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Topic

**“Strategic repositioning of traditional companies through rebranding –
An analysis of success factors based on the case studies Hugo Boss and
Formula One”**

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Abstract

The aim of this paper is to identify success factors of a rebranding for traditional companies that want to reach younger target groups and do not yet have a large digital presence. Firstly, the qualitative methodology of literature research was applied. This was used to create a basis, illustrate the rebranding process and introduce the two brands. The second method used was a deductive content analysis according to Mayring. This was used to analyse the two case studies and determine the success factors. One of the main elements of this paper is the introduction of the rebranding cycle, which is later used to analyse the two brands. This results in the following key findings: Maintaining and expanding brand identity and emotionalising the brand are crucial to the success of a rebranding as well as a consumer first strategy with adding digital value. A Redesign, the relaunch and strategic changes at leadership level are fundamental symbols of change to external stakeholders. Communication must be adapted to the new target group in order to effectively inform them of the transformation. Continuous monitoring and adjustment, long-term planning and the creation of a foundation are the framework of a rebranding.

Key words: Brand, Rebranding (process), Brand identity, Repositioning, Relaunch,

Table of Content

1. Introduction	7
1.1. Reason and motivation	8
1.2. Literature review	9
1.3. Research objective	11
1.4. Approach and structure of the paper	12
1.5. Methodology	13
2. Theoretical foundation	13
2.1. The term brand.....	13
2.2. Rebranding	16
2.2.1. Definition of the term rebranding.....	16
2.2.2. Causes for a rebranding	19
2.2.3. The identity-oriented rebranding process	19
2.2.4. Challenges of a Rebranding process	27
2.2.5. Goals and opportunities of rebranding	27
2.2.6. Risks of Rebrandings	28
2.3. The Concept of Generation.....	29
2.3.1. Millennials	30
2.3.2. Generation Z.....	31
2.4. Definition of the term traditional company	33
3. Introduction of the two traditional companies.....	35
3.1. Hugo Boss	35
3.1.1. History.....	35
3.1.2. Problems prior to the rebranding.....	36
3.1.3. Status quo.....	42
3.2. Formula1	43
3.2.1. History.....	44
3.2.2. Problems prior to the rebranding.....	45
3.2.3. Status quo.....	47
4. Content Analysis.....	49
4.1. Determining the methodology.....	49
4.2. Preliminary approach of the content analysis	50
4.3. Results.....	51
4.4. Discussion of the results.....	63
5. Concluding section	66
5.1. Answering the research question.....	66

5.2. Critical examination of the methodology and limitations.....	68
5.3. Conclusion	68
5.4. Outlook on further research gaps.....	69
Declaration of Authorship	70
Bibliography	71
Appendix	80

Figure 1: The two perspectives of a brand 15

Figure 2: Rebranding-Mix 17

Figure 3: The level of a rebranding 18

Figure 4: Identity-oriented brand management cycle 20

Figure 5: Implementation steps for the rebranding 23

Figure 6: Visualization of generations Y & Z 33

Figure 7: Hugo Boss growth strategy 2020 37

Figure 8: Hugo Boss new strategy 2017 38

Figure 9: Hugo Boss: Two brand strategy 39

Figure 10: Hugo Boss Claim 5 Growth strategy 41

Figure 11: Hugo Boss Profit situation in comparison 42

Figure 12: F1 Attendance 2022 vs. 2023 47

Figure 13: Fandom Statistics 2023 47

Figure 14: Formula 1 revenue in the years 2016 to 2023 48

1. Introduction

„In the future, the brand will be the company's most important asset“
written by Jean Noel Kapferer,¹

German companies already invested 30 million euros in the development and management of brands in 2002.² According to Kantar Brandz, the total value of Germany's most valuable brands in 2023 was 371.816 million dollars.³ Globally, the top four most valuable brands in 2023 each had a brand value of over 100 billion US dollars. Apple was once again the world's most valuable brand in 2023 with a brand value of 502.7 billion US dollars. Microsoft took second place with a brand value of 316 billion US dollars. Amazon was in third place worldwide with a value of 276.9 billion US dollars.⁴ Brand equity is intended to emphasize the tremendous importance a brand has.⁵ But not only can well-managed brands be extremely valuable, they also open up many opportunities for companies.⁶ When looking at the soft drink manufacturer sector, the importance of the brand can be illustrated by the Coca-Cola test. During a blind taste test of the Coca-Cola and Pepsi, 51% of participants preferred the Pepsi and 44% Coca-Cola. The remaining 5% of respondents found both drinks equally good. When the test was carried out again, this time not as a blind test, instead the participants saw the different brands, the result changed significantly. 65% preferred Coca-Cola and only 23% opted for Pepsi. The remaining 12% liked both brands equally well. This example clearly shows that users make decisions based on the brand.⁷ Particularly nowadays, when most markets are highly saturated, companies and products can differentiate themselves from the competition through their brand.⁸

Considering the many crises that have occurred globally in recent years and have had an immense impact on the economy and companies, it is therefore important to emphasize that strong brands withstand crises better and generally recover more quickly afterwards.⁹ However, there have been major changes in many markets, particularly in recent years. Thanks to the internet, the number of information sources and media channels has skyrocketed. For some years now, consumers have been

¹ Kapferer (1992) p. 9 (translated by Cassandra Sebes)

² CF. Burmann/ Meffert/Koers (2005) p. 4

³ CF. Shepter (2023) p. 3

⁴ CF. Interbrand (2023) n. p.

⁵ CF. Esch/Wicke/Rempel (2005) p. 5

⁶ CF. Esch/Wicke/Rempel (2005) p. 8

⁷ CF. Burmann/ Meffert/Koers (2005) p. 4-5

⁸ CF. Esch/Wicke/Rempel (2005) p. 7

⁹ McKinsey & Company (2023) n. p.

interactive users who can make direct contact with companies and also communicate their disapproval or enthusiasm to an audience. As a result, brands can no longer communicate in a linear and monologic way. In order to continue to fascinate as a brand, they have had to relearn how to communicate, be noticed in the media overload and be perceived positively.¹⁰ Not only has consumer behavior changed significantly in recent years, but consumer needs have also changed with access to the Internet and other technological developments.¹¹ Added to this are the crises of today, which also have a direct influence on consumer needs and behavior.¹² Due to these developments and rapidly changing markets, brands are forced to rethink their business model and adapt it if necessary.¹³ Because "in saturated markets, communication becomes a key strategic success factor."¹⁴ For traditional companies, these changes pose a particular challenge. Brands that existed before digitalization had to satisfy completely different consumer needs back then than they do today.¹⁵ Repositioning brands, especially traditional brands, must be approached with particular sensitivity. Due to the fact that those traditional brands already evoke a familiar brand image in consumers' minds, which results from an already existing brand identity.¹⁶ There is no doubt that many traditional brands have had to adapt to changing consumer needs in recent years. Maintaining a brand's identity in that process and remaining a successful brand is a challenging task.¹⁷ Because of this, this paper deals with the question of what the success factors are when rebranding traditional brands.

1.1. Reason and motivation

The selection of the research topic "Strategic Repositioning of Traditional Companies through Rebranding" is motivated by the central importance of brand management in today's business world. In an environment characterized by constant change and the rapid introduction of new technologies, the strategic maintenance and adaptation of brands is becoming a crucial success factor for companies. Traditional brands occupy a unique position, as they not only have a rich history, but also face the challenge of

¹⁰ CF. Nitschke (2011) p. 66

¹¹ CF. Nitschke (2011) p. 67

¹² CF. Freundt/ Lehmann/ Liedtke/ Perrey (2020) p. 23-24

¹³ CF. Nitschke (2011) p. 68

¹⁴ Esch/Wicke/Rempel (2005) p. 18 -19 (translated by Cassandra Sebes)

¹⁵ CF. Zwirner (2022)

¹⁶ CF. Burmann/ Meffert/Koers (2005) p. 9

¹⁷ CF. Esch/Wicke/Rempel (2005) p. 9

maintaining their identity and values in an ever-changing world. By analyzing traditional brands such as Hugo Boss and Formula One, this academic paper aims not only to shed light on the current requirements of brand management, but also to specifically address the challenges and success factors associated with the repositioning of established traditional brands. Both Formula One and Hugo Boss were selected as case studies, primarily due to their rebranding initiatives in recent years. The repositioning of Hugo Boss received a lot of attention, especially in Germany. On the other hand, Formula One, despite its international significance as a sporting event, has generated increased interest, particularly among the younger generations. The choice of these two traditional brands makes it possible not only to analyze attention-grabbing and different rebranding strategies, but also to examine the impact of these measures on the target group of digital natives. This complexity provides a rich basis for an in-depth analysis of the success factors in the strategic repositioning of traditional brands through rebranding.

1.2. Literature review

There are many academic sources and studies that deal with the topic of brand management. Such as the academic book “Moderne Markenführung” published by Franz – Rudolf Esch (2005). He claims, that “The topic of "brand" is considered a megatopic in marketing worldwide.”¹⁸ The book addresses topics such as the basis of brand management, including the development of brand identity and brand positioning, brand strategies, branding, brand management and communication. This book also explores the management of complex brand systems, the topic of brand extension and internal brand management as well as brand control. However, the topic of rebranding is only mentioned in individual chapters at most. It is outlined that when a brand repositions itself, special attention must be paid to the brand identity. The importance of consistent marketing support during a rebranding is also explained. The word rebranding and two approaches to it are clarified. In addition, several chapters warn of the difficulty of rebranding, especially with regard to the risk of destroying identity and brand equity.¹⁹

¹⁸ Esch (2005) Foreword. S. 2 (translated by Cassandra Sebes)

¹⁹ CF. Esch/Wicke/Rempel (2005) p. 9

Markenmanagement published by Meffert, Burmann and Koers in 2005 is another book that deals with the topic of brand management. It focuses in particular on identity-oriented brand management. The book deals with the basics of brand management, the transition of brand management from an instrumental to an identity-oriented understanding of brands. The subchapter on the management concept of identity-oriented brand management was of particular interest for this academic paper, as it illustrates and explains the process of brand building in detail. The chapter highlights that branding is not just a one-off process, but rather a cycle. Accordingly, brand management must be constantly monitored and adapted in order to manage a successful brand. Furthermore, the strategies of brand management are examined, whereby the topics of brand architecture design, brand evolution strategies and brand extension strategies are explained in more detail. These chapters are very relevant for understanding brand management, but this book does not explicitly mention the topic of rebranding or dedicates a chapter to it. It is only briefly referred to in passages.²⁰ The book Brand Planning published by Baetzgen in 2011 deals with strategies for brands and campaigns. In addition to the definition of the term brand and brand management, the third chapter, Brand & Positioning, deals with the topic of the brand as a learning, creative and interactive system. In particular, it discusses the challenge that brands must change with the times, but must not deviate from their roots and identity.²¹

However, there are very few academic literatures on the specific topic of rebranding. Mostly if there are any information on the topic of rebranding it is from short academic research papers.²² One of these is the study by Muzellec, Doogan and Lambkin, on corporate rebranding: destroying, transferring, or creating brand equity, which provides a description on what Rebranding is and explains different dimensions of rebranding.²³ Another paper is also by Muzellec, Doogan and Lambkin on corporate rebranding - an exploratory review. Here the relevance of rebranding is emphasized. In particular, the word rebranding is defined and explained and divided into four components. In addition, different reasons for rebranding are highlighted.²⁴

²⁰ CF. Burmann/ Meffert/ Koers (2005)

²¹ CF. Nitschke (2011) p. 68

²² CF. Muzellec/ Doogan/ Lambkin (2003) p.31

²³ CF. Muzellec /Lambkin (2005) p. 804 - 811

²⁴ CF. Muzellec/ Doogan/ Lambkin (2003) p. 31 - 38

More recent books that deal with the topic of rebranding include "Vermögenswert Marke" von Cloosterman und Hoekstra. Topics such as the reasons for brand change and the process for improving brand performance show how a rebranding process should proceed and which steps lead to it in the first place.²⁵ Feddersen Christian deals with the repositioning of brands in the book "Repositionierung von Marken" using a simulation. In the foreword to the book, which was published in 2010, the author emphasizes that he is "surprised that marketing science has so far hardly dealt with the phenomenon of brand repositioning. It is at least implicitly assumed that the very numerous publications on positioning also cover the case of brand repositioning. However, a closer look reveals that this is actually only the case to a very limited extent (...)"²⁶

Apart from that, the topic has already been taken up in the business press.²⁷

All of the topics mentioned are important areas of brand management. Nevertheless, the analysis of the sources mentioned and the literature research completed prior to this paper shows that the subject area of rebranding is not sufficiently covered. Furthermore, there are hardly any sources that deal with the digital aspects of rebranding. For example, what role social media can actually play in a rebranding process. This and the current relevance of rebranding led to the choice of the named subject area. The popularity of the rebranding of Hugo Boss and Formula One complemented the choice of research question.

1.3. Research objective

In this thesis, entitled "Strategic repositioning of traditional companies through rebranding - An analysis of success factors based on the case studies Hugo Boss and Formula One", the challenge of how traditional companies can successfully implement a strategic repositioning through rebranding is examined. It focuses on the analysis of success factors that have already led to a successful rebranding. In detail, this study aims to answer the following question: How can traditional companies maintain their identity despite rebranding and at the same time operate successfully in the modern digital world and consequently inspire young target groups. This question is analyzed

²⁵ CF Cloosterman / Hoekstra (2019) p.

²⁶ Feddersen (2010) p. V (Vorwort) (translated by Cassandra Sebes)

²⁷ CF. Muzellec/ Doogan/ Lambkin (2003) p.31

in detail on the basis of two important case studies, Hugo Boss and Formula 1. Through a comprehensive content analysis and evaluation of these aspects, this academic paper aims to generate practical insights for traditional companies in order to promote their success in a dynamic, digital economic environment. This paper also aims to show that a company or its identity should always be questioned in the current context in order to remain relevant.

1.4. Approach and structure of the paper

The chapter on theoretical foundations is made up of three components: firstly, the definitions. Primarily, some terms are explained for the further course of this paper in order to create a basis for understanding. The term "traditional company" and the generational term with its sub-terms Millennials and Generation Z, among others, must be defined. Also, the term "brand" is defined and the importance of the brand for the identity, functionality and thus also the repositioning of a company is made clear. Not all of the terms mentioned are defined at the beginning of the thesis, but in paragraphs where it makes more sense for this thesis due to the chronological order. Secondly, the theoretical foundations consist of a larger sub-chapter which is fully dedicated to the topic of rebranding. The reason for this is that in order to determine the success factors of rebranding later in the thesis and to be able to analyze the two brands Hugo Boss and Formula 1 appropriately, a theoretical basis must first be created. Another chapter is the section on the two selected traditional companies. Here, the status quo of the companies before their rebranding's will be outlined, as well as the problems the brands were confronted with. Once a knowledge base about the topic has been created, the content analysis of the two brands mentioned follows. The two selected companies are analyzed in detail using a content analysis according to Mayring. Subsequently, the results are presented and critically examined. Finally, the entire academic paper is critically evaluated, the research question is answered and a conclusion is drawn.

1.5. Methodology

There are two methods used to answer this research question. In the first part of this scientific paper, a theoretical foundation is created based on already existing literature. The second part of this thesis is based on empirical research. Namely, a qualitative content analysis according to Mayring is carried out in order to discuss the success factors associated with the rebranding of traditional companies.

2. Theoretical foundation

In order to ensure that all terms are understood consistently, certain expressions are operationalized and defined in this section. In doing so, reference is made to the relevant literature sources. Based on this, a comprehensive explanation of the current state of research is provided, allowing a generally understandable presentation of the topic.

