



Article Type: Research Paper

PDC CORPORATE REBRANDING PROCESS TO BE CUSTOMBANDUNG

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THIS ARTICLE IS AVAILABLE IN:

<http://journal.umy.ac.id/index.php/mb>

DOI: [10.18196/mb.10181](https://doi.org/10.18196/mb.10181)

CITATION:

Chan, A., & Eunike, F. PDC Corporate Rebranding Process to be Custombandung. *Jurnal Manajemen Bisnis*, 10(2), 234-245.

Abstract: The purposes of this research are to determine the stages of the corporate rebranding process of PDC to Custombandung. PDC is a custom merchandise business that provides various types of products that can be customized by consumers. The method used was descriptive qualitative. The techniques of collecting data used were the interview, observation, and literature study. According to the result of this research, Custombandung had done the corporate rebranding process well. First, the repositioning stage was done with changing the brand identity and expanding the market. Second, the renaming stage was done with changing the name from PDC to Custombandung. Third, the redesign stage was done by changing the visual elements, which were a logo, website, and social media appearance and packaging. Fourth, the relaunch stage was done for the internal stakeholders and the external stakeholders. This research concludes that the corporate rebranding process by Custombandung has been done well.

Keywords: Corporate; Corporate Rebranding; Rebranding.

Introduction

The development of technology allows people to access information about a specific brand and its products easily. It causes business competition in various industries to become tighter because the amount of information makes consumers' knowledge increase so that consumers become more selective in choosing the products they want to consume.

Intense competition becomes a challenge for business people in making strategies so that the products sold can be consumer choices. To steal consumers' attention from competitors, companies can do differentiation, one of them is through brands.

A brand is a valuable intangible asset owned by a company where the company is obliged to manage and organize the values contained in it (Kotler & Keller, 2016). A brand becomes the company's identity because it can describe and explain the identity and business behavior of the company itself.

Nowadays, business activities in the e-commerce field are overgrowing. High public interest in online shopping has made many business people start to change their sales techniques to online sales where people can easily access information about their brands and products.

The intense competition in the online business world, the development of information and technology, changes in consumer behavior in the modern era, and the desire to achieve goals effectively and efficiently demonstrate the importance of brand strength in business. The brand is a representation of quality, positioning, and strategies to form positive perceptions in the eyes of consumers. Organisational responses to the changing internal and external environment, including stakeholder expectations of the organisation, compel organisations to rethink their purpose; and this often results in a corporate rebranding decision, sometimes even changing the name (Stuart, 2018).

Rebranding is an effort by a company to change or renew an existing brand to be better totally. Rebranding is also a strategy to increase market share, not only locally, but also globally.

One company that is rebranding to renew its brand is PDC to become Custombandung. Custombandung is a custom merchandise website that provides various types of products that can be custom-made by consumers. The products that can be custom are clothes, mugs, hats, business cards, to car air fresheners. Before rebranding, PDC only sold car fragrances that could be custom-made and sold offline. Nevertheless, after getting a grant from the Ministry of Research, Technology and Higher Education of the Republic of Indonesia, PDC decided to rebrand to Custombandung in the hope of wanting to be better known as a provider of more universal custom product services, expanding market share, and wanting to introduce quality products from Bandung through sales on the website. The transition of sales techniques from offline to online makes business processes easier for consumers and companies.

Based on the background that has been described, the researcher was interested in examining the corporate rebranding process carried out by Custombandung from offline to online stores by identifying problems in the form of how the stages of repositioning, renaming, redesigning, and relaunching in the Custombandung corporate rebranding process.

Literature Review and Hypotheses Development

A brand is a name, term, sign, symbol or design, or a combination of all, intended to identify goods or services from a person or group of sellers and to differentiate them from the competing goods or services (Kotler, 2009). A brand has several elements or identities that are tangible and intangible. Brand elements are divided into three parts, namely names, signs, and characters (Straub & Attner in Soemanagara, 2006).

