focused as opposed to general should their brand be? Should they connect back to their heritage?
- The brand for what? → Brand Promise
- The brand for whom? → Target group
- The brand why? → Reason for being
- The brand against whom? → Competition
- How should Puma communicate?

## Teaching Suggestions

In order to create a well-designed case discussion it is not only important to have an interesting case and a well thought questions for it, but also to know how to present it and engage the audience in the discussion. In the section below certain guidance and examples would be provided in order to ensure a good case discussion. The guidance would include examples of how to use visuals, different teaching plan suggestions, and discussion and decision enhancers. Moreover further in the text a detailed lesson plan can be found that would give a step by step plan for the conduct of the class.

First of all, it is extremely important that the presenter uses a variety of different visual tools. For example, it is highly recommended that there is a Power Point presentation with the most important facts about the case that the presenter is talking about. Second it is also very good if the presenter uses the whiteboard during the discussion stage, in order to write the most important suggestions or insights that the audience might have in this way making sure that they can always be able to see them and get back to them. Also the audience should be able to see at all times the main questions that the discussion would evolve around in order for them to always be able to go back to some of them if they come up with more ideas for the answer.

During the discussion stage it is highly recommended that the Corporate Brand Identity Matrix (Urde, 2013) should be used as a theoretical and managerial tool in order to steer the discussion and help the audience to come up with different rebranding ideas while looking at the different parts of the matrix.

Before the start of the discussion it might be a good idea for the presenter to ask the audience to put name tags in front of them in order to communicate more effectively and in a more personal way. Additional action that the presenter can take is to assign different roles to the audience, for example say that they are Puma's executive team and that he/she is the new CEO that has come to them in order to present his/her new strategy and ask for their help to think it through or come up with new ideas. In this way the presenter is creating a more realistic management decision situation, which might seem more interesting and engaging to the audience.

During the discussion it is important for the presenter to make sure that not only the most active, but the more passive students can share their opinion. Also in order to keep the discussion going the presenter should go back not only to the main question for the discussion, but also to the assisting once and make sure that they all have been answered. If there is a question that the audience is divided in it is a good idea to ask the students to vote for which answer they are for and then take into consideration the one that has the most voters and write it as well on the whiteboard. During the discussion the whiteboard can be divided into three sections Issues, Alternatives and Actions, in order to make it easier for understanding and writing.

At the end of the discussion before moving to the real results of the case or what the management did indeed it would be good to summarize the discussion by the class and point out the main points or answers that have been reached.

### *Time Plan*

In addition to the teaching suggestions provided and the lecture plan, a time plan is provided for the presenter in order for him/her to have a general idea how much time should be spent on each part of the case study. As there is no way to say for sure how long different presenters would have for the presentation of the case study the part below would be divided in percentages, in this way making it easier for each presenter to custom their own schedule. In the creation of this section in our minds we have used a two hours lecture time span. In this case it means that the section with the introduction of Puma's history and the current situation should be 18 minutes. The second part is the presentation of the questions and the case discussion together with the CBIM which should be around one hour. Third is the presentation of the management decisions that actually took place and this part should be around 18 minutes as well. The last part of the lecture should be a small closing discussion where the audience can say their opinion about the management decisions that actually took place and should be around 24 minutes. (Figure 1)

