

## How to survive an identity crisis

Changing a name is easy; getting customers to play along isn't, KEITH McARTHUR writes

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MONDAY, NOVEMBER 14, 2005  
POSTED AT 8:35 PM EST  
MARKETING REPORTER

A court ruling last March left **Circuit City Stores Inc.** executives with an urgent and profound challenge.

They had just three months to develop a new brand name and identity for the 874 Canadian RadioShack stores acquired in 2004.

Not only did the company have to quickly give up the RadioShack name, the court ruled, but it would be prohibited from ever linking the old and new brands in future advertising.

"If we could have leveraged RadioShack, we probably would have. This is a brand that had 35 years of history with Canadians," said Patrick Gladney, an account director at **Doner Canada Inc.**, the ad agency that worked with Circuit City subsidiary **InterTan Inc.** of Barrie, Ont., on the rebranding.

Instead, InterTan and Doner quickly developed a new brand identity, and they sought to convince Canadians that The Source by Circuit City was a brand that consumers could trust.

The exercise of changing a brand name -- whether court-imposed or as an intentional effort to ditch a faltering identity -- can be expensive, time consuming and full of risk.

But if it's done right, it can also provide opportunities to reinvent brands, retaining the positives while paring less desirable brand attributes.

"There's no question that when you completely change the brand, that does create a challenge because you have to start all over again. But any brand is always trying to update itself . . . going from old and tired to current and new," said brand consultant Gordon Hendren of Charlton Strategic Research.

Mr. Gladney at Doner said InterTan did market research and came up with a list of perceived RadioShack brand attributes. Then they decided which ones they wanted to keep [friendly staff, helpful service] and those they wanted to avoid [a traditional, conservative image.]

"The [RadioShack] name itself sort of connotes an outdated sort of name. The idea of radios and shacks did seem a bit tired," he said.

The company opted not to simply adopt the Circuit City name, a well-known U.S. brand, because the U.S. stores of Richmond, Va.-based Circuit City are much larger than RadioShack's. They considered and rejected a number of possible names including Buzz, Live Wire, Neutronic, Sync and The Verge before settling on The Source by Circuit City. Despite the new brand, sales and store visits are both up, Mr. Gladney said.

"I think they've done a good job of coming out the door and launching a whole new fresh brand," said Ted Matthews, managing partner with Instinct Brand Equity Coaches Inc. in Toronto. "I think they've used it as an opportunity to refresh the whole brand as well."

**Scott Paper Ltd.** didn't face the same time pressures in changing its key brands. Because a licensing agreement with Dallas-based **Kimberly-Clark Corp.** expires in 2007, the subsidiary of Montreal-based **Kruger Inc.** is being

forced to change its corporate name and several of its brands.

ScotTowels is becoming SpongeTowels, while Cottonelle, the country's best-selling toilet paper, is being rebranded as Cashmere. The new names for two other licensed brands -- Viva and Scott Premium -- will be unveiled soon.

"It was really seen as an opportunity," said Nancy Marcus, Scott's vice-president for consumer marketing. "Anybody can look at the glass that's half-empty, but we really took it on as a challenge in terms of revitalization of our brands."

She said year-over-year sales have risen during the rebranding. That revitalization will be critical if Kimberly-Clark exercises its right to reintroduce the brands in 2007.

Ted Matthews, managing partner with Instinct Brand Equity Coaches Inc., said that by using a marketing campaign that positions Cashmere as a fabric that is much softer and more luxurious than Cotton -- a sort of scorched earth rebranding, Mississauga-based Scott is making it harder for Kimberly-Clark to reignite the brand. "Scott has done a particularly good job of closing that door because now the high ground for softness is Cashmere. If Cottonelle showed up again, it would be the stuff that used to be softest," Mr. Matthews said.

Still, Scott is careful to make sure consumers understand the link between Cottonelle and Cashmere, with packaging that emphasizes both names.

But accentuating the links between old and new isn't always desirable. When the Toronto 1 television station rebranded itself as **SUN-TV** this year, its executives wanted viewers to think of it as an entirely new station. The new name came into effect on Sept. 1, along with a new broadcast schedule.

"Toronto 1 hadn't really established itself as a brand yet [and it was] not the biggest success story in the history of broadcasting," said Don Gaudet, general manager of programming for Toronto-based SUN-TV. "So we didn't feel we had anything to lose in changing the name, and, quite frankly, the opposite, more to gain by having a fresh new approach."

Still, branding experts say consumers can't be expected to switch over to a new name right away. In Toronto, many baseball fans still think of the Blue Jays' home as the SkyDome, instead of its new name, Rogers Centre.

"There's no question that it takes time . . ." says brand consultant Gordon Hendren of Charlton Strategic Research. "The essence of a brand is how you connect with your consumer. So you are essentially changing that connection."

### **What's in a name?**

Replacing a well-known brand name can be expensive, time consuming and risky. But it also provides companies with an opportunity to reinvent who they are.

RadioShack

**New Name:** The Source by Circuit City

**Reason for change:** A U.S. District Court ruled that Circuit City Stores Inc. had to stop using the RadioShack brand on stores purchased in Canada last year.

**Transition:** Circuit City had just three months to rebrand its stores and was forbidden from linking the old and new brands in advertising.

**Comeback prospects for old name:** RadioShack Corp. still uses the brand in the United States and has said it

may soon reintroduce it in

Canada.

Cottonelle

**New Name:** Cashmere

**Reason for change:** A licensing agreement with Kimberly-Clark Corp. expires in 2007.

**Transition:** A three-year, multiphased campaign to move from Cottonelle to Cashmere.

**Comeback prospects for old name:** Kimberley-Clark still uses the Cottonelle name in the United States and may bring it back to Canada in 2007.

Toronto 1

**New Name:** SUN-TV

**Reason for change:** Looking for a break from the past after unsuccessful launch of Toronto 1 station.

**Transition:** Overnight. Ownership wanted a clean break, so no effort was made to link the old and new brands.

**Comeback prospects for old name:** None.

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