

# instincts

instincts is a monthly publication on Branding for clients, associates and friends.

Our Mission: Support and challenge business leaders to maximize the potential within their Brand.



## Relax, it's FedEx Office

In 2004, FedEx bought Kinko's for \$2.4 billion, and renamed it FedEx Kinko's. Very recently, they renamed it again, to FedEx Office. *FedEx Kinko's is now FedEx Office* the fine print kindly explains.

Can't these people make up their minds?

Yes they can: Brand decisiveness is a supremely strong suit of this global heavyweight, with 220 countries of operation, almost 700 planes and more than 140,000 employees. The change from Kinko's to FedEx Office has not been haphazard, but a meticulously-planned evolution of Brand architecture.

When making Brand architecture decisions, there is a crucial rule to follow

Brand architecture is the hierarchical relationship between different Brands' positions, names and identities in a given organization. It presents some of the most crucial challenges to companies that are growing, especially through acquisition. Do we keep the name of the acquired business, or replace it with our own? Do we call it something entirely new? Do we somehow merge its name with ours? Or do we merge our names and then transition one out over time?

It is this last approach that FedEx is executing with mastery. And they are abiding by the crucial rule when making Brand architecture decisions, one which recognizes that any changes you make to the Brand risk killing some of its equity: *evolution, not revolution.*

## What does the Brand Coach coach?

FedEx didn't pay \$2.4 billion for the Kinko's name. They paid \$2.4 billion for Kinko's customers – small businesses, who as a group, pay the highest margins on courier services. FedEx understood that its own Brand equity was greater than Kinko's, and must eventually take over (watch for the fine print – *FedEx Kinko's is now FedEx Office* – to disappear in the next year). Yet they weren't about to risk alienating Kinko's customers with an instant revolution to FedEx Office.

The lessons? In every aspect of Brand management, give consideration to evolution, not revolution. And don't let the bean-counters run your Brand: given the chance at FedEx, they would have killed the multi-layered name change, which is comparatively expensive, and saved short-term cash at the expense of lifetime customers.



Now available at Amazon.com  
and Books for Business

**"Brand: It Ain't the Logo"** should be required reading for anyone who sits around the 'big table' and for anyone who seeks to influence their decisions."

**Ken Wong**  
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and Marketing Strategy  
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## Instinct in the media



### Fur is Green?

See the Marketing section of this Friday's Financial Post for Instinct comment on new ads by the Fur Council of Canada.

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