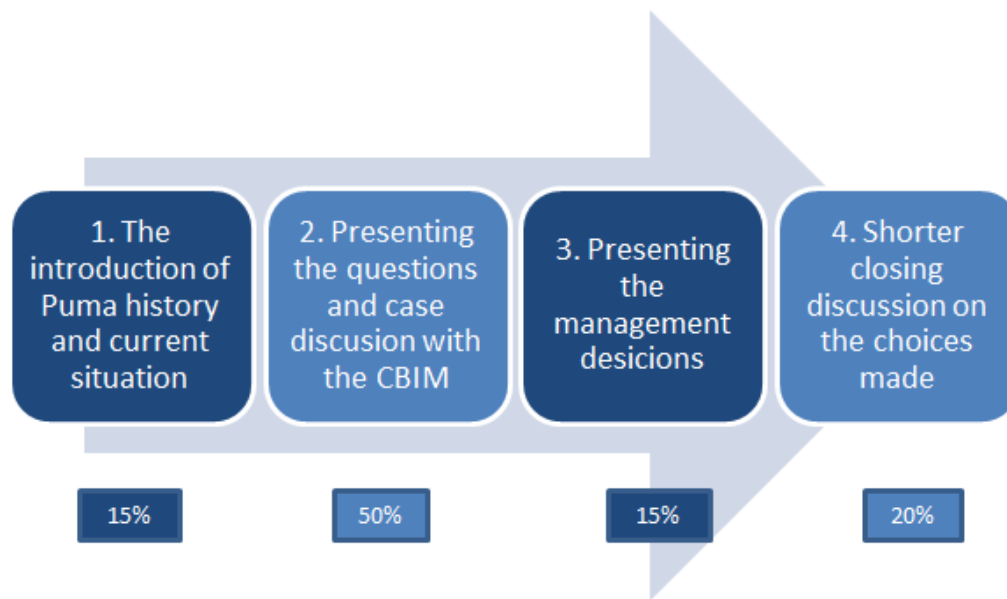


Figure 1

### *Board Plan*

It is important for the instructor to have a pre-prepared structure of how to conduct the discussion part of the case. We have found that a method that works really well is the quite simple yet effective way of splitting the board into “Challenges”, “Alternatives” and “Actions”, as shown in Figure 2. In the first part, “Challenges”, the teacher writes down the main issues and problems that the audience bring up during the discussion. As an example, we have included the issues that we find to be most key, however, it is important to be open-minded during the discussion and welcome different angles. In the second part, “Alternatives”, the instructor lists the different options that the audience suggests. Here, it is our experience that the options will vary a lot, even if the question asked was specific. Some will suggest more strategy oriented options whereas others might suggest hands-down actions of how to actually implement something. It is therefore important to structure the alternatives somehow. For example, we suggest dividing the alternatives in this case into those options that concerns the Brand Identity on the one hand, and those that concern the actual communication on the other. The same goes for the last part “Actions”, which will list the managerial decisions class, has agreed upon. We have not included any examples of actions here, as we already know the actual management decisions, and it is therefore crucial to keep an open mind. We do suggest, however, using the CBIM as a guideline.



Issues	Alternatives	Actions
<ul style="list-style-type: none"> <li>• Lack of clear brand identity</li> <li>• Low brand heat</li> <li>• Unclear communication</li> <li>• Problems with the multi-category strategy</li> <li>• Competitive environment</li> <li>• Generic and far-fetched mission statement</li> <li>• Not utilizing their strongest asset (Performance footwear)</li> <li>• Not utilizing the full potential of brand ambassadors (Usain Bolt!)</li> <li>• Lack of clear target group               <ul style="list-style-type: none"> <li>• “everyone with an active lifestyle”</li> <li>• haven't realized potential of women as segment</li> </ul> </li> </ul>	<p><b><u>Brand Identity</u></b></p> <ul style="list-style-type: none"> <li>• Rebrand and focus on heritage within sports footwear</li> <li>• Rebrand and focus on fashion</li> <li>• Keep current multi-strategy but communicate it better</li> <li>• Settle on a more distinct target group</li> <li>• Change value prop vs keeping old one</li> <li>• Change core values</li> <li>• Change mission statement vs keeping old one</li> </ul> <p><b><u>Brand Communication</u></b></p> <ul style="list-style-type: none"> <li>• More focus on Brand ambassadors</li> <li>• Create new marketing campaign with higher intensity</li> <li>• Stronger focus on social media</li> </ul>	<p><b><u>CBIM</u></b></p> <p><b><u>Brand Communication</u></b></p>

Figure 2.

## Epilogue

This topic is an intriguing one that can be used as example in different situations. The main learning points from this case are related to the rebranding of a company, to the

importance of the brand identity, brand positioning and the communication of the company in general. The Puma case is a great example for all of those concepts because it shows how a well-known company decides to change itself to their core and not because they are going to a bankruptcy, but just because they stay in the same place. This case can be analyzed when talking about different managerial decisions and be used as an example for companies that are going through or might go through the same situation in the future. Puma is providing the companies with various examples of what they can do in order to change and position their company in a new way. How they can start using their endorsers in a new way or get new once, how they might need to change their core values, mission statement and vision and many others.

To sum up, it can be said that this case can be used in various courses and perspectives. the Puma case can be used, as in this case, as part of the brand and reputation management program, but also in general management, communication management and different other spheres.

## **Reflection**

The following paragraph not only reflects on the entire process of writing a case that can be handed out for discussion, but also on the preparation for the live case presentation that will take place as part of our current course “Corporate Brand Management and Reputation” at Lund University School of Economics and Management.

The first challenge regarding the selection of potential cases was to find a case that is interesting and also relevant. In particular, that means to find a case in which the gained insights and managerial implications are not only valuable for a single organization but also for other organizations that could face a similar situation currently or in the future. With regards to these criteria we developed three different case proposals that fulfill the mentioned demands. The challenge was now to choose between these three options. It became apparent that the initial meeting with our professor Mats Urde helped us to take a decision on which case we should focus on. Furthermore, the meeting helped us to formulate in a more specific way what our case is really about. As a result, we developed together our case that deals with the rebranding campaign of Puma, which we concluded, is basically about brand identity and positioning.

The main challenge after our meeting with Mats Urde was not finding relevant data about Puma’s rebranding campaign but to bring a structure into all the information we were able to collect. In this stage we worked a lot with the whiteboard to bring all the management activities in a chronological order. We all agreed that it is crucial for the quality of the case assignment to give a structured and chronological overview of Puma’s history and management decisions during its rebranding campaign. The aim was to not overload the case audience with unnecessary information which in the end could harm the discussion part.

We spend a lot of time, especially, on finding the right questions that we would ask the audience during our presentation. We faced the dilemma to find questions that are on the one hand open enough to trigger an extensive discussion and on the other hand not too general which could lead to a discussion that would not touch the essence of the case. In order to avoid a dragging discussion during our live case presentation and to gain some practice we presented our case to other students. Through this we not only became more secure and confident but we also got valuable feedback.

Reflecting on the entire process we went through we have to highlight the phase where we discussed a proper headline for our case since the development of a proper headline took us surprisingly a lot of time and even provoked a heated debate. That was an unexpected challenge since it usually should not be a major problem to find a headline for a case presentation. Whereas one group member preferred to have a more objective and sober headline the others suggested a catchy headline that should immediately awake interest. In the end all group members were persuaded that a catchy headline - especially in conjunction with the live case presentation - could be a chance to get the interest of the audience from the very beginning. The reason why this debate is worth mentioning in the reflection is because it represents the inexperience we all had in conjunction with writing and presenting a live case. Therefore, the real and well appreciated challenge of this paper was the fact that even if we all attended many case discussions before we never wrote one by ourselves.

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