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Editors:

Stanković, M. and Nikolić, V.

Publishers:

Complex System Research Center, Niš, Serbia

Mathematical Institute of the Serbian Academy  
of Sciences and Arts, Belgrade, Serbia

October 23-24, 2023



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# **PaKSoM 2023**

5th Virtual International Conference  
Path to a Knowledge Society-Managing Risks and  
Innovation  
Proceedings

Publishers  
Complex System Research Centre, Niš, Serbia  
Mathematical Institute of the Serbian Academy of Sciences and Arts

Serbia, Niš, October 23-24, 2023



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Editors:

Prof. Dr. Miomir Stanković and Prof. Dr. Vesna

Nikolić Technical Editor:

Dr. Lazar Z. Velimirović

Published by:

Complex System Research Centre, Niš, Serbia, and

Mathematical Institute of the Serbian Academy of Sciences and Arts

Printed by:

Copy House, Niš, Serbia

Number of copies printed: 100

The publishing year: 2023

Printing of this edition has been financially supported by

The Ministry of Science, Technological Development and Innovation of the  
Republic of Serbia

ISBN 978-86-82602-02-6

CIP - Каталогизacija у публикацији Народна библиотека Србије, Београд

005.94(082)

005.591.6(082)

007:004(082)

**VIRTUAL international conference Path to a Knowledge Society-  
Managing Risks and Innovation (5 ; 2023 ; Niš)**

Proceedings / 5th Virtual international conference Path to a Knowledge Society-  
Managing Risks and Innovation PaKSoM 2023, Serbia, Niš, October 23-24, 2023;  
[organizer Mathematical Institute of the Serbian academy of sciences and arts] ; [co-  
organizers Complex System Research Centre] ; editors Stanković, M. [Miomir],  
Nikolić, V. [Vesna]. - Niš : Complex System Research Centre : Mathematical Institute  
of SASA, 2023 (Niš : Copy house). - 394 str. : ilustr. ; 25 cm

Tiraž 100. - Bibliografija uz svaki rad.

ISBN 978-86-82602-02-6 (CSRC)

- Знање -- Менаџмент -- Зборници б) Предузећа -- Пословање -- Иновације -  
- Зборници в) Информациона технологија -- Зборници

COBISS.SR-ID 134315785

# **PaKSoM 2023**

## **5<sup>th</sup> Virtual International Conference Path to a Knowledge Society-Managing Risks and Innovation**

**Organizer:**

Mathematical Institute of the Serbian Academy of Sciences and Arts

**Co-organizers:**

Complex System Research Centre

**Supported by:**

The Ministry of Science, Technological Development and Innovation of the  
Republic of Serbia



# The Role of Brand Re- innovation in the System of Reinnovation Radar

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**Abstract**—In order for established and well-known brands to reinvent themselves, reinnovate, and remain relevant and competitive in today's rapidly changing business environment, reinnovation is essential. The objective of the desk research was analysing the process of how to perform brand reinnovation and which type of tools could be used. In the paper there are several examples of long-lived brands that have been reinnovating permanently. Leading companies today are directing their managerial objectives towards intangible assets, as global competition intensifies and many competitive advantages (such as technology) become increasingly short-term, thereby amplifying brands' contribution to shareholder value. Consequently, the need for brand valuation is growing from both a corporate management and transaction perspective. Consumers are viewed as intangible assets that an organization and brand should strategically acquire, nurture, and maximize the value of, much like other financial assets. In 1975, intangible value accounted for 17% of the total value, whereas in 2015, tangible value reached 61%. These figures clearly demonstrate the growing importance of nurturing employees, developing brands and new products, securing licenses, contracts, and all elements constituting intangible value. The contribution of the paper is understanding the power of reinnovation via management tool named the innovation radar and its role in analysing the brand performance.

