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To what extent is rebranding the best strategy after harmful publicity?

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Abstract

This dissertation focuses on the internal and external factors that could drive a company to use revolutionary rebranding as a strategy after negative publicity. To conduct this research a literature review was conducted.

To begin, the key concepts of brand reputation, negative publicity, recovery strategy and rebranding were discussed. To arrive at the question: To what extent is rebranding the best strategy after negative publicity?

In the second part, a qualitative study on the factors involved in this choice was carried out with nine stakeholders by means of semi-directive interviews. Through these interviews, elements of response to the research question were found. These elements of answer allowed us to elaborate the determining factors in this choice which are: the existing loyalty of the consumers, the competitiveness of the market, the object of the bad press as well as the change of strategy during the rebranding.

Introduction

Corporate scandals seem to have never been more present and reported than in the past decade. In the context of growing income inequality and the impact of the Great Recession, many of the major corporate scandals of the past decade also seem to expose deeper and more widespread problems. (Comen & Frohlich, 2021)

But what does a company do under the spotlight of bad publicity. It admits? Denies it? What if they change their whole name?

We are not unaware that nowadays, companies are at the mercy of the inquisitive eyes of their customers especially thanks to access to information and social networks. (Horn et al., 2015) Now if a company makes a misstep, there is a good chance that it will be made to pay by a boycott, complaints on social networks, ... How do companies react to these crises? Many examples have received media attention in recent years.

The diesel gate is one of them and has recovered surprisingly well from this major crisis by choosing a simple tactic, the apologies and acknowledgement. (Bhattacharyya et al., 2022) Others deny the facts and this can be even more damaging. (Quartz, 2017; Mattila, 2009). Still others choose to change their name afterwards. This tactic may seem extreme, but it is sometimes effective. This is what we will try to understand through this thesis. (Nhat Hanh Le et al., 2014) The calculation is not simple. It is a question of how much the asset represented by the name needs in return for a new image and the price of this bad publicity. A calculation driven by many variables that we will try to establish in this thesis.

In the literature review, we will start by understanding what brand reputation is and why it is so important, and the tools used to measure it. Then, we will discuss customer trust and how it can be damaged by negative publicity. In order to understand how companies often react immediately after a negative press. The two most common strategies, denial and apology, will be studied through two examples: United Colors of Benetton and the Rana Plaza collapse and the Volkswagen diesel gate.

In the second part of the literature review, rebranding as such, the strategy that interests us most, will be discussed. The term rebranding is quite recent and appeared in the press before becoming a subject studied by the scientific literature. This term is vast, and we will see that two distinct types of rebranding exist: evolutionary and revolutionary. Our attention will be focused on the revolutionary one because we are primarily interested in the name change as a determining change. Once the rebranding will be approached via several points: reasons, advantages and disadvantages, several examples will be used to contextualize this strategy present in the news.

We will then present several proposed solutions that will be deduced from the information that the existing scientific literature offers us.

In order to best answer this question, the opinion of nine experts in public relations or marketing will be summarized and analyzed in order to draw the most relevant conclusions.

These results will then be summarized and will potentially support the solution proposals that are still awaiting confirmation.

We will finish this thesis by summarizing the findings and key points of this one.

PART 1 : Literature review

1. Scandals and crisis strategies

1.1. Key concepts

In order to be as clear as possible about the terms that will be used during this thesis. Here is a list of the main concepts and their definitions that will be often used during this work.

Brand or corporate reputation can be defined as "the expectations consumers have on a brand and the standard they measure its actions by, based on their previous experiences of the brand and its visibility in the marketplace". (Dahlén et al., 2009)

Negative publicity or harmful publicity means "information associated with or resulting from a wrongful act which is publicized through newspapers, radio, television, blogs, websites or comparable print, broadcast, or electronic media that has caused or is likely to cause a decline or deterioration in the company's business reputation or which, in the opinion of a public relations consultant, is likely to be so publicized to the detriment of the company's business reputation". (Negative Publicity Definition, 2021)

Crisis marketing concerns all the communication actions that accompany the crisis, whether before, during or after it. (Bouzon, 1999)

Rebranding represents "the practice of building a new a name representative of a differentiated position in the mindset of stakeholders and a distinctive identity from competitors". (Muzellec, 2006)

1.2. Brand reputation

Brand reputation is what experts believe to be the most valuable intangible asset of a company. Many reasons support this statement. First of all, future corporate performance is more certain and reliable and therefore reduces stakeholders' uncertainty. Good reputation is also a source a competitive advantage and last but not least, target public trust as value creation are more likely to increase. Brand reputation is a major component of a company's value and is part of the intangible assets. It is part of the relational capital category. When it comes to corporate reputation, there are different schools of thought. (Dahlén et al., 2009)

The mainstream is the one that refers to social expectations, i.e. it depends on people's expectations about the company's behavior. Reputation measures published in magazines such as Fortune reflect their thinking. (Dahlén et al., 2009)

In 2002, Davies and Chun suggested that company reputation and customer satisfaction are positively related. Customers expect to view firms with good reputations as having developed and delivered high quality products and services. Therefore, companies with strong brand reputation can afford to set higher prices and have more loyal customers. (Hess, 2008) The market believes these companies will generate sustainable earnings and future growth. Because of that, they have higher price-earnings multiples and market values and lower costs of capital. (World Economics & Cole, 2013)

1.3. Assessing tools

A harmful publicity from any type of scandal can be devastating for a firm. Business leaders are more than aware of the importance of their company's reputation. Companies with strong, positive reputations are perceived as offering more value, namely because of the loyalty of their customers is greater. (de Leaniz & del Bosque Rodríguez, 2016)

In the current economy, much of the market value comes from intangible assets such as brand equity, intellectual capital and goodwill that are hard-to-value. And for this reason, companies are particularly vulnerable to anything that can damage their reputation. (Eccles et al., 2014) (Neef, 2012)

An effective reputation risk management begins with the recognition that reputation is a matter of perception. A company's overall reputation is a function of the image it enjoys among its various stakeholders (investors, customers, suppliers, employees, politicians, non-governmental organizations, …) in specific categories such as product quality, corporate governance, employee relations, customer service, intellectual capital, financial performance, treatment of environmental and social issues. A strong positive reputation among stakeholders in several categories will translate into a strong positive reputation for the company as a whole. (Eccles et al., 2014) (Cretu & Brodie, 2007)

Since reputation is a matter of perception, it must be measured trough several components in a contextual, objective and, if possible, quantitative manner. The main question to be addressed is about the company's reputation areas like product quality, ethics, social and financial performance. There are various techniques used to assess a company's reputation. It includes media analysis, surveys of stakeholders (customers, employees, investors, NGOs) and industry leaders, focus groups and opinion polls. While all of these techniques are useful, a detailed and structured analysis of what the media is saying is particularly important because the media shapes the perceptions and expectations of all stakeholders. (Eccles et al., 2014) Many companies use specialized services to collect articles about them, including newspapers, magazines, television, radio, blogs, etc. These services can provide information on such things as the total number of articles, the number of articles per topic, the source and author of each article. Among the important actors, influential NGOs are of course among the stakeholders to be considered. These include environmental activists, groups concerned about wages, working conditions and labor practices, consumer rights groups, opponents of globalization, animal rights groups... (Anthonissen, 2008)

1.4. Negative publicity and customer trust

It is no longer a secret that it takes years to build a reputation, but only moments to destroy it. This saying alone sums up the importance of image and reputation in business. (Hannington, 2016)

A brand's reputation is, as seen above, an intangible but extremely valuable and fragile business asset. Today, no one is protected from negative publicity. Indeed, it is widespread in today's market in various forms, and makes the companies concerned the target of stakeholder scrutiny. (Dahlén et al., 2009)

Negative publicity can seriously damage many elements of a company, including its viability. But despite the prevalence of negative publicity and the damage it causes to the companies involved, Ahluwalia, Burnkrant and Unnava (2000) state that "knowledge about its effects is limited. There is little theoretical research on how consumers process this type of information and how companies can develop strategies to counter its effects". (Xie and Peng, 2009, p. 203)

Nevertheless, it was concluded by Xie and Peng (2009) in their study that violation of customer trust is one of the main consequences of reputation loss, which according to Morgan and Hunt (1994) is a prerequisite and central factor for successful relationship marketing and the long-term viability of a company in today's economy.

It should be noted that the consequences of a harmful publicity do not only affect consumers and the general public but also all other stakeholders. These other stakeholders (company, investors, shareholders...) react not only to the triggering events themselves (causing the loss of reputation) but to the way they are interpreted by the public, the media, the financial sectors ... Moreover, stakeholders tend to assess the same triggering event differently depending on how it will affect their respective areas of concern. The natural question that arises is faced with a reputational crisis, managers have to decide two things. First, given limited resources, which stakeholders should they reach first? Second, they must decide which claims to respond to and how best to respond to them. In simple terms, managers follow either a blocking strategy or a bridging strategy to deal with stakeholder demands. (Benn et al., 2016) (Zyglidopoulos & Phillips, 1999)

Furthermore, although all stakeholders should be considered in a crisis strategy, consumers should be considered as what they are, i.e., the most important stakeholders. (Wan, 2016) This is a critical task, and several strategies exist to restore consumer trust, involving different effects.

