

“A brand isn’t just what you say—it’s what you do.
Post understands that and fearlessly shines a light on what actions can make a difference.”

—**SETH GODIN**, author of *We Are All Weird*

BRAND

TURNAROUND

**HOW BRANDS GONE BAD
RETURNED TO GLORY**

**... and the 7 Game Changers That
MADE THE DIFFERENCE**

KAREN POST
BRANDING DIVA®

Chapter 1

Mission Possible: Brands Can Turn Around

From brutal breakdowns to big, bad bumps, even the most troubled brands can get back to being on top, do a three-sixty, and turnaround. All of the brands featured in this book were once at the top of their game and then something happened. They fell from grace and lost some of their brand mojo. Faced with challenges, they figured out how to rally back. They rebuilt healthy connections and relationships with their core markets, which enabled their return to glory.

It's obvious that top brands offer meaningful advantages for their stakeholders. Whether yours is a commercial, individual, cause or nonprofit, or destination brand, being a well-regarded brand translates into some or all of the following benefits:

- *Loyalty.* Few or no defections from customers, investors, employees, or partners
- *Trust and confidence.* Less risk to buyers

- *Ambassadors.* Enthusiastic advocates and torch carriers singing the brand's praises
- *Protective shield.* Greater willingness to forgive and pardon missteps
- *Premium investment and price.* Perception of an added layer of value and justification of a higher price
- *Opportunities and extensions.* Natural and easier entrée into new areas

Yet there are times when none of these factors can protect a brand from falling from grace. Sometimes the problem with the brand is something the company should have been aware of but wasn't—that is, until the error was discovered by the competition. That is what happened to Persil Power, a popular laundry detergent sold under different names throughout Europe. In early 1994, Unilever introduced Persil Power with a bang and a substantial ad campaign. Within months, Unilever's archrival, Procter & Gamble (P&G), discovered that dark dyes in certain fabrics reacted badly to an ingredient used in Persil Power. In March, P&G privately warned Unilever of the problem, and Unilever ignored P&G's warning, perhaps because its own testing over the previous two years had not uncovered the problem. P&G went public with the claim. The whole affair was most famously symbolized by a pair of chewed-up boxer shorts allegedly ravaged by Persil Power. In late 1994, Unilever admitted that it had made a mistake.¹

Sometimes the problem is something that should have been foreseen but wasn't; perhaps how a product is made. For example, in 1997, a *New York Times* article exposed oppressive working conditions and the presence of carcinogenic materials in Nike's factories in Vietnam.² The report was based on a report Nike had commissioned that was leaked to the *Times*. Nike responded that they had carried out an "action plan" to improve conditions and that its internal system worked in uncovering the problem. Later, Nike came under fire for using child labor in Pakistan and Cambodia also. Protests from student groups followed. In 2001, Nike admitted its responsibility.

Branding Recovery: A Full-Cycle Journey

When brands go bad, they often cycle through the following phases.

Phase 1: Brand-shaking Event or Events

Something happens, either through internal or external means, that causes a market shift, changing the brand's score from high and loved to low and questionable.

Phase 2: Market Reaction and the Brand's Reply

As a result, the environment suddenly changes and the market reacts negatively. Public opinion, once positive, turns hostile; popularity wanes or disappears; advocates and ambassadors no longer spread the word; and positive buzz evaporates. Now, these things happen to the brand:

- It is seen as a bad guy, the weak option that can't be trusted or is not needed.
- It becomes the talk of social media. It's all about the brand's bad behavior, negative situation, or circumstances.
- It gets constant negative media coverage.

During this phase, press management is critical. Often, companies hold a press conference or issue a statement shortly after a significant shake-up with their brands. Everything about this first communication is critical. That includes the spokesperson, the venue, and the message. When the situation is handled well, this step is often the opening salvo in the fight back to recovery.

Phase 3: By-products and Other Hazards That May Follow a Troubled Brand

In some cases, a company with its brand under attack handles the incident so well that the problem is soon forgotten, or its brand equity is so strong

that the public quickly forgives. When this is not the case, the public and media negative sentiment continues to grow and the real burn sets in. Now, this is what the brand may face:

- Being tied in with other, sometimes more damaged brand stories and events, and being seen as equally evil
- Losing leadership position while competitors are elevated into the spotlight
- Losing significant market share
- Declining revenue
- Falling stock price or valuation
- Defecting employees and partners
- Losing brand equity

Phase 4: Road to Recovery

The road map may vary: some returns are accelerated because a bigger, more damaging event enters the news cycle and the first brand's problems recede from public memory or seem less important; others heal as a result of good planning and execution of recovery strategies and tactics.