2.1. The term brand

For the purpose of drawing conclusions in this academic paper, the word "brand" and its meaning should first be defined. The term originates from the meaning of marking something that is someone's own possession. In English, the term brand is used, which is derived from the word *Brandmarke*. In order to recognize their own animals, farmers used to mark their animals with their own brand. Thus, brand could be understood in the past as an individual mark for recognition.²⁸ By now there are several definitions of what exactly a trade mark is. According to the German Trademark Act (MarkenG) §3, a trademark can be: "all signs, in particular words including personal names, images, letters, numerals, sounds, three dimensional designs including the shape of a product or its packaging, and other get ups including colors and combinations of colors, which are capable of distinguishing the goods or services of one undertaking from those of other undertakings shall be protected".²⁹ The definition by Kotler heads in a very similar direction: „A brand can be defined as a name, term, sign, symbol, or design or combination of them which is intended to identify the goods and services of one seller or a group of sellers and to differentiate them from those competitors“³⁰ Over the years,

²⁸ Cf. Linxweiler (2004) p. 71

²⁹ Bundesministerium der Justiz (n. y.) n. p. (translated by Cassandra Sebes)

³⁰ Kotler (1991) p. 442

however, the term brand has evolved and has become much more than just a physical marking. These definitions, which cover the functional elements, are no longer up to date. Especially when the term brand is considered with a focus on consumers, because they do not cover the entire spectrum.³¹ Not only functional features are essential for brands. Brands evoke images in people's minds. Through these, brands can be quickly identified and differentiated from other brands. A definition should not disregard the effect of brands.³² Rather, in order to understand the influence of brands, the impact-based perspective must also be taken into account.³³ In comparison to the purely legal definition and the functional aspects, it is necessary to emphasize that brands have their own identity. The brand identity differentiates brands from their competitors' brands, because they all fulfill the same basic needs.³⁴ Consumers associate certain feelings and experiences with a brand. Thus, a brand is created when consumers and target groups have an individual, relevant image of the brand in their minds. The product does not always have to be the best, but can benefit from its emotionally charged brand image.³⁵ Given the variety of products on the market today, precisely these brand identities are helping consumers to make a purchase decision. Recognizing a brand when shopping arouses emotions in the buyer in connection with the brand. This not only helps consumers to orient themselves in oversaturated markets, but also gives them the feeling that they are taking less risk when making a purchase. Consequently, it is easier for them to make a purchase decision.³⁶ Keller's definition outlines the effect of the brand as following: „A brand is (...) a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same needs.“³⁷ Particularly strong brands inspire trust and security among consumers. Furthermore, they are also more firmly anchored with buyers on an emotional level than weak brands.³⁸ In addition, brands and especially strong brands can provide a sense of belonging through their brand.³⁹ In addition, brand loyalty is very high for brands with a strong brand identity. Beyond that, the consumer's previous experience with the brand also plays a decisive role.⁴⁰

³¹ Cf. Esch/Wicke/Rempel (2005) p. 10

³² Cf. Esch (2014) p. 21-22

³³ Cf. Esch/Wicke/Rempel (2005) p. 11

³⁴ Cf. Burmann/ Meffert/Koers (2005) p. 7

³⁵ Cf. Esch (2014) p. 21-22

³⁶ Cf. Esch/Wicke/Rempel (2005) p. 11

³⁷ Cf. Burmann/ Meffert/Koers (2005) p. 6

³⁸ Cf. Esch/Wicke/Rempel (2005) p. 11

³⁹ Cf. Esch/Wicke/Rempel (2005) p. 6

⁴⁰ Cf. Esch/Wicke/Rempel (2005) p.6-7

Based on the aforementioned characteristics of brands, the following graphic serves as an illustration.

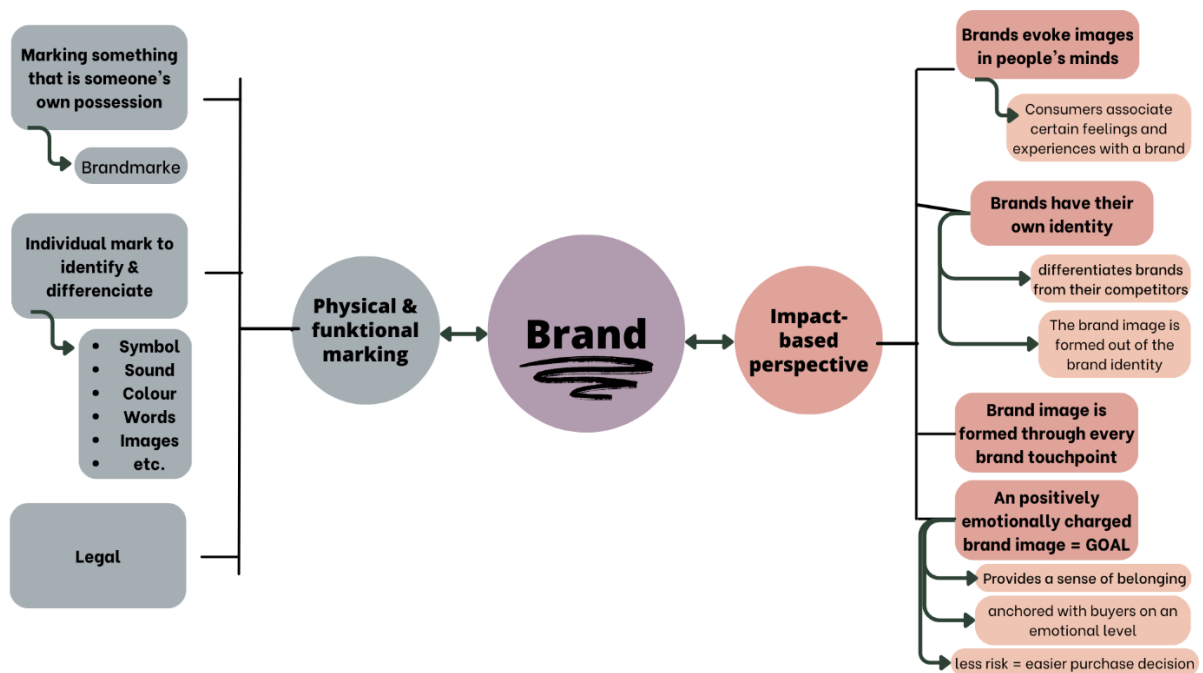


Figure 1: The two perspectives of a brand
(Own illustration based on the sources of the chapter 2.1 The term brand mark of this thesis)

Based on the previous definitions of a brand, the following definition was created:

“Nowadays, a brand is definitely not just a legal label to protect and claim functions and appearance. Brands have their own identities. The identity of the brand creates an effect that cannot be traced back to the functional aspects (of the brand). It is precisely this identity that arouses certain feelings in the consumer, through which the brand differentiates itself from others. Through every contact with the brand this identity is shaped for the consumer. Continuous brand management is therefore necessary for a positive brand image and additional benefits for the consumer.”

It is important to add that brand management should be an integrated part of corporate management. Because branding is not only sales-related, but the brand identity should be anchored in the entire company.⁴¹

⁴¹ CF. Burmann/ Meffert/ Koers (2005) p. 8

2.2. Rebranding

Rebranding is explained in the following chapter. In addition, the possible approaches to rebranding and the challenges, risks and opportunities to be expected are identified. These topics are crucial for the subsequent determination of the success factors of a repositioning of traditional companies.

2.2.1. Definition of the term rebranding

In the academic context, the term rebranding is not given nearly as much attention as is given to the term brand.⁴² The word can be separated into the words "re" and "branding" or "brand". The Cambridge Dictionary assigns the prefix "re-" the meaning "do again".⁴³ It is "added to verbs and nouns to form new verbs and nouns that refer to the repeating of an action or process."⁴⁴ For this process, the prefix "re" refers to the word "branding".

Branding can be defined as follows: The branding process consists of the coordinated, overall development of a brand's marketing mix. The aim is to create a relevant and holistic image of the brand that differentiates it from its competitors.⁴⁵ Consequently, the term "rebranding" can be defined as follows: A rebranding process is about repositioning the brand. For this purpose, the brand discovery process is run through again and the brand is redefined. Some academic writings point out that a rebranding process is only about finding a new brand Name, logo, Symbol and Design.⁴⁶ Based on the outdated definition of the term brand, which refers to the marking of products for differentiation as well as the physical and functional aspects of a brand, this definition of rebranding is understandable. However, as already explained in the definition of the term brand, the impact-related aspects of a brand must also be taken into account. Rebranding therefore cannot only involve changing the external appearance of a brand.⁴⁷

⁴² C.F. Muzellec /Lambkin (2005) p. 804 - 805

⁴³ Cambridge Dictionary (n. y.)

⁴⁴ Collins Dictionary (n. y.)

⁴⁵ CF. Esch/ Langner (2005) p. 577

⁴⁶ C.F. Muzellec /Lambkin (2005) p. 804 - 805

⁴⁷ C.F. Muzellec /Lambkin (2005) p. 805

As a result, the rebranding process can be broken down into four components, as shown in figure two: repositioning, renaming, redesign and relaunch.⁴⁸

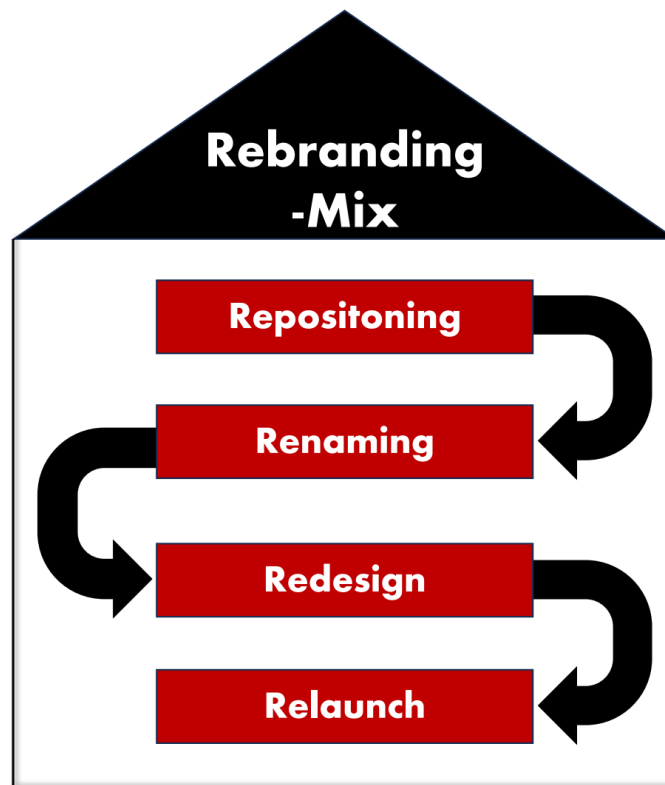


Figure 2: Rebranding-Mix
(Own illustration based on (Muzellec /Lambkin (2005) p. 804 – 805)

Both the Renaming and Redesign components are aimed at external changes to the brand. Here, the brand should distinguish itself positively from its old appearance and stand out from the outside. In the context of repositioning, the focus is not on the visual appearance, but rather on the modification of both functional and impact-related features of an existing brand. The intended goal is to positively influence the brand identity and image among the relevant interest groups. Usually the last step of a rebranding process is the relaunch. In this step, the result of the rebranding process is presented. Selected internal and external communication channels are used to communicate the transformation.⁴⁹ A rebranding is carried out "with the intention of developing differentiated (new) position in the mind of stakeholders and competitors".⁵⁰ Consequently, the aim of rebranding is to reposition the brand in the market. Ultimately,

⁴⁸ CF. Muzellec/ Doogan/ Lambkin (2003) p.34-35

⁴⁹ CF. Muzellec/ Doogan/ Lambkin (2003) p.35

⁵⁰ CF. Muzellec /Lambkin (2005) p. 805

the aim is to change consumers' perception of the brand.⁵¹ By developing a differentiated brand identity in the minds of consumers through rebranding.⁵² However, the depth and degree of the rebranding process can vary greatly depending on the brand. Rebranding is conceptualized in figure two based on the extent of the changes in brand aesthetics and brand positioning. In this model, rebranding is categorized into evolutionary and revolutionary stages.

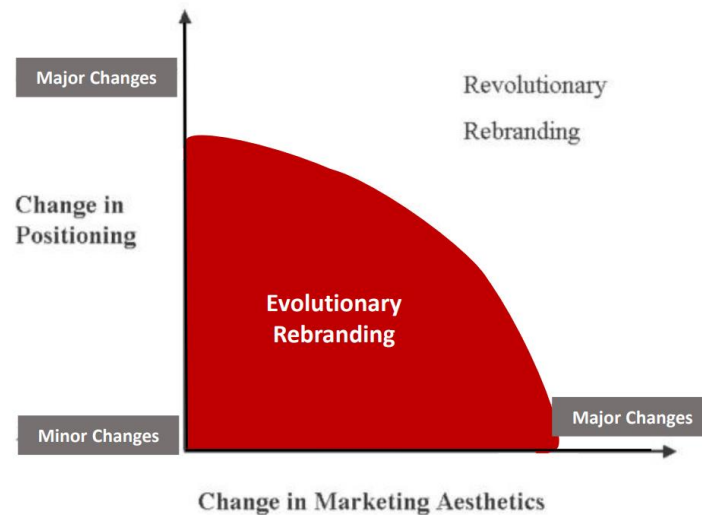


Figure 3: The level of a rebranding
(Own illustration based on Muzellec /Lambkin (2005) p. 805 – 806)

Evolutionary rebranding is characteristic among companies that exist over a longer period of time and undergo an ongoing adaptation process. This type of rebranding describes a rather minor change in the positioning of the company and is perceived more externally. In contrast, revolutionary rebranding describes a major, recognizable change in positioning and aesthetics. In this case, the company usually redefines itself, which very often goes hand in hand with a name change.⁵³ Additionally, it must be noted that a repositioning of the brand can be carried out on different structural levels. The existing brand architecture plays a decisive role in this context. For example, it is possible to rebrand just one product, a business unit or even the entire brand.⁵⁴

⁵¹ C.F. Keller (2004) p.97 & Bynder (n. y.)

⁵² C.F. Muzellec /Lambkin (2005) p. 805 & p. 807

⁵³ C.F. Muzellec /Lambkin (2005) p. 805 - 806

⁵⁴ C.F. Muzellec /Lambkin (2005) p. 806

2.2.2. Causes for a rebranding

Generally, the need for a fundamental redefinition of the corporate identity is suggested by events and decisions that lead to a change in the structure, strategy or performance of a company. It can be assumed that this change is so extensive that a fundamental repositioning is considered.⁵⁵ A number of reasons exist for brands to rebrand. One of the top causes is the merger and acquisition of companies. In second place are spin-offs. The loss of market share and brand relevance is also a frequently mentioned reason. The aim is to overcome a poor or outdated image and achieve a change in strategic position.⁵⁶ In this context, the gradual erosion of market share or reputation as a result of changing demand patterns or competitive conditions often has a crucial role to play.⁵⁷

2.2.3. The identity-oriented rebranding process

Academic literature does not provide a fixed procedure for a rebranding process, nor are there any predefined models.⁵⁸ After all, rebranding must be individually adapted to the company and its new goals. Nevertheless, according to Keller, there are two different approaches: "Revitalizing a brand requires either that lost sources of brand equity are recaptured or that new sources of brand equity are identified and established."⁵⁹ Either one therefore has the opportunity to expand the depth and/or breadth of brand awareness. This can be achieved by improving brand recall and customer recognition during purchase or consumption.⁶⁰ Or the strength, popularity and uniqueness of the brand associations that make up the brand image are improved.⁶¹

As has been pointed out in the chapter of the literature report, there are few scientific sources that deal exclusively with the topic of rebranding. Consequently, the rebranding process approach and procedure are outlined below, are based on the strategic development of a brand. This is considered reasonable for two different reasons. Firstly, due to the uniqueness of a brand and its individual problems,

⁵⁵ CF. Muzellec/ Doogan/ Lambkin (2003) p.33

⁵⁶ CF. Muzellec/ Doogan/ Lambkin (2003) p.36

⁵⁷ CF. Muzellec/ Doogan/ Lambkin (2003) p.33

⁵⁸ CF. Bynder (n. y.)

⁵⁹ Keller (2004) p.97

⁶⁰ CF. Keller (2004) p.97

⁶¹ Keller (2004) p.97

rebranding should also be approached individually for each brand.⁶² Accordingly, the branding process is repeated, but with the consideration that a brand already exists that needs to be adapted. On the other hand, the definition of the word rebranding already indicates that it is a repetition of a process that has already been carried out. That process is the brand building process.