Moreover, since consumer trust is the first to suffer, it needs to be analyzed a little more thoroughly. Research has tended to study trust as three different levels: trust based on competence, benevolence and integrity. Competence refers to the ability to deliver what the organization promises. It is optimized when the organization has the knowledge, expertise and skills to deliver what it claims to offer its customers. Benevolence is a genuine concern for the interests of customers and the motivation to do good for them; and finally, integrity is the adherence to a set of sound principles. The need and ability to rebuild trust is a crucial issue of great theoretical value and practical interest. (Kim et al., 2004; Xie and Peng, 2009)

1.5. Relevant variables of customer reaction to negative publicity

As seen previously, one of the main effects of a scandal and one of the most devastating is the loss of consumer trust. Crisis strategies are therefore mainly aimed at regaining the confidence with the consumer. But major factors that can have a significant impact during a crisis and have an impact on its severity. These factors will now be highlighted due to their influence on the chosen strategy by the company after scandal. (Xie and Peng, 2009)

The first factor that can be highlighted during a scandal is **the subject of it**. Two main types of negative publicity can be distinguished in the literature: the product or values based scandals. A product-related scandal involves specific attributes of the brand or product, such as defects. This can call into question the brand's ability to meet the functional needs of its consumers and may affect the competence trust of your customers. In contrast, a corporate values scandal is one that involves social issues or ethical dilemmas that companies face. In this case, the integrity trust that your public has for the firm can be damaged. Moreover, it was found that consumers give more importance to the message when it is in the values domain than in the product one. (Matos & Veiga, 2005)

In addition to the type of scandal, another relevant factor is the **existing commitment of the customers**. The negative effects of negative advertising can be altered by other variables such as what the consumer knows about the company, their experience with the company, and their level of loyalty and commitment. The role of commitment is one of the key elements. The authors point out that the reaction patterns of highly and moderately engaged consumers differ strongly: the first oppose the negative perceptions they receive, resisting the persuasion of the message, while the second are more likely to change their attitude. In other words, a company with high customer loyalty is more likely to have more supporters and more moderate attitude change than a company with lower customer loyalty. (Matos & Veiga, 2005)

The last element that seems to be essential in a scandal is the market in which the company is operating and in particular its **competitiveness**. A scandal in a hyper-competitive market can be disastrous because consumers will have no trouble buying a similar product or service from another competitor. (Salz et al., 2020) However, it is important to stress that this characteristic is not always valid, as a scandal can not only have negative repercussions on a company but also on an entire market and therefore its competitors. Tybout qualifies this by citing two characteristics for this to happen. The first is that the company concerned must be a typical brand in that product category. In addition, the scandal must involve an attribute that is very strongly related to that product category. She gives the example of a scandal involving Burger King burgers. This crisis would have different effects if it had been Burger King's ice cream at the heart of the scandal rather than Dairy Queen's ice cream for example. (Tybout, 2019)

1.6. Trying to rebuild trust in the wake of a scandal

As explained above, company's brand image, trust and relationship with customers are often the first and biggest damages suffered by the company due to a scandal. Restoring the relationship and trust with its customers is crucial as they are the important stakeholders. (Wan, 2016) This is a critical task, and several strategies exist to repair consumer trust implying different effects. Trust is fragile and, expectations of trustworthiness are influenced by the capacity, integrity and benevolence of the company. (Mayer et al., 1995; Dunn and Schweitzer, 2005). Several research suggests that corporate responses to trust issues have a significant effect on trust restoration (Kim et al., 2004). According to a research from Mattila (2009), she explains that she distinguishes the two main communication responses of a company whether the cause of the crisis is external or intentional: accepting responsibility and apologizing for the incident versus denial of responsibility. Apologies include both acknowledgement of responsibility and regret for the breach of trust, while denial involves an explicit statement that the allegation is false or an ignorance of the bad press (Kim et al., 2004).

1.6.1. Apologies and recognition: Diesel gate

1.6.1.1. The strategy itself

The first tactic to repair trust is the apology by the concerned firm. "An apology is a recognition of fault, a confession of responsibility for a transgression, normally accompanied by an expression of remorse for the harm inflicted. Apologies indicate that the organization accepts and recognize that its conduct was wrong." (Wan, 2016)

Although apologies acknowledge guilt, which should decrease trust, the expression of regret signals an intention to avoid a similar violation in the future. This, in turn, leads to a reduction in concern about a recurrence and, consequently, an increase in trust. A remorseful apology attempts to convey the public that the cause of the transgression was unstable. In other words, a "good" person did something "bad" in an unusual way that will not happen again. Therefore, the apology indicates that there is no lasting damage to the trustee's trustworthiness. Tomlinson, Dineen, and Lewicki (2004) found that apologizing, whether it was an external or internal attribution, was more effective than not apologizing in influencing the victim's willingness to reconcile the relationship. (Wan, 2016; Claeys & Cauberghe, 2014)

Apologies in conjunction with other actions, such as sanctions and compensation, adds further impact. Sanctions suggests that the organization has paid the price for its negative action. Implementing new rules and standards is one of the most common ways to restore trust - whether imposed by regulators or by the company itself. (Claeys & Cauberghe, 2014)

1.6.1.2. The case of Volkswagen

This example looks at the strategy adopted by the German car manufacturer Volkswagen from September 2015 in the wake of the Diesel gate, a massive scandal that reverberated around the world. It all started in 2015, when the US Environmental Agency accused Volkswagen of falsifying pollution test results using illegal defeat devices in hundreds of thousands of fraudulent 2.0-litre motors in the US since 2009. The system allowed the company to cover up the emissions of its cars. This accusation covers all brands of the Volkswagen group such as Skoda, Audi, Seat and Porsche. With this discovery, 11 million vehicles were found to be non-compliant with anti-pollution standards. (Bhattacharyya et al., 2022)

The main lines of this story started in 2006 when Volkswagen launched its project for an engine adapted to US emission standards (which are stricter than in Europe). The project was a failure and according to Volkswagen, “employees” developed software to bypass the pollution tests. In 2014, an American study measured emission levels sometimes 40 times higher than authorized levels and asked Volkswagen for explanations. On 22nd and 23th September 2015, the manufacturer admits having equipped 11 millions of its vehicles worldwide with fraudulent software. Its CEO Martin Winterkorn resigned, and the German justice system opened a criminal investigation. On 28th June 2016, Volkswagen agreed to pay 14.7 billion dollars to compensate its American customers. The group closes the year with an annual loss, which was a first in twenty years. In 2017, Volkswagen pleaded guilty in the US to fraud and obstruction of justice. The financial losses for VW were huge, but more than that, VW's brand image was damaged. (Zhang et al., 2021; Bhattacharyya et al., 2022)

One of the first and main steps taken by VW was to apologize to the public and to make a change in the company's management. The company immediately apologized to the public in the press through its CEO who took full responsibility for VW. He said that “an apology is not enough” and explained to the public how VW's next steps would be to address and repair their mistake. Transparency was therefore promoted. (Zhang et al., 2021; Bhattacharyya et al., 2022)

Another element to be noted in the strategy adopted in response to “Diesel gate” in combination with apology was the appointment of an independent “Sustainability Council” to make recommendations to VW and the publication in 2016 of a new “Together 2025+ Strategy” aimed at making the VW Group more customer-focused and representing a multi-billion-euro effort to become the world's leading electric vehicle manufacturer. VW's sustainability management has become more important than ever. The “Volkswagen Sustainability Magazine” was created to provide a platform for the company to engage in self-critical dialogue with its stakeholders. After the scandal, Volkswagen intensified its efforts to resume its dialogues and partnerships with stakeholders and to regain its place in national and international sustainability alliances. In this respect, the new “Together 2025+ Strategy” has laid the basis, placing stakeholders at the center: “We take responsibility for the environment, safety and society”. VW has also developed indicators that the company will use to measure its progress in three key areas: business, environment and social affairs. (Zhang et al., 2021; Bhattacharyya et al., 2022)

The apology, leadership change, culture and business strategies have restored the company's reputation. VW has restored its image as a socially responsible company, increased sales, and regained the esteem of its customers through its renewed strategy that began in 2015 following diesel gate. The company's U.S. arm launched this year its first advertising campaign about the emissions scandals that have rocked the company over the past two months. The discreet full-page ad, running today in more than 30 newspapers across the U.S., says in large type, “We're working to fix things,” and adds, “We sincerely hope you see this as a first step toward restoring your precious trust.” (Zhang et al., 2021; Bhattacharyya et al., 2022)

In this case, we see the themes we discussed above, namely VW's acknowledgement of its mistakes and responsibility, a change in governance and leadership within the company, better communication and a new attitude sent.

1.6.2. Denying the facts: the collapse of the Rana Plaza

1.6.2.1. The strategy itself

Another common tactic is denial. The company involved states that it did not cause the incident and therefore is not responsible for the negative result. Unlike apologies, denials can avoid the deterioration of trust. But it indicates that there is no need to rectify one's behavior, which in turn may raise concerns about the distrusting party's future actions. Surprisingly, denial still appears to be an effective method in some sociological research. It has been found that after participants watched video of a mock debate in which one political candidate was accused of sexual or financial misconduct by the other, the accused party received more votes and was seen as more honest, ethical, and trustworthy when they denied their guilt rather than apologizing for their misconduct. (Wan, 2016)

Other research indicates that the effectiveness of apology or denial depends on the type of violation. Kim et al. (2004) found that after a competence-based trust violation, individuals will trust the accused party more if they apologize rather than deny. In contrast, after an integrity-based trust violation, individuals would show more trust in the accused party if they denied rather than apologized.

1.6.2.2. The case of United Colors of Benetton

United Colors of Benetton, founded in 1965 in Italy, is a ready-to-wear brand. The company has about 5,000 stores worldwide. The brand is known for its provocative marketing campaigns advocating progressive causes. (Quartz, 2017)

On April 24, 2013, the collapse of the Rana Plaza[1], which housed five garment factories, killed at least 1,132 people, and injured more than 2,500. The eight-story commercial building was located in the suburbs of Dhaka, Bangladesh. It was home to five garment factories that manufactured clothing for major brands around the world, including the United States, the United Kingdom, Spain, Italy, Germany, and Denmark. (Quartz, 2017)

After these events, the Italian fashion line denied any connection to the garment factory. “None of the companies involved is a supplier of the Benetton Group or any of its brands” the company said April 24. But unfortunately for Benetton the evidence is mounting that clothing the brand was indeed manufactured in the factory. Photos taken at the scene by the Associated Press and Agence France-Presse clearly show shirts with the label “United Colors of Benetton.” (Quartz, 2017)

Benetton did not respond to emails and calls seeking comments. Its Twitter account has remained silent since the company's brief denial statement tweeted. Later, in a new statement after the photos emerged and this story was published, Benetton said, “A single order was made and shipped out from one of the manufacturers involved several weeks before the accident. Since then, this subcontractor has been removed from our list of suppliers.” (Quartz, 2017)

[1] Building in Dhaka, Bangladesh

New Wave Bottoms, one of the manufacturers at Rana Plaza, later claimed to have Benetton as a customer. In addition, several labor rights activists who searched through the debris also said they found documents linking Benetton to the factory. Benetton's initial denial and social activism have made it a bigger target for critics even though Rana Plaza was also used by other fast fashion brands. The company produces most of its garments in Bangladesh, which is the world's second largest exporter of clothing, after China. (Quartz, 2017)

2. The rebranding strategy

Now that the two main types of response strategies right after a scandal is revealed have been explained. Other strategies can be used afterwards, including rebranding which in this thesis will concern exclusively the name change of a company.