Rebranding can occur at three different levels in an organization, namely corporate, strategic business units, and product levels. Muzellec, Doogan, and Lambkin (2003) define rebranding as the practice of constructing new names that describe different positions in the mindset of stakeholders and different identities of competitors.

To conclude the definition of rebranding, Muzellec et al. (2003) define rebranding as a change in organizational self-identity and/or an effort to change the perception of the organizational image among external stakeholders.

Rebranding activities include changes in some or all tangible elements (the physical expression of a brand) and intangible elements (values, images, and feelings) of a brand (Daly & Moloney, 2004).

Most branding experts state that a company's brand is fundamentally different from a product brand. According to Balmer (2001), "corporate brands differ from product brands with regard to who manages them (CEO vs. middle manager), who is responsible for them (all personnel vs. middle manager), who are part of their discipline (multidisciplinary vs marketing), what is their focus (various internal and external stakeholders vs. customers), how they are communicated (advertising vs. publicity), and their values (founders and other subcultural groups values vs. contrived values)".

Most experts also argue that corporate brands differ from product brands in terms of identity, reputation, and image (Schultz et al., 2000; Balmer, 2001; Dowling, 2001). Identity can be seen through various perspectives. It refers to the extent to which the company has achieved a different and coherent image in artistic output, namely the name, logo, design, color, and font (Schmitt, Simonson & Marcus, 1995). According to Balmer (1995), corporate identity is also very often defined as what is the innate character of the company itself.

In short, a corporate brand can be defined as having two dimensions, namely the external perception of a company brand, which is a corporate image, and internal perception, which is an identity. Corporate rebranding aims to modify the image (perceived self), and/or to reflect changes in identity (Muzellec et al., 2003). As an awareness of the role and importance of corporate branding increased so did the impetus to rebrand organisations in response to internal and external factors which triggered a new or revised strategic direction. As such, corporate rebranding became a significant part of organisational strategy (Stuart, 2018). Bomfo, Dogbe, and Wusu (2018) also state that corporate rebranding is necessary because of the changing competition in the business environment and market growth. Rebranding is carried out with different methods or ways for each company but has the same goal of changing or enhancing the company's image, as well as widening profit-oriented market share (Tevi & Otubanjo, 2013).

Goi and Goi (2011) in their journal stated that two factors encourage companies to rebrand, namely internal and external factors. Internal factors include changes in the structure and ownership of the company, the desire to increase the company's brand due to a bad reputation in the eyes of the community, reshaping and instilling a new vision,

mission and value to the brand in order to better represent the services of the company, mergers, acquisitions, brand image that has been old-fashioned, or want to show the image of social responsibility to the community.

Whereas the external factors of rebranding are an increasingly competitive business environment, taking into account public perceptions about the company, as well as a decline in company performance due to changes in economic and legal conditions.

According to Tjiptono (2008), factors that motivate companies to rebrand are: (1) Refreshing or improving brand image, (2) Restoring images after a crisis or scandal, (3) Part of mergers or acquisitions, (4) Parts from de-mergers or spin-offs, (5) Harmonizing brands in international markets, (6) Rationalizing brand portfolios, and (7) Supporting the company's new strategic direction.

In contrast to the two theories above, Muzellec et al. (2003), in a journal, classify the causes of rebranding, which are divided into four categories, namely change in ownership structure, change in corporate strategy, change in the competitive position, and change in the external environment. The first category, change in ownership structure, is the most frequent cause of rebranding and is also the most convincing reason for rebranding. Other changes in the ownership structure, such as when a large company releases a large subsidiary or division, or when the company goes public, is also a reason for rebranding. Changes in competitive strategies and/or positions tend to be subtle influences that gradually evolve over time and eventually reach a critical point where business redefinition is needed, often symbolized by new names and identities.

Muzellec et al. (2003), in their journal, state that there are four elements of corporate rebranding called the Rebranding Process. The process or the element of rebranding consists of four stages: repositioning, renaming, redesign, and relaunch. Every element must be carried out by the company carefully.