The identity-oriented brand management process is used below, as the identity of the brand is considered the starting point for brand management. After all, the brand image is indirectly controlled via the brand identity.⁶³ According to Burmann and Meffert, the main task of identity-oriented brand management is to create an independent brand identity through a synchronized, over time fundamentally stable layout and communication of all components of the brand identity and the implementation of a common image of the brand in the minds of all internal and external target groups.⁶⁴ Moreover, the aim is to ensure the best possible fit between the identity and image of the brand.⁶⁵

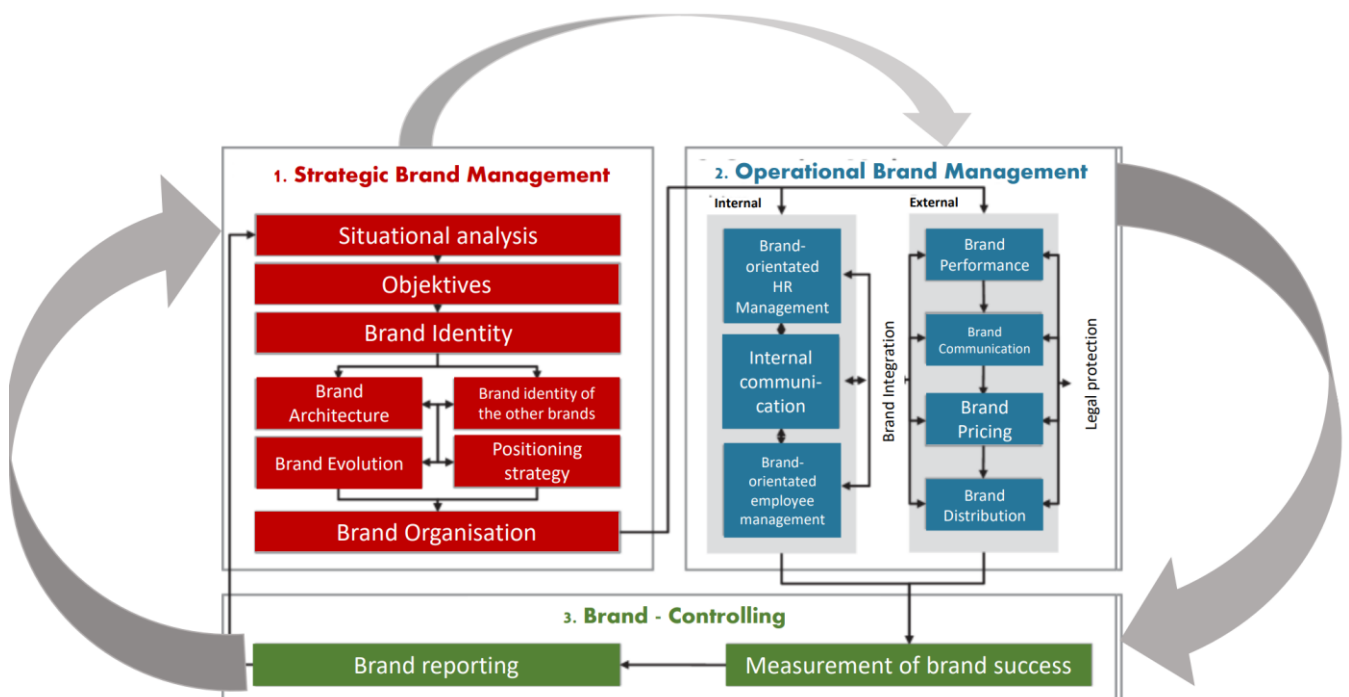


Figure 4: Identity-oriented brand management cycle
(Adapted from Burmann/Meffert (2005) p 76)

⁶² CF. Esch/Wicke/Rempel (2005) p. 9

⁶³ CF. Burmann/Meffert (2005) p. 75

⁶⁴ Burmann/ Meffert (2005) p.67

⁶⁵ CF. Burmann/Meffert (2005) p. 74

As illustrated in figure four, the process of identity-oriented brand management is divided into three major subsections: planning, coordination and control. Strategic management is carried out at the beginning. This is followed by implementation with operational management. Last but not least, success is measured; this step is called brand controlling. It should be noted that the processes in the illustration above can run simultaneously.⁶⁶

Stage one: Strategic brand management

The first step in strategic brand management is a situation analysis. This involves examining who belongs to the brand's target group and what defines them, how they experience the brand and where they see the brand in comparison to the competition. In addition, the brand touch points, the strengths and weaknesses of competitors and the needs of consumers are identified.⁶⁷ Internally, the corporate culture and organizational capabilities must also be considered. The outcome of the situation analysis forms the basis for the development of the brand objectives. These should be closely linked to the company's general objectives. The brand objectives form the framework for the creation of the brand identity.⁶⁸ According to Burmann and Meffert, brand identity is made up of the following components: Brand origin, brand competence, brand performance, brand vision, brand values and the brand personality. The fundamental structure of the brand's identity is its origin.⁶⁹ Particularly in the early stages of a brand, it is usually identified based on its origin. In addition to geographical origin, this also includes cultural and institutional influences.⁷⁰ Justifying and securing the specific competitive advantage of a brand is the result of its brand competence. Brand performance builds directly on brand competence and determines how the consumer will use the brand. The orientation of the brand identity is largely guided by the brand vision, which fulfills essential motivational, identification and coordination functions. It also serves as a guideline for the long-term development of a brand. Elementary emotional characteristics of the brand identity, as well as the wishes of the relevant target groups for the brand, are represented by the brand values. The values of the brand reflect what the brand and its representatives believe in.⁷¹

⁶⁶ CF. Burmann/Meffert (2005) p. 75

⁶⁷ CF. Burmann/Meffert (2005) p. 77

⁶⁸ CF. Burmann/Meffert (2005) p. 78

⁶⁹ CF. Burmann/Meffert (2005) p. 79

⁷⁰ CF. Burmann/Meffert (2005) p. 79

⁷¹ CF. Burmann/Meffert (2005) p. 79

Conceptualizing a brand's communication style is significantly influenced by its brand personality. This specific communication approach is shaped both by the characteristic representatives of the brand and by its origin.⁷²

Stage two: Operational brand management

During the previous phase, the strategic direction of the brand was determined, on which the second step, operational management, builds on directly. Based on the strategic results, the brand management tools are developed in this phase. As soon as these are defined and implementation is initiated, the overarching brand objectives should be achieved with their help.⁷³ These brand management tools are also known as the marketing tools or, commonly, the four Ps.⁷⁴ These are brand performance (performance policy or product), brand pricing (price policy or price), brand communication (communication policy or promotion) and brand distribution (distribution policy or place).⁷⁵ In recent years, the assumption has become more firmly established that marketing instruments are no longer just four Ps, but seven. The other three instruments are personnel policy (People), process policy (Process), which refers to the analysis and optimization of processes, and thirdly the physical facilities, i.e. the ambience of the sales area.⁷⁶ Brand instruments can be considered as guidelines for the implementation of brand objectives.⁷⁷

Stage three: Brand-Controlling

The third and final step in identity-oriented brand management is brand controlling. Various tools are used here to measure the success of brand management. Obtaining the results of brand success measurement and brand reporting provides the necessary information to make decisions on how brand managers should react in order to optimally coordinate the brand. As brand control is an ongoing process, strategic and operational brand management is continuously supported by brand it.⁷⁸

⁷² CF. Burmann/Meffert (2005) p. 79

⁷³ CF. Burmann/Meffert (2005) p. 90

⁷⁴ CF. Sklenak/Grieger (2023)

⁷⁵ CF. Burmann/Meffert (2005) p. 76

⁷⁶ CF. Sklenak/Grieger (2023)

⁷⁷ CF. Kreuzer (2022), S. 257 ff.

⁷⁸ CF. Burmann/Meffert (2005) p. 101

If the process in question is carried out with an already existing brand, some points need to be adapted to a rebranding process. The procedure for rebranding based on identity-oriented brand management is therefore illustrated below.

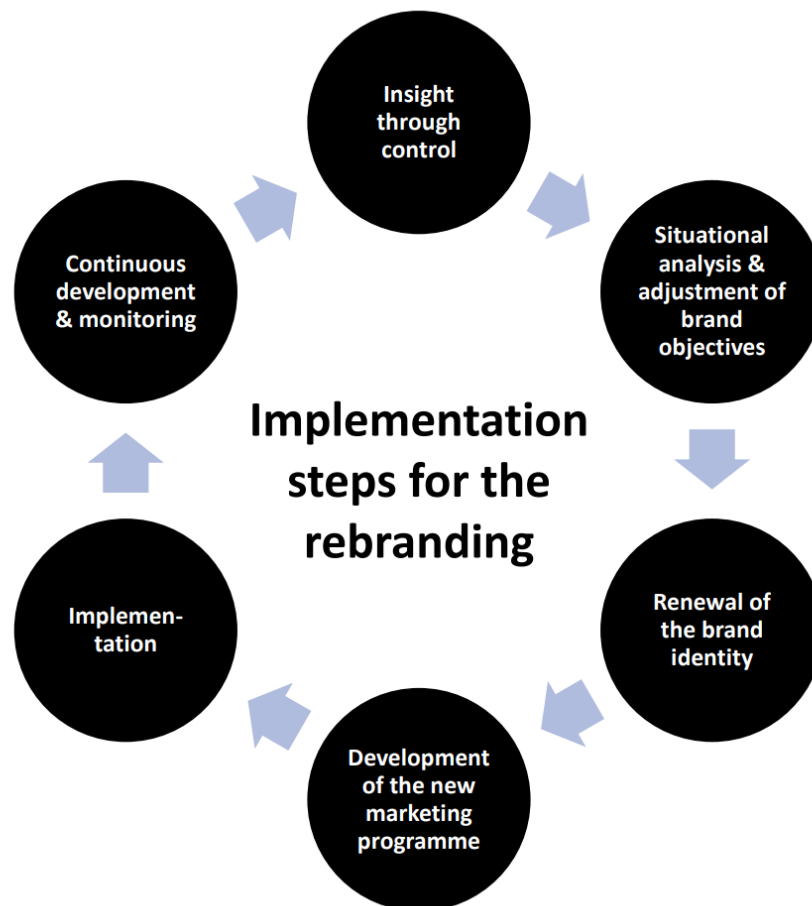


Figure 5: Implementation steps for the rebranding
(Own illustration based on the sources of 2.2.3. The identity-oriented rebranding process)

Phase 1: Insight through control

When a brand decides to undergo rebranding, it must have already become apparent in the third step of brand management, brand controlling, that the actual results differ from the target values. Brand controlling therefore forms both the completion of the branding process and the starting point.⁷⁹

Ideally, the identity-oriented branding process should be permanently monitored and adapted.⁸⁰ Therefore, the brand should be able to react to changing market

⁷⁹ CF. Burmann/Meffert (2005) p. 101 & CF. Wünsche/May (2021) p.10

⁸⁰ CF. Burmann/Meffert (2005) p. 101

developments, changing competitive pressure and general external events at any time.⁸¹ Such changes fall under the term evolutionary rebranding, as already explained in chapter 2.2.1 Definition of rebranding. "Sometimes, however, circumstances may require a more radical overhaul of a company's positioning, both in terms of what it is and how it presents itself - in other words, a rebranding."⁸² In such cases, simple control measures are no longer sufficient to correct the deviation from the target.⁸³

Phase 2: Situational analysis & adjustment of brand objectives

Consequently, a situational analysis is carried out on the basis of the poor results and with the intention of changing the brand's position. If the results of this analysis differ from the last situational analysis, new brand objectives and often also corporate objectives are defined. Precisely these have a direct influence on the brand identity.⁸⁴ Furthermore, the intensity with which the brand will be changed should be decided in this phase.⁸⁵ In the chapter 2.2.1 *Definition of the term rebranding* this was mentioned as evolutionary or revolutionary rebranding.

Phase 3: Renewal of the brand identity

For the conception of the brand identity, the brand objectives are used as a guideline.⁸⁶ On this basis, the content-related brand identity is developed and, usually in the next step, the visual brand identity is designed.⁸⁷

Various academic writings indicate that brand identity should be seen as the core of brand repositioning. The associations connected with the brand should be used in the process.⁸⁸ Nitschke also emphasizes that "future successes must be drawn from past successes" („Zukünftige Erfolge aus den vergangenen abgeleitet werden“ müssen).⁸⁹ In addition, over a longer period of time, despite changes, a brand should give the impression of remaining similar and recognisable.⁹⁰ As Hellmann explains, a brand is linked to the values and ideas of its founders or its origins and should always remain

⁸¹ CF. Muzellec/ Doogan/ Lambkin (2003) p.34

⁸² CF. Muzellec/ Doogan/ Lambkin (2003) p.34

⁸³ CF. Burmann/Meffert (2005) p. 101

⁸⁴ CF. Wünsche/May (2021) p.11

⁸⁵ CF. Burmann/Meffert (2005) p. 76-80

⁸⁶ CF. Burmann/Meffert (2005) p. 78

⁸⁷ CF. Wünsche/May (2021) p.11-12

⁸⁸ CF. Esch/Wicke/Rempel (2005) p. 8

⁸⁹ Nitschke (2011) p.68

⁹⁰ CF. Nitschke (2011) p. 68

true to these in the future.⁹¹ The alignment of the brand is based on its inherent values and ideas, which are rooted in its origins. Thus, the brand continuously reproduces itself. This requires reinvention based on its brand history and the brand essence, which forms the brand identity.⁹² "Accordingly, a brand identity must be defined flexibly today" is another interesting statement by Nitschke regarding the further development of brand identity.⁹³ As a result, a rebranding process should never completely reinvent the entire brand identity, but rather develop it further. All subsequent steps of strategic brand management are adapted to the repositioned brand identity. Due to the scope of this work, these will not be discussed further, but they do play an important role.

Phase 4: Development of the new marketing program

While the previous steps were concerned with the strategic realignment of the brand, the development of the marketing program is a strategy-based elaboration of the marketing measures that will be implemented operationally.⁹⁴ As already explained in the process of identity-orientated brand management, at the beginning of this chapter, the brand and marketing instruments are established in this phase.

One key point in this context is **brand performance**. Because the renewed brand identity is realised to a very large extent in the brand performance.⁹⁵ Although a brand is no longer defined as strongly as it used to be purely by its brand performance.⁹⁶ Nevertheless, the performance of a brand continues to play an essential role in brand identity.⁹⁷ If the four elements of rebranding are considered, two important elements can be found in this phase of the rebranding process. This is because the design of the product or service is concretized and implemented here. If the design of a brand is changed and or the name, this must be adapted in this phase.⁹⁸ Furthermore, according to Burmann and Meffert, brand performance should have a "genuine problem-solving capability".⁹⁹ "This problem-solving ability must already be expressed in the formulation of the brand identity."¹⁰⁰ Brand performance includes the design of the product, the overall look of the brand, the signs, sounds, odours and so on. The

⁹¹ CF. Nitschke (2011) p. 68

⁹² CF. Nitschke (2011) p. 68-69

⁹³ Nitschke (2011) p.68 (translated by Cassandra Sebes)

⁹⁴ CF. Burmann/Meffert (2005) p. 90

⁹⁵ CF. Burmann/Meffert (2005) p.86

⁹⁶ CF. Esch/Wicke/Rempel (2005) p.43

⁹⁷CF. Burmann/Meffert (2005) p. 86

⁹⁸ CF. Cloosterman/ Hoekstra (2019) p.96 f

⁹⁹ CF. Burmann/Meffert (2005) p. 86

¹⁰⁰ Burmann/Meffert (2005) p. 86 (Translated by Cassandra Sebes)

design of the packaging is also included here.¹⁰¹ Accordingly, a rebranding also focuses on these elements of a brand in order to make the necessary changes. The brand instruments of price, distribution, people policy, process policy, communication policy and physical facilities must be adapted accordingly to the new brand objectives, brand identity and brand performance.

It is important to develop marketing measures that consistently communicate the renewed brand identity, as this is the only way to strengthen the brand value. According to Keller, the following aspects in particular must be communicated to the consumer:

- What products/services the brand represents
- What core benefits it offers the buyer
- Which customer needs the product satisfies
- How the brand emphasises these products/services and what strong, positive and unique brand associations should be created in the minds of consumers

When planning the marketing mix for a repositioned brand, consistency of marketing support is essential for improving brand awareness.¹⁰²

Phase 5: Implementation

As already explained in the chapter on the definition of rebranding, the rebranding process consists of four components. Repositioning has already taken place in phases two to three of the rebranding process. In phase four, the renaming and redesign phase were carried out. An important difference between the roll-out phase and the previous phase is that the brand, marketing and communication programs were developed in the previous phase, but these will only actually be implemented in phase five. The renewed brand identity, with all the associated changes, is published in this step and communicated by all brand touchpoints.¹⁰³ Especially important in this context is brand controlling. As already mentioned, under the point Stage three: Brand-Controlling earlier in this chapter, brand controlling is not a separate process that is only carried out at the end of the cycle. On the contrary, particularly in the implementation phase, the control and adjustment of brand instruments plays a decisive role in the success of the rebranding. The roll-out phase therefore goes hand in hand with controlling.¹⁰⁴

¹⁰¹CF. Burmann/Meffert (2005) p. 87-88

¹⁰² CF. Keller (2004) p.96

¹⁰³ CF. Cloosterman/ Hoekstra (2019) p. 96 f.