2.1. The strategy itself

In its early days, the term "rebranding" has been widely used in the business press and barely used in the academic literature. It was first a term used popularly before the academic community became interested in it. (Stuart & Muzellec, 2004)

The word "rebrand" is a neologism, consisting of two well-defined terms: re and brand. Re is the prefix of common action verbs meaning "again" or "anew", implying that the action is performed a second time. Regarding the term "brand", the American Marketing Association defines "brand" as "a name, term, symbol, design or a combination of them intended to identify goods or services of one seller or a group of sellers and to differentiate them from those of competitors". (Stuart & Muzellec, 2004)

The first part of the definition focuses on the company's front-end activity of differentiating itself through names and visual identity features. Although narrow, it is consistent with the process of rebranding as described in the business press. In other words, rebranding is characterized by the creation of a new name, logo, design, ... or a combination of these elements for an established brand. (Muzellec & Lambkin, 2006)

As the first part of the definition of rebranding focuses on aesthetic changes. It is questionable whether all or only some of the elements need to be changed to earn the label "rebranding". There is indeed a progressive phenomenon in rebranding, from the evolutionary modification of logos and slogans to the revolutionary creation of a new name (Stuart and Muzellec, 2004). Because one or more changes in brand aesthetics can be more complicated to track and evaluate due to their potential subtlety. The name change variable is used as an indication of revolutionary rebranding.

(Muzellec & Lambkin, 2006) This research therefore focuses on rebranding involving a radical change in brand identity, i.e., a name change.

The second part of the definition involves a change in the position of the brand in the market during the rebranding. There may be come external factors, such as a shift in the regulatory environment, that do not involve a change in the brand's position. Nevertheless, numerous name changes are initiated with the intention of changing the image of the existing brand and, therefore, repositioning can be seen as a core component of rebranding. (Muzellec & Lambkin, 2006)

2.1. Types of rebranding

There are two major types of rebranding, evolutionary and revolutionary.

Evolutionary rebranding is, as its name indicates, part of the evolution of the company. This type of rebranding is about evolution as its name suggests and a gradual aesthetic change that is barely noticeable to outside observers. To illustrate this type of rebranding, we can observe the logo of Starbucks that has evolved through the years to be more modern and in tune with the times. (Nhat Hanh Le et al., 2014)

Revolutionary rebranding, on the other hand, "describes a major, identifiable change in positioning and aesthetics that fundamentally redefines the company". This change is usually symbolized by a name change, and it is this variable that will therefore be used as the identifier for the breakthrough rebranding cases discussed. (Nhat Hanh Le et al., 2014)

2.2. Revolutionary rebranding as recovery strategy

Every year, many companies suffer reputational damage, whether it is due to bad business decisions, corruption scandals, fraud, non-compliance with social or environmental laws, or disasters caused by the blind pursuit of maximum profits ... When faced with a public relations crisis, a company may decide that the only solution is a total rebranding. This may seem extreme at first, but if your image is truly damaged, rebranding may seem necessary in some cases for the company's recovery and survival. (Nhat Hanh Le et al., 2014)

For experts, such a measure is usually not enough if it is not combined with the other actions mentioned above and if there is no real objective in this change. Indeed, they consider that the change of name after a reputation crisis must be done with a clear strategy in order not to confuse consumers and investors. Rebranding is more than just a name change; it is a complete overhaul to improve company's reputation. The name change is part of what Muzellec, and Lambkin call revolutionary rebranding. (Nhat Hanh Le et al., 2014)

This strategy should be a way to reflect the company as a whole and include the company's values and communication with customers, as well as the products and services themselves. A name change alone will not restore the reputation of a tattered company. (Nhat Hanh Le et al., 2014)

The primary function of a brand name is to position the brand in the mind of the consumer to differentiate it from other competitors on the map. The first and most important effect of rebranding is to break the link between consumers and the original brand. The original brand will be replaced by the destination brand. If the destination brand is associated with better quality compared to the original brand (Prasad & Dev, 2000), consumer purchase intention is likely to increase. (Tsai et al., 2015) But this is a very critical task after harmful advertising. Changing a brand name means losing all the values that the old name represents, which challenges traditional marketing wisdom about brand value. (Muzellec & Lambkin, 2006)

2.3. Reasons for rebranding

Public relations crisis isn’t the only cause of rebranding. Indeed, the literature counts four distinctive causes that may incentive a company to operate aesthetics changes on its marketing identity and/or on its market position. (Bolhuis et al., 2015; Les Echos, 2019)

The first reason and namely the most common is the change in ownership. It may be the case in a merger and acquisition, sponsorships, … The rebranding in this case is useful to underline this difference in the brand’s investors, board of directors, shareholders, … identity. (Bolhuis et al., 2015; Les Echos, 2019)

The second motive to use this strategy is a change in corporate strategy. A company may decide to develop internationally, diversify its products range or its public target, to modernize its image, … (Bolhuis et al., 2015)

The last main motive is the one that will be studied here and is the least common among the causes, change in external environment. This may still involve different motives such as legal obligation to give up the name but also major crises and catastrophes. (Les Echos, 2019; Bolhuis et al., 2015)

2.4. Advantages

Rebranding involves many risks that some companies are willing to take in order to gain one notable advantage in the scientific literature, redeeming their image. This strategy, in the case of a public relations crisis, allows the company to dissociate itself from all the negative associations that are attached to the company because of a major crisis. The major advantage is therefore this new start that allows the company to start again on a "clean" basis. (Muzellec & Lambkin, 2006)

2.5. Disadvantages

The biggest disadvantage of this marketing strategy is its price. For example, when Amoco (oil company) took the name BP after the two companies merged. The company spent £4.6 million to design the logo and invested £132 million over two years just to change its stationery, office materials and equipment. (Tsai et al., 2015) Another example is the Andersen Consulting firm company that changed its name to Accenture. Financial Times estimated in 2001 that the decision costed approximately $100 million. (Mase, 2009)

Another huge disadvantage is a name change strategy takes a lot of time to be undertaken. Many studies sill often be conducted to see the impact of this potential strategy. Also, the stakeholders need to agree with this decision and therefore it's not a quick action to be taken. (Spenkelink et al., 2022)

2.6. Examples

2.6.1. Dexia becomes Belfius

The following rebranding example, we will present in this thesis is probably the most well-known by the Belgian public.

On 11 June 2012, almost 4 years after the 2008 crisis, Dexia Bank Belgium turned a page in its history and took on a new identity "Belfius Bank and Insurance". A new name based on a new brand that translates the will to break with the past and that clearly underlines what it is and intends to be: a relationship bank, solidly established locally, entirely owned by the Belgian State and concerned with bringing real added value to society. The name Belfius has not been chosen randomly. Indeed, Bel stands for Belgium, fi for finance and us for we. (Flanders News, 2012)

This change of the bank, and in particular the disappearance of the word "Dexia", also led to a change of name for many products, services, and subsidiaries. The fully consolidated subsidiaries of Belfius Bank, as well as their possible subsidiaries, bearing a name including the word "Dexia" changed their name. (Flanders News, 2012)

In order to understand how this name change came about. Let us briefly review the history of Dexia. Dexia, is a bank born from the alliance in 1996 between the Crédit communal de Belgique (1860) and the Crédit local de France (1987). Its head office was located in Brussels and the bank is listed on Euronext Brussels. The company brought together the largest municipal lenders in France and Belgium, providing financing for spending on schools, public transport, public lighting, and other locally controlled budgets. It also includes a retail branch network in Belgium and a private banking unit in Luxembourg. (Whitbeck, 2013)

In the following years, Dexia continued to expand. It took control of Italian lender Crediop, Belgian company Artesia Banking Corporation, Israeli bank Otzar Hashilton Hamekomi and Turkish bank Deniz Bank. It also formed a joint venture with the Royal Bank of Canada by combining their institutional investor services units. (Whitbeck, 2013)

Specialized in the financing of local authorities, Dexia wanted to become the world leader in this field. But the deposits of Belgian savers were not enough as the group's financing depended very heavily on the interbank market and large investors. Dexia therefore borrowed massively in the very short term to lend in the very long term. As long as liquidity is abundant and cheap, business is good. But the world suddenly changed, and Dexia saw the markets dry up, which forced it to beg the public authorities for support. Unfortunately, Dexia's “bigger-is-better” strategy hit its first snags in 2008. The collapse of U.S. investment bank Lehman Brothers prompted lenders around the world to stop lending to each other. Being unable to borrow put Dexia in an impossible situation. It relied on its ability to take out short-term loans to finance the longer-term credit it offered to public authorities. On September 30, 2008, the governments of Belgium, France and Luxembourg announced that they were taking control of the company through a €6.4 billion rescue package funded by the three governments and the company's existing shareholders. The 2008 deal was supposed to put the company on safe ground, but three years later, Dexia needed a second bailout. In October 2011, due to its excessive exposure to eurozone sovereign debt, Dexia was bailed out again and then dismantled. (Whitbeck, 2013)

Bad management, divided shareholder base, risk denial and a very fragile business model led Dexia to its end. This crisis has unfortunately weakened the bank enormously as the banking industry relies heavily on the trust of their customers. Dexia needed a fresh start. (Whitbeck, 2013)

Today, Belfius has had this new identity for more than 10 years and is fully implemented in the Belgian landscape. We can therefore reasonably affirm the success of this rebranding.

