

CORPORATE BRAND MANAGEMENT AND REPUTATION

MASTER CASES



WEIGHT WATCHERS: DIETING IS OUT, HEALTHY IS IN

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Corporate Brand Management and Reputation: Master's Cases

The "Corporate Brand Management and Reputation: Master's cases" is a case series for applying the case method of teaching and learning in higher education. The cases are relevant to brand strategists in private and public sector organizations, as well as academics and students at universities, business schools, and executive education.

The cases are written by groups of master's students as a course project. The specially developed case format is defined as: *"A management decision case describes a real business situation leading up to a question(s) that requires assessment, analysis, and a decision reached by discussion in class. The alternative approaches and recommendations from the class discussion are followed by a description of the choices made by the case company. This description is then discussed by the class."*

The student groups select the topics of their case providing updated and relevant insights into the corporate brand management. The cases can be used as "written cases" (handed out and read in advance, later to be discussed in class) and/or as "live case" (presented by the teacher following a discussion in class). Each case includes teaching notes, visuals with speaker's notes, learning objectives, board plans, and references.

The mission of the series is *"to develop cases for discussion providing insights into the theory and practice of corporate brand management and reputation, with the intent of bridging the gap between academic teaching and managerial practice."*

The series is a result of co-creation between students and teachers at the elective course Corporate Brand Management (BUSN35 – five-credit course/eight-week half-time studies), part of the master's program International Marketing and Brand Management at Lund School of Economics and Management, Sweden. The cases represent the result of the intellectual work of students under the supervision of the head of course.

Although based on real events and despite references to actual companies, the cases are solely intended to be a basis for class discussion, not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. The cases are free to be used and are to be cited following international conventions.

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Weight Watchers: Dieting is out, Healthy is in

WRITTEN CASE

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Weight Watchers: Dieting is out, Healthy is in

It is a rainy Friday afternoon in New York City in the spring of 2018. You are just about to end your shift at Weight Watchers when the new CEO, Mindy Grossman, requests your presence at the current board meeting. As you take the escalator to the top floor, many thoughts rush through your head: *What is about to happen? Why is your presence requested?*

The elevator beeps, and the board is eagerly awaiting. The presented news is exciting, Weight Watchers are, after declining sales and new societal trends, rebranding, and you, together with the rest of the marketing team, are responsible for the implementation! The only directions given are that the rebranding will include the change of both the company name and logo as well as a new desired position. The implementation is up to you.

Background

The idea of Weight Watchers was coined in 1963 by a housewife that lost weight and started to invite her close friends to discuss weight loss. Within four years, the word had spread quickly, and former attendees franchised their own meetings all over the world to help people lose weight. Today, Weight Watchers operate in four geographic regions, North America, the United Kingdom, Continental Europe, and Oceania. However, the home market, North America, is still the key market and accounts for 70% of the overall sales in 2017.

Right from the bat, Weight Watchers built a supportive community for people wanting to lose weight. A couple of years later, the company launched supportive products such as food as well as their now iconic point system for tracking meals and activities. Entering the digital age, Weight Watchers was on the forefoot and brought their community online and later on launched an interactive app. For the complete history of Weight Watchers, from the start until the decision of rebranding, see **figure 1**.



Figure 1. *Timeline for Weight Watchers year 1963-2018*

The business strategy of Weight Watchers has mainly stayed the same over the years, even though they have enhanced their offerings. The mission has always been to help people lose weight; see **exhibit 1** for an overview of Weight Watchers' brand identity. The corporation captures and delivers value through the revenue streams: online subscription (31,9%), meetings (50,9%), and product sales, and others (17,2%). Further, Weight Watchers' communications have undeniably been targeting their key customers; caucasian women over the age of 50. The corporation aims to create relationships with their customers as a co-creation community through all their channels, both through their platform, resellers, physical stores, and franchise. To get a further understanding of the corporation and its way of operating, see **exhibit 2** for an overview of Weight Watchers' Business Model.

As mentioned earlier, Weight Watchers' core focus of the business has always been to help people lose weight. However, during the start of the 10s, new societal trends started to form, shifting the focus from weight loss wellness and being healthy and fit rather than being skinny. As a result, the competition rapidly grew, with companies focusing their business strategy on the anti-diet movement: encouraging overall wellbeing. On top of that, the competition was improving technologically at a fast pace, outrunning Weight Watchers. Weight Watchers' strong market position had been lost (**figure 2**).