¹⁰⁴ CF. Burmann/Meffert (2005) p. 101

Phase 6: Continuous development & monitoring

In order to ensure long-term improvements in brand performance, it is crucial to monitor the brand. Multiple brand measurement systems exist.¹⁰⁵ Various authors emphasise that, in addition to the evaluation, the long-term effect is also important. As a rebranding process usually involves a considerable amount of time and money, it is important that the newly acquired brand identity is sustainable. Therefore, it is recommended to continue the process even after the rebranding process has been completed to ensure that the new brand image remains anchored in the long term.¹⁰⁶

As already shown in figure four, the rebranding process is a cycle. If a company thus carries out good brand management, the process of brand building and thus rebranding is never complete. A brand should always be continuously adapted.¹⁰⁷

2.2.4. Challenges of a Rebranding process

One of the biggest challenges a brand faces during a rebranding process is not to destroy the existing value of the brand with all the efforts to change the brand image.¹⁰⁸ The brand image that has already been built up is the biggest obstacle on the way to a new brand image. This is because it is no easy task to change the existing associations and images that consumers have firmly anchored in their minds about the brand without destroying them.¹⁰⁹ This is particularly difficult for traditional brands. After all, they often have to change their identity considerably without losing it completely in order to adapt to today's consumer needs.¹¹⁰ However, a new brand image can only be achieved by changing the identity.¹¹¹

2.2.5. Goals and opportunities of rebranding

Different reasons lead to rebranding, but regardless of the reasons, all brands have the goal of achieving a more positive brand positioning in the minds of the consumer.¹¹² It is precisely this positioning that brands achieve with a new or more positively charged

¹⁰⁵ CF. Cloosterman/ Hoekstra (2019) p. 82

¹⁰⁶ CF. Cloosterman/ Hoekstra (2019) p. 97-101

¹⁰⁷ CF. Burmann/Meffert (2005) p. 99 - 105

¹⁰⁸ CF. Keller (2004) p.97

¹⁰⁹ CF. Esch/Wicke/Rempel (2005) p. 9

¹¹⁰ CF. Esch/Wicke/Rempel (2005) p. 9

¹¹¹ CF. Nitschke (2011) p. 68

¹¹² CF. Muzellec/ Doogan/ Lambkin (2003) p.39

brand image among the target group. After all, a company pursues economic goals that need to be maintained or increased. Accordingly, the aim of achieving a more positive brand image through rebranding is also to increase brand value.¹¹³ In turn, the increase in brand value indicates that the competitiveness of a company has been improved. This is often accompanied by an increase in capital and an improvement in the company's revenue. Other objectives can also be to boost customer satisfaction or to retain customers through a more positive brand image. Rebranding can also be used to attract new consumers. The stated objectives are achieved on an external basis.¹¹⁴ However, rebranding can also be used to pursue internal goals. By involving employees in a repositioning process, identification with the company can be increased. As a result, this can have a positive effect on employee motivation and satisfaction.¹¹⁵

2.2.6. Risks of Rebrandings

A rebranding should never be underestimated. Such a transformative process is usually very costly. Of course, it depends on the degree of change. A revolutionary rebranding is more cost-intensive than an evolutionary rebranding. Nevertheless, the associated costs are often underestimated.¹¹⁶ An essential step within a rebranding process, the analysis, must be carried out correctly and honestly in order for a rebranding to be successful. On the one hand, it can be very damaging to the brand if not enough research is done at the beginning and therefore the basis of the repositioning process is not accurate. On the other hand, a non-honest assessment of the brand's position can also have fatal consequences. For example, the rebranding may not lead to the targeted brand goals because the initial situation was incorrectly assessed or the brand identity and its values are not understood.¹¹⁷ Another risk factor is the misjudgment of brand value, brand identity and brand image. Therefore, the company must be familiar with the actual value, image and identity of its brand in order to reposition it successfully.¹¹⁸ However, as described in the previous chapters of this thesis, rebranding is not a superficial process. Last but not least, employees should be involved in the process. One reason for this is so that the internal goals mentioned in

¹¹³ CF. Pepe, M. /Abratt, R. / Dion, P. (2011) p. 28

¹¹⁴ CF. Setiani (2018) p. 256 - 258

¹¹⁵ CF. Bolhuis/ de Jong / van den Bosch (2018) p. 5-8

¹¹⁶ CF. Cloosterman/ Hoekstra (2019) p. 27-28

¹¹⁷ CF. Udonde/ Ibok / Eke/ Udowong (2023) p.7

¹¹⁸ CF. Merrilees/Miller (2008), p. 537 - 539

the previous chapter can be achieved. Secondly, because employees are important stakeholders. After all, employees are an essential brand touchpoint for passing on the fascination of the brand to consumers. If the employees are not convinced by the brand, they cannot pass it on to the customer.¹¹⁹

2.3. The Concept of Generation

According to the well-known German theorist of the humanities Wilhelm Dilthey¹²⁰ "a generation forms a circle of individuals who, through dependence on the same great facts and changes that occurred in the age of susceptibility, are united into a homogeneous whole despite the diversity of other factors that may be added."¹²¹ According to Karl Mannheim's theory or sociology of generations, members of the same generation not only share the same birth years.¹²² Accordingly, people are grouped together on the basis of a specific time frame, such as their date of birth or particular events, such as war. This classification should make it possible to identify certain behaviours, ways of thinking and attitudes within the generations.¹²³ People of a generation are characterised by the same events at a similar time in their lives.¹²⁴ By separating the different generations, it is possible to explore how generations have the same or different attitudes. This is because the different generations have grown up with different prerequisites.¹²⁵ However, it should be noted that the concept and characteristics of the generations are often very generalised.¹²⁶ Two generations in particular play a major role in this academic study, namely the millennials, also known as Generation Y, and Generation Z. On the one hand, these two generations are decisive because they are the younger generations with purchasing power. Secondly, because they are digital natives. This means that they are people who have already grown up with digital media. Consequently, they have been using the internet since childhood or adolescence.¹²⁷ In particular, this group has a different media usage behaviour. They hardly read any magazines, rarely watch linear TV or at least hardly

¹¹⁹ CF. Nitschke (2011) p. 76

¹²⁰ CF. Humboldt Universität zu Berlin (2022)

¹²¹ Wilhelm Dilthey in Weisbrod, B. (2005) (translated by Cassandra Sebes)

¹²² CF. McGinnis Johnson/ NG (2015)

¹²³ CF. Mannheim (1928)

¹²⁴ CF. Pawlik (2024)

¹²⁵ CF. Liebsch (2022)

¹²⁶ CF. Maas (2017)

¹²⁷ CF. Siepermann (2018)

notice the adverts in it.¹²⁸ Furthermore, they know how to use the internet for themselves and their needs. They use social networks to find out about the activity, appearance and values of companies. They research the performance of products in blogs, social networks and customer reviews on a wide variety of websites.¹²⁹ As Nitschke explains, "the generation of digital natives in particular has contributed to the radical change in marketing. "¹³⁰ These generations are therefore not only growing up with different media behaviour, but also with a different understanding of brands. Above all, the consumers of these generations are not passive target groups. They want to shape, interact and discuss. They want to be part of the brand and its community.¹³¹ Millennials and Generation Z are therefore briefly explained below, with a focus on their communication and consumer behaviour.

2.3.1. Millennials

People born between 1980 and 1995 belong to the Generation Y, also known as Millennials.¹³² However, it must be noted for both Generation Y and Z, that different sources indicate slightly different birth years for the generations.¹³³ Millennials today are aged between 43 and 28. They are the first generation of digital natives and have therefore experienced the rise of innovative technologies. This has had a decisive impact on their consumer and communication behaviour.¹³⁴ Generation Y is strongly characterised by concerns about the environmental crisis, terrorism and rising prices, for example for housing. Added to this is the new connectivity of the world through the internet and the new constant, up-to-date flow of news.¹³⁵ The times into which this generation was born are much faster moving. Immediate responses and reactions to statements, posts or questions, as well as in the event of a crisis, are expected. Multimedia communication is an integral part of life and a matter of normality for millennials. As a result, they also expect their needs to be met as quickly as possible.¹³⁶ These expectations are also reflected in their demands towards brands. Thanks to the internet, Gen Y has access to a huge knowledge database, which the generation uses

¹²⁸ CF. Nitschke (2011) p. 73

¹²⁹ CF. Nitschke (2011) p. 76

¹³⁰ Nitschke (2011) p. 73 (Translated by Cassandra Sebes)

¹³¹ CF. Freundt/ Lehmann/ Liedtke/ Perry (2021) p. 23

¹³² CF. McGinnis Johnson/ NG (2015)

¹³³ CF. Mangelsdorf (2014) p.10

¹³⁴ CF. Käufer/ Pawlik (2023) p. 5

¹³⁵ CF. Mangelsdorf (2014) p.20

¹³⁶ CF. Mangelsdorf (2014) p.22)

to inform and educate itself and satisfy its desire for information. Millennials are available most of the time. A high proportion also use social media regularly. Due to the wide and convenient range of online stores, this generation buys a lot of things on the internet. However, shopping locally is still firmly part of their consumer habits.¹³⁷ Online voices such as reviews or comments on social media even influence purchasing decisions, for example. A deeper meaning is particularly important to Generation Y in all phases and activities of life.¹³⁸ In order to reach this generation as a company, a presence in online media is urgently needed. Social media should also be utilised. The attention of millennials is mainly captured by visual and audiovisual media. Due to the oversupply of products and advertising, brands need to convince them with stories and many or great emotions.¹³⁹

2.3.2. Generation Z

People born between around 1996 and 2010 belong to Generation Z and are the second generation of digital natives. However, there is one important difference between them and the millennials. When the babies of Generation Z were born, the internet, computers and mobile phones already existed.¹⁴⁰ Consequently, this generation seems to be able to navigate seamlessly between the online and offline world.¹⁴¹ Many of the values, attitudes and behaviours already mentioned for millennials are also transferable to Generation Z.¹⁴² Nevertheless, Gen Z seem to have an even greater online presence. For Generation Z, for example, it is more natural to read newspapers online than offline.¹⁴³ According to an AWA study conducted in Germany in 2023, Generation Z spends most of their time on social media, listening to podcasts or making phone calls via online services such as WhatsApp compared to the two previous generations. In comparison, they are also the most active generation on social media and use the internet the mostly and preferably for entertainment reasons. The fact that Gen Z also exhibits different behaviour and attitudes to their previous generation shows, among other things, that they are also more likely to meet new people and make friends online.¹⁴⁴ Adventure, discovering new cultures, diversity

¹³⁷ CF. Voges (2022)

¹³⁸ CF. Voges (2022)

¹³⁹ CF. Voges (2022)

¹⁴⁰ CF. Käufer/ Pawlik (2023) p. 5

¹⁴¹ CF. Katz/ Ogilvie/ Shaw/ Woodhead (2021) p.1

¹⁴² CF. Käufer/ Pawlik (2023) p.

¹⁴³ CF. Katz/ Ogilvie/ Shaw/ Woodhead (2021) p.31

¹⁴⁴ CF. Lohmeier (2024)

and having fun are the top priorities for this generation. Nevertheless, like millennials, they are also influenced by the issues surrounding climate change. They have changed their consumer behaviour in this regard and are happy to avoid meat or animal products, for example. Generation Z has a strong political interest in having a say in what happens to our planet, but the Millennials are not indifferent to the issue either.¹⁴⁵ But especially among Generation Z, a trend can be recognised that the common good is increasingly being placed above the good of the individual.¹⁴⁶ This generation also places higher demands on brands in terms of responsibility.¹⁴⁷ Due to their curiosity, this group of people is not so loyal to brands as they enjoy trying out new products and brands.¹⁴⁸ What is interesting about this generation, however, is that most of them are prepared to spend more money on brands if they then own something that not everyone has.¹⁴⁹ For brands, this means that if they want to reach generations Y and above all, Z, they need to focus more on digital communication. In addition, due to brand oversupply and declining brand loyalty, more work needs to be put into brand management so that brands are recognised and chosen in the first place. The interest of Generation Z can be aroused by advertising if it is: humorous, relevant, easy to understand and varied. They also have a great affinity for audiovisual content.¹⁵⁰

¹⁴⁵ CF. Käufer/ Pawlik (2023) p.10

¹⁴⁶ Cf. Kaiser (2022) p. 194-195

¹⁴⁷ Cf. Sarkar/Kotler (2021) p.21-22

¹⁴⁸ CF. Livadic (2018) p.2

¹⁴⁹ CF. Livadic (2018) p. 1

¹⁵⁰ CF. Livadic (2018) p.2

As a final point, the following graphic highlights the most important views and behaviors of the two generations mentioned.

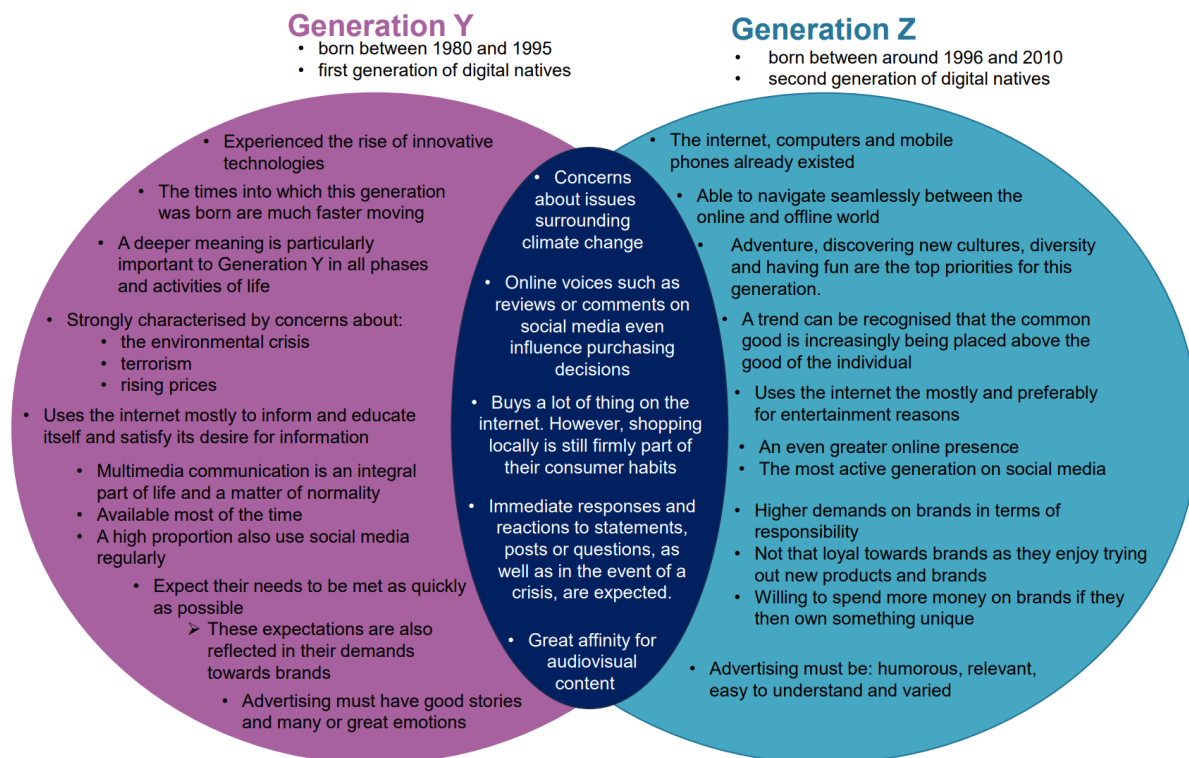


Figure 6: Visualization of generations Y & Z
(Own illustration based on the sources of the chapter 2.3 with 2.3.1 & 2.3.2)

2.4. Definition of the term traditional company

Traditional company is a combination of two words, tradition and company. According to the Duden dictionary, tradition means: "something that has been developed and passed on from generation to generation [within a certain group] in terms of behaviour, ideas, culture or similar in history (and continues to exist)"¹⁵¹ A very similar definition of the term tradition can also be found in the Cambridge Dictionary: „a belief, principle, or way of acting that people in a particular society or group have continued to follow for a long time, (...)"¹⁵² A company can be defined as an economic and legal unit that operates in a market economy and generates as much profit as possible according to a plan drawn up by the company.¹⁵³ Bringing the two word definitions together means: That a long-established company has been operating in the market economy for several generations with the help of its culture and history. That company still pays

¹⁵¹ CF. Duden – Tradition (n. y.)

¹⁵² Cambridge dictionary - Tradition (n. y.)

¹⁵³ CF. Bpb (n. y.) & CF. Haric/Berwanger (2019)

attention to and follows this given tradition and uses it to achieve or would like to achieve its corporate goals. In general, traditional companies are characterised by many years of successful business activity, often spanning several generations.¹⁵⁴ Such companies usually have a proven history and can look back on continuous business activity, which emphasises their long-term stability and consistency.¹⁵⁵ When it comes to digitalisation, these traditional companies often have a harder time than digital companies, which usually have digital values firmly embedded in their corporate DNA. Often, long-established work processes, attitudes and values have to be adapted to the digital age and its demands.¹⁵⁶ Furthermore, traditional brands face a particularly big challenge in terms of brand management when they want to reposition their brand. This is because it takes a special instinct not to lose the identity of a brand while adapting it to changing consumer needs.¹⁵⁷

However, strong traditional companies are often characterised by the fact that they have always been able to adapt well to challenges and changing conditions and requirements over the course of time. This is precisely why traditional companies have been able to exist for several generations.¹⁵⁸ After all, a company can never rely solely on the fact that a decade of being on top will also secure their future.¹⁵⁹

¹⁵⁴ CF. Wortbedeutung (n. y.)

¹⁵⁵ CF. Duden (n. y.)