2.6.2. Philip Morris becomes Altria Group

In late 2001, the largest and most profitable tobacco seller in the United States, Philip Morris announced that it would change its name to The Altria Group. As the maker of Marlboro, the world's best-selling cigarette brand, Philip Morris is a familiar name. But, unfortunately for their brand image, in the previous years, tobacco control campaigns have focused in particular on the industry's role in promoting smoking trough marketing campaigns, and the familiar name has made it a recognizable target. In January 2002, Philip Morris ranked second to last in a U.S. corporate reputation survey conducted by The Reputation Institute and Harris Interactive. (Smith & Malone, 2003)

In order to understand Philip Morris' background, let's look back at the past events that led the company to this bad reputation and rebranding. It should surprise no one that the company's image has remained low. Although the renaming of Philip Morris is, as we have seen in many examples, a classic public relations move and tries to make us believe in a change of strategy already in the years that preceded this change of identity. The people who run the company still behave the same way. The company spends a fortune every year telling us about the charitable efforts of the “People of Philip Morris” and as this shift in identity is there to create the illusion of change and to influence the public into believing that there has been a real change in their harmful practices, even though the company continues to operate as if nothing had happened. (Smith & Malone, 2003)

Indeed, the tobacco giant has claimed for 40 years that it does not want children to smoke, although the facts continue to tell a very different story. In 1998, a tobacco settlement that included Philip Morris and other tobacco companies made them promise not to “take any action, directly or indirectly, to target youth”. The response from the tobacco companies has not been what was hoped for. They quickly all increased their marketing expenditures to record levels, including even more effective ways to attract children. The cigarette manufacturer continues to dominate point-of-sale marketing in retail stores, which experts say may be even more effective in reaching children. (Smith & Malone, 2003)

In April 2001, Philip Morris wrote to the state of Florida, which has one of the most effective tobacco prevention programs in the United States, asking it to stop running some of its ads. The contrast between the campaigns could not be sharper. Philip Morris' ads offer no reason not to smoke, while Florida's are factual and expose the truth about the health effects of tobacco products and industry practices. Once again, Philip Morris offers a bogus solution, while opposing what really works. (Smith & Malone, 2003)

According to chairman, CEO, Geoffrey Bible, the rebranding is intended to clarify the difference between the tobacco businesses that will remain the Philip Morris name and the operating company which include Kraft Foods, Miller Brewing, and a leasing operation. The new name, he claimed, would reflect the group's "cultural development" in recent years. In other words, the company's new proposal, "Philip Morris" will refer only to the tobacco operating companies that are part of the "Altria Group". This will make it more difficult to hold the company as a whole accountable for its role in the disastrous consequences of tobacco. (Cordasco, 2014)

But this name change was not under at the heart of the discussions since the day before. The rebranding strategy of Philip Morris has been put on the table since 1989 already. The brand called upon a multitude of experts, firms specialized in the subject and this decision took more than a dozen years to be taken. Philip Morris executives believed that a name change could solve a multitude of problems. The company's consultants, the Wirthlin Group, concluded in 1992 that Philip Morris' name recognition was relatively low, given its dominance in the cigarette and food markets. That recognition was almost entirely negative, associated only with tobacco. Negative advertising would exacerbate the problem. The consulting firm adds: "The name change alternative offers the opportunity to mask the negative aspects associated with the tobacco industry" allowing the company to improve its image and raise its profile without sacrificing tobacco profits. The many studies conducted stated that the public would react more positively to a more neutral company name. (Cordasco, 2014)

2.6.3. ValuJet Airlines becomes AirTran Airways

ValuJet Airlines, later known as AirTran Airlines, was an American airline founded in 1992 that operated domestic and international flights in the eastern United States and Canada. In 1993, ValuJet was the first airline to launch ticketless travel.

On May 11, 1996, Douglas DC-9[2] operating as ValuJet Flight 592 from Miami International Airport in Florida to Hartsfield-Jackson International Airport in Atlanta, Georgia, crashed into the Everglades about ten minutes after taking off from Miami, killing all 110 people on board. The U.S. National Transportation Safety Board (NTSB) investigation revealed that a fire in the cargo

[2] Aircraft type

compartment, located just below the passenger cabin, was the cause of the accident. Chemical oxygen generators, which are prohibited on commercial aircraft, caught fire, and sustained flames in the supposedly airtight cargo compartment.

The responsibility for this accident lies with several entities including ValuJet for its lack of supervision. Previously, ValuJet had already suffered from poor safety reporting, and the event brought more attention to its problems. Investigations have revealed numerous cost-cutting measures. All of the company's aircraft were purchased second-hand from other airlines; very little training was provided to workers; and subcontractors were used for maintenance and other services. The company quickly gained a reputation for safety problems. In 1995, the military refused to allow ValuJet to transport military personnel for safety reasons, and FAA officials wanted the airline grounded.

After the 1996 crash of Flight 592, ValuJet was grounded the following month and was not allowed to fly again until September of that year, with a greatly reduced fleet. The airline's major customers never returned, and the company suffered significant losses.

In 1997, ValuJet purchased the much smaller AirTran Airways. Although ValuJet was the nominal survivor, management felt it was important to change the name to regain passenger trust, so the merged company adopted the name AirTran. After the merger, AirTran in its turn disappeared in 2014, in a merger with Southwest Airlines.

Never had a crash so damaged the name of a company and the families of the victims were offended to see that, apart from their name, very little had changed.

2.6.4. Comcast becomes Xfinity

Comcast Corporation (formerly known as American Cable Systems and Comcast Holdings) is an American multinational telecommunications company headquartered in Philadelphia, Pennsylvania. It is the world's second largest broadcast and cable television company by revenue (behind AT&T), the largest provider of home Internet services in the United States, and the third largest provider of home telephone services in the country. (Ward, 2022)

Unfortunately for the company, despite its large revenue base, the American Customer Satisfaction Index (ACSI) survey revealed in 2004 and 2007 that Comcast had the worst customer satisfaction rating of any company or government agency in the country. The ACSI surveys' assessment of Comcast's customer service indicates that the company's customer service has not improved since the surveys began in 2001. Despite this low score, Comcast's revenue has not dropped during this period, however, due to the lack of competition and Comcast's near monopoly in the U.S. market. However, in 2009, things change. Comcast, which has 23.8 million subscribers, lost more than 600,000 subscribers in 2009, due to increased competition from companies like DirecTV Group DTV.O, Verizon Communications Inc VZ. N, ... (Barbierri, 2010)

Therefore, in February 2010 the telecommunications giant announced that the brand is changing its corporate name. According to the company blog, Xfinity would replace Comcast in 11 U.S. markets as the company's new product name in an effort to show customers that it is not the “same old company” but rather an innovator. A national campaign followed in television ads that aired during the Winter Olympics. Comcast hoped the new name will help customers forget about the high prices and poor customer service for which the company has been criticized in the past. (Barbierri, 2010)

Since then, Comcast changed a bit its rebranding strategy and told that it will, in fact, not be changing its corporate name, but rather branding its cable services as Xfinity. (Barbierri, 2010)

Despite all this, unfortunately, we clearly can't call this a success because in 2014, the company was again voted worst company in America for the 2nd time (the first election was in 2010). (Ward, 2022)

2.6.5. Valeant Pharmaceuticals becomes Bausch Health

Bausch Health Companies Inc (formerly Valeant Pharmaceuticals) is a Canadian multinational specialty pharmaceutical company headquartered in Laval, Quebec. It was founded in 1960. It develops, manufactures and markets branded pharmaceuticals and generic drugs, primarily for skin diseases, gastrointestinal disorders, eye health and neurology. (Surowiecki, 2016)

Under the leadership of J. Michael Pearson, Valeant adopted a strategy of buying other pharmaceutical companies that made effective drugs for a variety of medical conditions and then raising the price of those drugs. As a result, the company grew rapidly and in 2015 was the most valuable company in the country. Its major acquisitions were Bausch & Lomb in 2013 and Salix Pharmaceuticals in 2015. As a result of these acquisitions, Valeant's growth was extremely large between 2010 and 2015. It was then that the scandal related to excessive price increases for drugs that the company had a monopoly on (increases that could exceed 700%) came to light. This increase pushed thousands of Americans into debt in order to be able to continue their treatment. The most publicized officials are Martin Shkreli and Michael Pearson. The scandal led to an investigation by the U.S. Securities and Exchange Commission, causing its stock price to fall more than 90% from its peak, while its debt exceeded $30 billion. (Surowiecki, 2016)

In 2016, Pearson, CEO was ousted and replaced by Joseph C. Papa, while investor Bill Ackman joined the board. In 2017, Ackman's Pershing Square fund, which held a significant stake in the company, sold its shares for a reported loss of $2.8 billion. After Ackman's exit, Paulson & Co. increased its stake in the company, became its largest shareholder. (Sagonowsky, 2018)

Under Papa's leadership in early 2018, the company has been slowly recovering. In July 2018, the company's name was changed to Bausch Health Companies Inc, in order to distance itself from the public outrage over the massive price hikes introduced by Valeant. (Sagonowsky, 2018)

3. Conclusion of the literature review

To conclude the literature review, here are the main key points of the literature review. The reputation of a company and especially its name constitute a large part of the company's brand equity and scandals can very quickly be very harmful to the company by damaging consumer confidence, which is a primordial element. Several factors also influence the intensity of the effects of the scandal, such as existing loyalty, the type of scandal (value or product based) as well as the competition in the industry in question. These criteria can influence the severity of the scandal and the difficulty of regaining consumer confidence, which is the objective of a recovery strategy. After a crisis, a company generally has two distinct choices for communicating directly with its public: deny or apologize and confess. While apologizing and admitting fault might be perceived as riskier because it would be admitting guilt, expressing regret and promising not to do it again would increase consumer confidence. This applies to scandals based on the company's competencies, products, and services. In the case of a scandal caused by a lack of integrity, consumer confidence will drop despite apologies and promises.

Subsequently, other crisis strategies can be put in place such as regular audits, charitable initiatives, and the rebranding of a company, called in this brief, rebranding.

Rebranding has been the subject of several examples in this work. It is a costly strategy that requires a lot of work and thought. It can therefore be considered as an extreme strategy in the case of a crisis strategy.

PART 2 : Empirical part

4. Research paradigm and solutions proposals

Now that we have seen in depth the impacts of negative publicity on a company, the rebranding strategy, and several examples in which this strategy is illustrated, it now time to propose some solutions and recall our research question. In this thesis, the question we want to raise is the following. **To what extent is rebranding the best strategy to adopt after harmful publicity?**

The rebranding strategy being an extreme strategy amongst the possible recovery strategies of a brand, the answer to the research question would therefore focus on the factors that suggest that rebranding is one of the best long-term strategy to restore customer trust and thus sustain the viability of the company over time.

The table below helps us to summarize the examples raised during the literature review trough the factors found relevant in a strategy crisis. This summary doesn't help us to conclude any supposition but is useful to understand the big picture of the cited examples.

	Loyalty	**Scandal object**	**Competition**	**Strategy change**
Xfinity	No	Product	Monopole	No
Belfius	Yes	Product/ values	High	Yes
AirTran	No	Product	High	No
Altria	No	Values	High	No
Bausch Health	No	Values	Monopole	No

Figure 1 : Rebranding examples trough main factors that vary amongst negative publicity

Firstly, as seen at the beginning of the literature review, consumer confidence is the main damage of a scandal. This element seems relevant in order to affirm or not the success of the rebranding in this work would be the regaining of the confidence of their consumers as well as the viability of the company in the long term.

Regarding the different factors, the first proposed solution would concern the existing commitment of the customers. Indeed, it is known that the more regular customers a company has the less likely they are to react strongly to a harmful publicity because they will associate the company with more positive thoughts than customers with moderate loyalty. (Matos & Veiga, 2005) It would therefore make sense that a company with very loyal consumers would be less likely to drop its name since its consumers would be more likely to overlook the scandal.

