Southwest's Rebranding May Be Well-Designed, But It's Poorly Timed

Southwest's recent re-branding effort may have gotten the thumbs up from branding gurus, but it's the timing of the rebranding — not the design — that's problematic.

The new logo, plane paint scheme, and website redesign have been called "*bold and engaging*" and "*modern and updated*" — and indeed, the bolder colors, streamlined composition, and clever three-colored heart logo reflect recent developments at the company. Southwest is initiating international flights under its own brand, now that the acquisition of AirTran is complete. Antiquated regulations restricting travel out of Dallas Love Field, arguably the company's flagship location, will finally be lifted on October 13th. And the company's share price continues to rise, reflecting continued investor satisfaction with Southwest's profitability. So Southwest has reason to be excited — and, given that this is the airline's first update to plane exteriors since January 2001, it's understandable for company executives to want to present an updated look.

But significant problems are currently threatening Southwest's brand equity, and the company should have resolved them before unveiling its corporate image makeover. Southwest became a great brand by adopting a fun, low-cost, friendly brand position. These days it doesn't seem to be any of these.

Take the ease and seamless customer experience that used to distinguish the brand. Southwest has ranked near the bottom of the U.S. Department of Transportation's monthly tally of airline on-time performance for much of the past year, with only 72.9% of its flights arriving on schedule during the 12 months through April. The company says it has been working hard to improve its on time record and is nearing its goal of 83-85%. How many people would esteem an airline that arrives late nearly one in five times?! Moreover, last year, Southwest lost more bags per passenger than any other carrier. Between flight delays and lost baggage, the Southwest experience is not so fun anymore.

It's no longer so inexpensive either. From 2007 through 2012, Southwest's cost to fly a seat one mile rose 42%. Its average one-way fare was $144 in the year ending in September 2013, which is a 21% inflation-adjusted increase over the same period five years earlier. That was the biggest jump in the industry by a long shot — Alaska Airlines' increase was the next highest at 14%.

And then there's the coming decline in friendliness. Although customer ratings have yet to show deterioration here, it's only a matter of time before customers start feeling the effects of the airline's labor problems. About 83% of Southwest's workers are unionized, and the company is currently in negotiations with nearly all of them over new contracts. For its nearly 17,000 ground workers and customer-service agents, Southwest wants to tighten rules on sick time, hold compensation flat in most cases, and increase the portion of part-time workers to 40%. Employees have pushed back and negotiations seem to be at an impasse. The company has been talks for some two years with the union that represents 6,000 Southwest passenger service and reservation agents. If the company doesn't resolve these open contracts soon, employees will likely become disgruntled and unlikely to offer the brand's signature friendly service.

These are problems that a fresh coat of paint won't address. And the rebranding could actually exacerbate Southwest's troubles. A new look is likely to raise customers' expectations at a time when the company is having trouble meeting existing ones. And when a company's image is disconnected from its efforts to engage its employees, employees tend to find it irrelevant at best, and hypocritical at worst.

Southwest should have held off on the new logo and paint jobs until it made some meaningful deposits in its brand bank and could convey its brand positioning authentically. It's still a great brand, but it's taxing its brand advantage. Like far too many companies, it seems to be using its rebranding as an indication of its outlook for the future than of its current reality.

Brand identity refreshes should mark the culmination – not the commencement — of efforts to shore up a brand.

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