Phase 5: Return to Glory

Even after the positive signs of a brand's recovery are evident, maintaining progress and responding to new challenges are paramount to staying on top. Without these drivers, the brand will find itself back in the mud just as quickly as it cleaned itself up.

Brands that survive a crisis move through each of these phases. Once a brand bounces back, it can experience a multitude of benefits. For the rest of this chapter, we shall examine in detail the fall and rise of commercial, nonprofit, individual, and destination brands.

Commercial Brands

Companies, big and small, own commercial brands. They are focused on business objectives and intent on profits that drop to the bottom line for stakeholders.

When the worst is over, bounce-back commercial brands often experience

- Lower customer acquisition costs (new customers arrive and defected customers return)
- Stronger revenues (sales are up)
- Stronger margins (buyers spend more per transaction)
- Organically grown advocacy (customer feedback about product, experiences, and team members is positive)
- More efficient marketing (an increase in positive media coverage and interest)
- Easier recruitment (the best talent and partners again attracted to the brand)
- Organizational pride (which flourishes and feeds brand energy)

Let's look at a specific example: Domino's Pizza.

Domino's Pizza Brand Turnaround Story

The Domino's Pizza brand represents a great slice of the American dream. What started as a very small entrepreneurial venture with big ideas is nowadays a leader in the quick-service food category. The company has been no stranger to challenges and brand shake-ups: In 1968, the company headquarters and commissary were destroyed by fire. Not long after, all of its records were lost during a conversion to a computerized system. Around this time, Domino's also ran into problems with the Internal Revenue Service (IRS) that forced its owner, Tom Monaghan, to sell his shares and—for a time—lose control of the company. Lawsuits from franchisees, creditors,

and others followed. Then, in the late 1980s, it was reported that more than 20 of Domino's drivers had died in accidents, ultimately ending Domino's 30-minute delivery guarantee.³

The company has been up and down a few times and is now back on top delivering more than 400 million pizzas a year, which means a pizza (or at least a slice) for every man, woman, and child in the United States.

Domino's began as DomiNick's, a Michigan pizza store bought by brothers James and Tom Monaghan in 1960. The total purchase price was \$500. Less than a year later, Tom traded a used Volkswagen Beetle to James in exchange for full ownership. In 1965, the shop was renamed Domino's Pizza, Inc. The first franchise opened in 1967. A plan to add one dot to the Domino's domino logo for each new store was soon abandoned because of fast growth.

In 1980, Domino's defeated a trademark infringement lawsuit by Amstar Corp., maker of Domino Sugar; at the same time, growth exploded. In 1983, the doors on the thousandth Domino's opened for business. That same year, the first international store opened in Canada. By 1997, there were 1,500 international locations. In 1998, the leader who had taken Domino's to the top, Tom Monaghan, sold 93 percent of Domino's to Bain Capital for nearly \$1 billion, and retired. At the time Domino's had been losing market share in the United States—Papa John's was now number 1—but, by 2003, new management reversed this trend.⁴

By 2006, there were 8,238 Domino's stores claiming \$1.4 billion in gross income. In 2009, there were 8,999 stores and global sales grew to \$5.5 billion. That same year, a consumer survey by research firm Brand Keys had Domino's finishing dead last in consumer preference (tied with Chuck E. Cheese). The report monitors 79 categories and 528 brands in its annual Customer Loyalty Engagement Index. The survey pool size of 46,000 consumers includes a mix of men and women, 18 to 65 years old, drawn from the nine U.S. Census regions. Nevertheless, by 2010, the last year for which we have full data, Domino's had 9,351 stores with gross income of almost \$6.3 billion.

Sources close to the situation believe that Domino's learned about the survey results by reading about them in *USA Today*. That's not a good way to start the day. The company did, however, score high on convenience and budget-friendliness. The results were a wake-up call for the brand: Domino's had become dominant, not for good food, but because it was fast and cheap—hardly a good core brand value.