The second proposition would say that a harmful publicity related to the company's values is more likely to require a rebranding than if the publicity was related to the products qualities or company’s competencies. As the second factor is the subject of the negative press, is this related to the company's values or its products? A harmful publicity related to values is more likely to affect the public than one related to product defects for example. (Matos & Veiga, 2005)

The third proposition related to the literature review is that a company in a highly competitive market would be more likely to change its name to avoid having its consumers buy from a competitor. One of the elements raised was the type of competition the company is in. Is it high? This means that consumers will have no trouble switching quickly to relatively similar goods. Or does the company play the role of a (quasi) monopoly in this market? (Tybout, 2019)

The last solution proposed to answer our research question would therefore be that a company that really changes its way of doing things is more likely to do an effective and useful rebranding. Because the fourth and last factor corresponds to the evolution of the company's strategy after its name change. Did the company change the practices that led to the harmful publicity it faced? For it has been pointed out above that a name change must be consistent with the company's internal and external strategy. (Muzellec & Lambkin, 2006)

5. Methodology

This work will attempt to answer the following question, **to what extent is rebranding the best strategy for a company after a harmful publicity?** This field is broad and the potential updates that will be done are still unknown. We therefore aim to fill a gap in order to create the link between crisis strategies and rebranding through articles on the subject and numerous examples that we will describe. The research of this dissertation will be then exploratory

5.1. Collection method

Therefore, the qualitative approach seems to be the most relevant method for conducting this empirical part. This approach consists of collecting qualitative data through semi-directive interviews with experts in the field. This method of data collection allows for personal contact with the interviewees (Paillé & Mucchielli, 2012).

5.2. Sampling

In addition, the qualitative study allows for an in-depth analysis of the discussion, a broader perspective of the issue, and intensive investigation of the said topic (Faivre & Krief, 2017). All this in order to best represent the experts' reflection and to know their opinions on crisis communications and particularly on the change of companies' names after a scandal.

For this purpose, the experts were chosen on the basis of two selection criteria. Either that the speakers work in the field of public relations and therefore have a global vision of crisis strategies used in different industries. The other was that they were experts in marketing for a particular company in order to have perhaps more precise cases that they had faced in their own company.

In total, nine people kindly answered my call and agreed to be interviewed to share their opinions and/or experiences. Half of them (5) are experts in public relations and therefore have a more global view on the issue, although they have never been confronted with company name changes due to bad publicity, given the rare nature of this strategy. The other half are responsible for marketing and/or branding their company. The points of view were for some questions very divergent and the plurality of their experiences, functions, ... allowed to collect nuanced and rich testimonies.

5.3. Interviews

In total, nine interviews have been conducted from the 20th of April until the 7th of June. Each interview has been realized on the Zoom platform with the expert and the researcher. Eights discussions have been conducted in French and one in English. Most of the speakers were found through a LinkedIn post looking for marketing or public relations experts to conduct a 30-minute interview.

Interviews were semi-structured and were led thanks to an interview guide (appendices 9.1.1 and 9.1.2.) in order to give a direction to the discussion and to raise the main themes of this research while keeping a certain degree of freedom. Some questions were added at certain moment. (Thietart et al., 2014). This kind of interviews allows the experts to answer our main questions but also to raise some topics and insights they may think relevant for the research.

All interviews have been recorded and transcribed entirely. This has allowed to catch all the details of the expert's opinions and to base on research and namely our empirical part on reliable data.

The interview guide was designed as follows. First, the speaker introduces himself, explains his background and then the subject of the brief is presented to him. Then, we talk about crisis strategies and bad publicity in general and then we move on to more specific questions related to revolutionary rebranding as a recovery strategy. The factors mentioned in the theory are discussed and the expert is free to mention factors not discussed so far.

5.4. Analysis method

In the context of this thesis, the chosen method of analysis is thematic analysis. In order to compare the interviews with each other, it will be easier to do so by means of themes and sub-themes to reduce the interviews into distinct points (Paillé & Mucchielli, 2012).

To do this, the interviews were all transcribed manually. Then, an analysis grid (see table below) was created based on the interview guide. And via this grid, a synthesis of the relevant quotes was made according to the different themes and themes and sub-themes.

6.2.1. General context	6.2.1.1. New role of companies in current society
6.2.2. Harmful publicity	6.2.2.1. Success criteria of crisis response strategies 6.2.2.2. Types of harmful publicity 6.2.2.3. Use of crisis response strategies
6.2.3. Rebranding strategy	6.2.3.1. Rebranding example 6.2.3.2. Factors influencing the choice 6.2.3.3. Advantages and disadvantages 6.2.3.4. Risks

Figure 2 : Grid analysis

6. Qualitative research

Firstly, as explained above, the speakers occupy different positions within different companies. The field of communication and crisis strategies is a vast subject and can be very subjective according to an expert given his position, experience, personality … The opinions were therefore sometimes very divided and nuanced by various comments. In this section, we will try to summarize the global opinion of the experts by various points and to be the most faithful to their opinions.

6.1. Presentation of the experts

Our first expert to be interviewed was Jonathan Wuurman, marketing responsible at Actito, a tech company that operated a name change few years ago for a repositioning purpose.

The second expert was Moira Wrathall brand strategist expert and independent consultant who manages the brand image of my clients, from design to marketing strategy.

Then, we had Maria Mailhos. Marie is brand manager at Gallinée since several years. Gallinée is a French skincare brand based in London. She takes care of Gallinée's image in general, how the brand is perceived on the market.

Our fourth expert was Cindy Paula De Schouwer, marketing consultant since almost 20 years who worked in many fields but mainly in the healthcare sector.

The fifth expert to be interviewed was Barbara De Laet, Brand Strategy Director at Ketchum, public relations company since one and half year in Brussels. She has led several rebranding during her career.

Our sixth interviewee was Laurène Buisson, graduated from IHECS with a master's degree in public relations with a specialization in digital. She now works at Ketchum as a consultant for B2B companies and as a research expert.

We then had the chance to interview Louis De Nolf, manager of DuoMedia, an international communication agency that has been active for more than 20 years. They have a strong specialization in a few markets and especially in B2B and offer PR services and communication materials for Direct Marketing, content creation.

Our for last participant to our research was Samuel Arnoldussen, who has had a small communication agency for 15 years and has already worked on several branding, rebranding, for brands like Suzuki.

Our last expert was Sylvie Lillywhite, who is responsible for the Tokyo studio, a visual branding agency. They help clients visualize their messages to give them more impact by integrating storytelling. That studio merged with the public relations agency Whyte.

6.2. Summary of the main results

Overall, the interviews were all very rewarding. Experts' opinions converged on some issues and much less so on others, which we will detail in the following summary of the results.

6.2.1. General context

6.2.1.1. The new role of companies in society

Before approaching harmful publicity, their management and the rebranding strategy. The first element that emerged in some discussions was the new place of companies in the current society and their evolution which has a huge influence on the current crisis management. This element was not found in the literature, but many experts raised it during the interviews, in particular Marie, the brand manager of Gallinée.

"Brands now have a position that they didn't have even five years ago. Really, you have to be impeccable and be engaged on all the social issues, political issues, ... In fact, you've become a bit of a political entity and the perfect model citizen. The younger brands have a lot less trouble doing that. For example, we were very involved during the pandemic because we have products that treat skin concerns and therefore are useful for the health care personnel." (Marie Mailhos, 2022)

From her point of view, companies are no longer simply sales companies, they became real actors in society and are accountable to the public. It is no longer a question of selling a simple product or service and making a profit on it, but of representing values, sharing a message and defending them at all costs. A company must be a citizen model and show the example. The pattern has changed, particularly because activism is more present in today's society, especially in the younger generations, targeted by brands but who are increasingly inquisitive.

Consumers have a much bigger power of scrutiny thanks to the bigger and easier access to information that we have today and can give more their opinion than before namely thanks to social media. Today, brands are strongly encouraged to position themselves on current events. Marie names events such as black lives matter, the war in Ukraine, ... and explains that the public is currently asking companies to take a stand. Companies face a real challenge between taking a stand and not taking advantage of such events for marketing purposes only that the public might also notice.

6.2.2. Harmful publicity

The first parts of the interviews concerned negative events for a firm image in general and the main elements of it to take into account in this kind of situation.

6.2.2.1. Success criteria of crisis response strategies

When asked **how to judge the success of a public relations strategy** after a crisis, several points were made. Many experts agreed that the primary objective was to regain the confidence of damaged consumers. They are the ones who keep the company going, they are the ones who buy, so they are the first ones we should address.

"*It is essential to restore consumer confidence after a crisis. They are the drivers of the company.*" (Jonathan Wuurman, 2022)

"*It's all about trust*." (Marie Mailhos, 2022)

"*We can end up with a drop in confidence, and therefore a drop in consumption, and therefore inevitably a drop in sales*." (Samuel Arnoldussen, 2022)

Some other insights were also given. Jonathan believes that it is when the dialogue is reopened between consumers and the company because it shows that all is not lost and that the company is still important to its customers and the public.

"*I think you succeed in a crisis strategy when you manage to reopen a dialogue.*" (Jonathan Wuurman, 2022)

Louis feels that it's when the negative event is no longer talked about, and we move on as quickly as possible.

"*We really need to make sure that on all levels, at all points of communication, that there is a good solution for those who are looking for an explanation or looking to learn more about the subject. But the idea for a company is that it takes as little time as possible. Let it go by quickly.*" (Louis De Nolf, 2022)

Sylvie, talked about calculating the popularity rating of the company based on many different points: press articles, clicks on social networks, ... and therefore trying to keep this rating or even increasing it after recover strategy.

"*Yes, I know that at Whyte we have a whole system. We offer our clients the possibility of measuring their reputation through surveys and analyses carried out by a specialist. So, it's true that, for example, when there's a crisis, if the client agrees, the ideal is obviously to do a measurement before doing all this work and to measure afterwards. Popularity analysis. It can be the simplest thing, it is to take all the newspapers in the year that has just passed and say is it negative, super negative, hyper praising.*" (Sylvie Lillywhite, 2022)

Barbara, on her side mentioned the sales which is at final one of the most important metrics of a company. "*Companies want to sell their products at the end of the day, and we see that reputation more and more has a real impact on the turnover. And why I say more and more because as a consumer, we are becoming more and more susceptible to a company's values and purpose.*" (Barbara De Laet, 2022)

6.2.2.2. Types of harmful publicity

Regarding the **types of bad publicity** that are the most complicated to deal with, four main answers emerged from the interviews.