**Keywords** – Reinnovation, brands, brand reinnovation, customers

## 1. INTRODUCTION

We find ourselves in the era of permanent crisis, a collective term encompassing numerous environmental changes such as climate change,

digital transformation, the consequences of the COVID-19 pandemic, global inflation, financial crises, labor shortages, ongoing global conflicts, and others. Managers are increasingly tasked with supporting the construction and re-  
innovation of companies and their brands in light of various influences, including economic, political, social, demographic, and more [1]. With the advent of the Fourth Industrial Revolution, many aspects of our world are undergoing transformation, from shifts in thinking to changes in learning and work methods, as well as modes of communication. Artificial intelligence has given rise to 3D printers, drones, rapidly advancing robotics, autonomous vehicles, IoT (Internet of Things), and the abbreviation SMART now encompasses Social-Mobile-Analytics-Robots-Transformation.

Culture has become transformative, embracing open innovation and value-driven processes. Social networks engage all target groups (B2P, P2P, G2C, C2G, B2B, B2C). Massive databases enable data processing for operational use and predictions through machine learning and big data analytics. The emergence of Web 3 promises further changes, incorporating blockchain, cryptocurrencies, Augmented Reality (AR), Mixed Reality (MR), Extended Reality (XR), NFTs, and new forms of gaming, among others. This creates opportunities to meet the digital generation's needs for brand engagement, virtual brand shopping, and creating a user experience within the Metaverse.

## II. BRAND REINNOVATION

Brand reinnovation is a process that is often necessary when brands, or the products within

those brands, as well as consumer attention, begin to decline. Nevertheless, the core of the brand must be clearly defined for successful brand reinnovation. Marketing managers must be able to identify critical and latent signs of brand aging and apply brand reinnovation elements and strategies that are most suitable for a particular brand. The marketing environment is constantly changing, with shifts in consumer behavior, competitive strategies, technological advancements, and other aspects of the marketing landscape making the jobs of marketing and brand managers challenging. Reinnovation preserves and respects the brand's history and heritage while demonstrating to its target audience (both current and future) that the company is adapting to changes. Change is essential to remain relevant in the times in which the brand exists and to ensure its future success.

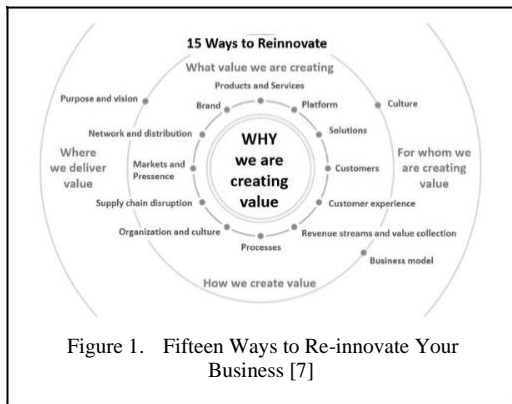
There are compelling reasons for the attention that companies pay to their brands. As assets, brands can be highly valuable, even when they are no longer in their golden years. Consumers recognize a strong brand, can identify it among many others, and have developed attitudes toward its use [2]. When a brand starts to weaken, the brand's value diminishes simultaneously. Companies may sometimes only consider repositioning, but telling the brand story could benefit companies in building a stronger relationship with consumers. Overall, companies should prepare a long-term strategy for maintaining the "life" of the brand. Moreover, brands must create multiple channels of communication. Through this, the brand's image can also expand in the consumer's consciousness [3]. According to Kapferer, brands are assets that could bring benefits to a company over an extended period [4]. Therefore, companies must continually manage their brand value to avoid losing market presence. Specifically, the brand lifecycle could be defined as birth, growth, maturity, decline, and disappearance, with the latter being replaced by brand reinnovation to promote the brand's sustainability over the long term. During a brand's lifecycle, companies inevitably encounter market dynamics and must react with reinnovations to sustain the brand. However, brands never lose their value all at once. Their image and name remain "stored" in the long-term memory of consumers, so even after many years, a brand can evoke a range of positive or negative associations.