¹⁵⁶ Werner/ Tietz / Breßler / Pawlowsky (2020) p. 168 -169

¹⁵⁷ CF. Esch/Wicke/Rempel (2005) p. 9

¹⁵⁸ CF. Zwirner (2022)

¹⁵⁹ Werner/ Tietz / Breßler / Pawlowsky (2020) p. 169

3. Introduction of the two traditional companies

This chapter introduces the two traditional companies that are being analysed in order to determine the success factors of repositioning through rebranding in traditional companies. Firstly, the history of the companies is briefly discussed. Afterwards, the time before the kickoff of the rebranding process is analysed in more detail and the problems are highlighted. The status quo of the selected brands is then outlined. This serves as a basis for better understanding the rebranding process of the respective companies during the analysis.

3.1. Hugo Boss

HUGO BOSS, headquartered in Metzingen, Germany, is an international fashion and lifestyle company in the premium segment. It is characterised by providing first-class women's and men's clothing, shoes and accessories.¹⁶⁰ Furthermore, Hugo Boss AG is one of the most important German fashion brands.¹⁶¹

3.1.1. History

The company Hugo Boss has a long corporate history. This year, the German company is celebrating its 100th anniversary. Founded by Hugo Ferdinand Boss in 1924 with the financial help of two Metzingen manufacturers, the company was initially rather small. It employed around 20 to 30 seamstresses who made all kinds of garments to order.¹⁶² Founder Hugo F. Boss joined the NSDAP in 1931 and his company produced NSDAP party uniforms, Wehrmacht uniforms and uniforms for the Waffen SS for the entire duration of the Second World War. "Overall, Hugo Boss experienced a considerable upswing during the "Third Reich", but did not become a major company."¹⁶³ After the Second World War, the German company initially produced uniforms for the French occupation and the Red Cross. It was not until the end of the 1950s that the company began to produce commissioned work for men's suits. An important point for the company's future development was the decision to mass-produce men's suits. The change in management in 1969 made Hugo Boss more international. The founder's two grandchildren moulded the company into an international fashion group. On the one hand, by recognising the requirements of a fashion-

¹⁶⁰ CF. Hugo Boss Factsheet (2024)

¹⁶¹ CF. Schirmer (2024)

¹⁶² CF. Köster (n. y.) p.1

¹⁶³ Köster (n. y.) p.5 (Translated by Cassandra Sebes)

conscious modern man and the qualitative implementation of the Boss men's collections. Secondly, through the positioning of the Boss brand at sporting events, such as motorsport, where the brand was presented to an international audience. Over time, this was followed by motorsport sponsorship, golf sponsorship, cultural sponsorship, sailing sponsorship, fashion supplier to the German national team, partnerships with Formula E and Porsche and many similar collaborations. In 1984, the company began issuing licences, the first of which was followed by many others over the years. The first licence was a perfume licence, which still brings the company success today. This was followed five years later by eyewear licences, then footwear licences in 1995 and watch licences just one year later. Licences for children's clothing followed in 2009. In 2022 and 2023, licence agreements were concluded for dog clothing and horse-riding clothing. Hugo Boss has been listed on the German Stock Exchange in Frankfurt am Main since 1985. In 1993, the brand introduced a three-brand strategy; in addition to the main brand BOSS, the brands HUGO and BALDESSARINI were introduced. Hugo Boss appealed to additional target groups with the expanded brand portfolio. Over time, Hugo Boss expanded its brand portfolio to include HUGO, BALDESSARINI, BOSS ORANGE, BOSS GREEN, BOSS SELECTION and the BOSS Selection Tailored Line. In addition, fashion for women is included in the HUGO BRAND from 1998 and in the BOSS brand from 2000.¹⁶⁴

3.1.2. Problems prior to the rebranding

Essentially, this thesis looks at the rebranding of the Hugo Boss company, which was published in 2021 and 2022. However, during the research of this academic paper, it was only realised that the 2017 rebranding is also of great importance in part. In addition, both rebrandings are struggling with similar changing external conditions. In 2015, the German company generated annual sales of 2.8 billion euros.¹⁶⁵ During the year in question, the brand's clear objective was to sustainably increase the company's value.¹⁶⁶ Hugo Boss focused on expanding the free cash flow, as a sustainable free cash flow ensures the company's financial independence.¹⁶⁷ To achieve this goal, the main aim was to increase corporate revenue (EBITDA) by improving the productivity

¹⁶⁴ CF. Hugo Boss Unternehmensgeschichte (2024)

¹⁶⁵ CF. Hugo Boss Geschäftsbericht 2015 - Geschäftstätigkeit und Konzernstruktur (2015)

¹⁶⁶ CF. Hugo Boss Geschäftsbericht 2015 – Unternehmenssteuerung (2015)

¹⁶⁷ CF. Hugo Boss Geschäftsbericht 2015 - Zentrale Steuerungsgrößen (2015)

of the company's own retail operations.¹⁶⁸ As early as 2015, Hugo Boss set itself the task of upgrading the core Boss brand by 2020.¹⁶⁹ Furthermore, the increase in sales had to be achieved through the measures shown in the following illustration.



Figure 7: Hugo Boss growth strategy 2020
 (Source: Hugo Boss Geschäftsbericht 2015 – Konzernstrategie (2015))

2016 was arguably a challenging year for Hugo Boss, as they failed to meet their targets in the year as well as recording a drop in profits.¹⁷⁰ As a result, the company-specific challenges were identified. These were an unclear brand positioning, that the company had to position itself better in terms of digitalisation, that decision-making and operational processes were slowed down by organisational slowness and that go-to-market approaches differed depending on the market.¹⁷¹

¹⁶⁸ CF. Hugo Boss Geschäftsbericht 2015 - Zentrale Steuerungsgrößen (2015)

¹⁶⁹ CF. Hugo Boss Geschäftsbericht 2015 – Konzernstrategie (2015)

¹⁷⁰ CF. Analysts' Conference 2017 (2017) p.8 & p.15

¹⁷¹ CF. Analysts' Conference 2017 (2017) p.6

Based on the problem areas identified, the fashion group has developed a new strategy, which is illustrated in the following chart.

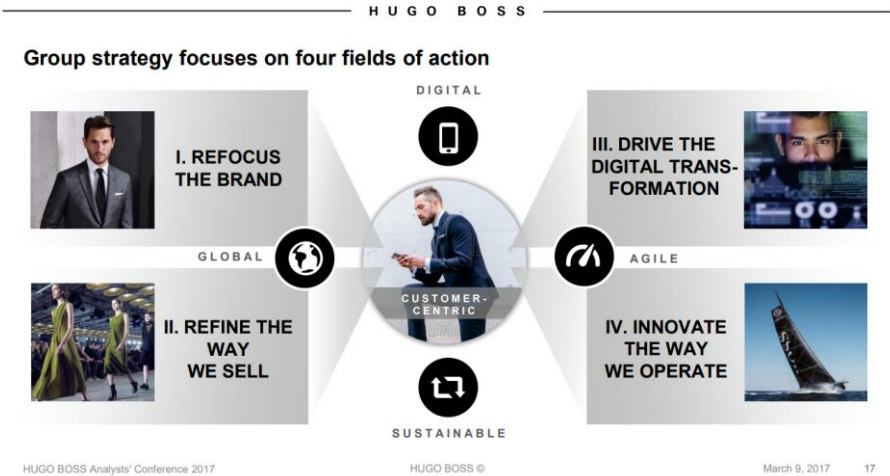


Figure 8: Hugo Boss new strategy 2017
 (Source: Analysts'Conference 2017 (2017) p.17)

The 2016 annual report emphasises that the desirability of the brand is to be increased through targeted brand communication. In order to further increase the desirability of the brand, "targeted marketing measures are used, increasingly in digital channels. In order to convey brand values such as dynamism, perfection and precision in an ideal way, HUGO BOSS' sponsorship activities focus on "premium sports", cultural sponsorship and media-effective fashion events internationally.¹⁷² In order to achieve a stronger positioning, Hugo Boss has changed its brand architecture and introduced a two-brand strategy with the BOSS and HUGO brands in 2017.¹⁷³ Which only became visible to consumers in 2018.¹⁷⁴ "We achieved what we planned in 2017. We realised the financial results that we had forecast. In some areas, we even exceeded our original prognosis. We were able to increase our currency-adjusted sales by 3 per cent (...)," announced Mark Langer, CEO of Hugo Boss at the time.¹⁷⁵

¹⁷² CF. Hugo Boss Geschäftsbericht 2016 (2016) p. 37
¹⁷³ CF. Analysts'Conference 2017 (2017) p.19
¹⁷⁴ CF. Hugo Boss Brief des Vorstandsvorsitzenden (2017)
¹⁷⁵ Hugo Boss Brief des Vorstandsvorsitzenden (2017) (Translated by Cassandra Sebes)

By spring 2018, the brand presented itself to consumers with its two-brand strategy, which is illustrated in the following diagram.

Zwei starke Marken

BOSS
HUGO BOSS

HUGO
HUGO BOSS

Markenwerte

Maskulinität / Femininität
Sexiness
Erfolg
Stil
Präzision

BOSS dresses the drive.



Markenwerte

in der Welt zuhause
immer neugierig
ausdrucksstark
und authentisch

**HUGO is the platform
of self-expression.**

*Figure 9: Hugo Boss: Two brand strategy
(Source: Hugo Boss Geschäftsbericht 2017 - Neuausrichtung des Markenportfolios (2017))*

The BOSS brand is for the sophisticated customer. It offers confident business fashion for him and her as well as elegant leisurewear. Thanks to the two-brand strategy, the previously stand-alone brands BOSS Orange and BOSS Green are embedded within the core brand BOSS. BOSS Orange has been adapted to the BOSS brand in terms of quality and values and can be found as casual wear within the BOSS brand. BOSS Green, on the other hand, complements the BOSS range with the already familiar athleisurewear. The BOSS Tailored line will continue as usual within the core BOSS brand. Together with the "Made to measure" range from BOSS, these two categories are in the upper price segment of BOSS. This is because the products are individually customised. The repositioning of the BOSS brand will mainly be accompanied by events, campaigns and sponsorship activities for premium sports. The rebranding will also be supported on the brand's social media channels and with an online campaign.

The second brand of the Hugo Boss company is HUGO. This is aimed at a younger target group that wants to express itself through fashion. HUGO offers them fashionable business and casual wear collections. Although the HUGO brand is around 30% below the BOSS brand in terms of price, it remains in the premium segment. In 2017, the German company generated only 15% of its total sales with the HUGO

brand. Accordingly, the aim is to increase sales of the HUGO brand in the coming years. Compared to the BOSS brand, the German company is increasingly focusing on the use of social media, online campaigns, influencers and fashion bloggers for its HUGO brand.¹⁷⁶ In addition to changing the company's brand architecture, the business model is also being digitalised in order to work more efficiently and increase the benefits for consumers.¹⁷⁷ Besides Hugo Boss wants to achieve a change in the corporate culture so that the company can act more agilely and quickly and to ensure that changes are accepted and embraced by employees.¹⁷⁸

The company explained that the desirability of the BOSS and HUGO brands remains the most important factor for the long-term success of the company. Consequently, this attractiveness of the two brands must be further increased. The strategic repositioning undertaken to this point are described as the basis for a sustainable increase in value.¹⁷⁹ "Sustainably increasing brand desirability is at the forefront of all corporate activities and is at the center of the Group's strategy."¹⁸⁰

The year 2020 was not an easy one for Hugo Boss. Accordingly, the company was in negative figures, with EBIT totaling -123 million euros to be precise. The coronavirus pandemic naturally had a major impact on this negative performance.¹⁸¹ As a consequence, the key figures and processes were analysed in more detail and Hugo Boss presented a revised Group strategy in the 2020 annual report. It was emphasised that brand desirability can be expanded. Work also needed to be done on expanding the online business and improving procurement activities. The promotion of digitalisation as well as a stronger focus on customers and the topic of sustainability and employee development should also be improved.¹⁸² Furthermore, even before the pandemic, it was clear that interest in businesswear was continuously declining and demand for casual, streetwear and athleisurewear was growing. The coronavirus pandemic has greatly accelerated this trend. However, not only customer needs, but also customer behaviour and expectations have changed.¹⁸³ The German company has realised that digital channels are not just an additional source, but the main source

¹⁷⁶ CF. Hugo Boss Geschäftsbericht 2017 - Neuausrichtung des Markenportfolios (2017)

¹⁷⁷ CF. Hugo Boss Geschäftsbericht 2017 - Digitale Transformation des Geschäftsmodells (2017)

¹⁷⁸ CF. Hugo Boss Geschäftsbericht 2017 - Aktiver Wandel (2017)

¹⁷⁹ CF. Hugo Boss Brief des Vorstandvorsitzenden (2019)

¹⁸⁰ Hugo Boss Geschäftsbericht 2019 - Geschäftstätigkeit und Konzernstruktur (2019) (translated by Cassandra Sebes)

¹⁸¹ CF. Hugo Boss Geschäftsbericht 2020 (2020) p.2

¹⁸² CF. Hugo Boss Geschäftsbericht 2020 (2020) p.29

¹⁸³ CF. Hugo Boss Geschäftsbericht 2020 (2020) p.31

for customers to find out about brand appearances, current trends and offers and to be inspired. Social media in particular plays a decisive role here, because especially younger generations rather use social media channels for inspiration. In addition, the world has become much more fast-paced due to the digital transformation, accelerated by the coronavirus crisis. This, in turn, has had a major impact on brand communication with their consumers.¹⁸⁴

Following the strategic analysis, Hugo Boss presented a new growth strategy "Claim 5" in 2021 with the aim of doubling its own sales by 2025. A rebranding also goes hand in hand with the new corporate goals, as the first and most important goal "Boost Brands" emphasizes.¹⁸⁵



Figure 10: Hugo Boss Claim 5 Growth strategy
(Source: Geschäftsbericht 2021 – Konzernstrategie (2021))

As the above chart shows, the five objectives of the new growth strategy are as follows:

1. Boost Brands
2. Product is King
3. Lead in digital
4. Rebalance Omnichannel
5. Organize for growth

¹⁸⁴ CF. Hugo Boss Geschäftsbericht 2020 (2020) p.29

¹⁸⁵ CF. Hugo Boss Pressemitteilung (2021)

Due to changing consumer needs and consumer behaviour, the market in which Hugo Boss operates has changed significantly. The company was no longer able to keep up with the changing times due to a lack of outdated processes and "fell out of favour with younger target groups in particular."¹⁸⁶ The German fashion group has lost relevance and market share. The aim of the rebranding was therefore to improve these.

3.1.3. Status quo

The annual report for 2023 reveals that the past year was a "record year" for the fashion group. In the words of CEO Daniel Grieder: "2023 was an extremely successful year for HUGO BOSS, as we made strong progress in all business areas. Thanks to our first-class team, our 'CLAIM 5' strategy and our two unique brands, we have everything we need to lead HUGO BOSS into a successful future."¹⁸⁷ An examination of the figure below shows that all figures relating to the earnings situation have experienced an upward trend since 2020.