The first type is those related to **consumer safety**. Moira said:

"*Now, I would like to say that the most serious crises are those that will harm the consumer or the user. A food crisis, safety crisis, ... that directly harm the user in the broadest sense. There was diesel gate. It is annoying, we agree. It may have contributed to the ecological problem. But if there was a problem with the brakes of all Golf cars, we would be in a completely different situation*" (Moira Wrathall, 2022)

In other words, the diesel gate was not dramatic for Volkswagen because it was not a real danger for the consumer. The same goes for Marie who says that for her, the most serious thing that could happen is if a consumer gets sick or even dies from using a Gallinée product.

"*The worst crisis in my case, I say to myself, could be so many things that we could manage. For us, it would be if a consumer died while using our cream, for example.*" (Marie Mailhos, 2022)

Secondly, there are **unprepared scandals**. Indeed, Sylvie Lillywhite, head of the Tokyo studio, branding specialist and part of the Whyte public relations agency, told us that according to her, the most complicated thing is the bad buzz that we don't see coming. She gives the example of a restructuring:

"*From what I can see, at Whyte, what is much more controllable for them are "predictable" crises. I'm thinking, for example, of crises linked to restructurings, because these are predictable crises. Often, the board meets several months beforehand in top secret. They say they have made a very difficult decision. We decide that we are going to do this in three months. We prepare, we prepare, we prepare, ... When it comes out, we're super ready. So obviously this is a type of crisis. Yes, we have time to prepare, it's predictable. But there are many crises that are not predictable. That's much more complicated to manage.*" (Sylvie Lillywhite, 2022)

The restructuring of a company is often planned and decided months in advance. The company board knows how to prepare and what to say when it happens. Negative publicity that arrives without warning is much more complicated to manage because the analysis has not been done beforehand and therefore leaves room for potential mistakes.

Then, there are the harmful publicity that affect **customers values** and especially **ecology**. Being a particularly important value for today's society and which arouses a general craze. Bad buzz related to ecology and even more so to companies advocating these values are often very badly seen as we expect more from these companies.

"*In today's time, we now live in a society that is very careful about the ecological impact of things. Today, we have entered a greener, cleaner world and this is a type of scandal that affects many people.*" (Jonathan Wuurman, 2022)

"*I think that all the companies surf on the ecology because it is a sector that concerns us all, a lot and all the scandals linked to this sector seem to me to be the most problematic. It is true that I have as an example the scandals linked to the CO2 emissions of the automobile world. These are scandals that are heavy to bear and that have consequences for the brands. And I think that everything related to ecology at the moment seems to me to be complicated to overcome.*" (Samuel Arnoldussen, 2022)

The last type of negative publicity is the one that **goes against the brand's general values**. Samuel and Marie explain that this is the very reason why the company exists and delivers its message.

Going against these values is really lying to consumers. It's not just a faulty product, it's something that was done on purpose.

"*I think that any scandal that calls into question the honesty of the company seems to me to be the worst of the worst, a scandal that goes against the values that the brand stands for because it calls into question its whole honesty. I think it's pretty much above a defective product.*" (Samuel Anorldussen, 2022)

"*You're supposed to be active values, which you now stand for as a company. So, if you go against that, it's problematic right now.*" (Marie Mailhos, 2022)

6.2.2.3. Use of crisis response strategies

The main thing that all experts agreed on is that the best direct response immediately after a scandal is a confession and an apology. According to them, being transparent is an indispensable quality in the current corporate world. In today's society, things cannot be hidden anymore, and this is a very appreciated value by the public.

"*Logically, I feel and would advise to over communicate with the public to be as transparent as possible afterwards*." (Jonathan Wuurman, 2022)

"*And I think that maybe with the Internet, things are more transparent. That can be one aspect. Companies are actually like actors in the world. They are not just companies that have values, and they have to show them. And maybe before, not this is not just about making just money and if that doesn't work, will change that. Now they need to be transparent to customers.*" (Cindy Paula De Schouwer, 2022)

Not communicating is a sinkhole and will not help. In fact, it is almost certain to get worse. Marie gave therefore an example of the brand Lou Yetu especially active on Instagram. This young French jewelry brand has been accused by many former employees of bad management, dubious working conditions and office terror. The testimonies published on the Instagram account "Balance ta start up" had the effect of a bomb. Hundreds of people commented on the brand's posts to hold it accountable, asking to explain itself. Lou Yetu disappeared from the social networks for a few weeks and then came back as if nothing had happened. Unfortunately for them, whether or not the testimonies are proven to be true, the public expected the company to communicate about them and it didn't. Criticism continues to pour in on Lou Yetu's Instagram account and the brand is content to delete them, an unsustainable strategy according to Gallinée's brand manager who believes that letting it go is a very bad and non-sustainable strategy.

Transparency as a negative publicity response is a key point and appreciated by all. Perhaps due to the evolution of mentality and the greater access to information. Moira mentions in her answers: "*I think what "marked" me was the brand Lou Yetu a French jewelry brand that was accused of bad management, bad treatment of its employees and working conditions by many former employees ... And they came back after a few weeks without saying anything and continued to feed their social networks without any explanation. Very surprising I found and in the end, it didn't work much because even now the comments are very negative.*" (Marie Mailhos, 2022)

The company's response strategy must be honest and transparent. This value will be recognized and appreciated as well as the company's ability to recognize its mistakes, admit and change in order to bounce back.

6.2.3. The rebranding strategy

Most of the interviewees were quite skeptical about rebranding strategy and in particular about changing the name of a company as they find it an "extreme strategy". This was particularly because some referred to the strategy as a "paint job" as Marie stated it. In general, the interviewees felt that the strategy was not very well implemented in reality as it was very costly.

In addition, the brand value of the company name is lost, which is often not negligible. As seen above, experts unanimously favor transparency in the event of a scandal and therefore find that this strategy may not be very consistent with this first idea. Nevertheless, there are specific factors discussed later that would still favor this extreme strategy.

In discussions with many experts and in particular with Moira, an interesting fact was raised. She pointed out that most of the examples were from the last decade or more and that currently it was difficult to find examples of company name changes, which was indeed seen in the searches.

"*So, it's true that strategy number one, apologizing, ... is still more frequent than renaming compared to the time. It's like we're pretending that nothing happened at that time.*" (Moira Wrathall, 2022)

An interesting explanation from her was that companies are currently under increasing scrutiny by the general public. There are many reasons for this, committed activism on the part of the younger generation and above all infinite access to all kinds of information, the internet. This forced transparency of companies would therefore force companies to adopt transparency and only this as a crisis strategy. In the past, when a company gave information to the public, it was difficult to verify it and it was often necessary to be "satisfied" with. But now the situation has changed. The links are made very quickly, and the public would tend to see the name change as a mask that the company would use to avoid taking responsibility for its mistakes. Marie shared her point:

"*It's partly because now we have scruting tools, we can scrutinize brands. We didn't have the internet that well developed. A brand was telling you something, what did you have to do to check the truth of what they were saying?*" (Marie Mailhos, 2022)

6.2.3.1. Rebranding example

Before raising the factors that may be relevant for the choice or not of the rebranding strategy, here is a very interesting example of rebranding after a scandal that was shared by Sylvie.

In interviews, some experts mentioned rebranding. Some for reasons of market positioning, others to give themselves a fresh look or to compensate for a bad image which is the object of this research. Several elements stood out in these examples and in particular the example of Sylvie Lillywhite. Sylvie told the story of the disability center "Le carrosse". This center was the victim of a very negative article in the press dubbed as "the disability scandal".

Indeed, in 2014, a French journalist infiltrated in the premises of the center took several shots of a patient alone in her room totally empty, so the wallpaper was torn and plunged into darkness. This photo made the headlines and denounced catastrophic practices within the center: insalubrity, mistreatment, ... The center tried to justify itself by explaining that this young patient, suffering from a mental illness, was hurting herself and that the furniture had been removed so that she would not use it to hurt herself. But there was nothing to be done, the name “Le carrosse” was now associated with this terrible story and it was therefore complicated to go over. The company therefore called on the specialized public relations agency, Whyte, to express its desire to change its name. Sometime later, “Le carrosse” became “Abilis”. To this day, Abilis continues its activity serenely and this scandal belongs to the past.

“*I have a case that we worked on. It was called “Le Carrosse” and it was a network for disabled people. They represent about twenty centers to welcome disabled people, and it happens that in France, they have very little reception. And there, there are many French people who come to put their handicapped children in Belgium. A few years ago, a journalist went to investigate one of the centers and entered a room. There was a very mentally handicapped girl who was sleeping on a mattress on the floor and all the wallpaper was torn. And the picture is atrocious. And he came out with an inflammatory article saying here, look at that. The French have given their children to Belgium, look at how he is treated. Basically, it was very violent for the staff. Because basically, this girl, her parents afterwards were really very angry about this journalist because, she was hurting herself. So that's a handicap, she was hurting herself and so on and so forth and for safety, they have to remove all the furniture from the room because all the objects could be used to hurt herself. And so inevitably her room looked like a kind of dungeon where there was no furniture, and the wallpaper was torn. But it was terrible for the image of this company that had 26 centers and for all the staff. So that was a crisis that Wyght handled, which was extremely difficult. But I think they handled it well. But a year or two later, the board told us we had to change our name because when you type the name, you find this article immediate on the Internet.*” (Sylvie Lillywhite, 2022)

6.2.3.2. Factors that may influence the choice of the strategy

Now, concerning other factors to take into account not for general harmful publicity but more specific to the revolutionary rebranding strategy. Some factor influencing this choice were raised.

Beginning with the **competition** as a factor in the name change of a company. In the interviews, a different view was shared than in the literature review. Sylvie mentioned the danger of rebranding in competitive market. She shared the example of a rebranding she made for a soup brand and the importance to maintain both names for a while on the packaging because it would help the customer to be used to the new name and not be tempted to take another soup brand.

"*We wanted to get the consumer used to seeing the old and new brand names next to each other. This way the transition was done smoothly (...) Especially since in a supermarket, there are many different brands of canned soups, and it is very simple to take the next box because our usual soup is not available.*" (Sylvie Lillywhite, 2022)

In the case of a harmful publicity, it's more complicated because as we'll mention later, often brands that are affected by bad press and change their name don't take the time to make that long transition. A highly competitive market is therefore very dangerous because the rebranding risks being done too quickly and the brand would therefore lose a major asset in this market, its name.