Brand reinnovation is a marketing strategy adopted when a product reaches the pre-maturity phase of the product lifecycle, and profits have not yet started to decline. It can be considered an attempt to return the product to the market and secure a source of capital, i.e., consumers. Changes in customer preferences, new competitors, new technologies, or changes in the marketing environment can affect brand revenues. Consequently, many brands that were highly respected by consumers have lost their good market position or, ultimately, disappeared from the market. To regain lost brand value or acquire new sources of added brand value, brand reinnovation is required. Every brand is at risk of losing its vitality and value, regardless of how powerful and successful it may be. Therefore, even brands that have been on the market for a long time must reinvent their concept and message from time to time to adapt to changing trends, meet the needs and desires of modern consumers, and address new competitive threats. Brands that fail to do so often quietly fade from the market and are quickly forgotten due to the dynamism of the market and the constant emergence of new brands. In 21st-century marketing, the future of marketing lies in creating products, services, and organizational cultures that inspire and incorporate customer values [5].

### III. WHAT IS THE INNOVATION RADAR?

There is a common belief that only research and development departments should be responsible for innovation in organizations, and that they should bring about significant technological advancements. However, this is not entirely accurate. Organizations need to reinvent themselves to remain competitive in turbulent times. On one hand, rapid digitalization creates new value and opportunities for organizations to use influence and innovate. On the other hand, established norms are at risk due to the impracticality of traditional industrial definitions and the formation of new ecosystems.

Many companies have a narrow view of innovation, considering it synonymous with the development of new products or the responsibility of research and development departments. In many cases, companies, as a result of competitive analysis, mimic the practices of other more successful firms in their industries, targeting the same customer segments with similar products, which does not create additional value for consumers. Therefore, the



common perception of innovation is often too narrow, leaving many companies vulnerable to the actions of competitors with broader perspectives [6].

In order to better understand innovation and enable employees to think in broader business contexts for its improvement, a framework called the Reinovation Radar can be employed.

This tool represents and connects all dimensions in which a company can seek innovation opportunities and consists of four key dimensions that serve as business anchors [7]:

- The offerings a company creates (what value we are creating),
- The consumers it serves (for whom we are creating value),
- The processes it employs (how we create value), and
- The points of presence it uses to deliver its offerings to the market (where we deliver value).

Embedded within these four anchors are eleven other dimensions of the business system that can serve as pathways of exploration. Thus, the Reinovation Radar encompasses a total of 15 key dimensions, as depicted in the following figure (Fig. 1).

The brand plays a crucial role in the dimension of creating value for clients, customers, and consumers. Therefore, the brand should undergo continuous reinnovation, whether changes are anticipated, created, or implemented.

#### IV. THE ROLE OF REINNOVATED BRAND IN STRENGTHENING BRAND AND COMPANY VALUE

The majority of a company's business value originates from intangible assets, such as a brand, which influences the choices of consumers, clients, and employees, as well as investors and the community [8]. In a world where choice exists, such influence is crucial for sales success and creating shareholder value. Even nonprofit organizations have started to embrace the brand as a critical tool for gaining donations, sponsorships, and volunteers [9].

The two most prominent companies measuring brand value, Millward Brown and Interbrand, as well as Forbes magazine, showed in their 2020 report that the most successful brands were technology (tech) brands. Despite many companies facing bankruptcy during the COVID-19 pandemic, tech giants and major tech brands continued to thrive. Results based on Millward Brown research (3.8 million consumer interviews and financial data from 17,800 brands in 51 markets) indicate the dominance of the top 20 tech companies in 2020 in terms of brand value [10]. According to Forbes' list of "The World's Most Valuable Brands in 2020," companies including Amazon, Netflix, and PayPal showed significant gains in brand value from the previous year's list, in line with e-commerce, streaming, and digital payment trends. Their list of the top five brands illustrates tech brands: Apple, Google, Microsoft, Amazon, and Facebook [11].