As if that was not enough brand beating for one year, two employees at a Domino's store wearing Domino's uniforms uploaded a stomach-turning video to YouTube.⁵ The video showed two employees sticking cheese in their noses and then putting it on a sandwich intended for customers along with other gross acts. Within hours the video went viral, and millions were exposed to this heinous act. Domino's launched its own YouTube video, assuring the public that what had occurred was an isolated incident. The employees were fired and criminally charged and convicted (although neither served jail time). Within a few days, the situation was resolved with no permanent damage to the Domino brand from the incident. But what an exercise in brand tossing! Many call it a textbook response to a crisis, while some contend the response time was not fast enough.

Finally, in early 2010, Domino's took the rebrand strategy “full-charge-ahead option,” admitting that its food was not very good and promising to do better. An extensive ad campaign began with Domino's executives publicly reading letters about how disappointed consumers were in its product. It was brutally honest. The campaign titled “The Pizza Turnaround” pulled no punches. Through numerous ads and at the website www.pizzaturnaround.com, Domino's used the chant “Oh Yes We Did” to point out its newfound brand honesty.

Domino's doubled down on this strategy a few months later when it released a new campaign push that built on the old one by admitting that it was up to the company to “do better,” and that it was still falling short in some places. It embraced a complete all-points turnaround. Sources close to the situation report it cost Domino's two years and \$2 million to reformulate its pizza and that it spent an additional \$75 million on advertising.

The Domino's Brand Turnaround

The company's strategy included the following things.

Honesty and Communication. Going public and admitting that its pizza was not much better tasting than the cardboard box it came in was a bold move. In the end, this action provided insight for consumers by letting them know that Domino's knew there was a problem and was doing something about it. It also opened up numerous brand engagement opportunities, which were then leveraged into creative advertising, publicity, social chat, and continuous content online.

Product Improvement. Domino's made sure the honesty of the Pizza Turnaround campaign was backed up with action. It overhauled every part of its product, changing the crust, cheese, and sauce. It was a gutsy move for a brand that still had strong sales.

Technology Advances. Staying ahead of the pizza delivery curve, Domino's has gone high tech by facilitating online ordering via a website and phone app in some markets that allows customers to connect to their local Domino's location to order both carryout and delivery orders.

Marketing and Social Media. The new pizza and the supporting campaigns have earned Domino's a few million close friends and plenty of good buzz. They have over 27,000 Twitter followers at twitter.com/dominos and use their Twitter feed not just as a one-way communication organ to inform customers about products and deals but also to respond to customer service complaints and other brand comments. Domino's also leverages Facebook. The brand is "liked" by over three million users and makes "liking" it on Facebook rewarding by communicating special deals to its "friends." They have even created a pizza exclusively for Facebook fans in the United Kingdom called Spanish Sizzler. Its very smooth online phone app lets you not

only order a pizza but also track its every move: Johnny made it; Fred is on his way to your house.

In 2011, just one year after the brave Pizza Turnaround brand initiative, Domino's announced that sales had increased sharply. It expects a full year-over-year net profit growth of 10 to 15 percent.

Cause and Nonprofit Brands

Nonprofit brands share many of the same issues as commercial ones, with additional scrutiny because their funding often comes from donations, grants, and other nonprofits.

Cause and nonprofit brand turnarounds often experience these things:

- Supporter base increases (lower cost per contribution, emergence of new supporters and reengagement of inactive patrons)
- Increased contributions (both in time and money)
- More efficient marketing (an increase in positive media coverage and interest)
- Easier recruitment of volunteers (the best talent, advocates, and partners are attracted to the brand)
- Increased organizational pride (brand energy)

Here's a specific example: the American Red Cross.

American Red Cross Brand Turnaround Story

Founded in 1881, the Red Cross was different from the beginning. In a world dominated by men, the Red Cross was founded, and presided over, by a woman. Clara Barton, the nurse hero of the Civil War, leveraged her fame to personally lead some of the Red Cross's earliest relief efforts, including the "Great Thumb Fire" in Michigan, which devastated almost a million acres. (For the curious, Great Thumb refers to the eastern part of

the state which resembles a thumb). Barton's own brand put the Red Cross on the map, and soon the organization was a regular sight at disasters like the 1889 Johnstown Flood in Pennsylvania that took over 2,200 lives.