Ertragslage

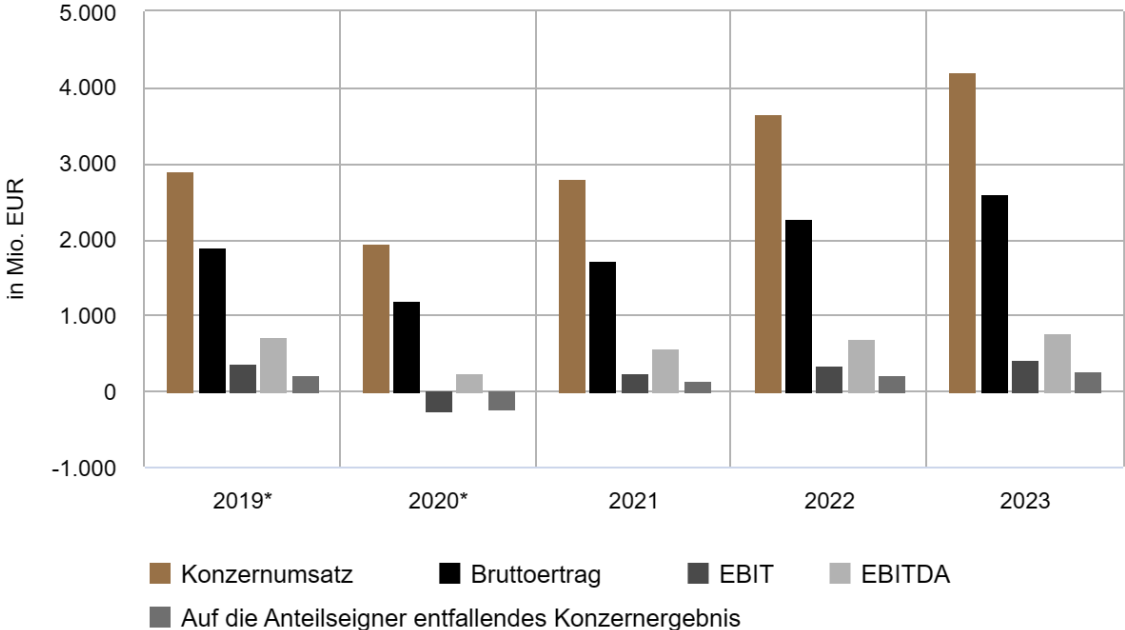


Figure 11: Hugo Boss Profit situation in comparison
 (Source: Hugo Boss Geschäftsbericht 2023 – Kennzahlenvergleich (2023))

¹⁸⁶ CF. Brand Pulse (n. y.) (translated by Cassandra Sebes)
¹⁸⁷ Hugo Boss Geschäftsbericht 2023 (2023)

If these figures are compared with the results from 2015, prior to the introduction of the two-brand strategy and the realisation that work needed to be done on brand desirability, it can be seen from the 2015 annual report that Hugo Boss generated much lower corporate revenue of just EUR 1.9 billion at that time.¹⁸⁸ This is 2.3 billion euros less than in 2023.¹⁸⁹ "With an increase of 25%, the HUGO BOSS share not only significantly outperformed important indices, but also the shares of most relevant competitors, which rose by an average of around 15%." ¹⁹⁰ According to its own statements, the fashion group appears to be on the right track and is gradually achieving the goals of its "Claim 5" growth strategy, which is emphasised by the following statement from the CEO: "With "Claim 5", we have introduced the right strategy at the right time. Thanks to the great commitment and passion of our teams, we have achieved outstanding results and reached our medium-term turnover target of 4 bn. euros as early as 2023, two years earlier than planned." ¹⁹¹ The company is also confident that it is on the right track and will achieve all of its goals in the coming years. Furthermore, it is emphasised that the "Claim 5" strategy is responsible for the successes.¹⁹² In addition, the fashion group Hugo Boss is ranked 41st among the 50 most valuable brands in Germany according to Kantar. Just one year earlier, they were ranked 44th.¹⁹³

3.2. Formula1

Formula 1, also known as F1, is the "pinnacle of motorsport".¹⁹⁴ One could say that Formula 1 is the top class of motorsport competitions. There are numerous types of Motorsports under the umbrella organisation of the FIA, including Formula 4 to Formula 1. A Formula 1 World Championship is held every year under the regulations and safety standards of the FIA. There are currently ten different teams competing, each with two main drivers. Today (as of 2023), the 23 Grand Prix races are held in Europe, America, Asia and Australia. On the one hand, there is a team world championship

¹⁸⁸ CF. Hugo Boss Ertragslage (2015)

¹⁸⁹ CF. Hugo Boss Geschäftsbericht 2023 – Kennzahlenvergleich (2023)

¹⁹⁰ CF. Hugo Boss Geschäftsbericht 2023 – Unsere Aktie (2023). (Translated by Cassandra Sebes)

¹⁹¹ CF. Hugo Boss Geschäftsbericht 2023 (2023)

¹⁹² CF. Hugo Boss Geschäftsbericht 2023 (2023)

¹⁹³ CF. KantarBrandz (2023)

¹⁹⁴ CF. DW (n. y.)

and, on the other, a drivers' world championship. The team whose driver has become world champion does not necessarily have to be the winner of the team fight.¹⁹⁵

3.2.1. History

The first Grand Prix was organised by the Automobile Club of France (CAF) back in 1906. At that time, racing events were organised independently in many countries (especially in Europe). Attempts were made to establish a coherent racing series with the same set of rules, but these were unsuccessful until 1950. On the 13 of May 1950, the first Grand Prix of the first Formula 1 World Championship was held in Silverstone, England. Under the regulations laid down by the FIA (Fédération Internationale de l'Automobile) and its scoring system. Seven races were held in the first world championship.¹⁹⁶ During the first race in 1950, 22 drivers competed for five different car manufacturers.¹⁹⁷

Over the past 74 years, the Formula One racing series has evolved considerably in many respects. Numerous technical developments have been made to both the engines and the racing cars. Furthermore, the safety precautions have also been greatly expanded.¹⁹⁸ Because unfortunately there have also been fatal accidents in the history of Formula 1 and efforts are being made to make formula racing safer.¹⁹⁹ While in 1950 seven races were still held mainly in Europe, only one race took place in the USA. Over the years, new race tracks around the world joined the F1 World Championship. Most of the Grand Prix were held in Europe, such as in Monaco, Silverstone, Italy, Germany, Austria, the Netherlands, Portugal and other European countries. However, over the course of time, various international circuits were also added around the world. From 1953, for example, first place was contested in Argentina, from 1958 in Morocco, from 1962 for a few years in South Africa, from 1963 in Mexico and from 1967 in Canada. In the 1970s, a Grand Prix was also held in Brazil, Sweden, Japan and at two locations in the USA. In 1985, Formula One was held on another continent, Australia. From 1999, some Asian and Arab countries were added to the Formula One calendar. Grand Prix have been held in Malaysia (1999), China (2004), Bahrain (2004), Turkey (2005), Singapore (2008), Abu Dhabi (2009), South Korea (2010), India (2011), Azerbaijan (2017), Qatar (2021) and Saudi Arabia (2021).

¹⁹⁵ CF. Formula 1 Feature (n. y.)

¹⁹⁶ CF. Llurba / Briel (2023)

¹⁹⁷ CF. Formula 1 Results (n. y.)

¹⁹⁸ CF. Llurba / Briel (2023)

¹⁹⁹ CF. FIA (2017)

From 2014, a Grand Prix was also held in Russia. It must be said that not every season races are held in all countries and the circuits can alternate from year to year or the contract expires after a number of years. From 1950 to 1963, seven to ten races were held each year. By 1976, the number of Grand Prix races had grown to 17 per year. Between 1976 and 2003, the number of races per year remained relatively constant at 15 to 17 races per year. Since 2004, more and more Grand Prix races have been organised each year. In 2012, for example, a total of 20 Grand Prix were held and in the same year, a race was organised in the USA again after a very long time. In 2020, the fewest races were held since 2004, which can be attributed to the coronavirus pandemic. In 2023, a total of 23 races were held and three Grand Prix were even hosted in the USA.²⁰⁰ For 2024, 24 Grand Prix are entered in the racing calendar. The majority of the races will continue to take place in Europe on the historic circuits. In 2024, nine race weekends will take place in Europe and 14 on international circuits, including four in North America, two in Latin America, three in Asia, four in Arab countries and one Grand Prix in Australia.²⁰¹

3.2.2. Problems prior to the rebranding

Although Formula 1 generates money from various sources, spectator numbers are and remain a hugely important source of income, both on site at the racetrack and in front of the television screens around the world.²⁰² Therefore, the sport must remain attractive, exciting and spectacular so that viewers do not lose interest. However, the sport is also dependent on team performance. The more the teams fight for the title, the more exciting it is for the viewers. If a team like Mercedes dominates the racing series for a couple of years, the world championship is not as spectacular as in some other years. In Germany, Formula One used to be broadcast by the free TV channel RTL a few years ago, but the races could also be watched on the paid TV provider Sky. For them, 2014 was the weakest year in the last 20 years in terms of Formula 1 viewer ratings.²⁰³ Generally not only in Germany, a decline in spectator interest has already been recorded in previous years, but in 2015 in particular, the audience seats at the racetracks remained empty compared to the peak years of F1, especially in

²⁰⁰ CF. Formula 1 Race Results (n. y.)

²⁰¹ CF. Motorsport Total (n. y.)

²⁰² CF. Liberty Media Group Acquisition of Formula One (2016) p.11

²⁰³ CF. Welt (2015)

Europe.²⁰⁴ Also in the following year Formula 1 recorded a particularly low viewer rating. In the year in question, 390 million fans watched the races live on television, but this was a whole 10 million fewer than in 2015, despite the fact that there was at least a strong duel between the two Mercedes drivers for the world championship title.²⁰⁵ There is no doubt that the top class of motorsport has lost relevance all over the world.²⁰⁶ It was widely discussed in the press as to why this loss of relevance was due mainly to the structures within F1 and an overly complicated set of rules were mentioned. Statements have also been made that the CEO Ecclestone, with his greed for money, was the problem.

In 2016/17, the US company Liberty Media bought the rights on the Formula 1 Group for 8 billion US dollars and replaced Bernie Ecclestone as CEO from January 2017 on.²⁰⁷ Bernie Ecclestone was part of the sport for over 40 years.²⁰⁸ He has been jointly responsible for the expansion of F1's income through the distribution of media reporting rights and the development of international race tracks for F1.²⁰⁹ In the era of the digital world, however, Ecclestone focused exclusively on the awarding of TV broadcasting rights and did not think much of marketing until the end, as the following quote shows: "But if you have a good product, there is nothing to market, it markets itself. The reason we lost viewers is because we had a bad product."²¹⁰ The rebranding of Formula 1 began with the takeover of Liberty Media.²¹¹ According to the CEO of Liberty Media Corporation, Greg Maffei, fans should be won over by more exciting Grand Prix races. He said that: "Basically, Ross Brawn and Chase Carey are trying to make the races more exciting and more interesting. I think there is agreement on many of the measures that need to be taken to achieve this. But it is too early to say whether we will be able to implement them and how long it will take."²¹²

²⁰⁴ CF. Rencken (n.y.)

²⁰⁵ CF. Zuber (2017)

²⁰⁶ CF. Walfisz (2022)

²⁰⁷ CF. Menath (2017)

²⁰⁸ Cf. Benson (2017)

²⁰⁹ Cf. Sturm (2015)

²¹⁰ Bernie Ecclestone in CF. Menath (2017)

²¹¹ CF. Liberty Media Investor Day (2017) p.66 & p. 68

²¹² Greg Maffei in Cooper (2017)

3.2.3. Status quo

In 2023, Formula One not only had record attendance figures at the racetracks, as the following chart illustrates, but also saw an increase in the number of viewers watching on TV, especially in the USA.²¹³

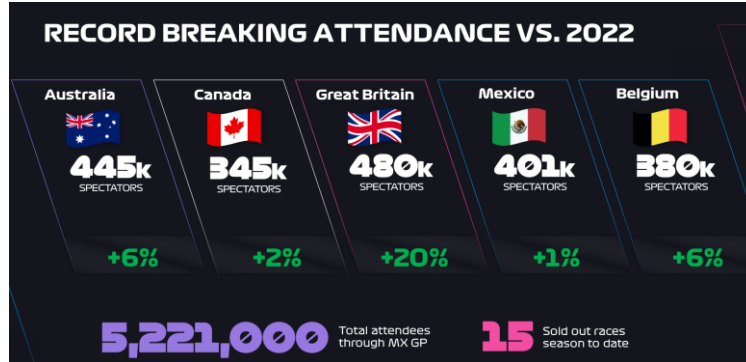


Figure 12: F1 Attendance 2022 vs. 2023
 (Source: Liberty 2023 Investor Day (2023) p.47)

Furthermore, Liberty Media describes F1's fanbase as loyal and growing.²¹⁴ The following figure shows that while F1 has slightly fewer linear fans watching, it has seen an increase in online users, social media followers and race weekend visitors.

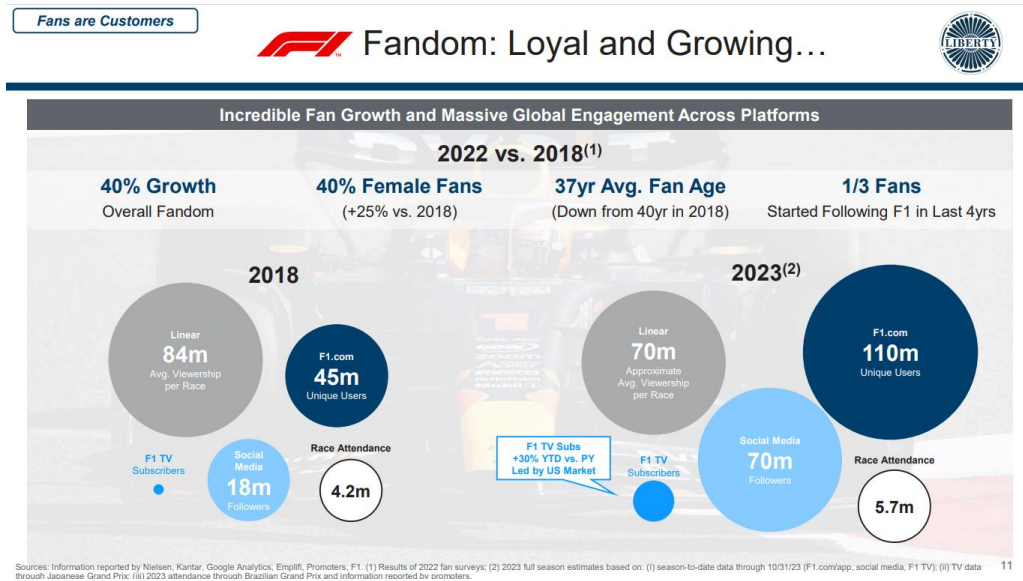


Figure 13: Fandom Statistics 2023
 (Source: Liberty 2023 Investor Day (2023) p.11)

²¹³ CF. Liberty 2023 Investor Day (2023) p.64

²¹⁴ CF. Liberty 2023 Investor Day (2023) p.11

The chart below illustrates that Formula 1 achieved record revenues of 3.2 billion US dollars in 2023 and has been growing steadily since the year of the coronavirus pandemic. The new business figures represent an increase of 25 percent.²¹⁵



Figure 14: Formula 1 revenue in the years 2016 to 2023
(Source: Zeppenfeld (2024))

²¹⁵ CF. Schmidt (2024)

4. Content Analysis

This chapter introduces the analysis. Therefore, the research question and the methodology used so far, form the basic framework for conducting the content analysis. The results and their discussion form the main part of this academic paper. The chapter concludes with a critical review of the methodology used.

4.1. Determining the methodology

As part of this master's thesis, Mayring's qualitative content analysis was chosen as the method for finding the success factors of the rebranding processes at the selected traditional companies. This method was chosen for various reasons. Since rebranding processes are analyzed in this thesis, a general qualitative survey was quickly ruled out as a method. This is because it can be assumed that, apart from the people who deal more closely with rebranding or branding, a quantitative survey would not have been expedient. In general, a quantitative methodology would not have been helpful for answering the research question, as quantitative methods do not provide an answer to this kind of question. In order to use quantitative methods to find out which factors lead to rebranding success in traditional companies, more than just two traditional companies would have had to be considered and this would have gone beyond the scope of this academic paper or the research question of this work should have been a different one. For example, one that would have focused more on the effect of rebranding on the desired target groups. The methodology of focus group interviews was briefly considered. Due to the research question, the focus group would have had to consist of specialists in the field of rebranding on the one hand and managers from the selected companies Formula 1 and Hugo Boss on the other. This would have resulted in three focus groups that could have discussed the success factors with the necessary background knowledge. A general specialist group would have been necessary, which could have discussed the topic regardless of company affiliation. Another focus group consisting of Hugo Boss brand managers would have been necessary for the specific knowledge about the rebranding of the Hugo Boss brand. The same reason also applies to the third focus group, the brand managers of the Formula 1 brand. Realistically, however, it is highly questionable whether the brand managers of two internationally operating companies would have taken the time for a focus group interview for the research of a master's thesis, especially as at least five people per focus group would have been necessary and there is no contact with these

people. In addition, this focus group interview would not have been an internal company discussion. The expert interview method was also considered, as this is a qualitative approach and allows one or more people with specialist knowledge to be interviewed, which would have been of great importance for the development of the success factors. However, this method has similar problems to those already mentioned for the focus group interview. Nevertheless, this method was considered until the end of the academic paper as an additional method for obtaining information from an expert. On the one hand, the qualitative method of guided interviews was not considered, as the literature review in the theoretical part of this thesis provided extensive knowledge about the subject area of rebranding. On the other hand, the content analysis independently determines the success factors of rebranding. Due to the predetermined structure of a guideline interview, there would have been little scope for questioning the various rebranding processes and this would have represented an obstacle to determining the success factors. In addition, only interviews with specialists in this field or from the companies mentioned would have made sense for answering the research question.

With the qualitative content analysis methodology, both the two selected brands can be analyzed independently from the outside also matching and individual success factors can be determined. Furthermore, a content analysis can be carried out realistically, in contrast to several expert interviews. This was ultimately the decisive reason for the choice of methodology.