Similar results were shown in Interbrand's 2020 report, which demonstrated a leading cluster consisting of Apple, Amazon, Microsoft, Google, Samsung, Facebook, LinkedIn, and PayPal. All of them proved their value and sustainability during the COVID-19 pandemic and demonstrated resilience during the upheaval. Since 2017, the top brands have been tech brands: Amazon, Google, Apple, Microsoft, and Samsung.

However, when a brand loses value, it first loses something vital—the ability for consumers to spontaneously recall it from memory and experience when making a purchasing decision. The key measure of brand value is precisely its presence in consumers' minds and their user experience.

For organizations to succeed in turbulent times, re-innovating their thinking and business

practices requires constant scrutiny of their own weaknesses and vulnerabilities. Therefore, situational diagnosis is becoming increasingly important in brand management because, as in medicine, prescribing treatment without diagnosis is incorrect. Open questions that can help in business re-innovation when the employer is in the shoes of consumers, clients, and customers may [12]:

- How strong is my brand in consumers' minds? How do consumers perceive it?
- What is the current potential of my brand?
- Are market conditions favorable for my brand to fully realize its potential?
- Does the current market performance of my brand reflect its potential?
- If not, what is preventing it from realizing its potential?
- If so, how can I further improve market performance?
- What actions can I take to boost the market potential of the brand?
- What types of communication will strengthen the brand's power?
- What is the nature of the category in which the brand operates?
- What are the possible growth strategies, and how should resources related to the brand be distributed:
  - Invest in market communications (direct or indirect)?
  - Invest in distribution channels?
  - Is it time to introduce a new variant?

## V. BRAND REINNOVATION STRATEGY

To meet their brand improvement goals, companies need to redesign their marketing mix. However, before all these activities, brand research is the most crucial technique. Brand research can be beneficial to companies in understanding the needs of the new generation. Additionally, marketing managers must monitor changes in consumer perception and needs to implement appropriate strategies to adapt to trends.

As part of brand re-innovation, any positive characteristics that have disappeared must be strengthened, and any negative characteristics that have appeared may need to be neutralized, with additional positives potentially created. This can be accomplished by appealing to a new demographic generation (Gen Z and Millennials). For example, Old Spice dramatically re-innovated itself from being perceived as a brand for consumers aged 50+ into the largest brand in its category. Old Spice produced unconventional advertising and online programs, including social media, video games, mobile apps, and highly entertaining YouTube clips.

Brands must continually evolve to ensure they remain in sync with changing market needs. However, the most critical question is the required level of change. Brand and market research will help assess what type and magnitude of change are necessary. Even some of the world's largest brands need rejuvenation. Brands like Guinness, Coca-Cola, and Kellogg are globally recognized, yet when one examines their market presence over the decades, all of them have undergone certain changes, even if those were mostly incremental adaptations. The brand Levi's Jeans is an example of missing out on new trends in a timely manner. Levi's, in its prime, relied on young consumers who loved the Levi's 501 model and were loyal to it. By 2001, surveys showed that the young population had as many as 112 preferred denim brands. In such a fragmented market, Levi's faced new challenges. How to best compete with the growing competition - Diesel, Pepe Jeans, Versace, Armani, and others? These companies offered new, urban models and designs for different subcultures. Levi's refused to change and, as a result, no longer appealed to many. Therefore, the company saw the change but chose not to follow it, losing a significant number of loyal customers [13]. Nokia, Kodak, Blockbuster, Sears, and others are examples of brands that did not timely work on the re-innovation of their brands.