From disaster relief, the Red Cross branched out to blood donation drives and education in cardiopulmonary resuscitation (CPR). The organization's simple, bold logo has made the organization easily recognizable wherever it serves. The Red Cross grew throughout the twentieth century, and it became one of the most recognized and trusted charity brands in the world. By the twenty-first century, the Red Cross was responding to about 70,000 disasters and emergencies a year. Today the American Red Cross Biomedical Services plays a critical role in health-care systems around the world. In the United States it is the largest single supplier of blood and blood products, collecting and processing more than 40 percent of the nation's blood supply and distributing it to approximately 3,000 hospitals and transfusion centers nationwide.⁶

About 100 years after Barton led the Red Cross, another woman would lead the organization only to see the brand severely falter and lose brand trust. In the wake of the attack on New York on September 11, 2001 (9/11), the Red Cross, as usual, leaped into action. The organization and its president, Dr. Bernadine Healy, established the high-profile Liberty Fund and aggressively pushed Americans to give both blood and money to the Red Cross. The perception was that all funds donated would go to the Liberty Fund to aid the victims of 9/11.

By late October 2001, though, Healy was forced to resign.

What happened? Media organizations began reporting that not only was there no need for a Red Cross blood drive but also the Red Cross had decided to put into savings (for future terrorist attacks) much of the \$564 million it had raised during the 9/11 fund drives. By early November 2001, the Red Cross found itself on the hot seat before Congress, where it was lambasted publicly and painted as an opportunist that used the 9/11 tragedy for profit.

In the course of a month, a brand once regarded as the preeminent nonprofit in American history saw its image reduced to one of a profiteer-

ing organization of scam artists. One man e-mailed the Red Cross, saying, “I am thoroughly disgusted and disappointed over your failing the families of victims from Sept. 11. I’ll never contribute another penny or drop of blood.” The Red Cross hurriedly announced that it would spend the entirety of the Liberty Fund on 9/11 victims. But it was too late.

Arguably they were right in not spending the money. Money at the time was not what was needed, just as blood wasn’t (and the blood, if not used, would have gone to waste). It could be said that in the organization’s desire to help it jumped on the bandwagon too soon and was far too specific in how it said it was going to use donations. But that did not matter. For the next few years, the Red Cross stumbled forward, trying to rediscover its identity and, more important, to rebuild the reputation of a brand 100 years in the making.

In the summer 2005, Hurricane Katrina ravaged the Gulf Coast and destroyed much of New Orleans. With so many people affected by the devastation, the Red Cross had the chance to save lives, bring families together, and rebuild its own tarnished brand. In the beginning, things seemed to be going well. But in 2006, reports surfaced about possible fraud by Red Cross contractors and volunteers, and the Red Cross was criticized for bungling elements of its response.

Long gone were the days of the untouchable Red Cross brand. With the memory of the 9/11 fiasco still in the public’s mind, despite continuing catastrophic disasters, this nonprofit found itself in one of the worst economic recessions in years. As a result, in 2008, the Red Cross had a \$209 million operating deficit.

The road to brand recovery would take time, fresh leadership, and major changes to its culture—not only to serve but also to operate more like a business with fiscal responsibility—in order to expand the organization’s base to a new generation of volunteers and supporters. In April 2008, Gail McGovern, a former business executive with AT&T and Fidelity Investments, became president and CEO and led the charge to put the organization back on stable financial footing. The brand comeback followed.

In 2010, the earthquake in Haiti spurred Red Cross into action. In the year following the Haiti disaster, the Red Cross provided medical care for nearly 217,000 patients, cash grants and loans to help 220,000 people, latrines for 265,000 people, daily drinking water for more than 317,000 people, emergency shelter materials for more than 860,000 people, vaccinations for nearly one million people, and food for 1.3 million people for one month. In providing so much relief, Red Cross took a big step away from the tarnished image and recharged the brand as one of hope, help, and relevance.

The handling of the Haiti disaster earned the Red Cross good marks from the media, and the organization has successfully tapped into a younger, digitally connected market that has furthered the brand recovery. Time will tell if Haiti is a recovery success story for both that nation and the Red Cross.

Beyond the megadisasters, the Red Cross responds to thousands of smaller events every day in the United States and abroad. It runs the world's largest blood donor program; it trains and educates individuals and other organizations on a variety of topics, including first aid, CPR, automated external defibrillator (AED), lifeguarding, swimming, babysitting, and caregiving; and it provides needed communications and health services to U.S. Armed Forces. This is where the real work of rebuilding the brand has occurred.