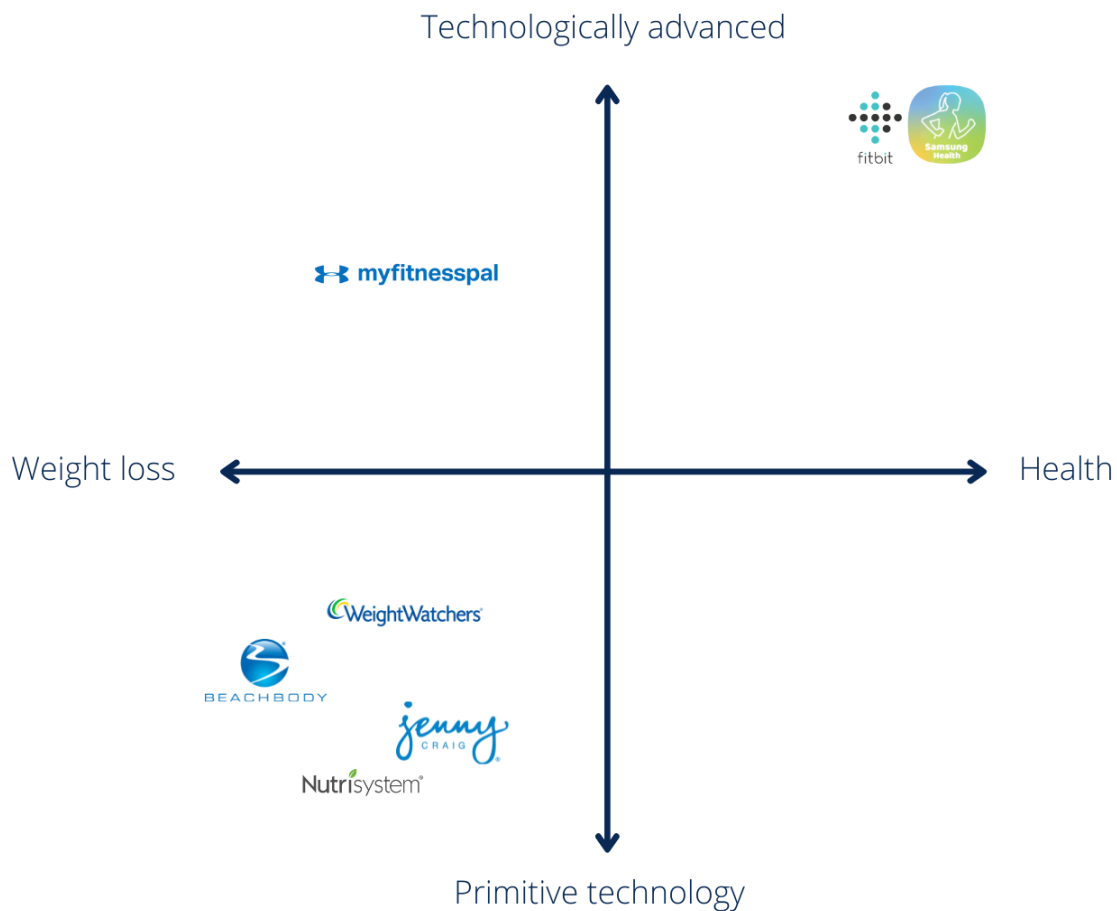


Figure 2. Positioning map for Weight Watchers & competitors

Weight Watchers sales started to decline, and the realization of change started as early as 2015 when the corporation's revenue hit rock bottom (**figure 3**). In an attempt to turn the company around, Oprah boarded the sinking ship as an investor and spokesperson. However, the revenue only increased marginally; something more needed to be done.