Examples of successful brand re-innovation in the digital world are:

a) IBM was once primarily known for its mainframe computers, but as the industry shifted toward personal computers and later mobile devices, the company had to reinvent itself. IBM turned to cloud computing, data analytics, and artificial intelligence. This change helped IBM remain a major player in

the technology industry, with annual revenue exceeding \$60 billion.

b) Burberry is a classic British luxury brand known for its iconic trench coats and recognizable check pattern. However, in the early 2000s, the brand lost some of its luster and became associated with the "chav" culture in the UK. To reinvigorate itself, Burberry undertook a series of brand image revamping initiatives to appeal to a younger, more global audience. This included leveraging social media. Burberry's revenue nearly tripled in the decade following these changes. Today, Burberry is making another shift: focusing on accessory sales, which now constitute over 50% of its revenue.

c) Lego was in trouble in the early 2000s. The company had expanded rapidly, diversifying into various products and licensing agreements. But sales were declining, and the company was heavily in debt. To turn things around, Lego CEO Jørgen Vig Knudstorp implemented a new strategy focused on simplifying the company's product offering, improving quality, and engaging customers in developing new products through its Lego Ideas platform. Lego's revenue increased by more than 50% in just four years, and the company is now one of the most valuable toy brands globally. Digital transformation is not a goal in itself; it is much more than technology. LEGO transformed its business by exploring potential new offerings to customers, new ways to bring offerings closer to customers, and new ways of doing business [14].

d) Argeta and Cockta are two Slovenian brands launched between 1950 and 1957. During their lifetimes, they went through many different periods, but recently, it became evident that they had used some brand re-innovation strategies [15]. Analyzing the elements of re-innovation and re-innovation strategies, we can see that in the case of Cockta, several re-innovation elements were employed, such as expanding the product portfolio (adding more flavors), innovative advertising (using creative illustrations), and refreshing the brand's visuals (changing the brand slogan). The re-innovation strategy used by the brand is emotional branding because what we see is a direct and emotional approach to consumers. The brand is focused on expanding its product portfolio, which means that one element of re-innovation is still included in the overall strategy. In line with the brand's values, all bottles are available in 50% recycled plastic packaging. Argeta uses various re-innovation

elements such as innovative advertising (an interactive concept, the selection of candidate moms who later became brand ambassadors and "approved by moms"), and refreshing the brand's visuals (a complete change in the way the brand communicates with consumers). The re-innovation strategy used by Argeta is storytelling through brand ambassadors and their unique stories about product quality and excellence. The brand changed its packaging design. The storytelling re-innovation strategy continues to evolve through redesigned materials and overall brand communication. The brand received one of the Euro Effie awards for effective marketing communications, specifically for the mentioned campaign "approved by moms."

## VI. CONCLUSION

Taking into consideration the new trends, for organizations, sustainability means defining a new organizational philosophy and mindset, shifting from the traditional concept of marketing to sustainability marketing in order to establish sustainable relationships with customers, society, and the environment. The integration of sustainable processes and principles into marketing strategy affects both communication and branding.

The contemporary marketing model views consumers as complex, multidimensional human beings. In turn, customers choose organizations and products that satisfy deeper needs for their participation, such as co-creation, creativity, and community responsibility. To engage everyone in sustainable development, communication is necessary to develop critical awareness of issues, their relevance, and how they connect to social values and norms.

To stay up-to-date with changes, companies should regularly innovate their brands to adapt to the dynamic environment. Companies can enhance brand-related performance to increase its value. One of the tasks of marketing and brand managers is to constantly monitor the brand performance and periodically reframe the brand value elements in line with customers' needs, general marketing principles, global trends, market conditions, and competition. Therefore, it is important to simultaneously integrate consistency and freshness into brand re-innovation plans and action steps, which, if well-planned and executed, help organizations and companies to enhance their position and thrive in challenging time.

The role of brand re-innovation in the system of re-innovation radar is to represent and connects all dimensions in which a company can seek innovation opportunities.

Limitation of the paper is that there are no examples of those brands that did not succeed to stay relevant in the market. According to the BCG matrix we could speak about those who are stars in comparison to those who have become question marks. It would be useful to measure where the breaking point is when a brand should act upon to stay a star.

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