The Red Cross Brand Turnaround

The organization's strategy has included the following things.

Policy Improvement. Following both the 9/11 fiasco and the Katrina criticism, the Red Cross changed its fund-raising and partnering policies to be sure that similar problems would not happen again.

Operational Improvement. As part of its efforts to restore financial stability, the organization also has streamlined and consolidated its back-end operations. Before this, the approximately 700 local American Red Cross

chapters each had its own operational, banking, information technology (IT), and financial systems.

Leadership from the Business World. In addition to recruiting veteran business executive Gail McGovern as CEO, the nonprofit hired Peggy Dyer as its first chief marketing officer to oversee the development and execution of marketing strategy. The organization has also broadened its board of governors with contemporary new faces like Judy McGrath, who is the former chair and CEO of MTV Networks, a division of Viacom.

New Recurring Revenue Streams. Like many commercial organizations, the Red Cross also knew it needed to find new revenue streams that could also leverage its brand. To that end, the Red Cross is developing licensing partnerships with existing products and new ones that support a revenue model and complement its lifesaving mission.

Marketing and Social Media. Social networking has given nonprofits a powerful new avenue to further their mission, recruit volunteers, raise money, and build their brand.

The year 2010 saw continued growth in online fund-raising for nonprofit organizations. A recovering global economy, online response to disaster relief, peer-to-peer fund-raising, and the role of social media in the nonprofit sector all shaped the year. Blackbaud, a nonprofit research firm that conducts an annual *Online Giving Report*, found that online giving grew 34.5 percent in 2010 compared to 2009. Large nonprofits, with annual total fund-raising greater than \$10 million, experienced the largest fund-raising increase with 55.6 percent on a year-over-year basis.⁷

The Red Cross allocates significant resources to its online and social media efforts, and its investment is paying off. The benefit goes way beyond development and fund-raising; the Red Cross uses its online activities to listen, learn, and improve all touchpoints of the organization. They monitor their social activity with Radian6, a service that helps brands listen to

their markets, competitors, and influencers. Beyond the monitoring dashboard, which tracks mentions on more than 100 million social media sites, they offer an engagement console that allows a brand to coordinate internal responses to external activity by immediately updating its blogs, Twitter, and Facebook accounts all in one spot. Nonprofits can access the service for reduced rates through the company's Giving Back program.

The Red Cross is mentioned nearly 700 times a day on various social media platforms. It has more than 265,000 followers on Twitter, and the nonprofit uses the tool not only to converse but also as a real-time feed for aid needs. Facebook, YouTube, blogging, and Red Cross's website (with a page dedicated to explaining why social media is important to the Red Cross) allow an even bigger and multimedia rich story to be told about the brand with content, images, and video uploads. And if this presence hasn't reprogrammed society's expectations about the brand, check this out: a study by the Red Cross found that 74 percent of disaster victims expect response agencies to answer social media calls for help in less than an hour.

Individual Brands

Individual brands are the newest kids on the brand block; from business professionals to athletes, and from entertainers to religious, community, and political leaders, these brands are led by one person's values, style, behavior, and communications.

Here's what individual brands may experience when they turn around:

- Increased opportunities (their profile attracts business deals, other brands, and engagements)
- Increased income (they earn more)
- Positive feedback from industry and the public
- Greater exposure, features in media, on social networking sites, as well as increased number of hits by search engines
- Renewed trust, sponsors, and endorsements return

- More efficient marketing (momentum drives opportunities)
- Greater brand energy fed by greater self-esteem

Let's examine a specific example of an individual brand: Kobe Bryant.

Kobe Bryant Brand Turnaround Story

Kobe Bryant was the first superstar National Basketball Association (NBA) player to be hired straight out of high school—a practice that would become common in the years after 1996. Bryant was the winner of the 1997 All Star Game Slam Dunk Contest, and in 1998 he became the youngest All Star Game starter in history. In 1999, Bryant signed a six-year \$71 million contract extension.