1. Repositioning

This stage is the goal-setting stage, where a decision is taken to try creating a new position in the minds of consumers, competitors, and stakeholders (Ries & Trout, 2001). Brand positioning is a dynamic and gradual process, which must be adjusted regularly from time to time to stay in tune with changing market trends and competitive pressures. However, sometimes, some conditions dictate the company to make a more radical change from the company's previous position in terms of how the company represents itself - in other words, rebranding.

2. Renaming

Kapferer (1995) states that names define and represent the identity of a company or its products and image. Naming holds the key in the relationship between buyer and seller or, in the case of corporate branding, between the company and its stakeholders. A strong brand name is a precious asset, as stated by the literature on brand equity (Aaker, 1992;

Keller, 1993; Rangaswamy, Burke, & Olivia, 1993). Therefore, renaming is sometimes done to send strong signals to stakeholders that the company is changing its strategy, refocusing its activities, or changing ownership (Kapferer, 2002). Traditionally, names are grouped into three categories: (1) descriptive names, (2) associative or suggestive names (for example, Jaguar names associated with elegance and aggressiveness), (3) names that are stand-alone, abstract or self-created, are types of names most influential in terms of trademark and is considered more suitable for international use.

3. Redesign

In addition to the name and slogan, the logo is also an essential element. The redesign process is carried out on all elements of the organization that are patterned, such as brochures, advertisements, annual reports, offices, or delivery trucks, which are tangible forms of the company.

4. Relaunch

Publicizing a new brand is the final stage and the stage that determines how the wider community will respond to the new name. For internal stakeholders, new brands can be introduced through internal brochures or newspapers, annual meetings, or through workshops and intranets. As for external stakeholders, it can be introduced through press releases and advertisements that create awareness of the new name.

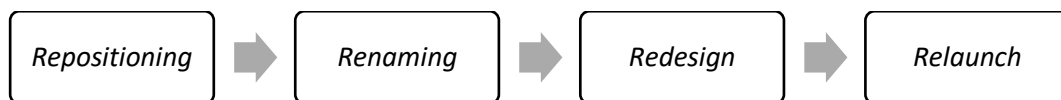


Figure 1 The Rebranding Process

Research Method

The method used in this research was descriptive method with a qualitative approach. Whitney states that the descriptive method is fact-finding with the right interpretation (Nazir, 2009). According to Isaac and Michael in Rakhmat (2012), descriptive methods aim to describe a situation or event without seeking or explaining relationships, not testing hypotheses, or making predictions. The descriptive method focuses on observation and scientific atmosphere. In this case, the researcher acted only as an observer.

The researcher used primary and secondary data sources. According to Sugiyono (2011), primary data is "data obtained from primary sources, where primary sources are data sources that directly provide data to data collectors." Primary data obtained through in-depth interviews with informants, namely Defina Marwa as CMO (Chief Marketing Officer) and Yeremia Hendriyan as CPO (Chief Product Officer) of Custombandung. The interview was conducted on June 13, 2019, in Senayan City, Jakarta. While secondary data, according to Sugiyono (2011), is "data obtained from secondary sources, where

secondary sources are sources that do not directly provide data to data collectors, for example through other people or documents." Secondary data obtained through the website custombandung.com and Instagram account [@custombandung.id](https://www.instagram.com/custombandung.id).

Data collection techniques used in this study were interviews, observation, and literature study. There are several types of interviews, namely, structured, semi-structured, and unstructured interviews (Sugiyono, 2009). In this study, the researcher used a semi-structured interview where the informants were asked for their opinions and ideas because the purpose of this interview was to find problems more openly (Sugiyono, 2009). Sanapiah Faisal (1990) in Sugiyono (2009) classifies observations into participant observation, overt observation and covert observation, and unstructured observation. The researcher used the technique of overt observation and covert observation by stating openly to the informants that the researcher was conducting research. Whereas, the literature study conducted by researchers was by studying and understanding data obtained from the Custombandung, studying books, theses, and journals related to this research.