Also, the company from a previous example told by Sylvie "Le carrosse" belongs to a low-competitive market, the disabled care market. She went on to say that she believes the name change may have occurred because the company was not in a highly competitive market. Indeed, there are many barriers to entry when a market is highly competitive. Creating a place for yourself and getting your name out there is all the more complicated and if it turns out that the company has already been able to carve out a place for itself and make a name for itself, it is better not to lose that great advantage that many companies trying to enter will not have. Because there is no guarantee that the company will be able to overcome these barriers again.

"*It's true, I will say in the example of Abilis, it's not very commercial. People, they need to leave their disabled child. Yes, it's not a big deal, they'll, they'll find a center through their doctor's* *recommendations, lists of centers, ... Not through an ad on TV saying I'm going to put my child there.*" (Sylvie Lillywhite, 2022)

Another element that came to the fore as something to take into the balance in the choice of the rebranding strategy was the amount of **assets a company** has. Marie of Gallinée says

"*Yes, the more assets you have the more expensive it is to change your name and rebrand all your products.*" (Marie Mailhos, 2022)

It is therefore an extremely important component to consider. Indeed, according to her, if a company has many branded products, available from many retailers, changing the name will be very difficult to consider as it will be very expensive and difficult to get the retailers and all supply chain participants to accept it. What will they think of the change, will they agree to continue selling the products, will they agree with the chosen strategy, ...? There are many delicate questions that may make this choice complicated. She also compares a company with a lot of branded products to a small internet platform that sells a service for example. In this case, indeed she agrees that rebranding would be much more convenient and simpler to do for the company. Finally, trough the example of ValuJet, the airlines company, she confirms her opinion by pointing that the company had "few" assets to change, and that this choice was therefore justified given their situation.

"*Indeed, you are a small airline from the far end of Texas, you can do it more probably. Because you don't have a lot of branded products and you're not very well known. The brand awareness is not big, and you don't lose "much".*" (Marie Mailhos, 2022)

The following interesting factor was the existing commitment or loyalty of customers. Moira and Marie point out that consumer **loyalty** is a key factor in a crisis.

"*For loyalty, at least, I think that for Volkswagen, people are often loyal to a brand. Especially, I think that in terms of cars, it's part of the elements where people can have preferred brands. In some cars, people like French cars, they like German cars, they like Asian cars. We already have a positioning often.*" (Moira Wrathall, 2022)

While the customer may be shocked and disappointed, there are many cases where companies are part of people's daily lives and consumer affect is far more powerful for many than disappointment. A high brand loyalty is a key factor in a crisis because even if people heard about the scandal, they would often remain loyal and keep consuming the brand. Especially in the case of the car industry, customers are very often loyal to their car brand and, more importantly, these are long-term goods that are not perishable and do not change every week.

Another element often correlated to brand loyalty is **brand awareness** that was discussed in particular with Barbara was **brand awareness**. Barbara explained that brand awareness, in short, is the measurement that shows how familiar consumers are with a brand and its products. She talked about the example of a hospital brand called Indigo. "*It all depends on the awareness. Because young or mature, yes and no. So yes, if the awareness is not high and for example, I had a case with a company in the Healthcare industry called Indigo. But the parking lots all over Brussels are also called Indigo. And so there, I really looked at their awareness which is very low, and I told him I think there is still an opportunity to change the name and find a name that is a little more unique. So there, I advised to change the name. So yes, normally it's the young brands because the awareness is not high for them, they can easily change their name.*" (Barbara De Laet, 2022)

According to her explanation, Indigo had very low brand awareness and changing the name was not a big risk since the name was not well known by the public. It is therefore better to change the name if necessary than for a high brand awareness and therefore risks losing a valuable asset.

Last dimension interesting to assess in a rebranding strategy choice and to some extend linked with customer loyalty is the target of the company: **B2C or B2B**, consumers or businesses. Marie explained that B2C companies will find it harder to change their name for several reasons. B2C brands are brands for which the consumer feels a certain affection. She namely gave the example of Ferrero which is currently facing a crisis with Kinder.

"*Afterwards I think it depends on a little bit if you're B2C or B2B. When you see a very consumer brand, it's going to be looked at a lot more like Kinder or cosmetic brands that have an emotional attachment. Brands that address the consumer and especially for products like cosmetics, chocolate, they have a real connection with their customers. Yes, indeed, that a brand less known to the public for example an airline company has more chance to change names.*" (Maire Mailhos, 2022)

They are in their customers daily life and most of the time have a greater brand awareness. For many of the reasons mentioned above, changing a name is risky because the company will be scrutinized, judged, ... On the other hand, for B2B companies, it is not quite the same. Client companies do not have the same expectations and perspectives as consumers. Indeed, companies operating on this side will perhaps more easily resort to this strategy to avoid being associated with the tabloid press that they have to deal with.

"*So, we rebrand. And it's often easier for B2B. These are necessary purchases and not "by feel". In the end, the business that orders its bolts doesn't care.*" (Sylvie Lillywhite, 2022)

Louis said: "*Yes, but at the B2B or B2C level, I would say B2C is much broader in terms of the customer base. It's products or services that are valuable to a large portion of the population. B2B is possible that the company can already be a leader in their market for decades. But few people know about them, because it is so specific in terms of the products or services they offer. B2C is broader (...) To make a difference. B2C will have to change an image for 1 million people whereas B2B will have to change an image for 1000 people. So, it's complicated for both, but it's complicated to change the name when the name of your company is already known, which is more likely in B2C than in B2B which often has a very specific market.*" (Louis De Nolf, 2022)

Indeed, as Louis explains, the B2B sector is often much more closed, reaches a much smaller and more targeted audience. For example, for a bolt manufacturer. In this case, the target audience is quite specific and buys the product out of necessity. However, in the B2C sector, the public is much wider, and the products purchased are often much less "necessary" and indispensable. The choice is also wider because the competition is more present. B2C is therefore a more complicated sector to change your name.

A new aspect discussed during these interviews is the **company's name recognition versus of the product**. Louis says: "*If it's a company that uses their name for their products and it's a large product line. It's different than if it's a company that has a company name, but there are brands within that company with their own name. If you change the name, it's going to have a very different impact. If it's a company like Colgate that uses Colgate on the toothbrush product, it will have a very big impact. That for example Ferrero and Nutella which is written on its product.*" (Louis De Nolf, 2022)

Thanks to this example of Ferrero versus Nutella and Colgate, we can therefore deduce and make the link with the brand awareness mentioned earlier by Barbara that it happens that the product becomes better known than the company or the group. In these cases, it is less complicated for the company itself to change its name because the primary value lies more in the name of its product than in its own name.

An interesting element pointed out by Laurène when talking about the name change of Total, which has now become Total Energy, is the **relationship between consumption and image**. Laurène explains: "*I think the big difference is really going to be that Total, its rebranding is going to have an impact only on their image, on their reputation, but not on consumption like Ferrero. Total at the end of the day, whether they have a bad reputation or a good reputation. In the end, if you want gasoline, it will be the same whether you go to Shell or Total or anyone else, it will be the same. But the reputation will be less good, which may be bad for their future. Whereas a brand like Ferrero, the chocolate is not the same everywhere and people will make a choice.*" (Laurène Buisson, 2022)

In other words, there are rebranding with different end objectives even if it's about negative publicity. In the case of Total, Laurène explains that the goal of this rebranding is not really to increase sales, it is rather to redeem an image, notably greener, ecological, ethical. People will not stop heating, buying gasoline and consuming Total products. However, other rebranding are made to make customers come back, trust again and continue to consume. These rebranding are riskier because the customer has a choice and is more complicated to convince.

Finally, when we ask the experts **if changing the name is enough**, we are told it is not. Samuel says,

"*When a company changes its values, its products, its name, its image, the risk is that the consumer doesn't get the hang of it or has the impression of being less well served than by the old brand, so it's not well thought out. If you don't have a product behind an offer that is useful, that is ultra-solid, it can be catastrophic for a company.*" (Samuel Arnoldussen, 2022)

Indeed, as said several times, changing the name is insufficient as a recovery strategy alone to rebound and cure a bad reputation. Firstly, because the problems will come back.

"*And if you want to wipe the table clean, you take all the necessary steps to change the source of the problem so that it never happens again.*" (Moira Wrathall, 2022)

And secondly because consumers will feel that this action is purely cosmetic and that the company is just sweeping the problems under the carpet. For this to succeed, there needs to be a **real shift in the company**, showing that we have learned and that we will not make the same mistakes again. An example of action is a change in management. Because as Louis says:

"*I think that with a rebranding. Here we are talking about all the marketing and communication activities, and I think that even at the managerial level on the director of the company, after a crisis like this, it is quite possible that the people in charge have been fired or pushed out. And that there is a new management and with a new management also comes a new way of doing things, of being in contact with the customers.*" (Louis De Nolf, 2022)

6.2.3.3. Advantages and disadvantages

Regarding the advantages and disadvantages of rebranding. The main advantage is, without surprise, the fact of being able to **start again on a good basis** and on a "clean" name as Jonathan says it gives the company an air of renewal and freshness.

"*But the advantage is to be able to wipe the slate clean and give yourself a "second chance".*" (Jonathan Wuurman, 2022)

Nevertheless, despite this major advantage, the disadvantages are not negligible. The two major disadvantages raised by the experts were: **time** and **money**. On the subject of time, Moira explains "*I might as well tell you that in large groups, it's clear that it's completely passed through the mill, that's obvious. Between the time when it is envisaged and when it is actually done, it often takes years. And it's very expensive.*" (Moira Wrathall, 2022)

Between this decision to change the name and the actual act, it can take several years depending on the size of the company, its assets, ... Regarding the money. Also depending on the size of the company, its products, changing the name of a company would easily cost millions to do in its entirety.

6.2.3.4. Risks of the strategy

Finally, one of the major risks of rebranding is that of not doing it in its entirety. Louis De Nolf tells us:

"*The brand is going to lose a lot of markets and they're going to lose sales in a lot of markets if they didn't go 100%. And I think after a crisis companies don't really have the intention and the will to go 100% with a big rebranding. You don't do it because you're proud. We do it because we are ashamed. So, we're not going to do a rebranding*." (Louis De Nolf, 2022)

The problem is that when a rebranding is done, it must at least be made known to the public, communicated on and not ignored. The company should be transparent in its strategy and makes it clear to everyone. However, after a bad publicity, if a name change is done, the company does not like to be put in the spotlight and prefers to remain discreet. A big mistake according to Louis.

