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Often the most public—and embarrassing—mistakes in business come when a big company flops in a branding (or re-branding) campaign. Sometimes such missteps also put into sharp relief the failings of leadership. For example, Julian Day, RadioShack’s former chairman and CEO, probably has a few regrets. Although Day has been out of RadioShack’s hot seat for a year, his leadership marked the beginning of the brand’s downfall.

Cosmetic Changes Won't Cut It

Back in 2010, RadioShack unveiled a new creative platform and nickname, "The Shack." It was billed as an effort to make the brand more contemporary and to reclaim brand equity in innovative consumer electronics. It did neither—and not simply because the creative approach failed to resonate. The customer experience didn’t change enough to validate the updated message.

A typical brand repositioning begins by overhauling your image—advertising, logo, signage—in order to project a new image for a company. It’s much easier to change what you say about yourself than it is to change the way you operate. But it’s better to save externally oriented efforts for last because today’s savvy consumers will see right through brand platforms offering style and without substance.

Don’t Just Rely on Others

RadioShack struck deals with T-Mobile and Apple/iPhone to add some cachet to the chain. But the drawing power of these brands doesn’t seem to have transferred onto the RadioShack brand. If anything, focusing on carrier and product brands seems to have made RadioShack even less relevant—it has taken on the identity of a distributor, instead of an experience provider.

To avoid a similar fate, small businesses should work on differentiating their brand through customer experience. Carrying popular products is important, but you need to wrap them in customer service, value-added services, in-store engagement and fully integrated multimedia experiences. This will make your brand as much of a reason to shop as are the products you carry.

Customers Aren’t Always Right

Tinkerers, DIYers and CB users were once the core of RadioShack’s customer base. The brand was loved as a sort-of general store by technology hobbyists. But as ready-made computers and digital devices came onto the market RadioShack tried to this new market with more mainstream technology products. This move both alienated the company’s core customers and didn’t attract new ones.

This is the peril of chasing after new customers instead of nurturing the ones you already have. Navigating your business according to changes in customer tastes and trends often leads you down rabbit holes and into competitive churn.
Unfocused Inventory = Unfocused Brand

Between smart phones, hearing aid batteries and video game controllers, RadioShack’s broad product assortment leaves people wondering where the brand excels. Without clarity about the brand, customers may perceive a lack of value.

As with chasing after customers, the desire to grow quickly often tempts small businesses to add offerings and broaden the selection. Casting a wide net to broaden appeal and capture sales may seem wise in the short-term, but it inhibits establishing a clear brand identity. Focusing your product line—and staying committed to that focus—is the key to building a strong brand. Expertise demonstrated by a small business in a single area can even make the large scale and broad scope of a bigger company seem like a disadvantage. The adage “jack of all trades, master of none” certainly can apply.

Mistakes are inevitable but savvy leaders avoid making mistakes such as RadioShack’s by learning from others’ missteps.