From the beginning, Bryant was a magnet for endorsements. Before he even touched the court, Bryant had a multimillion-dollar deal with Adidas. McDonald's and Sprite were two of his largest deals. A huge superstar by the time his Adidas deal expired, Bryant signed with Nike a five-year deal worth about \$45 million. In 2000, 2001, and 2002 Kobe Bryant helped the Los Angeles Lakers to consecutive NBA championships. In 2001, Bryant married, and he and his wife's first child was born in January 2003.

At the height of his brand's popularity, Kobe Bryant was arrested for sexual assault in Colorado and accused of rape. Bryant claimed his innocence, but he admitted to cheating on his wife with his accuser. The court case would take a year, and Bryant's reputation would go from gold to mud. Prosecutors eventually dropped the charges in 2004 when the alleged victim refused to testify. The case turned into a media circus, with Bryant's name splashed over the headlines and top stories on a daily basis.

McDonald's, Sprite, and other sponsors immediately terminated relationships with Bryant. Nike maintained its contract but stopped using his image in its ads.

Although the charges were dismissed, Bryant's brand image remained low. A January 2005 Associated Press report noted that “[sales of] Bryant's No. 8 Lakers jersey—previously one of the best sellers in the world—has

fallen out of the top 50.” Worse yet for Brand Kobe, the quality of his play slipped too. Coach Phil Jackson once said he would not return “if Kobe Bryant is on the team next year.”⁸ The year 2004 would mark the first time in more than a decade that the Lakers failed to make the playoffs.

In 2005, Nike started using Kobe’s image again in its advertising, but it wasn’t until 2006 that Brand Kobe really started turning around. This recovery went hand in hand with his playing recovery as well, as a public display of a change in attitude. In January, Bryant hugged old teammate, Miami Heat player Shaquille O’Neal, ending a long public feud. Soon after, Bryant scored an amazing 81 points in a single game. This was just the first of numerous score-setting records. In 2007, he turned in his long-celebrated number 8 jersey for number 24, signaling to the world that he had turned a corner.

In 2008, Bryant won the Most Valuable Player (MVP) Award, and the Lakers went to the finals. Bryant’s deal with Coca-Cola returned, and he was the feature player on the cover of the video game *NBA ’07*. His brand recovery was aided by his place on the gold medal-winning 2008 U.S. Olympic team.

Kobe’s stellar on-court performance continued to mold his return to superstar status. The Lakers, led by Kobe, won the 2009 championship and went on to win the 2010 championship, Kobe’s fifth. In 2010, *Forbes* ranked Bryant only behind Tiger Woods and Michael Jordan on its list of highest paid athletes.*

History seems to favor comebacks of high-profile individual brands when the person accepts brand shake-ups head-on. Their public atonement often erases the damage their perceived sins caused and time forgives. On the other hand, Pete Rose has never recovered from having been caught gambling on baseball; in part, no doubt, because it took him 15 years to confess to his wrongdoing.⁹ People did seem willing to forget—or, at least,

*It’s worth noting that Kobe Bryant was fined \$100,000 for an antigay slur he yelled at a referee. He apologized the next day, but he said he would appeal the fine. The impact on his brand is yet to be seen.

forgave—Kobe Bryant’s black eye. Kobe went through the fire, but he took full responsibility for his transgression. The public expects that those in positions of status need to take *sincere* responsibility when they have violated the trust of their supporters and fans.

It will be interesting to watch how other athletes, like Tiger Woods, Barry Bonds, and even Lance Armstrong, who have recently found themselves in the glare of negative publicity, handle their problems. It is possible they will step on new landmines in the course of their journey. Barry Bonds was convicted of obstructing justice, even as a deadlocked jury resulted in the other charges relating to his alleged steroid use being dropped; and Tiger Woods is still trying to find his game. Lance Armstrong’s drama will likely return to the news one day, too. All three brands should be able to bounce back; their actions will soon tell the tale.

The Kobe Bryant Brand Turnaround

This individual’s strategy included the following things.

Trust and Communication. Bryant’s first step toward brand recovery was to admit his transgressions. In a statement made directly to the woman who charged him, Bryant said, “I want to apologize to her for my behavior that night and for the consequences she has suffered in the past year. Although this year has been incredibly difficult for me personally, I can only imagine the pain she has had to endure. I also want to apologize to her parents and family members, and to my family and friends and supporters, and to the citizens of Eagle, Colorado.”¹⁰

Evidence of Change. Shortly after the 2003 incident Bryant had his wife and daughters’ names, an angel halo, and Psalm 27 tattooed on both his arms. In addition, he became very public about his faith and spiritual values. In 2007, after he changed his long-celebrated number 8 jersey for number 24, his jersey became the NBA’s top seller in the United States, China, and Europe.