The data analysis technique in this research was to process all data obtained, both primary and secondary data. The results of data processing were analyzed to answer the problem formulation that has been previously presented.

Result and Discussion

Driving Factor of Rebranding

Custombandung is a website providing custom service products, ranging from clothes, mugs, hats, business cards, to car fresheners. Before rebranding, Custombandung had the name of PDC, which stands for Psychedelic. The rebranding by PDC to become Custombandung was certainly caused by various factors, both internal and external.

Company policy that wanted to change the brand identity and used the word Bandung as part of the brand became an internal factor. With this name, Custombandung was expected to be known as a product from Bandung while introducing the quality of goods originating from Bandung. This corresponds to the theory stated by Goi and Goi (2011) where one of the internal factors that caused rebranding is to instill a new vision, mission and value to the brand. The name Custombandung was also chosen to make it easier for consumers to remember.

As for external factors, receipt of grant funds from the Ministry of Research, Technology, and Higher Education was one of the factors. With the existence of grants, PDC gained capital to develop its marketing tools so that the company could reach a broader market. The marketing tools that were made after getting the grant funds were website and video marketing. In line with Goi and Goi (2011) who stated that one of the external rebranding factors is an increasingly competitive business environment, the other external factors that were experienced by PDC are the interest in shopping online at that time was

increasing, and the level of competition in selling custom products in Bandung was quite high. Both of these encouraged PDC to switch from offline sales to online by focusing sales on websites and Instagram. By using online media, business processes could run more easily for both companies and consumers.

According to Tjiptono (2008), factors that motivate companies to rebrand are: (1) Refreshing or improving brand image, (2) Restoring images after a crisis or scandal, (3) Part of mergers or acquisitions, (4) Parts from de-mergers or spin-offs, (5) Harmonizing brands in international markets, (6) Rationalizing brand portfolios, and (7) Supporting the company's new strategic direction. From these seven factors, the factor that made Custombandung decided to rebrand was to refresh or improve the brand image, where previously, PDC was only known as a seller of custom car freshener. After rebranding, Custombandung was expected to be known as a provider of custom products that were more universal than car fresheners. In addition, rebranding by the company was also a form of support for the company's new strategy that wanted to reach a broader market.

Rebranding Process

Next is an explanation of the corporate rebranding process, which consists of four stages, namely repositioning, renaming, redesign, and relaunch (Muzellec et al., 2003). The first stage or repositioning was the stage where the PDC positioned its new brand identity as Custombandung to be accepted by consumers. Custombandung's repositioning took the form of a change in brand identity and expansion of market share. The change of name or brand identity to Custombandung was done so that the target market could easily recognize Custombandung as a product originating from Bandung. That stage is the stage of setting goals to try to create a new position in the minds of consumers, competitors and stakeholders (Ries & Trout, 2001). Even though the primary target market was in the Bandung area, the company also sold products through Shopee, so it did not rule out the possibility of purchases from outside Bandung. As explained earlier, the expansion of market share was done by selling through platforms other than websites, namely Shopee, which is e-commerce. Through Shopee, companies had more significant opportunities to touch potential buyers and shape them into loyal customers. However, repositioning that occurred from PDC to Custombandung also brought in new competitors. Companies that used only to do mouth-to-mouth marketing and social media have now expanded their markets through the website and Shopee. It has led to an increase in competitors on each of the new platforms. Nevertheless, Custombandung saw it as an opportunity to differentiate from similar business actors.

The next step in the corporate rebranding process is renaming. At this stage, the company must inform all stakeholders that the company has changed its strategy, focus, or change in the ownership structure of the company. The thing that PDC did at the renaming stage was to change the name from PDC to Custombandung. Since it was first established in October 2016, the company has been using the name PDC, which stands for Psychedelic. Then in February 2017, PDC changed its name to Custombandung. Choosing the right name is something that must be considered by the company carefully because it is in accordance with the statement of Muzellec et al. (2003), "naming holds the key in the

relationship between buyers and sellers or, in the case of corporate branding, between companies and stakeholders." The change of name was a way for the company to inform all stakeholders that the company has made a strategic change that was to be better known as a universal custom product service provider, not just a car freshener. The name Custombandung was also chosen so that consumers could remember it more easily. Furthermore, there are several categories of brand names, according to Muzellec et al. (2003), namely: (1) descriptive names, (2) associative or suggestive names, and (3) stand-alone, abstract, or self-created names. Custombandung was included in the descriptive name because Custombandung clearly illustrated that the company provides custom product services and operates in the city of Bandung.