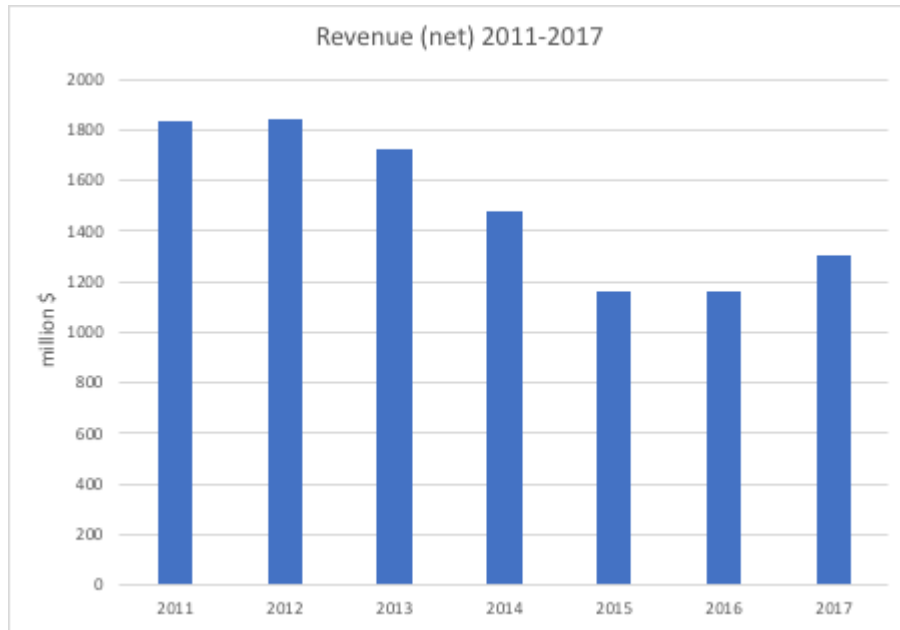


Figure 3. *Weight Watchers Revenue (net) 2011-2017*

The event

This takes us back to the year 2018 and the decision to rebrand, with you in charge of the implementation. Weight Watchers had realized that their app was outdated and that dieting is out and healthy was in. The decision was made to change their company name from Weight Watchers to WW with the slogan “wellness that works” as well as an updated logo on the 24th of September 2018 (see **figure 4**). Be aware that the new name “WW” does not stand for Weight Watchers. In addition, Weight Watchers wanted to renew their position to a brand that focused on health and was technologically advanced (see **exhibit 3**).



Figure 4. *Weight Watchers logo change*

- How should Weight Watchers implement their rebranding?
 - Create an implementation plan (list of things to consider), keep in mind the internal and external as well as short and long term perspectives.

Exhibits

Exhibit 1. The Corporate Brand Identity matrix

Value Proposition What are our key offerings and how do we want them to appeal to customers and non-customer stakeholders?	Relationships What should be the nature of our relationships with key customers and non-customer stakeholders?	Position What is our intended position in the market, and in the hearts and minds of key customers and non-customer stakeholders?
Expression What is unique or special about the way we communicate and express ourselves making it possible to recognise us at a distance?	Brand Core What do we promise, and what are the core values that sum up what our brand stands for?	Personality What combination of human characteristics or - qualities forms our corporate character?
Mission & Vision What engages us, beyond the aim of making money (mission)? What is our direction and inspiration (vision)?	Culture What are our attitudes and how do we work and behave?	Competences What are we particularly good at, and what makes us better than the competition?

Exhibit 2. Weight Watchers Business model

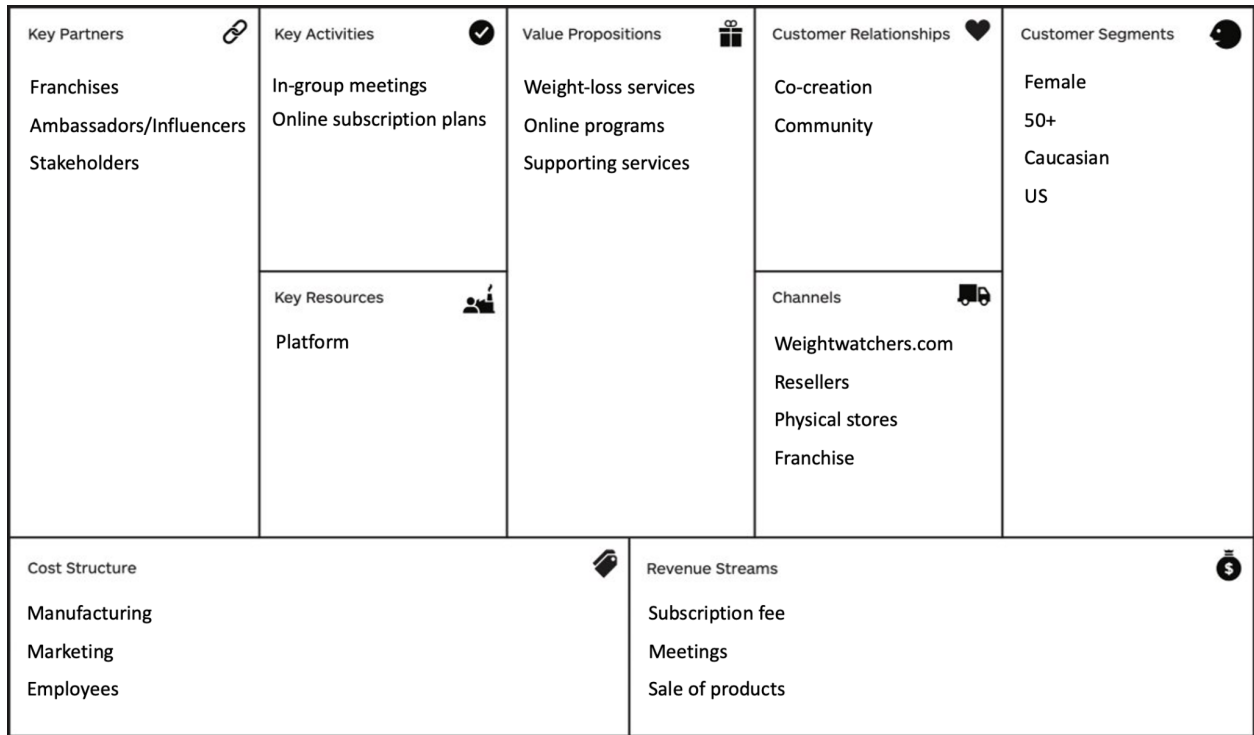


Exhibit 3. Position map with Weight Watchers desired position after the rebranding