Championship Behavior On and Off the Court. Even during the high-profile hearings and media zoo that surrounded the allegations against him, Kobe came out on the court every night and outperformed 98 percent of the other players. He did what he does best: he played incredible basketball. Not only did he focus on his game and skill but he also developed into a stronger team leader. He opened up his style of play to facilitate contributions from the whole team, which after the initial change curve delivered some of the most spectacular hoop shooting, scoring, and winning in the game's history. Sports publicist Tamiko Hope described Bryant's game change as critical to his turnaround. He earned the respect of his fans, although they also understood he was human and flawed, despite the superhuman talent.

Off the court Kobe Bryant became active with a variety of U.S. and global charities. Among other things, he served as an official ambassador to the After-School All-Stars, an American nonprofit organization for after-school programs and summer camps for at-risk youth. He also created the Kobe Bryant China Fund, which partnered with the Soong Ching Ling Foundation, to raise money within China for education and health programs.

Marketing and Social Media. Like other high-performing athletes, Bryant scores major endorsement deals that can be winners for both the company's brand and the athlete's own brand. In the perfect world, the athlete earns the cash and sometimes the product; the sponsor benefits from association with the celebrity accompanied by what it hopes will be a great creative campaign; and both the celebrity's brand and the product being promoted are further fueled by the cool quality production and media exposure.

In 2008, Bryant completed a pair of videos showing him doing dangerous stunts to promote Nike's Hyperdunk shoes. The first showed Bryant jumping over a speeding Aston Martin automobile, and the second one showed Bryant with the crew of *Jackass* performers from MTV jumping over a pool of snakes. Both videos went viral, each receiving millions of views on YouTube. Bryant later hinted that the stunts were faked—actually doing them would have violated his contract with the Lakers, which prohibits him from participating in

dangerous activities. This incident seems to have had no impact on his image, probably because no one was hurt and, more important, his followers—young men 18 to 35 years old—think the stunts are cool.

Kobe Bryant had adopted an alter ego, the Mamba, after a deadly snake that can raise itself four feet off the ground when threatened and is very difficult to kill. According to Bryant, “The Mamba can strike with 99 percent accuracy at maximum speed, in rapid succession. That’s the kind of basketball precision I want to have.”¹¹ To further enhance this brand and promote his Nike shoe line, he made a short film with Bruce Willis, Danny Trejo, and Kanye West which was promoted as “Kobe Bryant is *The Black Mamba*.” A couple of months after the film was released it had been viewed over three million times.

Social media and an Internet presence also have played a role in Bryant’s brand rebound. His official website, www.kb24.com, reflects his champion style, and it also includes videos, news, and information about his basketball academy. At the time I write this, Bryant has had almost 73,000 followers on Twitter, and approximately 8.3 million have given a thumbs-up to his Facebook page.

Destination Brands

Destination brands dramatically impact economies, as they touch so many commerce-driving dimensions from quality of life, to tax bases, to jobs and talent recruitment.

Here’s what destination brands may experience when they turn around:

- Visitor acquisition cost is lowered. (New visitors arrive and defected ones return.)
- Revenues increase. (This may also pump revenues into other businesses.)
- Profit margins can grow. (Buyers are spending more per transaction.)
- Advocacy grows organically. (Visitors report positive feedback about product, experience, and place.)
- Marketing is more efficient. (There is an increase in positive media and social network buzz.)

- Recruitment is easier. (The best talent and partners are now attracted to the brand.)
- Community pride flourishes. (This feeds into brand.)

Let's take a look at a specific example: Aruba.

Aruba Brand Turnaround Story

Aruba, a constituent country under the Kingdom of the Netherlands, is a beautiful Caribbean island that counts tourism among its top industries. Known by many as “One Happy Island,” it is out of the pathway of hurricanes and generally a very safe place. The greatest number of tourists to Aruba comes from Venezuela and the United States.