Another important risk is the image that consumers may have of the brand. If negative publicity appeared a few months previous to the rebranding, it could be taken as a purely cosmetic action. That's why, according to the experts and especially Sylvie and Louis, it is essential to show a radical change of strategy in addition to the rebranding. It is not enough to change the name, you also have to make internal changes: change of board, strategy, ...

"*But it's also possible that the name is changed, but that nothing is changed in the other departments, so it's a rather superficial thing.*" (Louis De Nolf, 2022)

"*It is not only necessary to change the name, but also to make a press release and explain that the entire management has changed. We have changed our financial and organizational structure, we have dropped our stock exchange listing, we have made real structural changes. And to acknowledge this profound change, we changed our name. If they just change the name. It's just the facade and it won't work.*" (Sylvie Lillywhite, 2022)

6.3. Discussion of the results: known and new information

6.3.1. Status of the proposals

The discussion here will help us to highlight which elements from the theory were confirmed by our research and which elements were new in order to achieve a structured answer to the main question of this thesis.

Let's have a look first to the table below in order to assess the status of our solutions proposals at the end of the literature review.

Solutions proposals from literature review		Status
Proposal 1	Existing commitment of the customers to the brand reduces the chance of rebranding as a viable strategy	Supported
Proposal 2	Companies concerned by negative publicity about their brand values are more likely to rebrand	Supported
Proposal 3	Companies in a highly competitive market are more likely to rebrand	Not supported
Proposal 4	A company rebranding must contain a real strategy change to be successful	Supported

Figure 3: Proposals review

Now that we summarized the main topics raised during the interviews with the experts. It is time to compare the results found with the existing scientific literature that constitute the first part of this thesis.

Concerning **the existing commitment of the customers** in relation with brand attachment and therefore rebranding as a less potential option. It is supported. This factor was supported by several experts. Experts believe that if the commitment of the customers is high, then customers will often remain loyal. Often because customers will overlook the scandal and already have a certain attachment. This loyalty is often found in B2C brands because they address individuals and therefore use an emotional attachment rather than B2B brands that deal with companies and do not have the same "selection" criteria as individuals. A B2B company will focus on more precise and objective criteria such as price, quality, ... but consumers will look at fewer objective criteria. A high brand awareness contributes often to a higher commitment as the brand is more known to the public.

Concerning the cause of harmful publicity concerning companies' values are more complicated to deal with and therefore could require a more extreme strategy such as a revolutionary rebranding. This has been confirmed by research. Experts tell us that when a company goes against its values, it is very serious because it shows the public that it has knowingly lied about what it values and has deceived its customers and the public. It is important to emphasize here that bad press regarding brand values is not the only causes of scandals that can be the most serious. As mentioned in the previous section, scandals that are related to values dear to consumers and particularly ecology at the moment, those that put the safety of the consumer in question and finally those that are unexpected and therefore not prepared.

In relation to the third proposal, the competition state of the market, it was not supported. Although, it was interesting to see that it was not approached from the same angle as in the theory. In the theory, we concluded that if a market is very competitive then rebranding is more appropriate as consumers have easy access to similar products from other brands with "better reputations". However, the interviews conclude that the barriers to entry in a competitive market are too high. In other words, it is better not to lose one's name in such a market and find another strategy to deal with bad publicity because consumers will more easily switch to another brand if they don't recognize your brand.

To take the last proposal concerning the change of strategy we see that it is inevitable for the success of the strategy according to the experts to accompany a rebranding and that a rebranding without this point is even considered useless and purely cosmetic. The problems will eventually return and so will the bad press.

To go further and thus apply the conclusions of this literature review, we can apply our findings to the examples presented in the literature review and the factors mentioned for each of them. Here is the table below which summarizes each example through the different factors belonging to the 4 proposals verified or not.

	Loyalty	Scandal object	Competition	Strategy change
Xfinity	No	Product	Monopole	No
Belfius	Yes	Product/ values	High	Yes
AirTran	No	Product	High	No
Altria	No	Values	High	No
Bausch Health	No	Values	Monopole	No

Figure 4: Examples from literature review reviewed trough supported and non-supported proposals

A striking conclusion from this picture is the complementarity of existing loyalty and strategy change. We see that either the company had no existing loyalty or it made a real change in strategy. We could therefore believe that one of this two conditions are essential in the choice of this strategy and open a path for future research.

6.3.2. New elements

During the interviews, many elements related to what we had already found in the first part of this research were noted. Nevertheless, three interesting new elements should be noted in this work concerning the situation of a company.

Is this company **B2B or B2C**. As explained, B2C is a more complicated sector to manage since there is a whole dimension of attachment with the consumer that B2B does not have or at least less. This element is interesting to raise because through the examples of rebranding that we have we can indeed observe which products sold are not the object of an emotional attachment and are rather products said to be "necessary" (telecommunication, air transport, bank, medicines ...)

The second new finding of this research is the number of branded products of the company. Indeed, a brand that would have a very well-known logo and present everywhere has much less chance of reconnecting because the logo is already known and because it would require an even more considerable cost. Again, this finding seems quite consistent given the examples we have from the theory of companies with relatively few branded products.

The third finding concerns the **relationship between consumption and image** and the aim of a company pursued by the strategy. Indeed, a brand in a competitive market pursues a sales objective/ The company will be afraid to lose sales after a bad publicity. Whereas a company offering an "irreplaceable" or uncompetitive product like the example given earlier in the interviews, such as gasoline, does not necessarily pursue a sales objective but rather an image objective only. An image-only objective is easier to pursue than a combined sales objective because it is riskier for the viability of the company.

A new finding of the empirical part is the recognition of **the company name in relation to the product.** The example of Phillip Morris is the perfect example to illustrate this result because, as explained in the interviews, it happens that the name of the company is less known and benefits from a lower brand awareness than the one of the own products it commercializes. Indeed, is the parent company of Marlboro, a brand that is, according to our experts, much better known than the parent company. We find the same principle with Ferrero and Kinder or Nutella which are both product names. It is therefore easier for a company to change its name if the main value does not lie in its name but in its product.

Conclusion

7. Theoretical contributions and managerial recommendations

This research was based on the idea that currently bad press happens often and that many strategies exist. Revolutionary rebranding is an extreme strategy that may bring some benefits as a fresh a new start on a new basis. But the calculation to see if it worth the case is not that easy. Customer loyalty, competition in the market, subject of the negative press, change in strategy, company's target, current brand awareness as recovery strategy goal has to be considered in this equation. This intangible asset is often one of the most important and deserves to be seriously thought.

To conclude this master thesis, it is appropriate to recall certain elements in the first place.

Bad publicity happens often in our world today. And even more so now that social networks and access to information have never been so large and open to all. We can't deny neither that customers are the first pillars of a company as they are the ones who make it live but are more and more inquisitive on corporate behaviors. Their trust is therefore more than essential because it is the essence of the proper functioning of the brand. However, if this trust is jeopardized, several strategies are available to managers.

Today more than ever, today's world, among all these strategies, will always prefer sincerity and transparency in the first place. It has been the main common point of all expert's opinion, scientific articles, as press ones. It is the first strategy to favor.

But it happens that afterwards, if the bad press is too intense or too long, that one can have recourse to other means. Some may offer a "fresh start" such as changing identity because thanks to a revolutionary rebranding. But beware, this is not without consequences and to be thought out well in advance. However, the rebranding strategy should not be seen as a "paint job" but as way of doing things differently.

A revolutionary rebranding is expensive, is not realized from day to night and needs 100% implication of the company to be done. If, however, the company wishes to undertake this lengthy process. It must be aware of the asset that it is giving up, its name, to write a new story.

The findings of this work are therefore similar to managerial recommendations since they serve to guide managers in this crucial choice.

It is important to take into account the market the company deals in and analyze its competitiveness because barriers to entry may be more complicated to cross a second time. Especially if the market has evolved since the first entry on it and that more competitors are now on.

Next, it is essential to consider what customers are looking for and asses their existing loyalty. If customers are loyal and come back year after year. Changing your name may be risky because they may not identify themselves with a new identity.

Following, a manager should understand deeply to topic of the negative press and how it has affected the trust of your customers. Is it something that can be "easily" solved as for instance a bad quality product which would have been sold by a publicity axed on the improved quality of the product for example? On the other hand, some presses are more extreme as the one touching on companies' values. This kind of publicity is less easily forgot and forgave and may require another strategy.

For last and one of the main recommendations would be to be 100% true in the process of rebranding. Why is the company doing it? What does it want to achieve in terms of new goals? A new strategy must be thought and a new way of doing things. In order to reach this new strategy and identity. Things must be different as said many times, external as internal. It's why a change of the board may seems inevitable. How showing the customers the company has changed with the same persons as its top. This may be useful to show a 100% commitment on the company.

The last recommendation would be to take care of the employees as well. A change of identity may be difficult to handle. We said many times in the research that consumers were the one making a company alive. It is true on a financial point of view, but employees should not be neglected as they are one of the main fuel of it.

8. Limitations and further research

To finish our research, some limitations seem important to express.

The first limitation to be highlighted is the methodology used. Indeed, an exploratory approach was chosen by means of semi-directive interviews. Although the expertise brought in was very valuable for the achievement of the empirical part of this work, the subjectivity inherent in the discussions must be underlined. Even if the experience of the professionals is significant, many of their answers were probably influenced by their background, characters, states of mind, recent readings in the press, ...

In addition, the strategy of denial, although probably little used and recommended, seems difficult to defend in interviews for obvious ethical reasons. It would therefore be interesting to focus on this strategy only and to understand in which extend it would be the best to use.

The answers to the interviews were also probably in some way interpreted by me and were therefore probably directed in one direction by accident.

Concerning the literature review, it is important to specify that obviously, several hundreds of articles or parts of them have not been considered for reasons of quantity and screening of the information.

This master's thesis does not pretend to cover the entire subject of rebranding, which is vast and complicated because it is not widely discussed in the literature.

Among the interesting directions to pursue in future work, the difference of importance between the factors identified in this research could be of interest. Is there a predominant factor among the others or even a unique one? Or is there another dimension to this choice that is not addressed here?

Another dimension to explore for future research would be the impact on employees of such a change. In the course of this work, we have been interested almost exclusively in the external impact of a rebranding. Indeed, we have considered the customers as the essence and the condition for the viability of a company. Nevertheless, we have not emphasized enough that a rebranding and a name change can have a significant effect on the employees of a company. Would this tactic result in a renewed motivation after a bad publicity or on the contrary in a loss of recognition?

9. References

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