

Targeted strategy and a capacity to evoke nostalgia are key to reviving ailing heritage brands, writes **Rebecca Knight**

**I**t is perhaps rather fitting that Mark Hellendrung's entrepreneurial inspiration hit him after he'd had a few pints.

Five years ago, he met an old friend at Cappy's Hillside Café, a popular Rhode Island watering hole. After several rounds, Mr Hellendrung – who describes himself as an avid beer drinker, if not an aficionado – asked the barman for a lager with, as he put it, “a little character”. The options, alas, were uninspiring.

“The guy next to me overheard our conversation and said: ‘What you want is a Gansett,’” recalls Mr Hellendrung. “Next thing you know, the whole bar is talking about Gansett beer – the old brewery, the radio ads, the old salesman. I thought, ‘How can there be such affinity for a brand and no one was doing anything with it?’”

Narragansett, which dates to 1890, was once the best-selling beer in New England. The company – named after the bay in the heart of Rhode Island – changed hands a few times and was eventually acquired by Pabst in the 1960s. Pabst still brewed a small amount of Gansett each year, but the brand was languishing.

In 2005, Mr Hellendrung – along with a group of angel investors and local private equity firms – bought the company. Today he is president of Narragansett Brewing, based in Providence, RI, which last year earned \$5m in sales.

It takes more than memories to bring in money

The company, which is still minority-owned by Pabst, has undertaken three rounds of financing, and is set to turn a profit in 2011.

Mr Hellendrung is one of a small band of entrepreneurs who, rather than establish new companies, are resurrecting classic, old names. It is not always easy – many of the heritage brands they are trying to revive suffered years of mismanagement and poor performance – but this group of business owners hopes to capitalise on consumers' pride, community spirit, and sense of nostalgia.

“This is going to sound corny, but to me, the Narragansett brand is almost like a public trust,” Mr Hellendrung explains. “It's such a part of the history and culture of New England. That's what motivates me.”

Heritage brands are enjoying something of a resurgence as the economic downturn grinds on and many consumers turn to old-fashioned brands as both a source of cost-savings and comfort, according to Mark Gallagher, of Blackcoffee, a brand design agency based in Boston.

“In this economy, people are turning away from luxury items and going back to basic goods because ‘that's what mom bought,’” Mr Gallagher says. “People are going back to their roots, back to where they feel comfortable.”

In the 1950s and 1960s, Foster Grant sold stylish, fashionable, yet affordable sunglasses. Its “Who's that behind the Foster Grants?” ad campaign has featured celebrities from Woody Allen and Peter Sellers to Raquel Welch over the years. Yet throughout the 1970s, the company changed hands and the brand's reputation suffered.

In 2005, however, FGX International, its holding company, appointed a new leadership and charged it with breathing new life into the brand.

“We wanted something tied to the history of the brand, but we didn't want to be too retro,” says Sal Siano, marketing director. “But the more research we did, we realised it was too big to ignore.”

This year, Foster Grant brought back Ms Welch and its famous slogan. Since doing so, its brand awareness has risen 17 per cent, according to industry figures. Last year the company's net sales of sunglasses rose 28 per cent to \$75m (£52.8m, £43.5m), and it is expected to increase further this year. “We hit a home run,” says Mr Siano.

But reviving old companies is not always a success. While Pan Am, the US flagship international airline that collapsed in the 1990s, may evoke childhood memories for many Americans, attempts to revive the brand have proved abortive. No amount of heritage marketing could overcome the business fundamentals.

In any case,

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re-establishing heritage demands a targeted approach. The brand's story – and its capacity to evoke nostalgia – is key.

“Branding is 100 per

cent non-rational. It appeals to things that cannot be quantified by research or data,” says Rob Frankel, a brand consultant based in Encino, California.

“You ask someone why they use a particular product: It's the brand I grew up with. If people were rational everyone would buy from the lowest bidder.”

Yet Mr Hellendrung had a surprise when he relaunched Narragansett. He expected his primary buyers would be 40- to 50-year-olds who drank the beer in their youth and remembered their fathers drinking it. Instead, most of Narragansett's volume is from sales to 21- to 34-year-olds. “Kids today like things that are local. They love our comeback story,” he says.

Narragansett's packaging and marketing mix old and new. Its bottles and cans, for instance, retain the bold red logo and the company has reintroduced its classic, old-time slogan: “Hi Neighbour, have a Gansett”.

This year it will relaunch its Miss Hi Neighbour Girl contest – an annual beauty contest it ran in the 1960s – in search of a girl-next-door to promote the brew.

But Mr Hellendrung is keen to promote the brand's modernity too – he writes a blog and the company sponsors events at surfside bars and music festivals.

The key to marketing heritage brands is to invoke the past without appearing outdated, says Karen Post, a US branding expert. “With a good design it can be done,” she says.