For many Americans, Aruba was probably best known as the first word in the Beach Boys song “Kokomo.” At least that was the case until May 30, 2005, when Natalee Holloway from Alabama disappeared during a high school trip to the island. The teenager's disappearance (which seemed to many to be a murder) became a national media sensation, with its focus on suspect Joran van der Sloot, the son of a Dutch diplomat whom police believed committed the crime but could not be convicted of it. Fox News, Dr. Phil, and even *Vanity Fair* covered the story extensively. After that, many Americans' first association to Aruba may have been “murdered teen.”

Aruba's tourism industry immediately came under fire. The disappearance, never to be solved (as of this writing), was certainly tragic, but that an economy was punished so hard for an isolated incident is equally sad. The crime and the ensuing media circus drew international attention, making it seem that local politics was to blame for the poor handling of the case and possibly even a cover-up. Websites emerged that advocated a voluntary boycott of Aruba. Within a year, visits from the United States to Aruba were down 9 percent, and the small, beautiful island experienced a major business decline as a result of its internationally tarnished image.

In September 2005, a spokesperson for the Aruba Tourism Authority (ATA) told *USA Today*, “Our main priority now is, ‘Let's get this [Hol-

loway case] solved and resolved.’ It’s not nice for anyone involved.”¹² The spokesperson was right. The main problem plaguing Aruba’s public relations recovery was that it could not put an end to the case. Its reputation suffered as much from the crime itself as from its inability to convict the suspect. Aruba’s image was further tarnished when van der Sloot was arrested for the murder of a young woman in Peru in 2010, to which he confessed.

Negative publicity continued to circle the destination’s brand. In April 2009, Lifetime Movie Network aired *The Natalee Holloway Story*, which was viewed by a record-setting 3.2 million people, the highest in Lifetime’s 11-year history. As late as 2010, the mention of Holloway’s name still went hand in hand with Aruba. In 2010, NBC’s Philadelphia affiliate posted the photo of a skeleton a couple had taken in Aruba while scuba diving. The headline: “Couple Snaps Skeleton Pic in Aruba: Natalee Holloway?”

Aruba is a very interesting case study: consider that cities and destinations around the world experience a much higher volume of crime, many of which are unsolved murders, yet they are rarely mentioned in the international press, let alone receive so much attention for nearly a decade. Natalee’s teenage innocence, her beauty, and her parents’ desperate search for justice contributed to the press’s and people’s fascination with the case. This high-profile crime scarred a brand, which had a dramatic economic impact.

Aruba’s tourism industry is indeed showing strong signs of a return to glory. Tourism is up, and Aruba is projecting an even stronger year in 2012. Aruba is a small place, and it does not have a huge budget with which to buy back visitors like other megadestinations can. Instead, it has had to leverage grassroots means, social media, and word of mouth; most of all, it has had to deliver a wonderful and safe vacation experience. Here’s how the country is doing it.

The Aruba Brand Turnaround

This destination’s strategy has included the following things.

New Global Brand Identity. The Aruba Tourism Authority (ATA) created a new logo and relaunched the “One Happy Island” tagline.

Relevance. Eco-Aruba has successfully completed a \$6 million eco-enhancement program; several beaches have been designated Blue Flag certified (an international program that sets environmental standards in four main areas: water quality, safety, services and facilities, education and information and environmental management).

While many Caribbean destinations lack sophisticated digital technology, Aruba is pioneering easy digital access in major hotels, and is dedicated to building relationships with friends and visitors online through its virtual community. It has jumped onto the social media bandwagon with Twitter accounts, and it boasts an impressive online community through Aruba.com (its user-friendly website) and the new Facebook Connect application. In fact, Aruba, the island of 90,000 (Facebook) friends you haven’t met yet, is the first Caribbean destination to create this type of online networking community.

In 2010, Aruba began hosting an International Film Festival, where critically acclaimed films from around the world are showcased. The Aruba Tourism Authority and the Hyatt Regency, which has a resort on the island, even joined in to sponsor the film *The Greatest Movie Ever Sold*, directed by Morgan Spurlock.

Marketing. Aruba has also invested in traditional and new media. It has initiated a new advertising campaign titled “Aruba Uncovered,” which will include print, TV, online, and out-of-home ads. Ian Wright, host of the travel/adventure television series *Globe Trekker*, is featured in an unscripted documentary-style film designed to reinforce the welcoming spirit of the island in an authentic, nonjaded tourist way through interaction with local Arubans.

In the next chapter we’ll be taking a closer look at some of the brand killers everyone should watch out for.