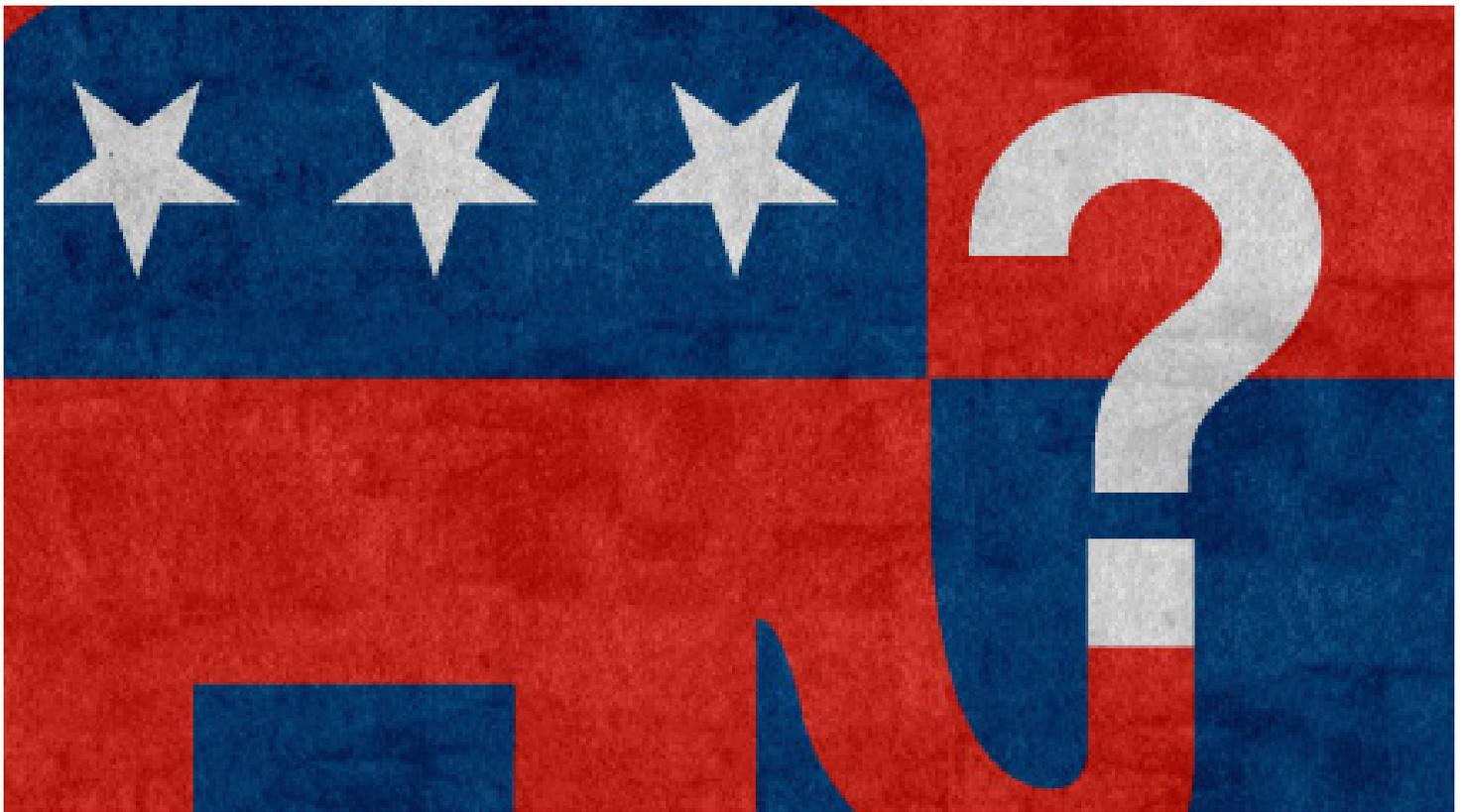


The image features two large, bold, red letters, 'I' and 'Q', positioned vertically. The 'I' is on the left and the 'Q' is on the right. The letters are solid red and have a classic, slightly stylized font. The 'Q' has a small tail at the bottom right. The background is white.

**What the GOP Does Next Could Make or
Break the Brand**

Interbrand IQ: The Political Issue

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Interbrand believes brands exist to bring business strategy to life, and sees the Brand of the Republican Party at an inflection point. In the weeks since the US's Election 2012 hand wringing and finger pointing has in large part taken the place of constructive rebranding conversations for the Republican party.

Many have said the 2012 election should have been a referendum on Barack Obama and the Democratic Party (which had taken a significant hit in Congress during the 2010 election cycle). As voters entered the polls on November 6th, unemployment was at 7.9%, with some economists interpreting the data as understating the true state of affairs with so many electing to leave the workforce altogether.

This appeared to be the Republican's race to lose; and they did a tremendous job of it. The GOP has lost the popular vote in

five of the last six presidential elections; this in a country that is commonly described as having a "center-right" disposition. Clearly voters are telling the party their preferences no longer align with what the party is offering.

Other brands have faced similar challenges as market conditions and consumer behaviors have changed around them. Kodak's failure to respond to digital photography led to its downfall. The irony is this 131-year-old film innovator that recently declared bankruptcy had the opportunity to lead in the digital space. In 1975 Kodak engineer Steve Sasson and his team invented what is now credited as the world's first digital camera. Reportedly Kodak's response to the presentation – "That's cute, but don't tell anyone about it."

Similarly, Nokia once dominated the cellular handset market, but missed the consumer shift to smartphones and has been desperately playing catch-up since. Some have called this Nokia's do or die time. The Republican Party finds itself in a similar position as pundits from across the political spectrum ask if Tuesday, November 6, 2012 signaled the death knell for the brand.

Not all brands have failed at such an inflection point however. Ford motors had lost its focus in the late 90s and early 2000s, building its commitment in brands such as Aston Martin, Volvo and Range Rover while quality of the namesake brand fell. In 2006, a key initiative for Ford was to return to the roots of the brand, remove the noise created across the company by divesting brands not aligned to the business vision, and refocus on the things that made the brand great. Ford has since regained

popularity through a dedication to improved quality and relentless focus on customer needs.

What lessons can the Republican Party take from these brand failures and successes? What should it do next?

First and foremost, the party must recognize changing preferences and behaviors among the American voters – the brand’s effective consumers. Finding a relevant space in voters’ minds that is also true to the core philosophy of the brand will help it maintain authenticity. Like Ford, the Republican Party has created too much noise in its messages and lost its voice in efforts to attract more extreme (but highly-vocal) voting blocks.

The challenge for the party will be to find out what elements of its brand it should retain and what must be repositioned or sacrificed altogether. This will require great courage as tradeoffs will be made to hone and clarify what the brand stands for; growing appeal may paradoxically require reducing the brands convictions. Conservative philosophy founded on the principles of individual liberty and responsibility as well as a limited, decentralized government would have impacts on issues from immigration and education to entitlement programs and foreign policy, all issues that were focal points in this year’s election. Whatever the GOP finds are the most powerful drivers of behavior for the new “center-right,” the brand must commit to its new position and communicate with a single voice, convincing voters that what they see is what they’ll get.

As I referenced in my piece on Broken Brand Promises, in Presidential elections, the stakes couldn’t be higher when presidential election winners take 100% of the market share every four years. If the Republican Party can’t find a way to regain its voice in a way that is relevant to the new American voting public, it may soon find its way alongside Pan Am and Montgomery Ward in the graveyard of once great, but now deceased brands.