Redesign, or the third stage of the corporate rebranding process, is how the company presents itself to stakeholders. The redesign reflects the values that are in an organization or company. Matters of concern in the redesign process are how to choose logos, colors, font types, slogans, and the placement of logos on digital media and the product itself. The redesign process is carried out on all elements of the organization that are patterned, such as brochures, advertisements (Muzellec et al., 2003) and tangible elements such as logos, advertisements, and other visual elements that image the brand. PDC did the redesign process to Custombandung by changing logo, website appearance, social media display, product packaging, and others.

After changing the name, Custombandung made a new logo design that was adjusted to the new brand image. The colors and fonts were made according to company characteristics. Light green, blue, pink, and orange represent friendly, creative, and trusted traits. The four colors were also used so that the logo looks more eye-catching than the previous logo, which only used black and white. Then, under the new logo, there is an inscription "by PDC" which indirectly tells consumers that PDC has not disappeared but has rebranded as Custombandung. In addition to these changes, the appearance of social media Custombandung also experienced changes. After rebranding, Instagram @custombandung.id display becomes more colorful, using the colors in the new logo. The newly formed website after rebranding was also made with shades of light green, blue, pink, and orange.



Figure 2 PDC Logo Before Rebranding



Figure 3 Custombandung Logo

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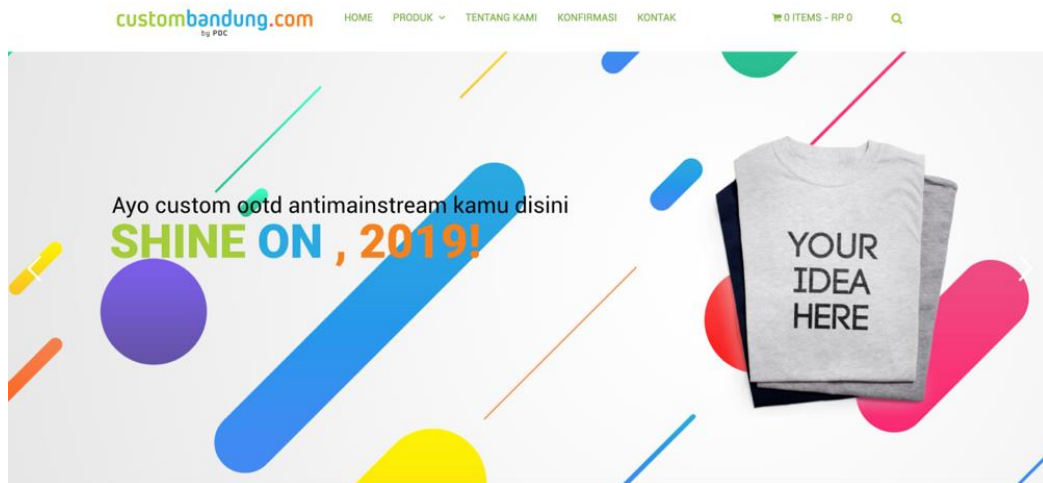


Figure 4 Website Display After Rebranding

The next change that occurred in the redesign process was a change in product packaging, especially car air freshener products. Before rebranding, PDC only sold custom car air fresheners with simple packaging using plastic, which was put in a brown envelope with a carton base material. After rebranding, Custombandung updated the packaging of its car fragrances with a more colorful design, so it looked more attractive.