4.2. Preliminary approach of the content analysis

In order to identify the success factors of the rebranding of Hugo Boss and Formula One, qualitative content analysis was used as a method in this study. According to Mayring, the aim of this method is to carry out a systematic, rule-based analysis that allows conclusions to be drawn about certain aspects, in this case, of the rebranding.²¹⁶ Based on the methodology of qualitative content analysis, text, image and audio-visual media from the F1 and Hugo Boss brands themselves are analyzed in the appendix 2 of this paper. The marketing instruments already presented play an important role in this regard, as do the four components of a rebranding and the brand identity. In the

²¹⁶ Mayring (2007) p. 75f.

end, the rebranding process, as described in the theoretical part of this thesis, provides the categories for the analysis. At the beginning, the reasons for the rebranding are considered, i.e. the failure to achieve the objectives and a change in management. Various sub-categories of a situational analysis are then considered. The change in brand objectives, identity, image and brand architecture is looked at closely. The strategy chosen by the company for the rebranding is also examined in more detail before the individual marketing instruments are analyzed. Renaming, redesign and relaunch are also used as categories of the rebranding process. Last but not least, the result of the two rebranding processes are analysed as well as brand controlling in general. These 29 categories were arranged in an Excel table and coded for easier understanding. For an overview, the categories that the respective company had carried out were ticked. The two brands Hugo Boss and Formula 1 were then compared in a table. The companies' annual reports, investor presentations, websites and social media channels were examined in order to adequately analyze the data, statements, images and facts of the two brands with regard to the success of their rebranding. The relevant data from these sources was entered into the table, with a link to the source in question. This allowed the rebranding process of the two brands to be traced and success factors to be identified. As a rebranding process is very individual, it is not necessary for both brands to have made changes to both categories. As several statements and facts were collected for each category, and these can contain both images and sometimes entire paragraphs, a table in the form of a PowerPoint presentation was chosen rather than a comparison in an Excel spreadsheet. This allowed the data to be presented in a legible and comprehensible manner.

4.3. Results

The aim of this thesis was to identify success factors for the rebranding of traditional brands, focusing on the development of Generation Y and Z. In addition, the aim was to find out how traditional companies can change in order to be perceived successfully and authentically in the digital world without losing their identity. The results are presented below by categorising the content conducted by the content analysis and including the theoretical basis that was developed at the beginning of the work.

Strategic changes at the leadership level

Possible reasons for a rebranding were already mentioned in the theoretical part of the thesis in chapter 2.2.2 Causes of a rebranding. The two companies analysed were primarily affected by the above-mentioned reasons of the takeover of the company and the loss of market share. Under point A01, the analysis showed that the CEOs of both F1 and Hugo Boss were replaced before the rebranding.

At **Formula One**, Bernie Ecclestone held this position for decades. With the purchase of the Formula 1 Group by Liberty Media, the corporation appointed Chase Carey as CEO from 2017 on, to implement the new plans for Formula 1. Chase Carey was already part of Formula One before that.

The German company **Hugo Boss** had already undergone a rebranding in previous years, which primarily involved simplifying the brand architecture. Shortly before this step, Claus-Dietrich Lahrs, who had been CEO of the fashion brand for eight years, was replaced by Mark Langer. He had already been part of the company for eight years and was also a member of the Hugo Boss management team. Before the rebranding of 2021/22, which was examined in more detail in this thesis, Daniel Grieder became CEO of Hugo Boss. He did not come from the company, but was poached from another fashion brand.²¹⁷

This does not necessarily mean that a brand cannot successfully rebrand with the current leadership, but it could be observed that changes in the management level took place before the two rebrandings. The change of a CEO is a clear sign of change both internally, for the employees, and externally.

²¹⁷ A01

Brand identity:

Consideration of origin in the further development of product performance

Both companies now present themselves differently than before the rebranding, and the look and feel of both brands in particular has changed significantly.²¹⁸ Even the product range has changed and the product performance has been adapted to the new needs of customers.²¹⁹ Nevertheless, both brands remain true to their origins and brand essence and emphasise its importance despite all the changes.²²⁰

Formula One offers its spectators at the race track as well as at home much more than just the race. There are numerous activities at the race track, such as appearances by Formula One stars and concerts by well-known artists. But there are also plenty of insights for viewers at home via social networks. In addition, a documentary series was filmed in which fans are taken behind the scenes of Formula 1, season by season. The sport is also offering more and more for its fans away from the Formula 1 track, with exhibitions in Madrid and Vienna, an F1 arcade and a Formula 1 kart track in London. On top of that more and more games, podcasts and similar items relating to Formula One are being published.²²¹ But the main product continues to be the races. Everything else is just an add-on (feature) to make the main product more attractive. Formula One has also added important Grand Prix circuits outside Europe. But as shown in A10, the protection of the European heritage is of great importance. The traditional circuits such as Silverstone or Monaco cannot be removed from the program because they are the heart of the sport. In general, the history of the sport is celebrated, for example at the 70th anniversary of F1. In addition, as in the past, the focus is on glamour, but technology and progress are also gaining immense importance.²²² Although the premier class of motorsport has made some changes to its product performance, there is still a lot of emphasis on the origins and core values of F1 and the core product, the races, have not been completely changed. It has also remained the premier class of motorsport, despite the improved safety measures, it is dangerous racing where things can easily go wrong. It's still about the talent of the drivers and which team develops the better car. There are a lot of offers on the outside and a lot more information and behind-the-scenes material for the fans

²¹⁸ A21

²¹⁹ A13

²²⁰ A10

²²¹ A25 S. 1-2

²²² A10

as well as changes to the rules and the aim of Net Zero. But none of this would exist without the Grand Prix races, which in the broadest sense are still held under the same rules as the years before the rebranding.²²³

At the German fashion group **Hugo Boss**, the content analysis produced similar results. Under the claim "Product is king"²²⁴, the company has greatly expanded its product range. "Our products are at the center of all our activities. In 2022, we fully integrated our unique branding refresh into the collections of our brands. With the new look and feel, they are now even more targeted towards our consumers. Clear brand codes and design elements have further sharpened the modern and confident image of our two brands. Above all, however, thanks to our strong and diverse product range, we are living up to our promise of dressing our customers perfectly from head to toe and for every occasion around the clock."²²⁵ The business has expanded its product range and wants to dress its customers for every situation in life. The brand is adapting to the industry trend of casualisation, "from the office and formal occasions to leisure and sport - with casualness and comfort remaining at the forefront."²²⁶ These statements show that Hugo Boss has reincorporated the elements of casual & comfort into its brand identity and made them the centerpiece of its products. Nevertheless, they have not forgotten their origins. "In addition to a wide range of casualwear styles (...) further expansion in this segment is also about further blurring the boundaries between casualwear and formalwear. Thanks to the fusion of both occasions, HUGO BOSS has succeeded in seamlessly closing the gap between tailoring and sportswear. At the same time, we will further strengthen our important formalwear business. Tailoring is firmly anchored in the DNA of our company. Thanks to its modern interpretation, innovative product solutions and the ongoing trend towards a more casual lifestyle, formalwear will continue to offer enormous potential for both our brands in the future."²²⁷ The fashion group is blending its brand essence, tailoring, with the repositioning of casualwear. This means that the core of the brand remains and the brand identity is renewed but not destroyed. In detail, it looks like this: "Another product highlight in 2022 was the launch of our first suit knitted entirely from a merino wool blend. Wool is naturally breathable and stretchy - two key properties for the

²²³ A09

²²⁴ A10

²²⁵ A13 S.1

²²⁶ A13 S. 1

²²⁷ A13 S.2

development of a BOSS performance style. With this innovative interpretation of the suit, utilising the latest yarn developments, knitting techniques and finishes, BOSS is creating a product that keeps pace with today's on-the-go lifestyle." ²²⁸ New fabrics, some even made from "sportswear elements", are used by Hugo Boss for the modern suits and BOSS Performance looks, so that their customers look appropriate for the occasion, but customers are offered a more comfortable wearing experience and the use of "crease-free products that can be easily transported in a small bag in hand luggage". This makes life much easier for the shopper.²²⁹

Redesign and new logo as a symbol of change

As points A21 and A22 of the analysis illustrate, both brands examined have undergone a redesign. The logo was also changed in the process. "**Formula 1** needed a new visual identity to signal its new era and reposition the sport as a global media and entertainment brand" ²³⁰ already explains the benefits a new logo can have for a brand. The new design of the logo should illustrate to consumers that the brand has changed and can offer them something new, different and better.

Hugo Boss commented on the logo change as follows: "The more modern logo appearance stands for a more contemporary upgrade for a future-orientated fashion brand with optimal usability in digital applications." ²³¹ For the German fashion brand, the new logo is intended to symbolise a more modern, up-to-date appearance for the brand, but has also been applied for useful reasons.

Traditional brands in particular, which have long been anchored in the minds of consumers, can herald a new era for their brand by refreshing their logo and design. This is because the old logo is also linked to the old brand image in the minds of consumers. By changing the logo and design, the consumers can also change the image of the brand in their minds more easily.

However, it must be emphasised that simply changing the design and logo will not create a new brand image. Because the brand cannot only change from the outside, it must change from the core of the brand. This means that the brand identity must

²²⁸ A13 S.3

²²⁹ A13 S.3

²³⁰ A22

²³¹ A22

develop and the product performance must adapt and the re-design must convey this change to the customer. This is also demonstrated by the two brands analysed. Both Hugo Boss and Formula One have not only changed their logo and design, but also the services they offer.²³²

Relaunch: rebranding needs to be communicated

Since the relaunch is one of the four components of a rebranding, as explained in the theoretical part of this paper. The intensity of the rebranding may vary, but the relaunch communicates the changes to the consumer. The two brands analysed each carried out their relaunch differently, but both communicated it.

The new **Formula 1** logo was presented at the final race of the 2017 season in Abu Dhabi. That weekend, the new logo was also presented on F1's social media channels. A campaign was published ahead of the start of the 2018 season, "(...) with bold imagery, a new tagline and a hero film, which features six of F1's biggest super fans. A sixty-second film, Engineered Insanity, shone a spotlight on the innovation, endurance and elemental nature of the sport, putting superfans at the visceral heart of the action, as though they were the ones battling it out from behind the wheel. The film was first teased by the fans through their personal social accounts before being launched by F1. Engineered Insanity formed the backbone of a multi-platform campaign (...)" .²³³ However, communication not only covered the relaunch, but also went beyond it. For instance, when new elements or products are introduced in Formula 1, these are also communicated to the fans. In recent years, the sprint race format has been introduced at some Grand Prix. In addition to the big race on Sunday, a small race over fewer laps is also held on Saturdays. F1 announced this change several times via its social media channels, but it was also often explained during the preparation reports.²³⁴

At **Hugo Boss**, two different approaches were chosen for the two brands Hugo and Boss. While the new Boss logo was presented in grand style at the Hahnenkamm Race at the beginning of 2022 and subsequently posted on social media for several weeks with a star-studded campaign, the fashion group opted for a "sensational social-first campaign with young, up-and-coming stars" for Hugo. In the year of the relaunch, both

²³² A13

²³³ A24

²³⁴ A25

the Hugo and Boss brands focused on new, eye-catching events.²³⁵ Throughout 2022, Hugo Boss also continued to communicate its rebranding and caused a buzz with further star-studded campaigns.²³⁶

Consequently, how exactly the relaunch is communicated must be adapted to the brand, but communication about the rebranding should definitely take place.

Adaptation of communication to the new target group

Hugo Boss has stated very specifically that the aim of the rebranding was to focus "in particular on younger consumers such as millennials and Gen Z". CEO Daniel Grieder said: "With the branding refresh, we are entering a new era. We will inspire new and younger target groups and turn them into true fans of our brands."²³⁷ However, the new target group has to be reached in other ways than those that the fashion group had primarily used up to that point. Therefore, the channels and the tonality of the communication had to be adapted to the digital natives first. It was recognised that social networks in particular play a decisive role in reaching the target group.²³⁸ Consequently, the fashion group focused on a "social-first campaign" for its relaunch and has been pursuing this approach ever since. "The company's various communication initiatives will focus primarily on social media and place a strong emphasis on emotional storytelling in order to further increase customer identification with both brands." Hugo Boss achieves this by making use of "podcasts, behind-the-scenes insights, as well as lots of exciting stories and reels," "interviews and an exciting TikTok challenge".²³⁹ When looking at the brand's communication behaviour before the rebranding, although the brand was already posting on Instagram and similar channels back then, the number of posts and the look & feel of the channels changed significantly with the rebranding.²⁴⁰

F1 is not as explicit in its strategy and new brand goals as Hugo Boss in terms of a target group. Nevertheless, in their reports they often mention that they have managed to reach a younger and more female audience.²⁴¹ According to F1, the average age of

²³⁵ A25

²³⁶ A24 & A25

²³⁷ A07

²³⁸ A05

²³⁹ A16 S.1

²⁴⁰ A26 S. 1-7

²⁴¹ A29 S.4

fans in 2023 was 37 and 40% of them were female. However, 22% of fans are aged between 16 and 24. In addition, according to Sky Germany, 50% of new fans in Germany are younger than 35 years old.²⁴² The strong focus on these figures in the reports and the communication behaviour of F1 since the rebranding suggest that younger target groups are also being targeted here. The top class of motorsport has increasingly focussed on digital communication in recent years and has also strongly built up its social media accounts, but F1 also has a large target group that does not belong to the group of digital natives, which it wants to retain. Nevertheless, F1 is the "fastest growing global sport on social media".²⁴³ After analysing the Formula 1 Instagram account, it was observed that the frequency of posts in particular has increased significantly. The F1 channel now posts almost daily and on race weekends slightly offset to the actual racing action. Various formats have also been introduced in recent years, such as behind the scenes material, a podcast series, YouTube series and many explanatory graphics and videos to easily communicate performance, updates and scores to users.²⁴⁴

The aim is to attract new, younger fans, so the right communication channel, but also the right tone of voice and the right content must be chosen to reach and retain them.

Offer of a digital added value based on a Consumer First strategy

As already discussed in the previous paragraph, the target group of the companies analysed has changed and other customer needs had to be satisfied. Gen Y and Gen Z are digital natives. They have different expectations of brands and want to receive a product with added value. They always want to be up to date and interact with brands. These and other characteristics, behaviours and requirements were listed in the theoretical part of this paper. As traditional companies that emerged in a non-digital age, Hugo Boss and Formula 1 first had to create products and features that would appeal to these generations.

So, **Formula 1** took the step of opening the curtain and letting viewers take a look behind the scenes of Formula 1. The Netflix documentary series "Drive to survive" has brought many new fans to the top motorsport class, especially in the USA. But the

²⁴² A29 S.4

²⁴³ A29 S.4

²⁴⁴ A26 S1 & 4-6

series has also sparked new enthusiasm for the sport among many fans.²⁴⁵ This was followed by more and more insights into the sport on their social media channels as well as podcasts, F1 Fantasy and much more.²⁴⁶ Formula 1 does not formulate this in its strategy as directly as Hugo Boss, but they also place the consumer at the center of their strategy. This is made clear by the many behind-the-scenes insights and the wide range of additional offers at the racetrack.²⁴⁷

At the same time, **Hugo Boss** also offers its users additional digital services. For example, exciting TikTok challenges were launched and a podcast was created to offer insights into the world of famous, successful people.²⁴⁸ As a result, the consumer is becoming more and more the center of consideration. With its "Claim 5" growth strategy, Hugo Boss placed the user at the middle of the stage and has been pursuing a consumer-first approach ever since its rebranding.²⁴⁹

Emotionalisation of the brand

Both companies aimed to increase the relevance of the brand and its overall value.²⁵⁰ A core element of this was to emotionalise the brand. In order to enhance the brand, both companies organised spectacular events, cooperated with well-known personalities and entered into strong partnerships.

