

COLUMNS

Why PPR's name change to Kering is a major miss

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On any given day, hundreds, perhaps thousands of companies, public and private, perform the housekeeping task of changing their names.

Sometimes it is a minor variation, an update, a new logo, a tweak here, a deleted line there. Other times, as was the recent case with a battery maker called A123 Systems Inc., there is a complete rebranding.

As part of the company's buyout by Chinese auto supplier Wanxiang Group, the company changed its name to B456, which also happens to be a popular type of fire extinguisher – possibly a bad joke referencing the Boeing Dreamliner's recent spate of lithium-ion battery fires.

Falling somewhere in between: last month the French holding company PPR, formerly known as Pinault-Printemps-Redoute and boasting brands such as Gucci, Puma and Alexander McQueen, announced a radical name change to Kering (pronounced “caring”).

Inspired by Celtic and English – “Ker” means “to care” in the Breton language and “ing” the suffix that evokes doing something in the moment – it is also a nod to Brittany,

François Pinault's home region in northwestern France.

According to Mr. Pinault's son, François-Henri Pinault, the company's move is about separating itself from the brands it is no longer associated with or is selling off while appreciating corporate roots.

I can buy that to a degree. But on many levels I feel PPR's name change, which becomes official on June 18, is a major miss – and others agree.

Please pardon our rebranding

Bloomberg, in fact, reported that Kering means “dry,” or “dried,” in Indonesian, playfully acknowledging a bit of linguistic and cultural centrism on the part of the French company.

Considering that PP... er... Kering (which to me looks like “Keurig®,” the ultra-fast coffeemaker), is a global company that makes only 5 percent of its total revenue in France, do company cultural roots or headquarters really matter? I do not think so.

Bruce Turkel, CEO of Turkel Brands, a multicultural brand management firm does not think it matters either. He rightly points out that geographic brand allegiance and localism mean little in the age of global commerce.

“Hugo Boss clothing is not manufactured in Germany nor is Ermenegildo Zegna made in Italy,” he said in an email interview. “Rolls-Royces and Bentleys are still made in England, but designed in Germany and powered by German engines. Nike products are not American any more than Apple's are.”

From Mr. Turkel's perspective, PPR's decision, despite its long history of brand-diluting name changes – this is the fifth since 1988 – is actually a non-story.

Few people know the PPR name and only care about the subsidiary products they buy. PPR, Kering or whatever future names the company goes by, are ultimately unimportant.

Calming the Kering kerfuffle

But about it being a non-story, I am not so sure – especially when the company's stated goal is to grow its revenue from \$11.7 billion to \$31 billion by 2020 – an almost threefold jump.

Clearly, some higher-ups thought the name change would help achieve that aim.

It has also been reported that PPR sought counsel from three consulting firms – Dragon Rouge, Havas Lifestyle and TBWA\Corporate – in a yearlong renaming process.

While renaming costs have been described only as “modest” with no exact figures given, “modest” is a relative term.

Dragon Rouge, with offices in Paris, London, New York and elsewhere, has clients that include Kellogg – a company with 2011 revenues of \$13.1 billion. That it consulted big league firms with billion-dollar clients suggests PPR had to pay handsomely for its services.

Whether we are talking about everyday people, superstar athletes, actors, mega-

corporations or New England battery makers, it is clear that name changes run the gamut from great success to epic failure. And often the true magnitude of the changed name is not immediately felt.

Snooping around

Does anyone remember “Jerry’s Guide to the World Wide Web”? I did not either and had to look it up. What if I told you that was the original name of Yahoo?

The same goes for the “Computing Tabulating Recording Corporation,” the original name of a company that in 1924 rebranded itself as International Business Machines, or IBM.

At the other extreme, there are these winners: Qwikster, the attempted Netflix spinoff, was so unpopular that the project was canned even before its official launch.

Not to be outdone, hip hop artist Calvin Cordozar Broadus Jr., a.k.a. Snoop Doggy Dogg, then Snoop Dogg, is now Snoop Lion.

While the reasoning behind his name change seems sound – a Jamaican trip inspired a conversion to Rastafarianism and lions are symbolic of Rasta pride – it is unlikely fans or foes will call him by his new name.

Why?

Because it does not resonate with what has come before.

Some companies would be wise to forget or fudge their past, while others need to embrace it. Knowing where your brand stands on that continuum can be difficult.

WHETHER PPR’S name change lands in the rubbish bin of history, or is somehow so successful that a once-obscure French holding company becomes a household name as “Mmm Mmm Good” as Campbell’s®, remains to be seen.

I have my doubts.

But as long as Kering’s brands remain healthy, Bruce Turkel may well be right and few, if anyone beyond the most wonkish media circles will really ker what a Paris-based company calls itself.

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