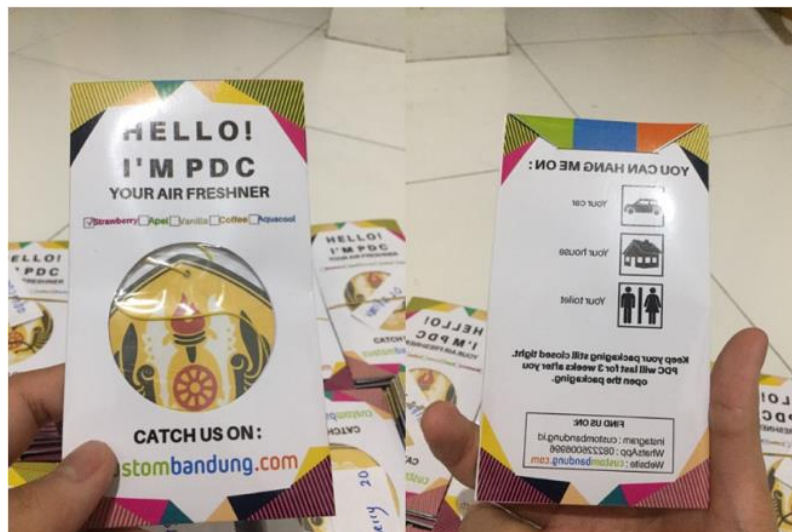


Figure 5 Car Air Freshener Packaging After Rebranding

The final stage in the corporate rebranding process was relaunch, which was the stage of publicizing that the PDC has rebranded as Custombandung. The relaunch process is carried out on two parties, internal stakeholders and external stakeholders. For internal stakeholders, new brands can be introduced through internal brochures or newspapers, annual meetings, or through workshops and intranets. As for external stakeholders, new brands can be introduced through press releases and advertisements that create awareness of the new name (Muzellec et al., 2003). The internal relaunch process was

certainly done according to the needs of the company itself. Because PDC did not have many internal stakeholders, the relaunch stage of internal stakeholders conducted through routine meetings did not experience significant difficulties. Three to five months was needed to choose a new name and tools that would be used in the change of PDC to Custombandung. With such a long time, internal stakeholders have begun to develop with a new perspective as Custombandung.

While the relaunch process towards external stakeholders was carried out by introducing new brands through advertisements and notifications on Instagram @custombandung.id. The advertising media used by Custombandung was Instagram ads, where Custombandung could reach its target market more accurately. The appearance of Custombandung social media has also changed. Deleting old PDC posts, which were then replaced with posts about the new name of Custombandung and notification to open the custombandung.com website. In addition, Custombandung also uploaded posts about how to place an order on the custombandung.com website. The relaunch process of external stakeholders that have been carried out by Custombandung has not experienced significant difficulties because Instagram Custombandung did not have so many followers before rebranding.



Figure 6 Display Instagram @custombandung.id After Rebranding

Conclusion

From various information that has been obtained, researchers would draw the conclusions. There were internal and external factors that influence PDC to rebrand into Custombandung. The internal factor was the company's desire to change brand identity by using the word Bandung in the new brand so that Custombandung could be easily recognized as a product from Bandung and also so that consumers could more easily remember the brand. While the external factors driving the rebranding were the receipt of grants from the Ministry of Research, Technology and Higher Education, the high interest in shopping online at the time, as well as the competitive sales of custom products in Bandung, which required innovation.

The corporate rebranding process itself consists of four stages, namely repositioning, renaming, redesign, and relaunch. The four stages have been carried out well. Custombandung did repositioning by changing the brand identity that positioned the company as a product originating from Bandung and also expanding its market share. The renaming was done to change the name of the PDC to Custombandung. Redesigning was carried out on almost all visual elements of the company, namely logos, website appearance, and social media, as well as custom car air freshener packaging. The final stage, relaunch, was carried out to internal stakeholders and external stakeholders. Both relaunch processes have been carried out well. Relaunch to internal stakeholders was carried out with regular meetings. While relaunching to external stakeholders was done by spreading advertisements through Instagram ads and notifying new brand names on Instagram @custombandung.id.

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