Boss arranged "shortly after the spectacular launch of the all-star campaigns and the new brand identity (...) a spectacular event in the heart of the Dubai desert, where the brand presented a "See now, Buy now" collection. With many high-calibre guests - including the talents of the #BeYourOwnBOSS campaign (...)." "**HUGO** in turn set up a series of brand events during the music festival season in Palm Springs." These are just two of many examples.²⁵¹ BOSS also designed one of the stage outfits for Beyoncé's highly anticipated Renaissance World Tour, became a sponsoring partner of the Aston Martin F1 team, and dressed Boss face Chris Hemsworth for his film premieres, among others.²⁵² "Exciting brand events for BOSS and HUGO should further increase the desirability of our brands and inspire consumers around the

²⁴⁵ A26 S.6 & A29 S.4

²⁴⁶ A26 3-5

²⁴⁷ A13 S. 1-2

²⁴⁸ A28 & A16 S.1

²⁴⁹ A09 S. 3

²⁵⁰ A08 S. 1-2

²⁵¹ A25 S.2

²⁵² A26 S.4

world."²⁵³ Ultimately, the emotions that consumers feel at or through these events or partnerships are linked to the Hugo Boss brand. Additionally, Hugo Boss has released star-studded campaigns featuring famous models such as Gigi Hadid and Kendall Jenner, TikTok star Khaby Lame, actor Chris Hemsworth and tennis player Matteo Berrettini.²⁵⁴

Formula One also organises events, but in a slightly different way to the German fashion group. Formula One also utilises events as a marketing tool to increase the appeal of its brand. However, the approach is different due to the product that F1 offers. F1 currently organises around 24 Grand Prix weekends a year. Therefore, rather than creating additional events, they have filled the race weekends with more attractions and experiences. One could say they created events within one big event. One of these new events are the sprint races on some Grand Prix weekends. At selected circuits, fans will not only be offered a big race on Sunday, but also a smaller race on Saturday. As a result, two qualifying sessions are also held.²⁵⁵ Furthermore, activities such as Hot Laps, where you can take a few laps around the circuit in a sports car with a former or current driver, track walks and pit lane tours, where you are shown around the circuit and given a glimpse into the teams' pits, have been organised. On top of this, there are concerts at the race track by well-known artists. Visitors can also get into karts themselves and prove their speed at the side of the circuit. These are just some of the many offers available to customers on a race weekend.²⁵⁶ Another aspect that contributes to charging the brand with emotion is the cooperation with well-known personalities. Formula 1 wanted to reach a younger audience and win over more female fans. Not only have numerous influencers been invited in recent years, but stars such as Shakira, Martin Garrix, Tom Holland, Kygo and Neymar have also been spotted at various Grand Prixes.²⁵⁷

On the one hand, the two brands analysed want to attract the attention of the fans of these well-known personalities, but on the other hand, the desirability of these people should also rub off on their brand. This also works in a similar way with sponsorship partnerships. Interestingly, the two companies analysed here cooperate with each other. The Boss brand has been a sponsoring partner of the Aston Martin F1 Team

²⁵³ A25 S.2 (translated by Cassandra Sebes)

²⁵⁴ A25 S.2

²⁵⁵ A26 S.8

²⁵⁶ A25 S.1

²⁵⁷ A26 S.4

since mid-2022 and Fernando Alonso, one of its drivers, is even a brand ambassador for the Boss brand.²⁵⁸ Hugo just announced that it partners with the Visa Cash App RB (VCARB) Formula One team from 2024 on.²⁵⁹

Continuous controlling and adjustment

If a brand wants to reposition itself, the degree of change must of course first be determined, but no major differences can be expected with only individual changes. The example of Hugo Boss illustrates that the change in brand architecture in 2017/18 to a two-brand strategy was structurally advantageous, but the desired result of increasing brand relevance did not happen as hoped with this step.²⁶⁰ Continuous controlling therefore plays a key role in the rebranding process.

As **Hugo Boss** continued to miss its targets, it carried out further analyses and drew up a new strategy.²⁶¹ Consequently, the fashion group has increased the degree of rebranding and regained relevance with the rebranding in 2022.

Both **Hugo Boss** and **Formula 1** have controlling mechanisms to measure the success of their rebranding, as A29 shows.

Among other things, **Hugo Boss** monitors brand desirability and brand perception. It also tracks the development of brand value.²⁶² Other important indicators for the fashion group include orders from wholesale partners, as well as the response to the new brand image, the response to the relaunch campaign and sales.²⁶³

Even the **top class of motorsport** tracks its results to measure the success of controlling. For F1, for example, the number of spectators in front of the television and at the circuits is decisive. Added to this are newly concluded co-operations with partners and the turnover of the company. However, it also plays a role for F1 that women are showing increasing interest in the sport, but also that they are being able to reach an especially younger audience.²⁶⁴

²⁵⁸ A26 S.5

²⁵⁹ A26 S.9

²⁶⁰ A12

²⁶¹ A08 S.1

²⁶² A29 S. 3

²⁶³ A29 S. 1-2

²⁶⁴ A29 1-3

These results provide the two brands analysed with the direction for their future actions. By gradually achieving their goals, they remain on the chosen course and even intensify it if necessary.

Long-term planning

A rebranding process is not a single process, but a cycle. It takes a long time until the new brand goals are achieved. Hugo Boss and Formula 1 began their repositioning processes around 2016, now eight years ago. Although both brands have partially achieved their goals, they still have a long way to go. The brand goals play into the overarching corporate goals. There is therefore both short-term and long-term planning of the objectives.

Hugo Boss wants to be one of the 100 most successful global brands and is still a long way from achieving this, but it has managed to gain significant relevance in recent years. The fashion group has set itself annual targets, but also targets that it would like to achieve in five years' time. CEO Daniel Grieder said the following about 2021: "Our goal is to double our turnover by 2025 to 4 bn. euros by 2025 and to be one of the world's top 100 brands."²⁶⁵ Those were the objectives when the rebranding and the new growth strategy were introduced.²⁶⁶ The revenue growth target was already achieved in 2023, so the target was adjusted again: "As part of the "CLAIM 5" strategy, HUGO BOSS aims to achieve corporate turnover of around 5 billion euro by 2025."²⁶⁷ However, the other objectives of the "Claim 5" growth strategy have not yet been achieved and here, too, constant adjustments must be made through controlling.²⁶⁸

Even **Formula 1** did not expect to create a successful repositioned brand from one year to the next. In their strategy, they clearly emphasise their short-term and long-term goals. The years 2017-2018 were used to "build the foundation" and the long-term plan could only be implemented from 2019 onwards.²⁶⁹

²⁶⁵ A08 S.2

²⁶⁶ A08 S.1

²⁶⁷ A08 S.2

²⁶⁸ A09 S.3

²⁶⁹ A09 S.4

Creating the foundations

For both companies analysed, the rebranding was not only about achieving the failed goals of the past years, but also about positioning themselves better for the future and ensuring even better performance in the future.²⁷⁰

With the takeover of **Formula 1**, Liberty Media first had to transform its business model in order to create opportunities for new markets and new partners. Building on this, the rebranding measures could only then be initiated.²⁷¹

Hugo Boss built on the two brand strategies introduced in 2017 with its #BeYourOwnBOSS and #HowDoYouHUGO campaigns in 2021/22.²⁷²

Based on this, it can be concluded that brands often cannot simply start with their rebranding immediately, but must create a basis for it. This foundation can only be laid by analysing the situation. Both F1 and Hugo Boss have looked at the markets in which they operate, analysed their customers' needs and behaviour in more detail and adjusted their goals on this basis, thus creating a foundation.²⁷³

4.4. Discussion of the results

The analysis shows that strategic changes at management level play a role, as CEO replacements took place before both rebrandings investigated. This suggests that a change in leadership can send a clear signal for change both internally and externally. Although this is no guarantee of success, it shows that a new leadership team often brings a fresh approach to the company. Both Formula 1 and Hugo Boss have adapted their product performance and design to the needs of their target groups, but have not forgotten their origins and brand essence. On the contrary, both brands emphasised their origins and core values, but at the same time further developed their brand identity. This shows that a brand really needs to know and understand its identity and values in order to be able to take these into account when repositioning itself. Brand identity has already been emphasised in the theoretical part of this thesis as a core element of the brand and a rebranding process. The content analysis of the two brands confirms the importance of a brand's roots. If a brand does not want to completely

²⁷⁰ A08

²⁷¹ A09 S.4

²⁷² A12 S.1-2

²⁷³ A4 - A08

distance itself from its old successes and values, it should respect its origins and maintain them even after a repositioning. Communication of the rebranding was crucial, with various approaches such as spectacular events and social media campaigns being used to emphasise the changes. Adapting communication to the new target group was another key factor. Hugo Boss focussed on younger consumers, while Formula 1 tried to appeal to a broader, younger audience. Both brands invested heavily in digital channels and content to expand their reach. A consumer-first strategy was implemented to meet the needs of the digital generations. Additional digital added values such as documentary series, podcasts and interactive content were created to strengthen consumer loyalty to the brands. Despite numerous changes, the two traditional companies have also transferred their values to their digital products. Although the two companies analysed first had to properly establish an online presence and revise their business models, over time they have managed to offer their customers a seamless transition from online to offline. The emotionalisation of the brand also played an important role, with spectacular events, collaborations with well-known personalities and sponsoring partnerships being used to increase brand desirability. This shows how important it is to create an emotional connection with customers in order to strengthen their loyalty. But it also demonstrates that well-chosen partnerships and properly organised events can help to transform a brand. As explained in the theoretical chapter of this thesis, brands are images in the minds of consumers. It is precisely these images that are shaped by all points of contact with the brand. After a rebranding, a brand must ensure that the user naturally comes into contact with touchpoints where the image of the brand in their mind can actually be changed. The greater and more positive these emotions are, at the point of contact, the more the image of the brand changes in the user's mind. The redesign and a new logo serve to signal to consumers that the brand has changed and is ready to offer something new. The communication of a rebranding is crucial in order to gain the trust of customers and successfully convey the new brand messages. These two measures are necessary to signal to consumers that a brand has changed and to prepare them for the fact that they will now experience the brand differently. Especially if new target groups are to be tapped into, the rebranding should be combined with elements that are recognisable to the outside world. Particularly for traditional companies that have been known for a long time under the same design and logo, a change is a significant step and therefore also an important sign for consumers. However, it should be noted

that changing the logo alone is not enough to transform the brand image; it must be accompanied by an internal change. Both Hugo Boss and Formula 1 have adapted their communication strategy to the needs and preferences of younger target groups, particularly generations Y and Z. This shows how important it is to use the right channels and the right tonality to appeal to the desired target group. Furthermore, both brands have introduced additional digital offerings to provide their customers with added value and strengthen their loyalty to the brand. This shows the importance of putting the customer at the center and understanding their needs, especially in an increasingly digital world. Continuous controlling and adaptation were crucial to measure and ensure the success of the rebranding. Indeed, both Hugo Boss and Formula 1 tracked various metrics to monitor their progress and make adjustments where necessary. Admitting that the brand is not on the right track is also essential if the key figures are not right. A rebranding is not an isolated process, but part of a long-term plan that requires a solid foundation. Both brands have planned their new positioning strategy for the long term and implemented it on the basis of a thorough situation analysis. In addition, F1 and Hugo Boss set themselves long-term goals and continuously adapted their strategies to achieve them.

Overall, the chapter illustrates the various success factors of rebranding traditional brands, which enable successful repositioning and the development of new and younger target groups.

5. Concluding section

This chapter summarises the results of the research methods and how they can be evaluated. In addition, the findings and the approach are critically reflected upon. The chapter concludes with an outlook for further research.

5.1. Answering the research question

The aim of this thesis was to identify the success factors for rebranding a traditional company. The following research question should be answered specifically: "How can traditional companies maintain their identity despite a rebranding and at the same time operate successfully in the modern digital world and thereby inspire young target groups? The following ten success factors were identified through a content analysis:

- Strategic changes at leadership level
- Brand identity: Consideration of origin in the further development of product performance
- Redesign and new logo as a symbol of change
- Relaunch: rebranding must be communicated
- Adaptation of communication to the new target group
- Offering a digital added value based on a consumer first strategy
- Emotionalisation of the brand
- Continuous controlling and adaptation
- Long-term planning
- Creating a foundation

For a traditional company to have any chance at all of a successful rebranding, it must first recognise and accept that the market, consumer needs and behaviour are changing. Accordingly, the company's own brand must be changed, because without these modifications it no longer satisfies the needs that users have. It must also be understood that brands not only have functional aspects, but also impact-related features. Furthermore, a rebranding process must be completed in full. In the theoretical part of this thesis, a rebranding process is explained in detail, based on the basic framework of identity-orientated brand management. In addition, all four aspects of rebranding - repositioning, renaming, redesigning and relaunching - should be carried out or considered. It is particularly important to determine the degree of

rebranding. In other words, whether it should be an evolutionary or revolutionary rebranding. During the process, a brand should always bear in mind that the overarching goal of a rebranding is to create a differentiated, new image of a brand in the minds of consumers. As brand identity and brand performance form the core of a brand, these are the key factors in the rebranding process.

But how can traditional companies manage to reposition themselves without losing their identity, reach generations Y and Z and keep pace with digital change?

Probably the most important point is that they never completely abandon their old brand identity or their core product. To achieve this, the company must be very aware of its previous brand identity. The core elements and values, as well as the core performance of the brand, remain the same during repositioning and are enhanced by the new attributes, functions and character traits that are to be associated with the brand from the rebranding onwards. In this way, the brand identity and performance are renewed but never erased.

The traditional company must be aware that a foundation must first be created. The generations of digital natives must be understood and the product services and communication adapted to them.

In today's digital world, a consumer-first approach plays another key role in generating enthusiasm among young target groups and improving the brand experience. The change in the brand must be made visible to the outside world. For example, a transformation in management can symbolise change, but a new logo, new design, new tonality in communication and the relaunch are also key elements in communicating the change to the consumers. This subconsciously shows them that they are entering into a new, altered brand experience, opening up the brand's image in their minds to change. Every point of contact a consumer has with the brand influences the image of the brand in their minds. Therefore, positive emotions must be associated with the repositioned brand by consumers through communicative measures. The analysis of the two brands has shown that events, partnerships and new and well-known faces in particular emotionalise the brand for users. It is precisely these positive emotions that play a key role in increasing brand relevance.

5.2. Critical examination of the methodology and limitations

Transparency and objectivity in the research process were achieved through categories, coding rules and a broad, detailed sample. However, it must be emphasised that the samples in question only originate from company publications and could therefore already contain a certain degree of subjectivity. As a basis was created from various perspectives in the practical part of the work, the literature research, validity was achieved

Several significant aspects emerge from the critical reflection on the methodology of this master's thesis. Primarily, the analysis is based exclusively on publicly available data, which implies that internal company data could not be included. This results in the risk that essential information regarding the rebranding process and its effects was not fully captured. In addition, the main data comes from the available sources of the companies, which can lead to a certain bias. Although the rebranding process was developed based on literature sources, there is no standardised approach, which could affect the comparability and validity of the results. Another challenge is to evaluate the success of rebranding, especially as brand success is often influenced by external factors that are difficult to quantify. Furthermore, due to the limited scope of this study, only two repositionings could be analysed, which means that the results could show deviations when looking at other rebrandings.

Finally, it must be emphasized that the success factors of this analysis are only effective at the present time, because the dynamics or methods change and evolve. Critical analyses must therefore be carried out more frequently.

5.3. Conclusion

Ultimately, rebranding is a delicate process in which the identity of the brand and therefore its image among consumers can easily be damaged or even destroyed. Traditional companies face a particularly big challenge in this regard because the identity they want to renew was created so far in the past that it is more difficult to reconcile it with the demands and needs of consumers today. If these companies want to reposition themselves, they need to expand their brand identity and core product as authentically as possible and adapt all other processes accordingly.

5.4. Outlook on further research gaps

As the research for this thesis has shown, the subject area of brand and brand management is already covered by numerous academic works and research, but the topic of rebranding is only marginally addressed in most sources. Therefore, further research in the field of rebranding in general could further close this gap. In terms of success factors for rebranding, it is essential to research the internal processes of a company with regard to repositioning. It would also be interesting to see whether similar success factors emerge when analysing other traditional companies and their repositioning. Sources of error in a rebranding could also be analysed so that brands can avoid them in the future. Another research question would be to what extent rebranding can be helpful after a major scandal, such as the VW Diesel scandal. Moreover, whether or to what extent a rebranding after a scandal needs to be designed differently than, for example, in the case of a merger and acquisition.

Declaration of Authorship

I hereby declare that the thesis submitted is my own unaided work. All direct or indirect sources used are acknowledged as references.

Munich, 04.05.2024



Place, Date

Signature

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Appendix

Appendix 1: Coding of the elements analyzed in the content analysis

Acronym	Categories	Hugo Boss	Formel 1
A01	Change in the leadership level (CEO)	X	X
A02	Controlling: Failure to meet the defined objectives	X	X
A03	Controlling: Opportunities for optimization identified	X	X
A04	Situational analysis: Changes in the market	X	X
A05	Situational analysis: Change in consumer behavior	X	X
A06	Situational analysis: Changing consumer needs	X	X
A07	Situational analysis: The main target group	X	X
A08	Setting new corporate & brand goals	X	X
A09	The strategy	X	X
A10	Renewal of the brand identity	X	X
A11	Renewal of the brand image	X	X
A12	Adaptation of the brand architecture	X	X
A13	Marketing instruments: Adjustment of product performance	X	X
A14	Marketing instruments: Adaptation of distribution channels/areas	X	X
A15	Marketing instruments: Adjusting the pricing policy	X	
A16	Marketing instruments: Adjustment of communication	X	X
A17	Marketing instruments: Packaging	X	?
A18	Marketing instruments: Physical facilities	X	X
A19	Marketing instruments: Process	X	X
A20	Marketing instruments: People	X	X
A21	Redesign: in general	X	X
A22	Redesing: New Logo	X	X
A23	Rename		
A24	Relaunch	X	X
A25	Relaunch: Events	X	X
A26	Messages and content of communication in connection with the rebranding	X	X
A27	New faces that present themselves in connection with the brand	X	X
A28	Communication channels used for the rebranding	X	X
A29	Controlling: & Long-term development of the brand image	X	X

Appendix 2: Qualitative content analysis of the two companies Hugo Boss and Formula 1

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